

ACP-EU COTONOU AGREEMENT

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

**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 17 April 2020
(OR. en)**

ACP/21/001/20

ACP-UE 2103/20

OUTCOME OF PROCEEDINGS

Subject: Outcome of proceeding of the 44th session of the ACP-EU Council of Ministers in Brussels, Belgium, on 23-24 May 2019

The ACP-EU Council of Ministers held its 44th meeting in Brussels, on 23 and 24 May 2019, under the chairmanship of H.E. Hon. Tjekero TWEYA, Minister of Industrialisation, Trade and SME Development of Namibia, President-in-Office of the ACP Council of Ministers.

The meeting was co-chaired for the European Union by H.E. Ms Maria Magdalena GRIGORE, Secretary of State of the Ministry of Foreign affairs of Romania, 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 Mr Alexander BAUM, Senior Adviser for Post-Cotonou.

The European Investment Bank was represented by Mr Diederick ZAMBON, Head of EIB Public Sector lending to Africa.

ITEM 1

ADOPTION OF THE PROVISIONAL AGENDA

[ACP/21/002/19 - ACP-UE 2110/19]

The Council adopted the agenda with an amendment, introducing a second sub-item under item 2 on the adoption of a Decision of the ACP-EU Council of Ministers on the delegation of powers to the ACP-EU Committee of Ambassadors on the decision to adopt transitional measures pursuant to Article 95(4) of the ACP-EU Partnership Agreement.

"A" ITEMS

ITEM 2

ADOPTION OF

- **Outcome of proceedings of the 43rd session of the ACP-EU Council of Ministers on 31 May-1 June 2018**

[ACP/21/001/19 - ACP-UE 2104/19]

The Council approved the outcome of proceedings of the 43rd session of the ACP-EU Council of Ministers.

- **Decision of the ACP-EU Council of Ministers on the delegation of powers to the ACP-EU Committee of Ambassadors on the decision to adopt transitional measures pursuant to Article 95(4) of the ACP-EU Partnership Agreement**

[ACP/21/004/19 - ACP-UE 2112/19]

The Council adopted the Decision.

ITEM 3

RELATIONS WITH THE ACP-EU JOINT PARLIAMENTARY ASSEMBLY

- **Information on the activities of the Assembly in 2018**
- **Adoption of a report to the Joint Parliamentary Assembly**

[ACP/21/003/19 - ACP-UE 2111/19]

The Council welcomed the results of the ACP-EU Joint Parliamentary Assembly sessions which took place in 2018 in Brussels and in Cotonou, Benin, and adopted the report to the ACP-EU Joint Parliamentary Assembly on the implementation of the ACP-EU Partnership Agreement in 2018.

"B" ITEMS

ITEM 4

STRENGTHENING COOPERATION IN INTERNATIONAL FORA

- **Exchange of views**

The ACP side reiterated the importance of the ACP-EU Partnership as a strategic alliance for cooperation at international level, which seeks not only to strengthen the ACP-EU relations, but also promote and sustain effective multilateralism. The ACP side proposed a calendar of joint ACP-EU activities and indicated the desire to make this a standing process at the beginning of the year.

The EU side agreed on 2019 being an important and critical year for global public goods, providing several opportunities for joint positioning. The EU side proposed to set up an international cooperation coordination mechanism, capitalising on the post-Cotonou negotiation process, where an effective system has been developed to engage in dialogue and achieve results together.

In conclusion, the Council mandated the Co-Secretariat to continue close engagement on the subject, in order to organise as many joint events as possible during the rest of the year and beyond, and work towards the adoption of a joint declaration reaffirming the EU and ACP commitment to the 2030 Agenda and its full implementation, in view of the SDG Summit due to take place on 24-25 September 2019 in New York, and many others that may follow. The Council mandated the Co-Secretariat to put this into action.

ITEM 5

CLIMATE CHANGE

- Exchange of views

The ACP side welcomed the adoption of the Katowice Rulebook and presented its action points for the implementation of the Paris Agreement. The ACP side reiterated its proposal made under the previous item of a number of high-level events in 2019 which would contribute to increasing the visibility of the ACP-EU partnership at the global level.

The EU side agreed that continued efforts are necessary to ensure thorough implementation. It informed of the EU's internal work to study options for further scaling up climate action and for supporting even more the implementation of Nationally Determined Contributions in partner countries in the next programming period of 2021-27.

The Council noted the commitments of ACP and EU Members States to continue to play a leading role in the fight against climate change. It welcomed the Katowice Rulebook, looking forward to working together to support its implementation. It agreed to further cooperate in order to reiterate ACP and EU countries' commitment to the full and effective implementation of the United Nations Framework Convention on Climate Change and the Paris Agreement. It agreed to continued collaboration in order to contribute to the success of the UN Climate Summit in September 2019 and UNFCCC COP 25 scheduled for December 2019 in Santiago, Chile.

ITEM 6

OCEAN GOVERNANCE

- Exchange of views

The ACP side underlined the need for sustained and urgent action at the international levels to forge appropriate responses and catalyse actions to address common and interconnected ocean challenges, inter alia at the ongoing negotiations under the auspices of the United Nations for a legally binding agreement to govern the conservation and sustainable use of biodiversity in the high seas, as well as the WTO negotiations on fisheries subsidies.

The EU side welcomed the increased attention by the international community to this important topic and proposed to bring the ACP-EU converged views forward with a view to shape the global agenda, including by showcasing the results of ACP-EU cooperation to attract other players to join.

The Council agreed to continue treating with high priority the issue of ocean governance in order to further advance and promote the conservation and the sustainable use of the oceans, seas and marine resources for sustainable development (that preserve the planet and benefit the peoples). The Council would explore opportunities for ACP-EU cooperation at the regional and international levels where our cooperation can make a meaningful contribution to improve the governance of the oceans and ensure its productivity and resilience.

ITEM 7

MIGRATION

- Exchange of views

The ACP side presented its position in view of the Global Compact for Safe, Orderly and Regular Migration, following the Valletta Summit and the upcoming expiry of the Cotonou Agreement, proposing to adopt a broader vision and engage in deeper reflection in order to deal with this issue from a new perspective – that of the Migration-Development nexus and its repercussions on good governance, the equitable distribution of the fruits of growth, youth, organised crime, isolationism and even populism.

The EU side agreed that the Post-Cotonou negotiations provide an excellent opportunity to revisit the ACP-EU cooperation in this area and to bring the parallel processes that exist today closer together, in a streamlined approach for more coherent action.

In conclusion, the Council welcomed the shared commitment of the ACP Group and the European Union to find adequate and sustainable responses to migration and it will continue to monitor this issue in this new context.

ITEM 8

DEVELOPMENT FINANCE COOPERATION

- Oral Report and follow-up to the meeting of the Development Finance Cooperation Committee (Ministers) (23 May 2019)

The EU President of the ACP-EU Ministerial Development Finance Cooperation Committee presented the report on the meeting, which took place on 23 May 2019 in Brussels (see Annex).

The Council took note of the deliberations of the DFC Ministerial Committee and stated it being aware of the importance of the ACP-EU Ministerial Committee on Development Finance Cooperation and the prominent role that it plays in the area of development cooperation in the context of the ACP-EU partnership. The Council welcomed the excellent work of the Committee and encouraged the two parties to strengthen the dialogue on the important issues that were raised in the report, in particular those related to the EU list of non-cooperative tax jurisdictions, domestic resource mobilisation in ACP countries and combating money laundering and the financing of terrorism.

ITEM 9

ECONOMIC ISSUES

- Trade Cooperation:

a) Report from the 16th Joint Ministerial Trade Committee

The EU side provided an oral report on the 16th meeting of the Joint ACP-EU Ministerial Trade Committee (JMTC), which was held on 26 October 2018 in Brussels. 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, 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 out during the 16th Joint Ministerial Trade Committee. It took good note of the various issues discussed and requested the JMTC to pursue outstanding issues at technical level in readiness for consideration at its next meeting. The Council urged both sides to continue consultations on an appropriate date to hold the 17th Joint Ministerial Trade Committee meeting.

b) State of play of EPAs

The EU side informed of the good progress regarding the implementation of the seven EPAs with the respective 31 countries. It welcomed the ratification by Comoros of the ESA EPA, as well as the request of the ESA EPA group to launch negotiations with a view to extend the scope of the agreement. The EU side also congratulated African partners for the imminent entry into force of the African Continental Free Trade Area (AfCFTA). As to the Pacific EPA, it reported of Samoa's recent accession and the upcoming accession by Solomon Islands and Tonga. Monitoring of the operation and the outcomes of each EPA is ensured to make sure that they contribute to their development and sustainable development objectives.

The ACP side welcomed the progress in EPA implementation. At the same time it reiterated its concerns arising from both the implementation of EPA and the EPA framework itself that may negatively affect regional integration within the ACP regional groupings but also the economies from some ACP States. It called for more efforts to make EPAs development friendly instruments, especially in light of the withdrawal of the UK from the EU that calls into question the economic value of the EPA trade preferences for many ACP countries which essentially trade with the UK. The ACP side reiterated its proposal to operationalize an all-ACP-EU EPA monitoring and evaluation mechanism under the umbrella of the Joint ACP-EU Ministerial Trade Committee.

In conclusion, the Council took note of the state of play of the EPA process. It invited both the ACP and EU Parties in the EPA process to remain engaged and to cooperate in a spirit of flexibility and compromise, in order to make every effort, notably in the process of implementation, to ensure that the EPAs become true instruments of development for ACP States. It agreed to continue following closely the discussions on establishing adequate monitoring frameworks for EPAs, at the appropriate/relevant level(s).

- **Private sector development**

a) Implementation of the Joint ACP-EU Private Sector Development Framework

The ACP side welcomed the significant progress in the programming of private sector development funds. It drew attention to certain aspects of implementation, namely the need for greater involvement of ACP organisations in the implementation and follow-up of programmes, as well as the advisability and effectiveness of loan-grant blending. It also underlined the principle of co-management, which has always prevailed, and which should facilitate the ACP Group's participation on the decision-making boards and organs, even as an observer, to ensure compliance with the policy objectives.

The EU side presented the state-of-play of the implementation of the Framework. It highlighted the efforts made on agricultural value chains, the catalysing effect of the European External Investment Plan to ensure new investments and the work with ACP local financial institutions to strengthen their capacities. Support will continue to be given to medium, small and especially micro-enterprises. The EU side is convinced that a combination of capacity building and new investments is necessary to create a sustained and inclusive change in how private sector contribute to Agenda 2030.

The Council took note of the developments in the implementation of the Joint ACP-EU Cooperation Framework for Private Sector Development, and reiterated the ACP-EU commitment to this Programme. The Council agreed to continue, through the Strategic Steering Committee, to explore appropriate means to ensure greater impact of the programmes and actions.

b) Africa-Europe Alliance for Sustainable Investment and Jobs

The EU side underlined the importance of the Alliance, which is part of its wider vision for the future of the two continents and aims to move the relationship towards a partnership of equals, promote shared inclusive and sustainable growth and create decent jobs and equal opportunities for all, in line with Agenda 2030 and the European Consensus for Development. The Alliance is comprised of specific elements that establish innovative instruments, improve the investment climate in partner countries, support vocational education and training and support the establishment of the African Continental Free Trade Area. The EU hopes that the new approach can inspire joint work with the Caribbean and the Pacific as well.

The ACP side took note of the information, which would be useful in the ongoing Post-Cotonou negotiations, especially with regard to the specific regional protocol. It pointed out that many of the joint actions dedicated to private sector development anticipated what is being formalised in the Alliance and have the potential to respond effectively to the objectives of the Alliance.

The Council took note of the presentation on the Africa-Europe Alliance for Sustainable Investment and Jobs and would look forward for its effective implementation.

ITEM 10

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

The Council agreed that the next session should take place within the format set out in the Post-Cotonou Agreement in an ACP country, at a date to be confirmed by the Co-secretariats.

"C" ITEMS

ITEM 11

RELATIONS BETWEEN ACP COUNTRIES AND THE EU POST-2020

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

ITEM 12

GENDER VIOLENCE – EU-UN SPOTLIGHT INITIATIVE

The Council held an informal exchange of views on gender violence and the EU-UN Spotlight Initiative.

ITEM 13

STATE OF PLAY OF THE BREXIT PROCESS

The Council held an informal exchange of views on the state-of-play of the Brexit process.

ITEM 14

ANY OTHER BUSINESS

(none).

ORAL REPORT
ON THE OUTCOME OF THE 28th MEETING
OF THE DEVELOPMENT FINANCE COOPERATION COMMITTEE
(MINISTERS)
HELD IN BRUSSELS ON 23 MAY 2019

(Presented to the ACP-EU Council of Ministers
Brussels, 24 May 2019)

Co-chair, Ministers, Commissioner, Ladies and Gentlemen

I have the task of presenting to you a summary of the results of the 28th meeting of the ACP-EU Development Finance Cooperation Committee, which took place here in Brussels at Ministerial level on 23 May 2019.

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

The Committee adopted the agenda with the addition of a new sub-item under Item 4 on Combatting money laundering and financing of terrorism. The Committee then continued by taking note of the **Report of the 36th session** of the ACP-EU Development Finance Cooperation Committee, which took place in Brussels at Authorised Representatives' level on 2 April 2019. The report was presented by the EU side on behalf of both Parties.

Let me now summarize the main discussions at the meeting.

1. On the **state-of-play of the implementation of the Intra-ACP Cooperation**, the ACP side underlined its importance in the progress made towards the achievement of the Millennium Development Goals and the SDGs. The EU side outlined the state-of-play of implementation, with specific focus on the areas of private sector development and climate change. The EU also informed the Committee of the agreement between the EU and the ACP Committee of Ambassadors to conduct an ad-hoc review of the intra-ACP programme.

The Committee took note of the state-of-play of the implementation of the Intra-ACP cooperation.

2. The **mid-term review of cooperation: state-of-play** was the next point on the agenda. The EU side presented the results of the mid-term review process and informed of the upcoming launch of the end-of-term review of the EDF programming documents. The ACP side raised concerns as to the imbalance between the mid-term review schedule and the implementation status of the specific NIPs, as well as to the insufficient consultations with beneficiary countries.

The Committee took note of the state-of-play of the mid-term review of cooperation and invited the Commission to take into consideration the recommendations made for the end-term reviews at the regional meetings of ACP National and Regional Authorising Officers.

3. The European Investment Bank provided a detailed overview of **the implementation of the Investment Facility in 2018**, a record year for the Bank with jobs, energy, water and connectivity in the main focus of its actions. The ACP side welcomed the implementation results in 2018 and reiterated its appeal to the EIB to take account of the recommendations of ACP National and Regional Authorizing Officers.

The Committee took note of the report of the EIB, and invited it to consider the recommendations made.

4. Under the item on the **EU list of non-cooperative jurisdictions for tax purposes**, the ACP side, while reiterating its commitment to tax good governance, expressed its concerns regarding the EU list, the EU's unilateral approach, which is contrary to the spirit of cooperation under the Cotonou Agreement, its negative effects on the image, reputation and economy of the countries concerned and for the lack of dialogue under the Cotonou Agreement, in particular its Articles 8 and 12. The ACP side called for a moratorium, an open dialogue at ACP-EU level on this issue, also to avoid confrontation. The ACP side remains firmly open to dialogue as a means of resolving the difficult political issues that emerge from time to time in the context of the partnership. The EU side reiterated that the exercise does not have a geographical focus, being part of a wider intergovernmental policy that intends to promote a positive change in this area, which has already proved to be very fruitful. Dialogue on reforms is ongoing with each of the countries concerned, supported by technical assistance if needed. The list evolves constantly and the situation of developing countries has been taken into account throughout the process.

The Committee took note of the information provided and invited the two sides to engage in a constructive dialogue as soon as possible.

5. Under the item on **Improving Domestic Resource Mobilisation (DRM)**, the ACP side underlined the importance of tax revenues to development finance, and consequently to the implementation of SDGs, as well as the importance to tackle illicit financial flows. It pointed out the constraints on resources and proposed that technical assistance be explored in this regard. The EU side outlined the support given to ACP countries at the global, regional and national level.

The Committee agreed on the need to strengthen ACP-EU cooperation in the area of domestic resource mobilisation and to strengthen ACP countries' capacities in this area.

6. On the **ACP-EU cooperation on international tax governance**, the ACP side recalled the importance of its effective participation in the decision-making process in international and intergovernmental bodies that deal with tax matters and stated that multilateralism should be strengthened, including on taxation. The ACP side added that in light of the significant losses of revenue incurred as a result of tax fraud and erosion in Member States, ACP-EU cooperation can play a role in facilitating fair and equitable tax governance, which should be a key-issue in the post-Cotonou discussions. The EU side agreed that the involvement of ACP countries in international tax fora should be strengthened and the ACP contribution to their evolution should be increased further.

The Committee agreed on the need to strengthen dialogue on international tax governance and to agree on international standards within international and intergovernmental bodies that deal with tax matters.

7. Under the item on **Combatting money laundering and financing of terrorism**, the ACP side raised concerns regarding the process of the preparation of an EU list in this area. The EU side recalled the major security concerns related to money laundering and terrorism financing. Regarding the preparation of a future list, the EU will strengthen dialogue with countries concerned.

The Committee took note of the remarks made.

8. The Committee adopted the **Work Programme for the period 2019-2020** with the new item proposed by the ACP side on Combatting money laundering and financing of terrorism.

Co-chair,

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