

**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, 8 March 2018**

**ACP/21/001/18**

**ACP-UE 2104/18**

**OUTCOME OF PROCEEDINGS**

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of: 42nd session of the ACP-EU Council of Ministers  
on: 5 May 2017  
in: Brussels, Belgium

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Subject: Outcome of proceedings of the 42nd session of the ACP-EU Council of  
Ministers of 5 May 2017

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The ACP-EU Council of Ministers held its 42nd meeting in Brussels, on 5 May 2017 under the chairmanship of H.E. Dr Abraham TEKESTE, Minister of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia, President-in-Office of the ACP Council of Ministers.

The meeting was co-chaired for the European Union by H.E. Mr George VELLA, Minister of Foreign Affairs of Malta, 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 Birgitte MARKUSSEN, Deputy Managing Director for Africa.

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

## ITEM 1

### ADOPTION OF THE PROVISIONAL AGENDA

[ACP/21/001/17 - ACP-UE 2110/17]

The Council adopted the agenda.

## "A" ITEMS

## ITEM 2

### ADOPTION OF

- **Outcome of proceedings of the 41st session of the ACP-EU Council of Ministers on 28-29 April 2016**

[ACP/21/002/17 - ACP-UE 2102/17]

The Council approved the outcome of proceedings of the 41st 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 2016**
- **Adoption of a report to the Joint Parliamentary Assembly**

[ACP/21/003/17 - ACP-UE 2111/17]

The Council welcomed the results of the ACP-EU Joint Parliamentary Assembly sessions which took place in 2016 in Windhoek, Namibia and in Nairobi, Kenya and adopted the report to the ACP-EU Joint Parliamentary Assembly on the implementation of the ACP-EU Partnership Agreement in 2016.

## "B" ITEMS

### ITEM 4

#### IMPLEMENTATION OF THE 2030 SUSTAINABLE DEVELOPMENT AGENDA

##### - Exchange of views

The ACP side welcomed the decline in poverty recorded in several ACP States in recent years, while calling for specific targeted actions to further advance progress on the Sustainable Development Goals (SDGs). It reiterated the importance of taking concrete steps together to align ACP and EU priorities, and position the ACP and the EU better in order to successfully implement Agenda 2030. It confirmed the readiness of the ACP Group to continue to advance on this issue with the EU.

The EU side underlined that it remains absolutely committed to playing a full, active and constructive role in the implementation of the Agenda 2030, in partnership with all partners and stakeholders. It informed the Council about the state-of-play of internal discussions ahead of the UN High Level Political Forum on Sustainable Development in July, as well as of the planned adoption of the European Consensus on Development.

In conclusion, the Council expressed its increasing cognizance of the need to identify issues of common interest between the ACP and the EU to ensure comprehensive implementation of SDGs within the ACP-EU cooperation framework.

## ITEM 5

### CLIMATE CHANGE

#### - Exchange of views

The ACP side informed the Council about the post-COP22 meeting it had organised in March 2017 to analyse the outcomes of the Marrakech Climate Change Conference and identify follow-up actions, as well as of the support mobilised to Fiji by the ACP Group ahead of COP23, presided by Fiji. It emphasised the need for an Intra-ACP GCCA+ Programme (Global Climate Change Alliance), which, building on the successes of the previous GCCA programme, would contribute to the implementation of the Paris Agreement.

The EU side welcomed Fiji's Presidency for COP23 and reiterated its readiness for a reaffirmed joint position of the two sides and further collaboration with the ACP side towards a successful implementation of the Paris Agreement.

The Council reiterated its commitment to the full implementation of the Paris Agreement on Climate Change and its endeavours to work with all parties to build on the momentum created in Paris at COP21. This was necessary for the Agreement to deliver, especially for the countries more vulnerable to the impact of climate change.

## ITEM 6

### THE FUTURE OF THE RELATIONS BETWEEN ACP COUNTRIES AND THE EU

#### - Exchange of views

The ACP side informed the Council of its determination to renew and enhance the ACP-EU partnership with a legally-binding agreement building on the ‘acquis’ of the Cotonou Agreement. It resolved to ensure that the ACP-EU cooperation framework comprehensively takes into account the implementation of the SDGs, inter alia. It underscored the need to deepen political dialogue with the EU to address issues of mutual concern, as well as facilitate consultations with a view to taking common or joint positions at multilateral level and within the international fora where appropriate. It also informed the Council of the Decision of the 105th ACP Council that the future ACP-EU activities be guided by three priority areas: (1) trade, investment, industrialisation and services, (2) development cooperation, technology, science and innovation / research and (3) political dialogue and advocacy. The ACP Committee of Ambassadors was mandated to constitute a central negotiating group and technical negotiating groups to determine core guiding principles.

The EU side informed the Council about the state-of-play of its internal discussions. It welcomed the convergence of views of the ACP and the EU that the relationship needs to be adapted in a way that best responds to the new global reality. It stressed that it strives for a comprehensive development framework, embedding EU development policy into the wider framework of its external action, notably the EU Global Strategy.

In conclusion, the Council recalled that the special historical relationship between the ACP and the EU remained unequalled in its nature and scope, with the numerous challenges and successes that the partnership has faced over 40 years.

## **ITEM 7**

### **MIGRATION**

#### **- Exchange of views**

The ACP side expressed its conviction that the applicability of the lessons learnt from the Africa-EU discussions on migration to the wider ACP group is priceless as Small Island Development States (SIDS) in the Caribbean and the Pacific, together with many African countries, are also faced with similar challenges, particularly in relation to human trafficking, smuggling of migrants and high cost of remittances. It drew attention to the phenomenon of internal migration within African, Caribbean, and Pacific countries.

The EU side welcomed the 2016 Annual Report on the EU Trust Fund for Africa (EUTF) that shows that the rate of implementation of the EUTF is swifter than ordinary development aid, and it allows for a greater flexibility. It expressed its view that the first tangible results of the agreed projects in the beneficiary countries would start being visible in a few months' time. It also recalled the Malta Declaration by the members of the European Council and confirmed that the European Union was redoubling its efforts to contribute to the stabilisation of Libya.

In conclusion, the Council expressed its appreciation for the work being done by the EU in this regard. It recalled that the ACP Group and the EU remain committed to addressing the challenges of migration to the mutual benefit of both parties in the framework of the ACP-EU Dialogue on Migration and Development and the Valetta process.

## **ITEM 8**

### **PRIVATE SECTOR DEVELOPMENT**

#### **- Exchange of views**

The ACP side recalled the need to focus on how donors, governments and the corporate sector itself can further enhance the private sector's contribution to development. It informed the Council of the 1st ACP Private Sector Development Forum organized by the ACP Secretariat in October 2016, and highlighted some of the principles which came out of that Forum, namely the support to ACP organisations to implement private sector development programmes, awareness raising and capacity building regarding grants and blending, support to "home-grown" businesses, regular consultation with ACP regions and regional development banks, as well as special attention to local and regional markets.

The EU side welcomed the concrete steps taken towards the implementation of the ACP-EU Joint Private Sector Development Framework and reaffirmed its commitment to this process.

The Council welcomed the progress in the implementation of the ACP-EU Joint Private Sector Development Framework and called for continued effort to ensure rapid identification of actions and programmes. It recognised the need to develop the capacity of the micro, small and medium size enterprises in ACP countries to enable them to fully benefit from the support provided under the Joint Private Sector Development Framework.

## **ITEM 9**

### **DEVELOPMENT FINANCE COOPERATION**

#### **- Oral Report and follow-up to the meeting of the Development Finance Cooperation Committee (Ministers) (4 May 2017)**

The EU President of the ACP-EU Ministerial Development Finance Cooperation Committee presented the report on the meeting, which took place on 4 May 2017 in Brussels (see Annex).

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.

## **ITEM 10**

### **REVISION OF CHAPTER 3 OF ANNEX II TO THE ACP-EU PARTNERSHIP AGREEMENT**

Both sides welcomed the solution agreed at technical level and the recommendation by the Development Finance Committee of 4 May 2017 regarding the delegation of powers to the ACP-EU Committee of Ambassadors to adopt the revision as soon as possible and by 31 December 2017 at the latest.

The Council decided

- that a support in the event of exogenous shocks, as provided by article 68 of the Cotonou Agreement, shall be covered under unforeseen needs, which is part of the EDF's global reserve;
- that the proposal should be legally formalised by a Decision of the ACP-EU Council of Ministers; and
- to grant a delegation of powers to the ACP-EU Committee of Ambassadors to adopt that Decision, which will amend Annex II to the Cotonou Agreement with a view to rendering its Chapter 3 obsolete, as soon as possible and by 31 December 2017 at the latest. In this context, the Council designated the Authorised Representatives in the ACP-EU Development Finance Cooperation Committee to examine 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 11

### ECONOMIC ISSUES

#### - Trade Cooperation:

##### a) Report from the 14th Joint Ministerial Trade Committee

The Commission provided an oral report on the 14th meeting of the Joint Ministerial Trade Committee (JMTC), which was held in Brussels on 9 December 2016. It 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 11th WTO Ministerial Conference, the impact of EU trade agreements with third parties and commodities.

In conclusion, the Council extended its thanks to the ACP Ministers of Trade, and the European Union under the leadership of the European Commissioner for Trade, for the work carried during the 14th Joint Ministerial Trade Committee. It took good note of the various issues discussed and requested the JMTC to pursue outstanding issues at its next meeting (scheduled for 20 October 2017).

##### b) State of play of EPAs

The Commission informed the Council of the good progress regarding the implementation of the EPAs in the Caribbean, the Pacific, the Eastern and Southern African (ESA) sub-region and with Cameroon in Central Africa. Implementation of the SADC EPA and the individual EPAs with Ghana and Cote d'Ivoire has started. The issue of the Pacific EPA was in focus with the accession of Solomon Islands and Samoa.

The ACP side called upon the EU to engage with the countries concerned, with a view to resolving outstanding issues that prevent the conclusion and signing of full and comprehensive EPAs. Implementation issues of the existing EPAs that are preventing the realization of benefits include: (1) delayed ratification by all EU members; (2) EU visa regime to facilitate the movement of professional services providers; (3) delays in disbursement of resources for EPA implementation support; (4) EU Trade policy for the outermost regions; (5) delays in conclusion of mutual recognition agreements. It invited the EU to consider seriously widening and deepening interim Agreements to accommodate the expectations of those countries that would like to enter into full EPAs. The ACP side reminded the Council of the need for adequate financial resources, as well as technical assistance to support the implementation of EPAs and suggested to set up a joint implementation monitoring and evaluation mechanism that can support the EPA process at Council level, through delegated authority to the Joint Ministerial Trade Committee.

In conclusion, the Council took note of the state of play of the EPA process and invited both the ACP and EU Parties in the EPA process to remain engaged in a cooperative spirit, in order to ensure that the EPAs turn out to become real instruments of development for ACP States.

#### - **European External Investment Plan**

The EU side informed the Council about the External Investment Plan (EIP), the ongoing legislative negotiations regarding its adoption and the proposal for a regulation establishing a European Fund for Sustainable Development.

The ACP side expressed its interest in the External Investment Plan. It hoped that the proposed implementation modalities will ensure coherence and efficiency as well as help to achieve the ambition to establish a single and coherent framework, complementary to the EU Emergency Trust Fund for Africa, for addressing the root causes of migration and promoting sustainable investments in Africa and for the EU neighbourhood. The ACP side also called for appropriate instruments to be proposed for Caribbean and Pacific countries.

The Council concluded by welcoming the development of the EIP and looked forward to the finalisation of the implementation modalities to ensure easy access, large coverage and alignment with ACP-EU joint priorities, as well as to similar proposals to be designed for the Caribbean and Pacific Regions respectively.

- **Perspectives of the Investment Facility**

The ACP side expressed its disappointment that its repeated request to be more closely associated with the governance of the ACP Investment Facility has not received an appropriate response. It stressed its readiness to fully participate in the assessment of the Investment Facility.

The EIB gave an overview of the activities under the Investment Facility in the coming years.

The Council took note of the implementation of the ACP Investment Facility and expressed that it was looking forward to the results of the terminal evaluation of the Facility to guide future works in the framework of the ACP-EU partnership.

**ITEM 12**

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

The Council agreed that the date and the venue of the next session of the Council, to be held in an ACP State, would be confirmed by the Co-secretariats.

## "C" ITEMS

### ITEM 13

#### 11TH WTO MINISTERIAL CONFERENCE

The Council held an informal exchange of views on the 11th WTO Ministerial Conference.

### ITEM 14

#### YOUTH, JOB CREATION AND DEMOGRAPHY

The Council held an informal exchange of views on Youth, job creation and demography.

### ITEM 15

#### STRENGTHENED COOPERATION IN THE INTERNATIONAL ARENA

The Council held an informal exchange of views on Strengthened cooperation in the international arena.

### ITEM 16

#### OCEAN GOVERNANCE

The Council held an informal exchange of views on Ocean Governance.

### ITEM 17

#### ANY OTHER BUSINESS

(none).

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**ORAL REPORT  
ON THE OUTCOME OF THE 26th MEETING  
OF THE DEVELOPMENT FINANCE COOPERATION COMMITTEE  
(MINISTERS)  
HELD IN BRUSSELS ON 4 MAY 2017**

**(Presented to the ACP-EU Council of Ministers  
Brussels, 5 May 2017)**

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

I have the task of presenting to you a summary of the results of the 26th meeting of the ACP-EU Development Finance Cooperation Committee, which took place here in Brussels at Ministerial level on 4 May 2017.

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 34th session** of the ACP-EU Development Finance Cooperation Committee, which took place in Brussels at Authorised Representatives' level on 10 March 2017. 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**.

Both sides welcomed the agreement reached regarding the way forward. Support regarding exogenous shocks will be provided within the framework of the envelope for unforeseen needs. Therefore the setting up of a separate shock absorber instrument would no longer be needed. The ACP-EU Committee of Ambassadors should be mandated to adopt a Decision reflecting this agreement by 31 December 2017 at the latest.

The Commission explained that the two sides will work on a proposal for the Decision that will be adopted by the ACP-EU Committee of Ambassadors in written procedure.

The Committee recommended to the ACP-EU Council of Ministers (1) to approve the support in case of exogenous shock within the framework of the envelope for unforeseen needs; (2) to finalise the procedure by a Decision of the ACP-EU Council of Ministers and (3) to grant a delegation of powers to the ACP-EU Committee of Ambassadors to adopt that Decision, which will amend Annex II to the Cotonou Agreement with a view to rendering its Chapter 3 obsolete, as soon as possible and by 31 December 2017 at the latest.

2. Under the second item on the agenda the EU side underlined the importance of the successful implementation of **the 2030 Sustainable Development Agenda**. It informed the Committee of the state-of-play of its internal work on implementation ahead of the meeting of the High-level Political Forum on sustainable development in July 2017.

The ACP side underlined that the means and modalities of implementation are essential elements of the 2030 Agenda and its 17 objectives. The implementation can take place only if sufficient means are provided, which, in the global context of a number of crises, in particular, makes the timely allocation of sufficient development funding difficult.

The Committee took due note of the developments regarding the implementation of the 2030 Sustainable Development Agenda. It underlined that the means and modalities of implementation are essential elements of the 2030 Agenda and its 17 objectives. The implementation can take place only if sufficient means are provided, which, in the global context of a number of crises, in particular, makes the timely allocation of sufficient development funding difficult.

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 ACP side informed the Committee about outcomes of the meeting of the national and regional authorising officers of the Central Africa region that took place in Yaoundé on 6 and 7 April 2017, whereby it recommended better governance and more information on the activities, in order to ensure real ownership of the EUTF activities by the beneficiaries.

The Committee took note of the developments made since the launching of the ACP-EU migration dialogue regarding a number of issues related to regular migration within the four areas of discussion, which are visa, remittances, return and readmission and trafficking in human beings and migrants. The Committee reiterated the strategic and political importance of the trust Fund, took note of the state-of-play of its implementation and welcomed the ongoing progress.

4. As regards **the state-of-play of the European Development Funds in 2016**, the Commission gave a presentation of the implementation of the 10th and the 11th European Development Funds, pointing out the good results of programming, commitments and disbursement of resources.

The Committee took due note of the Commission's presentation and recommended that the updated information on the implementation of the 11th 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 2030 Agenda and policy objectives, such as migration, with a particular focus on smaller businesses.

The ACP side invited the EIB to (1) involve the national and regional authorising officers in the selection process; (2) ensure that the interest rates applied by commercial banks in IF funds are not higher than the rates in the general market; (3) establish private sector support mechanisms for guarantees and exchange risks and (4) improve information on beneficiaries on the EIB website.

The ACP side also welcomed the increase of EIB offices in the ACP regions and encouraged it to widen its presence in the Pacific region.

The Committee took due note of the EIB's report on the implementation of the Investment Facility.

6. As to **the evaluation of the Investment Facility**, the EIB presented the process of the evaluation.

The Committee reiterated the importance of the activities under the Investment Facility for ACP companies, especially in the private sector. It invited the EIB to present a full report on the evaluation at its next meeting.



7. At the end of the meeting, both parties agreed on the proposed Work Programme for 2017-2018.

**Co-chair,**

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

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