

ACP-EU COTONOU AGREEMENT

**AFRICAN, CARIBBEAN AND
PACIFIC GROUP OF STATES**

**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 12 May 2015

ACP/21/003/15

ACP-UE 2101/15

OUTCOME OF PROCEEDINGS

of: 39th session of the ACP-EU Council of Ministers
on 19-20 June 2014
in Nairobi, Kenya

Subject: Outcome of proceedings of the 39th session of the ACP-EU Council of
Ministers on 19-20 June 2014

The ACP-EU Council of Ministers held its 39th meeting in Nairobi, Kenya, on 19-20 June 2014 under the chairmanship of H.E. Dr Abdallah OMARI KIGODA, Minister for Industry and Trade of the United Republic of Tanzania and Co-President of the ACP-EU Council of Ministers.

The meeting was co-chaired for the European Union by H.E. Mr Kyriakos GERONTOPOULOS, Deputy Minister for Foreign Affairs of Greece.

The European Commission was represented by Mr Andris PIEBALGS, Commissioner for Development Cooperation.

The EEAS was represented by Mr Lodewijk BRIET, Head of EU Delegation to Kenya.

The European Investment Bank was represented by Mr Patrick WALSH, Director of the Africa, Caribbean, Pacific - Investment Facility Department.

ITEM 1

ADOPTION OF THE PROVISIONAL AGENDA

[ACP/21/002/14 - ACP-UE 2114/14]

The Council adopted the agenda.

"A" ITEMS

ITEM 2

ADOPTION OF

- **Outcome of proceedings of the 38th session of the ACP-EU Council of Ministers on 6-7 June 2013**

[ACP/21/001/14 - ACP-UE 2101/14]

The Council approved the outcome of proceedings of the 38th 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 2013**
- **Adoption of a report to the Joint Parliamentary Assembly**

[ACP/21/003/14 - ACP-UE 2116/14]

The Council welcomed the results of the ACP-EU Joint Parliamentary Assembly sessions which took place in 2013 in Brussels and Addis Ababa and adopted the report to the ACP-EU Joint Parliamentary Assembly on the implementation of the ACP-EU Partnership Agreement in 2013.

"B" ITEMS

ITEM 4

MIGRATION AND DEVELOPMENT

- State of play of the ACP-EU dialogue on migration and development

The representative of Vanuatu outlined the state of play in respect of the dialogue. He informed the Council that in September 2013 the ACP and the EU had drafted and adopted a Joint Declaration on the High-Level Dialogue on International Migration and Development. As regards the implementation of the recommendations on remittances visas and readmission, he reported that good progress had been recorded with the establishment of the sub-group on visas, the organisation of a seminar on readmission and the preparatory work for the workshop on remittances as well as a seminar on trafficking in human beings and smuggling of migrants, to be held in the second half of 2014.

The EU side emphasised that the dialogue presented a good opportunity to intensify the ACP-EU cooperation on migration, and welcomed the progress made since the previous meeting of the Council in June 2013.

The Commission noted the progress made in the implementation of the recommendations on visas, readmission and remittances that had been jointly drawn up and adopted in 2012. In particular, it stressed the good results of the first meeting of the joint sub-group on visas and of the readmission workshop with the West African experts. One of the key recommendations stemming from the readmission workshop was the initiative of making this group permanent.

In conclusion, the Council took note of the results of the dialogue and agreed to take stock of the process at its next meeting.

ITEM 5

POST-2015 FRAMEWORK

- **Discussion**
- **Adoption of a joint declaration**

Following an exchange of views, the Council adopted the joint ACP-EU Declaration on the Post-2015 Development Agenda (ACP/21/005/14 - ACP-UE 2118/14).

ITEM 6

FUTURE OF EU SUPPORT TO ACP PRIVATE SECTOR DEVELOPMENT

- **Discussion**
- **Adoption of a joint declaration on the future of EU support to ACP Private Sector Development**

The ACP side stressed the importance of the private sector for the development of ACP countries.

The EU side reaffirmed its commitment to supporting Private Sector Development (PSD) which was a key element of the EU's Agenda for change, and the subject of a recent Commission Communication. The EU side informed the Council that as much as EUR 600 million could be allocated to this end from the intra-ACP envelope under the 11th European Development Fund.

The representative of the European Investment Bank (EIB) outlined the prospects for future support to PSD under the Investment Facility.

Following this exchange of views, the Council adopted the Joint ACP-EU Cooperation Framework for Private Sector Development support in ACP Countries (ACP/21/006/14 - ACP-UE 2119/14).

ITEM 7

CDE

- **Discussion**
- **Adoption of a joint declaration on the future of the CDE**

Following an exchange of views, the Council adopted the joint declaration on the Centre of the Development of Enterprise (ACP/21/007/14 - ACP-UE 2120/14).

ITEM 8

DEVELOPMENT FINANCE COOPERATION

- **Oral Report and follow-up to the meeting of the Development Finance Cooperation Committee (Ministers) (19 June 2014)**

The EU President of the ACP-EU Ministerial Development Finance Cooperation Committee presented the report on the meeting, which took place on 19 June 2014 in Nairobi, Kenya (see Annex).

The representative of the EIB presented a report on the implementation of the Investment Facility.

The Council took note of the report from the ACP-EU Ministerial Development Finance Cooperation Committee and agreed with the recommendations made by the Committee, particularly in relation to the modification of Annex IV to the ACP-EU Partnership Agreement (see item 9). The Council also took note of the report provided by the EIB.

ITEM 9

DECISIONS

- **Revision of Annex IV to the ACP-EU Partnership Agreement**

The Council adopted the decision on the revision of Annex IV to the ACP-EU Partnership Agreement (ACP/21/004/14 - ACP-UE 2117/14).

ITEM 10

DELEGATION OF POWERS TO THE ACP-EU COMMITTEE OF AMBASSADORS

- **Revision of Annex III to the ACP-EU Partnership Agreement**

The Council decided to grant a delegation of powers to the ACP-EU Committee of Ambassadors to adopt the decisions necessary to proceed with the orderly closing of the CDE, including the relevant amendment to Annex III to the Cotonou Agreement. In this context, the Council designated the Authorised Representatives in the Development Finance Cooperation Committee to examine the proposed amendments to Annex III to the Cotonou Agreement with a view to recommending them to the Committee of Ambassadors for adoption.

ITEM 11

TRADE COOPERATION

- **ACP Ministerial Declarations on specific products**

The Council took note of the ACP declarations on bananas, sugar and cotton.

- **Report from the 12th Joint Ministerial Trade Committee**

The Commission provided an oral report on the 12th meeting of the Joint Ministerial Trade Committee, which was held in Brussels on 11 October 2013. The Commission 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 9th WTO Ministerial Conference, the impact of EU trade agreements with third parties and commodities.

The Council took note of the report.

- **EPAs – state of play and perspectives**

The Commission provided a brief overview of the EPAs under negotiation 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.

The ACP side recalled that despite progress made in negotiations with some regions, a number of important issues remained unresolved. In this context the ACP side called for a delay in the entry into force of the amendment of Regulation 1528/2007 ("Market Access Regulation"), which, in the ACP view, set a unilateral deadline for the conclusion of EPA negotiations.

In conclusion, the Council took note of the state of play of the EPA negotiations.

ITEM 12

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

The EU side proposed that the 40th session of the ACP-EU Council of Ministers be held in Brussels on 28 and 29 May 2015.

The Council took note of the EU proposal and agreed that the date of the next session of the Council would be confirmed by the Co-secretariats.

"C" ITEMS

ITEM 13

RENEWABLE ENERGY SOURCES AND CLIMATE CHANGE

- Exchange of views

The Council held an informal exchange of views on renewable energy and climate change.

ITEM 14

ANY OTHER BUSINESS

(none)

**ORAL REPORT
ON THE OUTCOME OF THE 23RD MEETING
OF THE DEVELOPMENT FINANCE COOPERATION COMMITTEE
(MINISTERS)
HELD IN NAIROBI ON 19 JUNE 2014**

**(Presented to the ACP-EU Council of Ministers
Nairobi, 20 June 2014)**

Co-chair, Ministers, Commissioner, Ladies and Gentlemen

I have the task of presenting to you a summary of the results of the 23rd meeting of the ACP-EU Development Finance Cooperation Committee, which took place here in Nairobi at Ministerial level on 19 June 2014.

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

The Committee started its session by taking note of the **Report of the 30th and 31st sessions** of the ACP-EU Development Finance Cooperation Committee, which took place in Brussels at Authorised Representatives' level on 19 December 2013 and 23 May 2014 respectively. The report was presented by the EU side on behalf of both Parties. Further to the adaptation of the programme of the day, the agenda of the meeting had been slightly modified. More particularly, the report of the EIB on the investment facility had been transferred to the meeting of the Joint Council of Ministers of 19-20 June.

Let me now summarize the main discussions at the meeting.

1. Under the first discussion point, the Committee agreed to recommend to the ACP-EU Council of Ministers the adoption of the Decision on the **revision of Annex IV to the Cotonou Agreement**, following the recommendation by the authorised representatives.
2. Under the second item on the agenda the European Commission reported the state of play of the process of **Intra-ACP programming of the 11th EDF**.

The ACP side, while recognising the importance of global initiatives and the role that international organisations could play in the framework of intra-ACP cooperation, expressed the need to guarantee that the role of the ACP Committee of Ambassadors as authorising officer is maintained, and that the ownership and visibility of activities financed with intra-ACP funds are guaranteed. It noted the willingness of the Commission to continue to explore how the ACP could be better involved at the various stages of the project cycle in the context of these initiatives. Moreover, it called on the EU to consult the ACP side before entering into financial agreements with international organisations to be financed from the Intra-ACP envelope, especially given that some apply the principle of graduation and are not respectful of reporting and sustainability issues. The ACP side also requested that core sectors take into account the initiatives traditionally approved by the Committee of Ambassadors on the recommendation of the relevant Subcommittees (“All-ACP initiatives”).

The Commission noted that the intra-ACP envelope should benefit all or many ACP states and that they had diverse needs – it could not be excluded that some programmes would not cover all ACP states. It also noted that methodological support and capacity building were to be considered as cross-cutting issues and would be provided when the need arose.

Commodities are considered an important issue by the Commission that could be addressed through a private-sector approach and could therefore fall within this core sector. The Commission further reaffirmed its commitment to respect the provisions of the Cotonou Agreement with regard to intra-ACP cooperation.

In addition, the ACP side stressed that they would adopt the areas of proposed support from the Intra-ACP envelope on the understanding that financial allocations remain to be discussed. Nevertheless, ACP agreement would be conditional on the inclusion of two core sectors: the “trade and commodities” sector and the capacity-building sector. Moreover, in the ACP's opinion, all ACP initiatives should be included under each of the sectors as a cross-cutting area. Commission took note of these remarks.

The Committee concluded the discussion by encouraging the Commission and the ACP Secretariat to double their efforts in order to work towards an acceptable compromise.

3. Turning to **national and regional programming**, I would like to report that the Commission gave a short presentation of the state of play of the process, underlining that very good progress had been made, and in early 2014 the Commission had completed discussions with almost all partner country governments. As a result, in April 2014, 39 National Indicative Programmes had been approved by the EDF Committee and were adopted by the Commission. 15 of them were signed in Nairobi on 19 June 2014 and one more on 20 June. The outstanding Indicative Programmes were to be finalised in the course of 2014. Furthermore, the Commission urged all stakeholders to ensure that the programming process was completed before the entry into force of the 11th EDF. On regional programming Commission assured that the exercise was launched and three sectors characterise it: regional integration (such as infrastructure and trade related assistance), peace and security, natural resources management.

By way of conclusion, the Committee took note of the Commission's report and observed that a report on this issue would be made to the Council of Ministers.

4. **As regards Annex III to the ACP-EU Partnership Agreement**, the EU side suggested that the Committee should recommend that the ACP-EU Council of Ministers grant a delegation of powers to the ACP-EU Committee of Ambassadors to amend Annex III to the Cotonou Agreement, should the ACP-EU Council of Ministers decide on the future of the CDE and deem such an amendment necessary.

The ACP side was of the opinion that any such Decision should be taken by Ministers and the Committee should not prejudge the outcome of discussions among Ministers. The EU side replied underlining that in this case the point should be maintained in the Work Programme 2014-2015 of the DFC Committee and that a meeting of this committee should be convened as soon as possible. The ACP-side agreed to this.

5. At the end of the meeting, both parties agreed on the proposed Work Programme for 2014-2015.

Co-chair,

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