ACP-EU COTONOU AGREEMENT

AFRICAN, CARIBBEAN AND PACIFIC GROUP OF STATES

COUNCIL OF THE EUROPEAN UNION

Brussels, 31 March 2017

ACP/21/002/17

ACP-UE 2102/17

OUTCOME OF PROCEEDINGS

of:	41st session of the ACP-EU Council of Ministers
on:	28-29 April 2016
in:	Dakar, Senegal
Subject:	Outcome of proceedings of the 41st session of the ACP-EU Council of
	Ministers on 28 and 29 April 2016

The ACP-EU Council of Ministers held its 41st meeting in Dakar, Senegal, on 28 and 29 April 2016 under the chairmanship of H.E. Mr Léon Raphaël MOKOKO, Minister of Planning and Integration of the Republic of the Congo, President-in-Office of the ACP Council of Ministers.

The meeting was co-chaired for the European Union by H.E. Ms Lilianne PLOUMEN, Minister for Foreign Trade and Development Cooperation of the Netherlands, President-in-Office of the Council of the European Union.

The European Commission was represented by Mr Neven MIMICA, Commissioner for International Cooperation and Development.

The EEAS was represented by Ms Kristin DE PEYRON, Head of the Pan-African Affairs Division (responsible for EU-ACP relations).

The European Investment Bank was represented by Mr Pim VAN BALLEKOM, Vice President.

ITEM 1

ADOPTION OF THE PROVISIONAL AGENDA

[ACP/21/002/16 - ACP-UE 2111/16]

The Council adopted the agenda.

"A" ITEMS

ITEM 2

ADOPTION OF

 Outcome of proceedings of the 40th session of the ACP-EU Council of Ministers on 28-29 May 2015

[ACP/21/001/16 - ACP-UE 2103/16]

<u>The Council</u> approved the outcome of proceedings of the 40th session of the ACP-EU Council of Ministers.

ITEM 3

RELATIONS WITH THE ACP-EU JOINT PARLIAMENTARY ASSEMBLY

- Information on the activities of the Assembly in 2015
- Adoption of a report to the Joint Parliamentary Assembly

[ACP/21/003/16 - ACP-UE 2112/16]

<u>The Council</u> welcomed the results of the ACP-EU Joint Parliamentary Assembly sessions which took place in 2015 in Suva, Fiji and in Brussels and adopted the report to the ACP-EU Joint Parliamentary Assembly on the implementation of the ACP-EU Partnership Agreement in 2015.

"B" ITEMS

ITEM 4

IMPLEMENTATION OF THE 2030 SUSTAINABLE DEVELOPMENT AGENDA

- Exchange of views

<u>The ACP side</u> was of the view that the 2030 Sustainable Development Agenda was a global approach that should be implemented through a harmonisation of the ACP-EU priorities. The ACP side was open to enlarging the partnership in order to make sure that the Agenda was implemented successfully.

<u>The EU side</u> stressed the importance of continuing the work towards an agreement on the implementation and review mechanism of the Agenda. The follow-up and review process foster broad ownership and accountability. It added that the ACP-EU cooperation was indeed a significant element to implement the renewed global partnership.

In conclusion, the Council agreed on the importance of ensuring that the ACP-EU partnership be brought in line with the Sustainable Development Goals, and the two parties should continue to coordinate their positions ahead of the global meetings taking place in 2016.

ITEM 5

CONFERENCE OF THE PARTIES TO THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC)

Exchange of views

<u>The ACP side</u> expressed its concerns about the negative impact of climate change that affects the means of existence, the security and the well-being of the population in ACP countries, putting in danger all development efforts and threatening the survival of its member countries. Climate change, linked to the issues of resilience and the protection of the environment, has therefore been highlighted as a priority in the Intra-ACP cooperation and in the programming of the 11th EDF.

<u>The EU side</u> underlined the importance of continued efforts towards the finalisation of the last elements of the new climate change regime and the swift ratification of the Paris Agreement. It stressed that important synergies between climate objectives and sustainable development goals should be fully taken into account and should be integrated in the ACP-EU cooperation.

<u>The Council</u> welcomed the signature of the Paris Agreement and invited all the countries of the ACP-EU partnership to proceed with the ratification.

ITEM 6

MIGRATION

Exchange of views

<u>The ACP side</u> stressed the complex nature of migration issues needed long-term solutions through effective international cooperation, also in the area of development cooperation. ACP countries have been active in the Valletta Summit, as well as in the Rabat and the Khartoum processes.

<u>The EU side</u> upheld its endeavours to implement the Valletta Action Plan in a holistic manner, mobilising all efforts at its disposal to prevent further loss of life at sea and to tackle the root causes of the migration, in cooperation with the countries of origin and transit.

In conclusion, <u>the Council</u> agreed that the global challenge of migration should be identified as a short-term priority for the ACP-EU Partnership, and the ACP-EU dialogue on migration should be accelerated.

<u>ITEM 7</u>

DEVELOPMENT FINANCE COOPERATION

- Oral Report and follow-up to the meeting of the Development Finance Cooperation Committee (Ministers) (28 April 2016)

The EU President of the ACP-EU Ministerial Development Finance Cooperation Committee presented the report on the meeting, which took place on 28 April 2016 in Dakar, Senegal (see Annex).

<u>The Council</u> took note of the report from the ACP-EU Ministerial Development Finance Cooperation Committee and agreed with the recommendations made by the Committee.

ITEM 8

REVISION OF ANNEX II TO THE COTONOU PARTNERSHIP AGREEMENT

<u>Both sides</u> confirmed that technical discussions on the revision of Chapter 3 of Annex II were ongoing with a view to a possible adoption of the final text within the months to come.

The Council decided to grant a delegation of powers to the ACP-EU Committee of Ambassadors to adopt the Decision on the amendment of Annex II to the ACP-EU Partnership Agreement as soon as possible and by 31 December 2016 at the latest. In this context, the Council designated the ACP-EU Development Finance Cooperation Committee (Authorised Representatives) to examine the proposed amendments to Annex II to the ACP-EU Partnership Agreement with a view to recommending them to the ACP-EU Committee of Ambassadors for adoption.

ITEM 9

REVISION OF ANNEX III TO THE COTONOU PARTNERSHIP AGREEMENT

Both sides confirmed their intention to implement the agreement reached in the ACP-EU Committee of Ambassadors on 4 March 2016 with a view to adopting the Decision regarding the revision of Annex III to the ACP-EU Partnership Agreement by written procedure as soon as possible, and by 30 June 2016 at the latest.

The Council encouraged the two Parties to finalise the text of the revision of Annex III, with a view to its adoption by 30 June 2016 at the latest.

ITEM 10

TRADE COOPERATION

- EPAs: state of play of negotiations and implementation

<u>The Commission</u> provided an overview of the EPAs already negotiated, namely with West Africa, the Southern African Development Community (SADC) and the East African Community (EAC), and informed the Council of the state of play regarding the implementation of the CARIFORUM EPA, the Pacific Interim EPA and the Eastern and Southern Africa Interim EPA. It informed on the latest developments concerning Cameroon as to the application of its respective EPA.

The <u>ACP side</u> recalled that trade was an important element of the 2030 Sustainable Development Agenda, but despite progress made in negotiations with some regions, a number of important issues remained unresolved in order to negotiate successfully with non-EPA countries. It also reiterated the problems of the coexistence of several trade regimes among ACP countries.

In conclusion, <u>the Council</u> took note of the presentation and agreed to continue the discussions within the framework of the EPA process.

- 10th WTO Ministerial Conference

<u>The ACP side</u>, while recalling several successes reached in the Conference, expressed its disappointment that the negotiations on the development and food security issues under the fisheries subsidies, as well as on the special and differentiated treatment, were not fruitful. It invited the EU side to use all its influence and support to the implementation of the Doha agenda and reiterated its engagement to continue to cooperate with the EU side in such efforts.

<u>The Commission</u> reiterated the EU's commitment to advance on outstanding Doha issues. It recalled the necessity to reflect about possible new issues where multilateral rules are needed, which is crucial in order to reaffirm the WTO's capacity to respond to the fast-changing world economy. It pointed out the importance of implementation of the successful deals concluded in the past and invited ACP countries that still needed to ratify the Trade Facilitation Agreement to do so.

In conclusion, the Council took note of the exchange of views.

Report from the 13th Joint Ministerial Trade Committee

The ACP side provided an oral report on the 13th meeting of the Joint Ministerial Trade Committee, which was held in Brussels on 26 June 2015. The ACP side reported that the ACP States and the EU had exchanged views on a broad range of issues affecting the ACP-EU trading regime, at multilateral and bilateral levels, including preparations for the 10th WTO Ministerial Conference, the impact of EU trade agreements with third parties and commodities.

The Council took note of the report.

ITEM 11

EU GLOBAL STRATEGY ON FOREIGN AND SECURITY POLICY

Exchange of views

<u>The EU side</u> gave an overview of the preparation of the new EU Global Strategy on Foreign and Security Policy, which aims at guiding global actions of the EU in the future.

The ACP side expressed their willingness to cooperate with the EU within the framework of the Cotonou Agreement, as well as in international fora, to ensure a response to common security challenges. The ACP side welcomed the EU contribution to peace in Africa through the African Peace Facility and expressed its hope that this positive experience may become a model for other mechanisms that aim at responding to security challenges in ACP Member States and regions.

The Council took note of the exchange of views.

ITEM 12

PRIVATE SECTOR DEVELOPMENT

- Exchange of views

<u>The ACP side</u> reiterated the importance of focusing on the joint cooperation for private sector development. It recalled the Declaration of ACP Ministers of 12 December 2015 concerning the light support structure and confirmed that technical discussions with the EU side have been concluded on many important elements of the mechanism.

The 2016 Action Plan, currently under discussion, will comprise the priority activities identified by the two Parties. The ACP side recalled the importance of youth entrepreneurship to create the opportunities for the young and thereby preventing their mass movement from rural areas. The demographic importance of youth, as well as their unemployment rate calls for urgent action. The opportunities of the new economy, such as ICTs, E-economy, green economy and the access to the EU market through EPAs, as well as the potential and importance of agriculture, need to be exploited.

The EU side reiterated that private sector development is one of the key elements of the Agenda for change and support to the private sector is a key vehicle to channel large amounts of the development cooperation funds. In addition, it is a driver of inclusive and sustainable growth in developing countries. Additional focus should therefore be set on enabling the potentials of young people to achieve the sustainable development goals and to become actors for their positive change. The EU side expressed its commitment to continue to tackle the multidimensional youth challenge as part of an integrated approach, covering the existing instruments and programmes and to allocate appropriate resources to the implementation of its youth-related policies. It recalled its commitment to co-operate with civil society organisations and partner countries to effectively reach young people.

<u>The Council</u> decided to encourage both Parties to finalise work according to the mandate, adopted by the Council in Nairobi in 2014, with a view to creating the conditions enabling the identification, formulation and implementation of priority activities of the 2016 Action Plan.

ITEM 13

DATE AND PLACE OF THE NEXT SESSION OF THE ACP-EU COUNCIL OF MINISTERS

<u>The Council</u> agreed that the date of the next session of the Council, to be held in Brussels, would be confirmed by the Co-secretariats.

"C" ITEMS

ITEM 14

ACP-EU RELATIONS POST-2020

The Council held an informal exchange of views on ACP-EU relations post-2020.

ITEM 15

ANY OTHER BUSINESS

The EU side provided information on the African Peace Facility.

ORAL REPORT ON THE OUTCOME OF THE 25th MEETING OF THE DEVELOPMENT FINANCE COOPERATION COMMITTEE (MINISTERS) HELD IN DAKAR ON 28 APRIL 2016

(Presented to the ACP-EU Council of Ministers Brussels, 29 April 2016)

Co-chair, Ministers, Commissioner, Ladies and Gentlemen

I have the task of presenting to you a summary of the results of the 25th meeting of the ACP-EU Development Finance Cooperation Committee, which took place here in Dakar at Ministerial level on 28 April 2016.

Regarding the main questions, the outcome of the meeting can be summarised as follows:

<u>The Committee</u> started its session by taking note of the **Report of the 33rd session** of the ACP-EU Development Finance Cooperation Committee, which took place in Brussels at Authorised Representatives' level on 16 February 2016. The report was presented by the EU side on behalf of both Parties.

Let me now summarize the main discussions at the meeting.

1. Under the first item on the agenda the ACP and the EU sides discussed the revision of Chapter 3 of Annex II to the ACP-EU Partnership Agreement.

The <u>EU side</u> set out the objective of the revision, namely the further enhancement of the effectiveness of the shock absorption mechanism that aims to mitigate the short-term adverse effects resulting from exogenous shocks. The <u>ACP side</u> confirmed the importance of the revision as it broadens the scope of action of the existing financial mechanism (V-Flex), but also sets up a countercyclical macroeconomic policy.

<u>The Commission</u> underlined the importance of the adoption of the revision as soon as possible and by 31 December at the latest.

<u>The Committee</u> recommended to the ACP-EU Council of Ministers to grant a delegation of powers to the ACP-EU Committee of Ambassadors to amend Chapter 3 of Annex II to the ACP-EU Partnership Agreement, as soon as possible and by the 31 December 2016 at the latest.

2. Under the second item on the agenda the European Commission underlined the importance of the implementation of the 2030 Sustainable Development Agenda. The follow-up and review process, is an essential element of the global discussions this year. It underlined the integrated, indivisible and universal nature of the 2030 Sustainable Development Agenda and added that the Addis Ababa Action Agenda is an integral part of it. It expressed its view that the ACP-EU Partnership should be brought in line with the Sustainable Development Goals.

The ACP side drew the attention to the fact that financing for development remains a sizeable challenge for many developing countries in general, and for the ACP States in particular. It recalled the importance of reflecting, in the framework of the ACP-EU partnership, on mobilising the necessary resources and notably, on implementing the Addis Ababa Action Agenda which is the financial aspect of the sustainable development agenda.

<u>Both parties</u> agreed on the importance of the availability of reliable data in order to ensure effective implementation of the 2030 Agenda.

The Committee took due note of the comments made.

3. Turning to the item on the Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa, the Commission gave a presentation on the state-of-play of the Emergency Trust Fund and the implementation of the Valletta outcomes.

The <u>ACP side</u> reminded of the importance of establishing a degree to which the ongoing dialogue could contribute to the global initiatives affecting migration. In light of the expected outcome, it recommended the increase of funds, speeding up disbursement and enhancing the impact, also by associating local actors. It also recommended that the programmes financed address the root causes of migration.

<u>The Committee</u> took note of the comments made.

4. As regards **the state-of-play of the European Development Funds in 2015**, the Commission gave a presentation of the implementation of the 10th and the 11th European Development Funds, pointing out the good results of programing, commitments and disbursement of resources.

<u>The Committee</u> took due note of the Commission's presentation and recommended that the updated information on the implementation of the EDF be periodically made available to the Ministerial Committee.

5. Concerning the **implementation of the Investment Facility**, the EIB presented the state-of-play and the perspectives of the Investment Facility, in particular the Impact Financing Envelope. It also outlined the role it intends to play in the implementation of a number of international initiatives, such as Rio+20, G 20, 2030 Agenda and UN SDGs as well as COP 21.

The <u>ACP side</u> recommended that an analysis of the programmes implemented on the ground be carried out, and the role of the ACP local actors be increased in the identification of priorities and decision making. It also suggested that an analysis be prepared on the difference of implementation rate of activities and a breakdown of intervention by regions.

<u>The Committee</u> took due note of the EIB's report on the implementation of the Investment Facility and recommended that the updated information on the implementation of the Investment Facility be periodically made available in ACP countries.

6. At the end of the meeting, both parties agreed on the proposed Work Programme for 2016-2017 with the amendment to include a study on the definition of a vulnerability and resilience index.

Co-chair,

This concludes the Report. Thank you for the privilege and pleasure of presenting it to you this morning.