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PROPOSAL

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 16 September 2014

To: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European
Union

No. Cion doc.: COM(2014) 576 final - ANNEX 7

Subject: ANNEX to the Proposal for a Council Decision on the signing and
provisional application of the Economic Partnership Agreement (EPA)
between the West African States, ECOWAS and the UEMOA, of the one
part, and the European Union and its Member States, of the other part

Delegations will find attached document COM(2014) 576 final - ANNEX 7.

Encl.: COM(2014) 576 final - ANNEX 7



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ANNEX 7

ANNEX

to the

Proposal for a Council Decision

on the signing and provisional application of the Economic Partnership Agreement (EPA) between the West African States, ECOWAS and the UEMOA, of the one part, and the European Union and its Member States, of the other part

ANNEX F

PROTOCOL ON THE EPA DEVELOPMENT PROGRAMME (PAPED)

PREAMBLE

THE PARTIES TO THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE WEST AFRICAN STATES, ECOWAS AND THE UEMOA, OF THE ONE PART, AND THE EUROPEAN UNION AND ITS MEMBER STATES, OF THE OTHER PART

BEARING IN MIND the objectives set out in the EPA;

CONVINCED of the need to make the EPA Development Programme (PAPED) one of the main instruments for ensuring the development dimension of the EPA between West Africa and the European Union;

TAKING NOTE of the conclusions of the Council of the European Union of 10 May 2010 and 17 March 2014, which welcomed PAPED and acknowledged the importance of mechanisms to help the West African region to address adaptation and adjustment needs in the economic, social and taxation fields, and estimates of the indicative funds available at those dates for activities connected to PAPED under all its financial instruments;

WISHING to specify the arrangements for implementing and supporting PAPED by way of agreement, by means of an annex forming an integral part of the EPA and in accordance with its principles;

HAVE AGREED AS FOLLOWS:

CHAPTER I - OBJECTIVES AND PRINCIPLES

Article 1

Objectives

1. The objective of this Protocol is to specify the implementation arrangements for the EPA Development Programme (PAPED) on the basis of the provisions of part III of the Agreement. This implementation shall be carried out in a spirit of partnership, in the context of support for the West African region's efforts to meet the objectives defined in the Economic Partnership Agreement and the Cotonou Agreement.
2. In accordance with the provisions of Article 57 of the Agreement, the implementation of PAPED shall promote:
 - a) diversification and growth of production capacities;
 - b) development of intra-regional trade and facilitation of access to international markets;

- c) improvement and reinforcement of regional and national trade-related infrastructure;
- d) implementation of the necessary adjustments and consideration of other trade-related needs;
- e) implementation and monitoring/evaluation of the EPA by the West African region.

Article 2

Principles

1. The Parties undertake to apply this Protocol while taking into account internationally-agreed commitments on the effectiveness of development aid, and the development objectives, strategies and priorities of the West African region at both national and regional level. In particular, the vulnerability of landlocked and island countries and the specific needs of post-conflict countries shall be taken into account.
2. In the context of pursuit of the objectives of the EPA and the application of this Protocol, the Parties shall affirm and adhere to the following principles:
 - a) alignment between stated needs and funding;
 - b) aid ownership and predictability in the sense of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action;
 - c) sustainability of resources within the meaning of Article 2(3) of the Agreement;
 - d) effectiveness, consistency and coordination of actions;
 - e) subsidiarity between regional and national level;
 - f) multi-annual programming of activities covered by PAPED.

CHAPTER II - ARRANGEMENTS FOR THE IMPLEMENTATION OF PAPED

Article 3

Programming

1. PAPED shall be implemented on the indicative basis of a matrix of activities broken down into operational plans specifying the priority activities of the West African region at national and regional level, their estimated costs and their schedule for implementation. The operational plans shall be established through a participatory process and in consultation with the technical and financial partners for each implementation period, on the basis of the PAPED framework document.

2. In application of Article 54 of the Agreement, the programming of European Union assistance shall be carried out for the European Development Fund (EDF) in accordance with the provisions of the Cotonou Agreement and national and regional indicative programmes. The programming of assistance provided by the European Union Member States shall be carried out in accordance with the provisions of their respective bilateral cooperation instruments. For other instruments, programming shall be carried out in accordance with their respective legal bases.
3. The operational plans shall be sufficiently flexible to ensure that the activities are kept constantly in line with PAPED objectives and to take account of any changes occurring in the circumstances of States and regional organisations. To that end, the two Parties shall, *inter alia*, carry out a periodic review of these plans.
4. The Parties shall agree to seek synergies and complementarities between PAPED activities and other programmes to support trade during the drafting, implementation, monitoring and evaluation phases, including in the implementation of the working arrangement.
5. In the context of the procedures referred to in Article 54 of the Agreement, the Parties shall agree on the indicative funding plans relating to the operational plans following a dialogue involving the other technical and financial partners, the conclusions of which shall be jointly agreed and signed by the West Africa and the European Union Parties.
6. The West Africa Party shall undertake to ensure consistency between the implementation of PAPED of the one part, and its economic and sectoral development policies and strategies and budget planning instruments of the other part.

CHAPTER III - FUNDING ARRANGEMENTS

Article 4

Sources of funding

1. The arrangements for funding from the European Union and its Member States are described in Article 54 of the Agreement.
2. The West Africa Party shall contribute, including financially, to the implementation of PAPED.
3. In the context of the cooperation referred to in Article 54(4) of the Agreement, the European Union and its Member States shall provide support in seeking the necessary additional funding, in particular by facilitating the involvement of other donors.

Article 5

Amount of funding

1. In the framework of Articles 3 and 4 of this Protocol and part III of the Agreement, the Parties shall undertake to mobilise resources to fund multi-annual operational plans.
2. The indicative amount of funding to be provided by the European Union Party for each multi-annual plan shall be notified to the West Africa Party at the beginning of the period, subject to the duration of the programming cycles of the cooperation instruments employed to that effect, in accordance with Article 3(5) of this Protocol.
3. Before the end of each period of implementation of the operational plans, the Parties shall evaluate the state of implementation of the programmes, the extent to which the commitments have been achieved, and the level of disbursements. This joint evaluation shall serve as the basis for the operational plans for the next period.
4. The Joint Council of the West Africa-European Union EPA shall consider any matter relating to developmental aspects of the Agreement and make appropriate recommendations for its effective implementation.

Article 6

Eligibility for funding

The bodies and organisations eligible for funding set up under PAPED, subject to the provisions of the specific cooperation instruments mobilised to that effect, shall include, but shall not be limited to, the following, namely:

- a) West African States and their subdivisions;
- b) Regional integration organisations (ECOWAS, UEMOA) and their specialised structures;
- c) Other inter-governmental organisations to which one or more West African States belong, including organisations containing West African non-member states, which have been approved by the West African States or by both regional organisations;
- d) Joint bodies set up by the West African States and the European Union to achieve certain specific objectives;
- e) National and/or regional public or semi-public agencies, financial institutions and development banks of the West African States; Companies, firms and other private sector bodies of the West African States or West African region;
- f) West African financial intermediaries which grant, promote and finance private investment in the West African States;

- g) Non-state actors of the West African States.

Article 7

EPA regional fund

1. In accordance with the provisions of Article 61 of the Agreement, the West Africa Party, in consultation with the technical and financial partners, shall establish an EPA regional fund in order to mobilise, channel and coordinate the resources of the European Union, West Africa and other donors in connection with PAPED. The EPA regional fund's areas of intervention are those covered by PAPED.
2. Notwithstanding the provisions of paragraph 1 of this Article, the Parties may agree on any other mechanism or arrangement to finance PAPED. Where appropriate, the Parties shall establish procedures in line with the Paris Declaration on Aid Effectiveness in order to ensure the simplified, effective and timely implementation of assistance.

CHAPTER IV

WORKING ARRANGEMENT

Article 8

Working arrangement

1. Taking account of its commitments on aid effectiveness, and in the context of its support for PAPED, the European Union Party shall put in place its own working arrangement, consistent with the institutional set-up of the EPA, aimed at ensuring, *inter alia*, the following functions:
 - a) coordination of European support, in accordance with the European Union Code of Conduct on Division of Labour in Development Policy;
 - b) monitoring of the assistance provided;
 - c) dialogue with stakeholders on the implementation of PAPED and the relevant economic and sectoral development policies and strategies;
 - d) mobilisation of resources, in accordance with Article 54 of the Agreement;
 - e) balance and alignment of needs, support and funding sources.
2. The West Africa Party shall put in place its own working arrangement, consistent with the institutional set-up of the EPA, aimed at ensuring that PAPED activities are implemented in synergy with the regional integration agenda, in particular the

implementation of regional policies by the States and the application of the regional regulatory framework and its monitoring.

CHAPTER V - FINAL PROVISIONS

Article 9

Evaluation

1. The Parties shall ensure that PAPED is evaluated at agreed intervals. The strategic framework of PAPED, its matrix of activities and its operational plans are the basic elements for this evaluation.
2. In the framework of the Competitiveness Observatory provided for in Article 61 of the Agreement, the Parties shall jointly define the output and result indicators, in particular regarding the effects and impact of the EPA and PAPED in the West African region on, *inter alia*, competitiveness and diversification of production, investments, regional trade, trade with the European Union and the rest of the world, particularly exports of processed products and services from the West Africa Party, employment and, more generally, the economic and social development of the West African States.
3. Under the provisions of part III of the Agreement, the Parties shall use the jointly defined indicators to seek synergy between the pace of implementation of the commitments made by the West Africa Party on the one hand, and the progress in implementing PAPED activities and programmes on the other.

Article 10

Review of the Protocol

Amendments and revisions to this Protocol shall be subject to the same rules and procedures as those provided for in Article 111 of the Agreement.