

**ACP-EU COTONOU AGREEMENT**

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

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**COUNCIL OF  
THE EUROPEAN UNION**

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**Brussels, 17 February 2016**

**ACP/21/001/16**

**ACP-UE 2103/16**

**OUTCOME OF PROCEEDINGS**

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of: 40th session of the ACP-EU Council of Ministers  
on: 28-29 May 2015  
in: Brussels, Belgium

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

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The ACP-EU Council of Ministers held its 40th meeting in Brussels, Belgium, on 28 and 29 May 2015 under the chairmanship of H.E. Mr Meltek Sato KILMAN LIVTUVANU, Minister for Foreign Affairs, International Cooperation and External Trade of the Republic of Vanuatu and Co-President of the ACP-EU Council of Ministers.

The meeting was co-chaired for the European Union by H.E. Mr Edgars RINKĒVIČS, Minister of Foreign Affairs of the Republic of Latvia and H. E. Ms Zanda KALNIŅA-LUKAŠEVICA, Parliamentary State Secretary for EU Affairs of the Republic of Latvia.

The European Commission was represented by Mr Neven MIMICA, Commissioner for International Cooperation and Development and Mr Dimitris AVRAMOPOULOS, Commissioner for Migration, Home Affairs and Citizenship.

The EEAS was represented by Mr Koen VERVAEKE, Director for Horn of Africa, East and Southern Africa, Indian Ocean.

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

## ITEM 1

### ADOPTION OF THE PROVISIONAL AGENDA

[ACP/21/002/15 - ACP-UE 2113/15]

The Council adopted the agenda.

## "A" ITEMS

## ITEM 2

### ADOPTION OF

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

[ACP/21/003/15 - ACP-UE 2101/15]

The Council approved the outcome of proceedings of the 39th 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 2014**
- **Adoption of a report to the Joint Parliamentary Assembly**

[ACP/21/001/15 - ACP-UE 2110/15]

The Council welcomed the results of the ACP-EU Joint Parliamentary Assembly sessions which both took place in 2014 in Strasbourg and adopted the report to the ACP-EU Joint Parliamentary Assembly on the implementation of the ACP-EU Partnership Agreement in 2014.

## "B" ITEMS

### ITEM 4

#### POST-2015 / FINANCING FOR DEVELOPMENT

##### - Exchange of views

The ACP side underlined the importance of the Third International Conference on Financing for Development in Addis Ababa in July 2015, which would be a milestone in the global effort to achieve universal sustainable development. It also informed the EU side about the status of the preparations of the ACP Group for the Addis Conference.

The EU side reiterated the importance of creating a single overarching framework with a comprehensive and integrated approach to mobilising financing and other means of implementation. It informed the ACP side that it reaffirmed its collective commitment for Official Development Assistance and its specific commitment to support least developed countries (LDCs). It suggested that the exchange of views between the two sides be continued at technical level.

The EIB underlined the importance of a comprehensive financing approach, including the private sector. International financial institutions, as well as national and regional development banks, needed to cooperate when designing the future set-up.

In conclusion, the Council stressed the importance of a successful outcome at the Conference in Addis Ababa, that would significantly contribute to an ambitious and transformative Post-2015 Development Agenda. It urged both sides to continue their dialogue at all levels to examine possible joint involvement in global fora.

## ITEM 5

### MIGRATION AND DEVELOPMENT

#### - Exchange of views

The ACP side expressed its concerns about the recent events in the Mediterranean, giving importance to the recommendations already endorsed and to be endorsed by the Council.

The EU side expressed its commitment to approach irregular migration from all angles, concentrating first and foremost on preventing loss of life. It also highlighted the importance of tackling the root causes of migration, in cooperation with the countries of origin and transit. It informed the ACP side of its decisions adopted in this respect, as well as of future steps for tackling this complex issue. It also stressed the importance of development cooperation and exploiting the potential of Article 13 of the Cotonou Agreement and the enhanced dialogue on specific issues of migration.

#### - Endorsement of the recommendations from the ACP-EU experts' meeting on trafficking in human beings and smuggling of migrants

Following an exchange of views, the Council endorsed the recommendations from the ACP-EU experts' meeting on trafficking in human beings and smuggling of migrants (ACP/28/006/15 - ACP-UE 2111/15).

## ITEM 6

### TRADE COOPERATION

#### - EPAs: state of play and perspectives

The Commission 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 and the latest developments concerning Fiji and Cameroon as to the application of their respective EPA.

The ACP side recalled that despite progress made in negotiations with some regions, a number of important issues remained unresolved.

In conclusion, the Council took note of the state of play of the EPA negotiations and noted that it was clear that there was more work to be done to advance the EPA process, both in terms of negotiation and implementation and that the negotiating Parties needed to be flexible and keep engaged in the spirit of real partnership. The Council also invited the ACP-EU Joint Ministerial Trade Committee to consider this issue further at its meeting of 26 June 2015.

#### - Impact of a Transatlantic Trade and Investment Partnership (TTIP) agreement on developing countries

The Commission explained the expected effects of the TTIP on developing countries. The ACP side raised its concerns related to trade diversion and market erosion, a raising of the level of standards and implications for the multilateral system within the WTO.

In conclusion, the Council took note of the views expressed and called on the ACP-EU Joint Ministerial Trade Committee to consider the issues raised further.

- **Management of mining and natural resources**

The Commission presented the EU policies related to the sustainable and efficient management of mining and natural resources.

The ACP side welcomed the initiatives seeking to counteract the adverse effects of poor governance in the management of mineral resources, as well as the European Commission proposal for EU legislation with binding measures in this respect. It stressed the importance of flexible policy space for ACP States in order to achieve the Millennium Development Goals, and of ensuring that ACP countries could develop value-adding industries instead of remaining mere exporters of raw materials.

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

- **Commodities**

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

**ITEM 7**

**ACP-EU RELATIONS POST-2020**

- **Exchange of views**

Both sides gave an overview of the state of play and the next steps in their own internal reflection process.

The Council concluded that the reflection on the relations between the ACP Group and the EU beyond 2020 needed to be pursued by the Parties, including as regards the opportunities and benefits available to both sides within the existing partnership framework of Cotonou, while creating the necessary flexibility for both sides to be able to introduce issues that they considered important. In order to facilitate the prospects of this happening, constant engagement and dialogue was required, in an open and collaborative spirit.

## ITEM 8

### ACP PRIVATE SECTOR DEVELOPMENT

#### - Exchange of views

The ACP side reiterated the importance of the implementation of the outcome of the discussions in Nairobi on the orderly closure of the Centre for the Development of Enterprise (CDE) and of the Joint ACP-EU Cooperation Framework for Private Sector Development in ACP Countries. The ACP side insisted on the importance of the respect of the spirit and the letter of the Nairobi Declaration and the need of the concurrence of the orderly closure of the CDE and the implementation of the light support structure to adequately respond to the needs of the ACP private sector and safeguard the CDE's gains and best practices.

The EU side focused on the importance of private sector development support in ACP countries, and its mainstreaming in the programming of the 11th EDF.

The Council invited the Curator to ensure, within the time-frame set for the winding up of the CDE, compliance with the spirit and the letter of the political mandate given in Nairobi on the orderly closure of the CDE, as well as the terms of reference of the Curator. The Council committed itself to enhancing interaction with the EIB on the facilitation of access to financing under the Investment Facility and through blending so as to improve access by ACP stakeholders to the financing instruments available through the EIB. The Council recognised the need to work expeditiously towards setting up the Platform for dialogue as foreseen in the Nairobi Declaration on private sector development to adequately meet the needs of the ACP private sector, while safeguarding the CDE's gains and best practices, as prescribed in the joint ACP-EU Declaration on the CDE.

## ITEM 9

### DEVELOPMENT FINANCE COOPERATION

- **Oral Report and follow-up to the meeting of the Development Finance Cooperation Committee (Ministers) (28 May 2015)**

The EU President of the ACP-EU Ministerial Development Finance Cooperation Committee presented the report on the meeting, which took place on 28 May 2015 in Brussels, Belgium (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. The Council also took note of the report provided by the EIB.

## ITEM 10

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

The Council agreed that the place and the date of the next session of the Council would be confirmed by the Co-secretariats.



## "C" ITEMS

### ITEM 11

#### EUROPEAN YEAR FOR DEVELOPMENT

The Council held an informal exchange of views on the European Year for Development.

### ITEM 12

#### CLIMATE CHANGE

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

### ITEM 13

#### ANY OTHER BUSINESS

(none)

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**ORAL REPORT  
ON THE OUTCOME OF THE 24th MEETING  
OF THE DEVELOPMENT FINANCE COOPERATION COMMITTEE  
(MINISTERS)  
HELD IN BRUSSELS ON 28 MAY 2015**

**(Presented to the ACP-EU Council of Ministers  
Brussels, 29 May 2015)**

## **Co-chair, Ministers, Commissioner, Ladies and Gentlemen**

I have the task of presenting to you a summary of the results of the 24th meeting of the ACP-EU Development Finance Cooperation Committee, which took place here in Brussels at Ministerial level on 28 May 2015.

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 32<sup>nd</sup> session** of the ACP-EU Development Finance Cooperation Committee, which took place in Brussels at Authorised Representatives' level on 14 April 2015. 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 side and the European Commission reported on the state of play of the process of **Intra-ACP programming of the 11th EDF**.

The ACP side gave a presentation on the state-of-play of the technical discussions and at the level of the ACP Ministerial DFC Committee with a view to finalising the Intra-ACP strategy. It highlighted the fact that in addition to the broad sectors identified, i.e. (1) human and social development, (2) climate change, disaster resilience and the environment and (3) private sector development, ACP concerns, such as the inclusion of proposed ACP initiatives, commodities and trade have been addressed during the discussions. The latest version of the draft strategy also contains the latest suggestions from the ACP side, with respect to animal health, trade in services, ebola and non-communicable diseases. The ACP side also presented the draft framework and the financial breakdown of the strategy.

The Commission noted that the draft strategy has been discussed by the Commission, EEAS and the ACP Secretariat and the adoption procedure is to be launched as soon as possible.

The Committee took due note of the progress made on the intra-ACP programming under the 11th EDF and invited the two sides to conclude the deliberations and sign the strategy paper and its indicative programme as soon as possible.

2. Under the second item on the agenda the European Commission reported on the state of play of the **11th EDF national and regional programming**.

The Commission gave a short presentation on the state of play of the process of national programming, underlining that very good progress had been made. As a result, in April 2014, almost 90 % of the National Indicative Programmes had been adopted and the few remaining NIPs should be adopted and signed during the second semester of 2015. Sustainable Agriculture and food and nutrition security, as well as Good Governance, including human rights and democracy are the leading sectors chosen for national indicative programmes. As to regional programming, all five regional programmes have been approved and four of them are to be signed in June. The following three broad sectors are covered by the RIPs: (1) Regional economic integration and infrastructure, (2) Environment and natural resources and (3) Peace and Security.

By way of conclusion, the Committee took note of the progress made in national and regional programming. It called on both sides to finalise the programming exercise in order to avoid any delays in the implementation of the 11th EDF.

3. Turning to the item on the **implementation of the Bridging Facility and its impact on the allocation of resources under the 11th EDF**, the Commission gave a short presentation, highlighting the priorities covered by the Bridging Facility, such as unforeseen needs, the African Peace Facility, joint institutions and high priorities within individual, national and regional programmes.

The Committee took due note of the implementation of the Bridging Facility.

4. **As regards 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.

The ACP side raised concerns regarding the following: the key rationale underpinning the Investment Facility i.e. it was perceived as a catalyst for the development of the private sector in the ACP countries; the implementation, management and management costs of the Investment Facility and the lack of policy coherence. It also reiterated its request to obtain observer status in the Investment Facility Committee. They also sought clarification on the number of projects implemented in Least Developed Countries, Low Income Countries and Middle Income Countries, noting the 20 million euros utilised to support a project in a Pacific OCT.

The EIB, addressing the concerns of the ACP side, underlined the close cooperation between the Commission, the EEAS and the EIB on project selection, taking into account focal areas, eligibility and relevance of projects. Blending is a broad topic at an early stage of implementation, with several projects being prepared. More concrete cases with regard to the private sector can be presented next year. The EIB underlined the geographical diversification of its interventions, especially under the Impact Financing Envelope. Regarding the management costs, the EIB indicated that the ceiling is calculated, and up to now actual fees billed have reached only up to 60 to 70% of the ceiling each year. As to the question on observer status, the EIB confirmed that the IFC Rules of procedure are adopted by the EU Council and therefore only the Council can address this matter.

The Committee took due note of the EIB's report on the implementation of the Investment Facility. It invited the EIB and the ACP Secretariat to reflect on prospects for adapting this Facility to ongoing developments in the ACP-EU partnership, and to report to the Committee.

5. During the discussions on the item of **Financing the Post-2015 Development Agenda** the ACP side stressed the importance of the Conference in Addis, which will be discussing and adopting the financing strategy for the Post-2015 development agenda, which covers the three dimensions of sustainable development, namely social, economic and environmental. The ACP side expressed its concern to see the Official Development Aid with a public time-framed target, as well as the need to take into account the vulnerability of certain countries (such as SIDS), the need for a vulnerability and resilience index, the principle of differentiated responsibility, the need to take into account the problems of highly indebted middle-income countries and the need for innovative financing. An ACP position paper is being finalised and will be shared with the EU side in order to facilitate regular consultation and a possible joint message at the Addis Conference.

The EU side informed the Committee about the main aspects of the EU position, highlighting the important consensus achieved on the issue of ODA targets. It stressed the importance of treating the issue of financing for development within the general context of the Post-2015 discussions. It encouraged both sides to maintain a regular dialogue in preparations for the global discussions in Addis, New York and Paris and to define the common ground and priorities in view of the discussions in Addis.

The Committee took due note of the comments made.

6. At the end of the meeting, both parties agreed on the proposed Work Programme for 2015-2016 with an amendment. The title of item 6 will read: Progress report on the utilisation and management of the Investment Facility Resources under the 11th EDF.

**Co-chair,**

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

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