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JOINT STAFF WORKING DOCUMENT

IMPACT ASSESSMENT

Accompanying the document

Joint Communication to the European Parliament and the Council

A renewed partnership with the countries of Africa, the Caribbean and the Pacific

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Acronyms

ACP	African, Caribbean and Pacific Group of States
AOSIS	Alliance of Small Island States
APF	African Peace Facility
BEST	Biodiversity and Ecosystem Services in Territories of European Overseas
BRICS	Brazil, Russia, India, China and South Africa
CELAC	Community of Latin American and Caribbean States
COP21	Conference of the Parties – 21st Conference
CPA	Cotonou Partnership Agreement
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DCI	Development Cooperation Instrument
EBA	Everything But Arms
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EPA	Economic Partnership Agreement
EPG	Eminent Persons Group
EU	European Union
FAO	Food and Agriculture Organization
GPEDC	Global Partnership for Effective Development Cooperation
GSP	General Scheme of Preferences
HIC	High Income Country
HR/VP	High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the European Commission
IA	Impact Assessment
ICT	Information and Communication Technologies
IMF	International Monetary Fund
IMO	International Maritime Organisation
IPOA	Istanbul Programme of Action
JAES	Joint Africa-EU Strategy
JCES	Joint Caribbean-EU Partnership Strategy
JMTC	Joint Ministerial Trade Committee
LA	Local Authorities
LDC	Least Developed Country
LIC	Lower Income Country
LMIC	Lower Middle Income Country
MDG	Millennium Development Goals

MEA	Multilateral Environmental Agreement
MFF	Multiannual Financial Framework
MSME	Micro, Small and Medium Enterprises
NSA	Non-State Actors
OCTs	Overseas Countries and Territories
ODA	Official Development Assistance
REC	Regional Economic Community
SAMOA	SIDS Accelerated Modalities of Action
SDG	Sustainable Development Goals
SIDS	Small Island Developing States
SME	Small and Medium-sized Enterprises
SSA	Sub-Saharan Africa
TEU	Treaty on European Union
TFEU	Treaty on the Functioning of the European Union
UMIC	Upper Middle Income Country
UNFCCC	United Nations Framework Convention on Climate Change
WTO	World Trade Organisation

Introduction

The partnership agreement between the members of the African, Caribbean and Pacific Group of States of the one part and the European Community and its Member States, of the other part, signed in Cotonou on June 2000¹ is due to expire in February 2020. In light of existing provisions, negotiations between the parties must start by no later than August 2018, and the EU should reflect on how to best organise its relations with ACP countries. The partnership agreement is referred to as the Cotonou Partnership Agreement (CPA).

Signed in 2000 as an evolution of previous agreements since the 1975 Lomé convention, the CPA has set a comprehensive list of policy goals and political values to be jointly pursued by the EU and partner countries across Africa, the Caribbean, and the Pacific, and is based on three complementary pillars (i.e. political dialogue, economic and trade cooperation and development finance cooperation), and managed through joint institutions. As such, it has provided the general *framework* for all joint initiatives promoted by the EU and ACP countries over the past 15 years, including regional development initiatives² and the Economic Partnership Agreements (EPAs). The agreement frames the cooperation by defining the objectives, the principles on which the cooperation is based as well as the means and tools that will support the implementation.

The CPA is mainly financed by the European Development Fund (EDF), an extra-budgetary fund consistent with the EU Multiannual Financial Framework composed of direct contributions from EU Member States, set up specifically to support the achievement of objectives agreed in the partnership³. The number of participating countries (over 100 countries, forming a majority in the United Nations and representing around 1.5 billion people), its comprehensive scope, its joint management arrangements and its legally-binding nature give an idea of the magnitude and the relevance of the partnership.

However, since 2000 the interests and ambitions of the EU and the ACP countries have evolved. The EU Global Strategy⁴ as well as the proposal for a new European Consensus on Development⁵, as well as the internationally agreed 2030 Agenda on sustainable development⁶ and the Paris Climate Change Agreement⁷, provide for the key references against which future relations with ACP countries should be framed. Moreover, the changing global context, and notably the deepening of regionalisation across Africa, the Caribbean and the Pacific, point to the need to review the scope of the EU-ACP partnership as well as its

1 2000/483/EC OJ L 317, 15.12.2000

2 As the Joint Africa-EU Strategy, the Joint Caribbean-EU Partnership Strategy

3 The EDF is then complemented by other existing external financial instruments sourced from the EU budget

4 Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy, 28 June 2016 <http://europa.eu/globalstrategy/en/shared-vision-common-action-stronger-europe>

5 Placeholder for Consensus Communication (C(2016) xxx final)

6 Transforming our world: the 2030 agenda for sustainable development, United Nations A/RES/70/1

7 Paris agreement under the United Nations Framework Convention on Climate Change. FCCC/cp/2015/L.9/Rev.1

format. Furthermore, a number of lessons learned regarding the effectiveness and efficiency of the current partnership should be taken into account in the reflection on future relations.

The goal is that of forging the best type of relationship after 2020 that allows the EU to effectively pursue its interests in an ever-competitive global arena.

The impact assessment will accompany the Communication on the future relations of the EU with the ACP countries after 2020, and will serve as a basis for the subsequent recommendation and annexed negotiating directives.

Changing context

The global context in which the EU operates has undergone significant transformations since the signature of the Cotonou Partnership Agreement in 2000. The world is becoming more interdependent and interconnected, multi-polar, complex and with new security challenges. On the one hand, increased interdependence, technological advances and intensified trade have opened up new possibilities to accelerate economic growth for the EU. On the other hand, the persistence of situations of fragility and vulnerability, the uneven progress across the developing world and rising inequalities, the acceleration of terrorist and organised crime activities, the demographic boom (particularly in Africa), and continuing environmental degradation and climate change, pose serious challenges to social and economic stability in every part of the world, affecting the EU as well. Due to these increased interlinkages, there are stronger spill-over effects towards Europe (e.g. economic, irregular migration) than in the past.

Furthermore, global challenges such as climate change have increased in importance, and the EU's capacity to influence the course of international affairs is affected by the rise of new powers (e.g. China). In this changed context, it becomes important for the EU to build even stronger and political relations with large group of countries, so to pursue effectively its interests.

Another major trend over the last decades has been the intensification of regional dynamics. This has taken place as well within the ACP group of countries. These diverse regional dynamics are reflected in the reinforcement of regional and continental integration mechanisms, coupled with a strengthening – albeit at different degrees – of regional organisations. Africa, the Caribbean, and the Pacific also have increasingly been facing specific geopolitical, economic and development challenges. For instance, migration and security are central to the EU's relations with Africa, whereas climate change is of major importance in relations with the Caribbean and Pacific countries. A number of these relevant issues and opportunities for cooperation have been reflected in mutual partnerships between the EU and main existing regional fora, such as the Joint Africa-EU Strategy and the Joint Caribbean EU Partnership Strategy⁸. Any future relationship must therefore take into account increased regionalisation dynamics and existing regional strategies within the group of ACP countries.

⁸ No such framework is in place for the Pacific countries

Evaluation of the Cotonou Partnership Agreement (CPA)

As evidenced by the evaluation, as well as the consultation process, significant progress has been made under each of the three pillars of the CPA. Firstly, the CPA has contributed to poverty eradication and to human development. Secondly, it has led to an increase in trade flows to and from ACP countries and to their integration into the world economy. Thirdly, it has supported the promotion of peace and security and the reinforcement of democracy and human rights across various ACP countries.

On the other hand, there are two important issues where the record of the EU-ACP partnership has been mixed, and thus require further attention in order to fully address the evolving context in which the CPA operates. Firstly, EU-ACP cooperation in the international arena is considered weak, as the CPA was not designed to address global challenges or to be an effective platform to promote EU-ACP common interests at the global level. Notwithstanding this, EU-ACP cooperation has played a decisive role towards reaching the Paris Agreement on climate change, which indeed points to the enormous potential of an alliance of 100 countries in shaping international multilateral negotiations.

Secondly, despite the growing importance of regional integration in the ACP world and the strong support provided by the CPA to continental and sub-regional actors, the CPA has not fully acknowledge that the three ACP regions have been facing a different set of challenges, impacting the EU in different ways. Similarly, despite diversification featuring prominently in the partnership, the CPA has not fully taken into account the increased heterogeneity of ACP countries.

The evaluation has also pointed to the insufficient implementation of some provisions (particularly in the area of migration), to the fact that the joint institutions and specific ways of cooperation (e.g. co-management) have not worked as expected.

Towards a new type of relations

The changing global context calls for stronger and political relations that encompass regionalization and strengthen the EU's capacity to deliver global alliances. The purpose of this Impact Assessment is to determine which type of format (if any at all) is required to organise and govern relations with partners in Africa, the Caribbean and Pacific, as to enable the EU to best pursue its interests.

It is important to specify that the financing of the relations is not dealt with within the framework of this impact assessment. Reasons for this are the specific focus of the impact assessment on the way the relations should be best organised and the fact that the European Development Fund (EDF) is part of the discussion on the new set of financing instruments for external action due in 2020 under the new multiannual financial framework (MFF). No details on the amount and functioning of financing provisions are therefore discussed. However, in a few cases reference is made to specific aspects related to the EDF (e.g. budgetisation or specific procedures) if deemed relevant with respect to the potential impact of the different options.

The impact assessment accompanies a Communication about the EU's future relations with the ACP countries to be adopted in November 2016. The Communication presents the preferred way forward, based on the outcome of this impact assessment, and includes the main building blocks proposed for a negotiating mandate.

1. Problem definition

1.1 General problem

In an interdependent and multi-polar world, a range of challenges and opportunities related to countries in Africa, the Caribbean and the Pacific increasingly affects EU security and prosperity and should be adequately addressed.

1.2 Specific problems and related drivers

The current CPA has provided a comprehensive framework shaping the relations between the EU and ACP countries, and has been instrumental in addressing human and economic development problems and promoting EU values. Yet, this type of arrangement may no longer be effective and efficient in fully addressing a range of new specific problems. Some of these problems originate from the global context in which EU-ACP relations are embedded; others emanate directly from the application of the CPA to the more specific EU-ACP context.

Particularly, five specific problems have been identified.

1. The analysis of the global context shows that situations of fragility and inequality persist within the ACP countries. Although there has been clear progress in the area of human and economic development in ACP countries, achieved through a relevant contribution of the CPA, improvements have been insufficient and unevenly distributed.
2. Dynamics within ACP countries have a direct effect on the EU, posing serious challenges to its security and limiting opportunities for further prosperity. In this respect, the CPA provisions foreseen to ensure EU security and facilitate EU investment in ACP countries have not worked as expected, leaving the EU exposed to such enduring challenges.
3. Although trends of increasing regionalisation have emerged across Africa, the Caribbean and the Pacific, the CPA has not been able to fully embrace the deepening of such regional dynamics. Therefore, its effectiveness has been hindered by the limited recognition of parallel partnerships existing with regions and sub-regions.
4. Increased global challenges call for more coordinated and ambitious collective action. So far, the EU and the ACP countries have not sufficiently exploited the potentials offered by stronger cooperation at the international level.
5. A full engagement of all stakeholders, beyond national governments, is required to address all the previously identified challenges. Unfortunately, the CPA contribution in fostering more inclusive processes across ACP countries has been considered inadequate.

Below follows a more detailed description of the specific problems that challenge the current focus of the relationship and the way it is organised and governed. Each section starts with the description of the global context in which EU-ACP relations have evolved and the challenges that the EU has to face in order to effectively pursue its interests. The second part of each

section outlines how the CPA has responded to the problem, and to do so it draws on the evaluation and, wherever possible, the consultation process.

1.2.1 Uneven patterns of development across Africa, the Caribbean and the Pacific

Notwithstanding substantial progress, ACP countries remain confronted with significant challenges in terms of conflicts and instability, sustainable development, as well as patchy integration into the global economy. The CPA has been relatively effective in providing support to ACP countries across those areas, but has not fully addressed the root causes. As a result, a range of challenges persist and are expected to grow in the future.

Persisting conflicts and fragilities

Conflicts and situations of fragility are more dominantly present in ACP countries than other parts of the world. Despite the gradual reduction of armed conflicts, as many as 15 African states have actually witnessed an overall increase in political violence. Importantly, it has been estimated that by 2030 62% of the world's extreme poor will live in fragile and conflict-affected countries, 20 of which are in Africa, 5 in the Pacific and 1 in the Caribbean⁹. Similarly, despite significant progress, democratic processes are still weak in many ACP states, which indeed are characterised by weak institutions, violations of human rights, widespread corruption, and reduced or reducing space for civil society organisations. Another serious source of instability is related to the rise of population. Between 2015 and 2050, Africa is projected to account for over half the growth in world population¹⁰. This demographic boom calls for, on the one hand, substantial investment for the provision of basic social services, and, on the other hand, poses a set of crucial challenges, such as rapid urbanisation, growing inequality, competition for resources (particularly land and water), and high levels of unemployment.

Support to peace and security have been one of the main areas of achievement of the CPA. Yet, such support has largely been directed at responding to specific crises, rather than addressing root causes of instability and fragility. Moreover, the increased prominence of regional organisations and policy frameworks in this area has led many to question the long-term relevance of the existing ACP-EU format.

Similarly, the essential elements clause in the CPA – respect for human rights, democracy and the rule of law – combined with the appropriate measures mechanism in Article 96 CPA, is the most advanced compared to other EU agreements with third countries. Undoubtedly, political relations between the EU and the ACP countries, on the whole, have been strengthened. However, more efforts are needed to overcome the perception of structured political dialogue as instrument for criticising the ACP governments or as an obligation to be fulfilled in order to have continued access to EU funding, particularly for those highly dependent on EU aid and/or with closed political systems.

9 OECD (2015), States of Fragility 2015: Meeting Post-2015 Ambitions; Sources: 2014 World Bank / AfDB, ADB Harmonised List, and 2014 Fragile States Index by the Fund for Peace

10 UNDESA (2015), World Population Prospects – 2015 Revision

Limited and unsustainable development

Progress on sustainable development continues to be patchy across ACP countries. Despite the good progress registered since the adoption of the MDGs, Sub-Saharan Africa remains the world's poorest region with more than 40% of the population still living in extreme poverty in 2015.¹¹ The situation is not likely to improve: in fact, it is projected that the world's extreme poor will be increasingly concentrated in Africa.¹² Many ACP countries still lag behind on key components of human development, yet again with noticeable inter-regional and intra-regional differences.¹³ More specifically, women and girls face strong inequalities in terms of access to social services as well employment opportunities. Although ACP countries currently figure among the lowest greenhouse gas producers, a steep growth in energy demand in the next decades¹⁴, particularly in Africa, is expected to increase dramatically the polluting potential of the region.¹⁵ Moreover, the ACP countries are also home to a large share of the world's biodiversity and are particularly exposed to environmental degradation. In many countries, ecosystems and species are being destroyed or degraded under the pressures of growing global demand for land and commodities, large-scale pollution driven by economic and demographic growth and unsustainable consumption and production patterns. For instance, population growth is increasingly straining the world's limited supply of fresh water.¹⁶

The Cotonou Partnership Agreement has been essential in the promotion of human and social development across ACP countries, by supporting poverty reduction and addressing the needs of most vulnerable people. Nonetheless, much needs still to be done in a range of areas. For example, the CPA has hardly succeeded to put in place growth distribution policies, based on access to assets and not only to services by the poor¹⁷. Also, strong commitments towards women's rights were not always matched by its organisational capacity to deliver, which resulted in country strategy objectives, programmes and dialogue that did not sufficiently consider a balanced gender approach. In terms climate change and environment sustainability, the CPA has contributed to raising awareness, yet the scale and duration of efforts has been largely insufficient to reverse environmental degradation and counter the powerful drivers underpinning it. The challenge is therefore to establish partnerships that address the needs of middle-income countries, including rising levels of inequalities, and fully support cross-cutting issues of environmental sustainability and gender equality.

11 United Nations (2015), The Millennium Development Goals report 2015

12 Beegle, Kathleen, Luc Christiaensen, Andrew Dabalen, and Isis Gaddis. 2016. 'Poverty in a Rising Africa, Africa Poverty Report – Overview'. World Bank, Washington

13 Almost all African and Pacific countries have a human development index below 0.6, while almost all Caribbean countries have a human development index above 0.6

14 http://www.worldenergyoutlook.org/media/weowebsite/Africa/Fact_sheet_outlook_to_2040.pdf

15 coupled with supply largely based on wood, coal and other polluting practices,

16 <http://www.un.org/waterforlifedecade/scarcity.shtml>

17 Review of the strategic evaluations managed by DEVCO– February 2016 – Particip.

Incomplete and patchy integration into the world economy

Economic performance in the ACP region has been remarkable, yet results differ by country and over time. In particular, most countries in Africa have experienced sustained economic growth since 2000, with growth rates often exceeding 5% per year, making this region among the fastest growing ones in the world. By contrast, the Caribbean and the Pacific regions have grown at rates below the world average¹⁸. Part of the explanation resides in the increase in trade with the rest of the world, which trebled in the period 2000-2014. Intra-ACP trade flows, however, have remained relatively low, with an array of technical barriers and behind-the-border obstacles weighing on regional integration efforts. Moreover, many economies are dependent on primary commodities and are vulnerable to shocks, and on average are significantly less diversified than other developing countries, often due to their small size, geographical remoteness or landlocked situation. As a result, the ACP group has become very diverse, comprising some of the world's most resource-rich countries, some of the fastest growing countries and some of the poorest countries in the world.

The Cotonou Partnership Agreement has supported specific actions towards a greater integration of the ACP States into the world economy and, in fact, ACP-EU trade has steadily grown since 2000. The ACP as a group has maintained a trade surplus with the EU over these years; the EU remains by far the main investor in Africa, well ahead of China and the United States. The CPA, nevertheless, has not fully been able to increase diversification and reducing commodity-dependency across ACP economies. Further efforts are therefore required to strengthen long-term sustainability of economic performance across different types of ACP countries.

1.2.2 Europe's growing security concerns and untapped economic potentials

The interdependence between the EU and ACP partner countries is resulting in a range of new challenges and opportunities for EU citizens and businesses. This is the case for increased security issues and migration affecting EU societies. At the same time, more advanced ACP economies offer a range of new opportunities in terms of returns of investments. As further described in the next sections, the CPA has provided certain specific provisions to address such challenges and potentials, but has not been sufficiently effective in fostering these direct EU interests in its relation with ACP countries.

Security concerns expected to grow

A growing number of concerns, most of which originate in partner countries, are potentially threatening EU security and stability. These threats certainly include conflicts beyond the EU borders and international terrorism, but also other forms of organised crime, such as trafficking of human beings, weapons and drugs, as well as piracy and cybercrime. Deteriorating security in several regions of sub-Saharan Africa, such as the Sahel or the Horn, pose a direct threat to Europe as Africa's immediate neighbour and main investor and trade partner. The EU also shares a number of security concerns (e.g. drug trafficking, organised crime) with the

¹⁸ Intra-ACP Cooperation Strategy Paper and Indicative Programme 2014-2020

Caribbean and the Pacific. All these threats are by their nature transnational and therefore call for increased cooperation with third countries in order to improve vigilance and cease the activities of terrorist organisations.

The CPA has included some specific provisions related to international terrorism, proliferation of weapons of mass destruction and the International Criminal Court. Yet, in light of recent escalation of international terrorism and various forms of organised crime, closer cooperation and more systematic and effective use of mechanisms established as well as use of more stringent mechanisms should be considered.

Increasing migration flows

Increasing pressure from higher levels of irregular migration to the EU borders is likely to stay with us over the coming decades, especially from Central Asia and Sub-Saharan Africa (West Africa and the Horn), in case of not adequate management of those growing flows. At the same time, migration represents an opportunity for countries in the EU, particularly those that face the prospect of ageing and rapid population decline. Current trends in ageing of European population are expected to continue in the future, resulting in greater decline of available active labour force with severe challenge for the EU economic performance as a whole.

The Cotonou Agreement has provided a general framework for cooperation between EU and ACP countries in the area of migration, supporting dialogue, addressing human right issues including fair treatment of legally residing ACP nationals, and attempting to tackle the root causes of migration. However, implementation of specific provisions of the CPA (Article 13) has been weak and concrete migration related initiatives are mostly dealt with in bilateral or specific regional cooperation formats. Expiration of the CPA in 2020, though, may leave an unwanted vacuum.

Untapped potentials for economic cooperation

It has been estimated that in the next 10-15 years, 90% of the world's growth will come from outside Europe,¹⁹ so the EU has every interest in making sure that its companies remain competitive and are able to access new markets and benefit from these sources of growth. For instance, statistics on internationalisation show that only 13% of Europe's small and medium-sized enterprises (SMEs) are exporting beyond EU borders²⁰. The EU's strategy for its own development – the Europe 2020 strategy – is based on close relationship with the business and relies on private sector investments in many areas.²¹ Advanced ACP economies have a role to

19 http://trade.ec.europa.eu/doclib/docs/2010/november/tradoc_146955.pdf, p 4.

20 http://ec.europa.eu/growth/industry/international-aspects/index_en.htm

21 Examples linked to Europe 2020 include sustainable supply and fair access to raw materials, agriculture and rural development, health, disaster management, mobility and migration, transport, labour standards, social dialogue, improving the scope and coverage of social protection and youth employment policies. An open Europe, operating within a rules-based international framework, is the best route to exploiting the benefits of globalisation.

play as EU strategic partners to achieve with greater success the EU's own growth, jobs and investment agenda through trade and investment or through sector cooperation²².

The Cotonou Partnership Agreement has been instrumental in fostering trade cooperation between the EU and the ACP. ACP-EU trade has steadily grown since the signature of the CPA in 2000, regardless of the global financial and economic crisis, and trade flows with the ACP more than doubled in the period 2000-2014. The CPA, by contrast, has been less successful in generating investment opportunities in sectors that are vital for growth and job creation. ACP countries remain in need of a transparent, stable and rules-based business climate. The Economic Partnership Agreements (EPAs) contribute to respond to such needs by creating a stable and predictable framework for trade relations.

1.2.3 Insufficient recognition of deepened regional dynamics within and beyond ACP

Within the ACP Group there has been a growing differentiation of economic, political and social development patterns, in particular between "booming" middle-income countries and least developed countries and fragile states. Importantly Africa, the Caribbean, and the Pacific have increasingly been facing specific geopolitical, economic and development challenges. For instance, migration and security are central to the EU's relations with Africa, whereas climate change is crucial for Caribbean and Pacific countries.

Some of the issues of pivotal relevance for the EU require stronger involvement of a range of actors placed outside the ACP region. This is the case when addressing relevant migration and security issues, which in Africa requires the involvement of Northern African partners, not part of the ACP group.

The Cotonou Partnership Agreement has recognised and supported the increased role of regional formats. Importantly, the EU and ACP countries have developed a number of policy frameworks and agreements based on regional dynamics (notably the Joint Africa-EU Strategy²³, the Joint Caribbean-EU Partnership²⁴). These regional dynamics, including countries beyond ACP, are not fully reflected into the current CPA approach, thus limiting its effectiveness in a range of crucial policy areas (e.g. migration, poverty eradication, and fight against terrorism).

1.2.4 Rising global challenges and challenged multilateralism

Globalisation increases interdependence amongst all actors, often pursuing different values and agendas. Effective global governance requires the ability of all parties to foster policy dialogue and reach consensus around key common interests. Increasing pressure of global challenges, therefore, calls for strong international cooperation (e.g. action on climate change, conflict resolution or free world trade). The mounting political and diplomatic influence of

22 See also http://trade.ec.europa.eu/doclib/docs/2015/october/tradoc_153846.pdf

23 http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/er/97496.pdf

24 http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/133566.pdf

emerging powers such as China, Brazil or India, notably in developing countries, affects the EU's capacity to promote and diffuse its political values. Mobilisation of multi-lateral alliances is therefore an essential tool to foster EU values and goals at the global level.

The EU is committed to rules-based effective multilateralism, with the United Nations at its core. Regional groupings and structural alliances within the UN context are becoming more important in a multi-polar world, but have sometimes competing agendas affecting the EU. Outcomes of international negotiations are not always fully in line with EU interests or ambitions. Against this background, as shown by the negotiations at the COP21 on climate change, focus should be on building strategic alliances with partner countries on topics of common concern (e.g. climate change, blue economy, fight against illicit financial flows) where the ACP might have potentially more common interests with the EU than with the G77.

Recently, ambitious global action has been undertaken to address global challenges. In this respect, the 2030 Agenda for Sustainable Development has set the framework for collective action for the next 15 years, and the Paris Agreement under the United Nations Framework Convention on Climate Change agreed in December 2015 has solidified international cooperation for climate change and provided a way forward towards a more sustainable future. Nonetheless, a major and recurring limitation in today's global governance architecture is the gap between ambitious commitments taken in various international fora on a series of global issues and their implementation, including accountability mechanisms. Again, strong alliances with partner countries are required to avoid the lack of implementation.

The Cotonou Partnership Agreement was not initially designed to tackle global challenges. Successive revisions, however, have introduced provisions on issues that transcend national borders (e.g. peace and security, migration, terrorism, climate change). Moreover, the EU-ACP interactions on global issues have materialised in the adoption of many joint resolutions, declarations or statements on issues such as food prices, global financial crisis, aid effectiveness, climate change, post-2015 global development framework. However, often these joint positions have not translated into concrete actions. On some global challenges of interest to the EU the ACP contains the large majority of, but not all, members of other international alliances (e.g. LDCs, SIDS). Crucially, the negotiations at the COP21 on climate change have shown that building strategic alliances on topics of common concern positively affect outcomes in international negotiations.

1.2.5 Insufficient inclusion for all stakeholders beyond national governments

Civil society organisations and local authorities, along with parliaments, are essential in building and consolidating the foundations for broad-based democratic ownership of cooperation policies and processes that are at the basis of inclusive and sustainable development. However, their effective contribution is hindered by the lack of organisational and human capacities and resources. Moreover, limited possibilities for dialogue still prevail in many countries where space for civil society organisations is reduced or reducing as a result of an increasing number of restrictions.

The Cotonou Partnership Agreement has provided a framework for a broad and inclusive relationship that goes beyond national governments, by recognising the role of parliaments, local authorities and non-state actors (civil society, private sector, trade unions) in development. It has formalised their role both in the conduct of political dialogue and in the programming and implementation of cooperation programmes. However, the level of participation of several of these actors has been too limited and varies largely from one country to another.

In a number of countries, EU support has been particularly successful in contributing to strengthening NSAs and in developing their capacity to participate in policy dialogue with government. The lack of common understanding of the role of NSAs and agreed rules for a regular dialogue are often pointed out as the main shortcomings of the CPA. The CPA's effectiveness for promoting participatory action has been criticised, mainly because of the gap between principles and practises and the fact that mechanisms for ensuring full participation in the partnership have essentially been established on an *ad hoc* basis.

Insufficient efforts have been put to ensure more transparent and inclusive governance systems, including greater and real involvement of democratic institutions (i.e. local, national and regional), CSOs and the private sector. As a result, the role of non-state actors and local authorities as political interest groups, and not only implementing partners, has not been sufficiently acknowledged.

2. Why the EU should act

The legal basis for an international agreement is provided in Articles 209(2), 212(3) and 217 of the Treaty on the Functioning of the European Union. They specify that the Union may conclude with (developing) third countries and competent international organisations any agreement helping to achieve the objectives referred to in Article 21 of the Treaty on the European Union (TEU), which is part of the common provisions on the Union's external action, and in Article 208 of the Treaty. On that basis, the EU may conclude agreements establishing an association involving reciprocal rights and obligations, as well as cooperation agreements with third countries other than developing countries (as the case might be for some ACP countries).

The challenges and opportunities faced by Europe, as described in Chapter 1, demand a comprehensive and joined-up approach. Thanks to its broad set of instruments and critical mass, the EU is well placed to confront the challenges and seize the opportunities ahead. Coordinated action by the EU as a whole has an added value that, in terms of policy and financial leverage, is bigger than the sum of individual EU Member States (MS) actions. EU added value in this respect has been demonstrated in the CPA evaluation.

Given the broad policy scope and the number of partners involved, a similar comprehensive approach is unlikely to be achieved by EU MS alone. Furthermore, the global network of EU delegations ensures a political presence in countries where some Member States are not present. In addition, some policy areas are of exclusive EU competence, notably trade. EU action will thus achieve better results than if Member States were to act individually. In addition, a number of mechanisms are in place (e.g. joint-programming), allowing for EU MS to take direct action on specific areas in specific countries or regions if better placed than the EU.

This initiative pursues directly the Union's objective in external action as in Article 21 of the Treaty on European Union and contributes to the political priority of 'EU as a stronger global actor'. The specific external action political priorities are further defined by the EU Global Strategy and the EU Consensus for Development which is currently being reviewed, as well as relevant sector EU policies. The main objectives are to guarantee security and to build resilient societies beyond the EU through the implementation of the Sustainable Development Goals, as well as to provide for more effective global governance. These strategies take into account the international commitments made through the 2030 Agenda and the Paris Agreement on Climate Change.

As stated by the EU Global Strategy, to attain these priorities the EU needs to engage with others and revamp its external partnerships, in a responsible way. In the pursuit of the EU goals, it has to reach out to states, regional bodies and international organisations. It has to work with core partners, like-minded countries and regional groupings. It has to deepen its partnerships with civil society and the private sector as key players in a networked world.

3. Objectives

3.1 General objective

The general objective is that of shaping relations with partners in Africa, the Caribbean and the Pacific as to best achieve the EU's strategic interests.

3.2 Specific objectives in response to the identified problems

The specific objectives define how the EU should best organise and govern its relations with ACP countries with the view to promoting EU security and prosperity, and providing more effective global governance, taking into account the changed global context and the lessons learned from the CPA evaluation.

3.2.1 Foster sustainable development in ACP countries

A strong European Union requires action towards the achievement of the sustainable development goals across ACP countries (and beyond). Major efforts are needed to tackle the intertwined challenges of eliminating poverty, improving well-being and ensuring that such progress is sustainable. The EU has committed to implementing the 2030 Agenda, both internally and in its external policies: all its policies and instruments should therefore be fully in line with this new framework.

3.2.2 Enhance EU security and economic prosperity

A strong European Union requires resilient states beyond its borders. Many threats and challenges to which the EU and its Member States are directly confronted find their origin in other parts of the world. At the same time, growing markets in ACP countries provide economic opportunities for EU businesses. The EU should therefore ensure that future relations with ACP countries support addressing growing security concerns and seizing untapped economic opportunities.

3.2.3 Encompass evolving regional dynamics within and beyond ACP

A strong European Union calls for more tailored actions in support of regional dynamics, with the view to better targeting regional specificities. In this regard, cooperation with formal and ad-hoc regional formats must be pursued in order to serve interests more effectively on economic matters and in the areas of peace and security and migration.

3.2.4 Ensure stronger alliances in addressing global challenges

A strong European Union requires the ability of building strategic alliances with the view to tackling the rise of global challenges and strengthening the role of the EU in the international arena. More specifically, the EU must be able to better draw on the diplomatic capital that reinforced cooperation with ACP countries could offer in various international contexts and ensure that ambitious commitments at the global level do not fall short at the implementation stage.

3.2.5 Strengthen inclusive participation of stakeholders at various levels

A strong European Union implies an enhanced ability to build multi-stakeholder partnerships. More specifically, the EU must ensure more inclusive involvement of a range of different actors, including civil society organisations, parliaments, local authorities, as well as the private sector. In doing so, the EU will support the achievement of the Sustainable Development Goals, and at the same time provide for more transparent and inclusive governance systems.

3.3 Overview of intervention logic

The table below provides an overview of the main elements of the intervention logic. Through an analysis of the evolving context and the evaluation of the current EU-ACP partnership, the general and specific problems (Chapter 1) are identified. These problems, together with the EU interests, form the basis for setting the general and specific objectives (Chapter 3). As to best reach these objectives, different possible options in organising and governing the relations with the ACP countries (Chapter 4) are explored.

Table 3.1 Overview intervention logic

Context		Problems	EU Interests	Objectives	Options
<p>Global trends</p> <p>Changing geography of development, with diversified results in terms of human development and economic performances</p> <p>Uneven population growth</p> <p>Escalation of challenges involving ACP and other countries (North Africa), directly and significantly affecting the EU.</p> <p>Deepening of regionalisation and increased prominence of regional institutions but at different pace</p> <p>Rise of new powers, resulting in multipolar world</p> <p>Growing global challenges and new international agreements and ambitions to address such challenges (Agenda 2030 and Paris Agreement)</p> <p>Challenged participation of non-state actors in policy and political processes</p>	<p>CPA evaluation</p> <p>Significant results in terms of eradication of poverty, ACP integration into the global economy, and promotion of democracy and human rights</p> <p>Partial achievements of objectives</p> <p>Untapped potentials for EU-ACP cooperation in international contexts</p> <p>Inadequate format to address regional specificities</p> <p>Limited involvement of non-state actors</p> <p><u>Functionality aspects</u></p> <p>Positive effects of legally binding aspects</p> <p>Partial achievement of some mechanisms (e.g. Art. 13, Art. 96).</p> <p>Not fully efficient joint institutions and mechanisms (co-management, monitoring and evaluation)</p>	<p>General problem</p> <p>Challenges and opportunities are emerging, which if not adequately addressed may affect the EU</p> <p>Specific problems</p> <p>The CPA format may not be effective (and efficient) in addressing a range of specific problems:</p> <ul style="list-style-type: none"> • Uneven patterns of development across ACP countries • Growing EU security concerns and untapped economic potentials <ul style="list-style-type: none"> • Insufficient recognition of regional dynamics within and beyond the ACP borders • Limited cooperation in addressing rising global challenges • Limited inclusion of stakeholders 	<p>EU Treaty</p> <p>Key international agreements</p> <p>EU Global Strategy</p> <p>Fostering secure and resilient societies (through implementation of SDGs) in EU borders and beyond, as well as effective global governance</p> <p>Revised EU Consensus for Development</p> <p>Aligning to Agenda 2030, promoting sustainable and inclusive development</p> <p>External Dimensions of EU Policies</p> <p>EU policies for trade, migration, security, etc.</p>	<p>General objective</p> <p>Strengthen political relations towards EU strategic interests to build secure and resilient societies as well as provide for effective global governance</p> <p>Specific objectives</p> <p>Identify best format to organise future relations with ACP partners, so to:</p> <ul style="list-style-type: none"> • Foster sustainable development • Enhance EU security and economic prosperity • Encompass evolving regional dynamics within and beyond ACP borders • Ensure stronger alliances in addressing global challenges • Strengthen inclusive participation of stakeholders at various levels 	<p>Partnership versus no-partnership</p> <p>Degrees of regionalisation</p> <p>Outreach to Northern Africa / LDCs / SIDs</p> <p>Binding versus not binding agreements</p>

3.4 Consistency of objectives with relevant EU policies

The specific objectives listed above are all consistent with the objectives and principles of the Union's external action as set out in the EU Treaty on European Union and President Juncker's priority of the EU as a stronger global actor. They are aligned with the political priorities defined by the EU Global Strategy and EU development cooperation policy, as set by the proposal for a new European Consensus on Development and the Agenda for Change, as well as in sector policy areas (e.g. human development, private sector development, climate change). Moreover, the objectives are in line with the EU commitment to Policy Coherence for Development (PCD), as they take into full consideration the interests and needs of developing countries, including the group of LDCs.

3.5 Positions emerging from various stakeholders

Problems and objectives identified in this Impact Assessment have been largely discussed by stakeholders through a range of formal and informal exchanges promoted through time, including a public consultation²⁵. A general consensus has emerged on the fact that some changes must be made to the existing Cotonou Partnership Agreement. Many stakeholders have put forward the need to support ACP partners in the implementation of the Sustainable Development Goals and jointly act to address global challenges including climate change. The importance to strengthen EU interests, specifically in the areas of security and migration, has been mentioned by several EU Member States. A shared request also emerges for a greater inclusion of non-state actors, as well as local authorities and parliaments, in the implementation of the partnership.

Looking at key aspects on how a future relationship should be organised, some stakeholders call for a renewed and improved partnership, other suggest that ACP-wide agreements are no longer reflecting regional dynamics, and many are in between these two opposite viewpoints. Still, a general consensus emerges on the need to take into account regional dynamics and the evolving regional partnerships at regional and sub-regional levels.

A less homogeneous position emerged on the inclusion of new non-ACP possible partners, with some suggesting the need to fully include non-ACP LDCs and Small Islands Developing States (SIDS), and other (often the case for Member States) mostly keen on focussing on the sole ACP countries in case of a renewed agreement. Importantly, many stakeholders in favour of a renewal of the EU-ACP partnership underline the fact that the legally-binding nature of the agreement has been instrumental to its implementation and as such should be still considered in the future.

²⁵ Summary report of the public consultation 'Towards a new partnership between the European Union and the African, Caribbean and Pacific countries after 2020' European Union, Ref. Ares(2016)1372862

3.6 ACP Group views

Over the past few years, the ACP Group has launched a series of initiatives with regard to its own future and that of the ACP-EU partnership. At the ACP Summit in 2012, the ACP Heads of State and Government have affirmed that they are determined to 'stay united as a group'²⁶, while at the same time acknowledging the need to reposition and transform itself into 'a dynamic and effective inter-governmental organisation fully responsive to the global challenges of an unsettled and multi-polar 21st century'²⁷.

The most recent ACP summit held on May 2016 in Port Moresby, Papua New Guinea, has reiterated the added value of the ACP as Group to address internal challenges as well as in playing an increased role in the international arena. The summit outcome document states that the strength, unity and solidarity among their States is an essential element in sustaining the future of the countries in a changing world of challenges and opportunities, by becoming influential players in shaping more sustainable global governance²⁸. It also specifies the objectives of 'improving the living standards of its people through good governance, preservation of peace and security, social justice, entrepreneurship, building capacities in the private sector, [...] sustainable development as well as through South-South, North-South and Triangular Cooperation'²⁹.

The view of the ACP countries on the future relation with the EU after 2020 is particularly addressed in the PNG Summit Waigani communiqué, with three key messages. The communiqué states that the ACP-EU partnership provides a good basis that should be consolidated through an established, comprehensive, and legally-binding framework³⁰. It further expresses specific commitment to the principles of subsidiarity, complementarity and proportionality in order to more effectively complement the efforts of the international community as well regional economic communities and regional integration organisations in the pursuit of sustainable development. It seeks as well to leverage the ACP Group's strength in numbers and outreach to participate in, and contribute more effectively to, global governance institutions and fora.

26 Sipopo Declaration of the 7th Summit of the ACP Heads of State and Government, December 2012

27 Final Report of the Ambassadorial Working Group on the Future Perspectives of the African Caribbean and Pacific (ACP) Group of States Transforming the ACP Group into an Effective Global Player, December 2014

28 Waigani Communiqué of the 8th Summit of the ACP Heads of States and Government, May 2016

29 Port Moresby Declaration of the 8th Summit of the ACP Heads of States and Government, May 2016

30 <http://www.acp.int/content/viewpoint-eu-acp-force-south-south-triangular-cooperation>

4. Policy options

4.1 Screening of all options

The evolving global context, the shortcomings identified in the CPA evaluation and the updated EU interests, have casted doubts upon whether the current EU-ACP partnership could be the best format to meet the new objectives. Starting from the current CPA as the baseline scenario, several alternative options have been considered taking into account the consultation process and a mapping of stakeholder positions (see section 3.5 and 3.6). Each of these options has been preliminary matched against the five specific objectives. As explained further, it immediately emerged that some fell short in allowing meeting one or more objectives and therefore they could not be selected for further assessment. Other proposals, by contrast, have been deemed more likely to meet, to different degrees, the five objectives and therefore have been subject to full assessment.

Alternative options considered

A first alternative to the baseline scenario implies no EU action at all. The assumption is that the absence of a single formalised agreement between the EU and the 79 ACP countries when the existing partnership expires in 2020 represents the best way to reach the envisaged objectives. In support of this, some stakeholders have claimed that the three ACP regions have not enough in common that holds them together as they have increasingly been facing different sets of problems. Moreover, the argument runs, the EU-ACP framework has gradually lost relevance, in that substantive decisions that pertain to ACP countries are taken in other contexts. Importantly, continental/regional organisations with allegedly more political authority and legitimacy have been playing a more prominent role in the three continents – and this trend will be likely reinforced in the future. Therefore, adopting a specific partnership with such a diverse group of countries may not be an efficient policy choice.

A second alternative takes into account the fact that a number of features have made the EU-ACP partnership a successful model for a contractual relationship. This approach, therefore, supports the idea of preserving a comprehensive partnership comprising a number of inter-linked areas of cooperation, but at the same time proposes to significantly adapt it to the new reality and align it to the new objectives. The goal is to move EU-ACP relations beyond a mainly development perspective towards a stronger political partnership, based on shared values and mutual interest, which could ensure more security and prosperity for the EU. This scenario of new partnership, building on the evaluation outcomes and the consultation process, includes three sub-options, which differ in terms of the extent to which they take into account the intensification of regionalisation dynamics and enable the association of new partners to best meet the envisaged objectives.

Alternative options discarded

A number of additional options have emerged across the consultation process and/or have been advanced by relevant stakeholders in various contexts. Each of these proposals has

undoubtedly some merits but, due to evident limitations in the achievement of all identified objectives, has not been further considered for assessment.

- *Ad hoc agreement with thematic approaches*

This option implies that the EU would take a thematic approach, targeting specific challenges (e.g. peace and security, migration, climate change, food security) in specific groups of concerned countries, thus abandoning the existing EU-ACP framework. In doing so, this option could help promote various EU interests on ad-hoc basis, but would prevent the adoption of comprehensive approaches towards a broader range of partner countries. It would result in a loss of the positive aspects of the CPA highlighted by the CPA evaluation (e.g. commitment to agreed principles and values, coherent approach, structured political dialogue). It would also weaken the role of the EU at the global level in that it assumes that partner countries would positively respond to the invitation of the EU to work together on specific areas of interest to the EU. Finally, it would meet the opposition of the ACP countries.

- *Partnership with Least Developed Countries only*

This option proposes to bring together the LDCs that belong to the ACP group and those that do not (situated in Asia). In doing so, it would facilitate targeted actions (most notably on aid and trade) for this poorest group of countries in the world. However, it would fail to support the EU in the achievement of a broader range of EU interests (i.e. security, migration) in a larger group of countries (e.g. middle-income countries). It would also weaken the role of the EU at the global level by reducing the scope for strategic alliances with a larger group of countries. Similar arguments can be made for specific policies towards SIDS or MICs.

- *Partnership with African countries only*

This option proposes to bring together all countries in Africa, which are currently covered under different instruments and policies. In doing so, it would enable a more coherent, continental, approach towards both sub-Saharan and North Africa countries as well as South Africa and would help achieve some goals in certain policy areas (particularly on peace and security and on migration). These benefits, however, are also present in alternative options considered. This option would result in no agreement with countries in the Caribbean and Pacific and would lead to the loss of the positive aspects of the CPA highlighted by the CPA evaluation (e.g. commitment to agreed principles and values; coherent approach; structured political dialogue). More importantly, by reducing the scope for strategic alliances with a larger group of countries, it would weaken the role of the EU at the global level. This option would encounter opposition of the Caribbean and Pacific regions.

4.2 Description of the baseline scenario

The baseline scenario assumes the continuation of the status quo (that is, the CPA as it currently stands) after 2020. In fact, the preparatory process and the evaluation have revealed

that the CPA has obtained significant results as compared to its objectives. However, the uneven development of countries, the increased prominence of regional actors and policy frameworks, the rise of a number of global challenges, the threats to inclusive governance processes suggest not only that the current CPA would no longer be fit for purpose when it expires in 2020, but also that without significant changes the problems identified in Section 1 would worsen. Furthermore, the evaluation has pointed to a number of weaknesses with regards to principles and values, some implementation mechanisms to promote EU interests, and the system of co-management that require attention.

The current CPA settings, based on a single agreement without regional diversification, would also ingenerate further inconsistencies with respect to the different regional priorities and objectives as defined in Africa, Caribbean and the Pacific. On the one hand, in fact, the 2007 Joint Africa-EU Strategy (JAES) has given significant prominence to political aspects (notably peace and security, migration) and sustainable development. On the other hand, in the 2012 Joint Caribbean EU Partnership Strategy (JCES) and the 2006 Strategy for a Strengthened Partnership with the Pacific Islands (SfPI), emphasis has been placed on issues such as climate change, environment, disaster management and sustainable energy, reflecting the specificity and needs of these regions and their environment-related vulnerabilities.

When projected into the future, the baseline would largely fail to address a range of challenges across the identified specific objectives. It would fail to fully incorporate the changing development paradigm built around the Sustainable Development Goals (Objective 1). Moreover, it would be insufficient to deal with increased migration pressures and would not be able to promote strongly enough private sector development and EU investments abroad, thus failing to answer to the growing EU concerns for enhanced security and prosperity (Objective 2). It would also be inadequate to deal with the increased regional dynamics and heterogeneity between ACP countries (Objective 3). Importantly, the evaluation has pointed to the fact that the CPA was not designed to deal with global challenges. Despite its potential to engage with ACP countries on a range of areas of mutual interest, an update of the existing provisions and ways of working would be necessary to effectively tackle global challenges and build alliances in international fora (Objective 4). Finally, the CPA evaluation has shown that EU-ACP relations have suffered from the existence of overlapping policy frameworks, at time ineffective political dialogue, and limited involvement of non-state actors (Objective 5). Should the existing CPA be extended when it expires in 2020, some problems of a more operational nature (e.g. funding mechanisms, joint institutions, NAO system) outlined in the CPA evaluation would make the EU-ACP partnership more ineffective.

4.3 Description of the selected alternative options

The description of the proposed alternative options is structured as follows:

- 'What' section – which looks at the scope and goals being pursued;
- 'Who' section – which looks at the involvement of existing partners (i.e. ACP countries) and key stakeholders (i.e. continental and regional organisations, non-state actors, local authorities, parliaments);

- 'How' section – which looks at the set-up of the relations, potential extension to new partners, reform of institutions and procedures, and legally-binding nature in case of partnership.

Option 1. No partnership

This option assumes that no specific partnership is required after 2020, as the existing EU policy and strategies are well suited to fully achieve the five objectives. Future relations with the ACP countries after 2020 will be based on existing EU thematic and regional initiatives and the application/implementation of international agreements subscribed by the EU and its partner countries.

What

The policy of EU relations with the ACP countries is based on the combination of existing documents/strategies, some taking a thematic, others a geographic approach.

Amongst those:

- The new EU Global Strategy adopted in June 2016, providing a clear political framework, with guidelines for action, while remaining sufficiently flexible to respond to changing realities.
- The envisaged revision of the European Consensus on Development providing the EU's vision on international development, the alignment with the Sustainable Development Goals and the evolving global agenda on development effectiveness.
- Existing trade policies will be applied to the ACP countries as well as the external dimensions of existing EU policies on many areas such as agriculture, research, education, etc.
- The three regional strategies for Africa, the Caribbean and the Pacific, proposing specific actions tailored to the different geographical contexts, as discussed in the baseline.

Who

EU relations with the 79 countries that currently form the ACP group will break up into the groups covered by the different strategies that the EU has adopted for the three regions:

- 48 African countries will fall under the 2007 Joint Africa-EU Strategy;
- 16 Caribbean countries under the 2012 Joint Caribbean EU Partnership Strategy;
- 15 Pacific countries under the 2006 EU Strategy for a Strengthened Partnership with Pacific Islands.

Some ACP countries would cluster around existing means of implementation. In particular, the 39 states that belong to the LDCs group would continue to benefit from the special

provisions on trade (Everything But Arms initiative) and aid (i.e. on the basis of the differentiation principle) dedicated to this specific group of countries³¹.

National governments will remain the primary interlocutors of the EU, but regional organisations of the Caribbean, Pacific and within Africa may keep gaining prominence. Relations with key stakeholders will fall under the general approach that the EU has taken towards civil society organisations and local authorities³².

How

In the area of development cooperation, three possibilities can be envisaged, although there is currently no legal or political basis for these and much will depend on the discussions for the next Multi-annual Financial Framework:

1. The existing European Development Fund could possibly be continued as an intergovernmental agreement among Member States to finance the geographic cooperation with ACP countries (in which case the current system would continue to exist outside the EU Budget);
2. The ACP countries would be covered by the successor of the Development Cooperation Instrument (DCI)³³ – if co-legislators so decide on the basis of a proposal from the Commission – in which case the relevant budget would need to be substantially increased (the total resources of the current EDF amount to EUR 30.5 billion for the years 2014-2020);
3. A new instrument under the EU budget for cooperation with ACP countries could be created.

As is already the case today, ACP countries would be eligible for cooperation under other external financing instruments under the Union's general budget (e.g. thematic programmes under the DCI, Instrument contributing to Stability and Peace³⁴, Human Rights and Democracy Instrument³⁵), supposing they continue after 2020.

As for trade, ACP-EU trade relations have been gradually moving from a specific non-reciprocal trade regime to WTO-compatible Economic Partnership Agreements³⁶. Apart from EPAs and the related Market Access Regulation³⁷, there is no specific trade policy instrument for the ACP, but they are treated on par with other countries at the same level of development through the EU's Generalised Scheme of Preferences (GSP) which includes the Everything But Arms (EBA) for the LDCs.

31 See Regulation 978/2012 which contains the European Union's Generalised System of Preferences.

32 COM (2013) 280, 15 May 2013.

33 <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014R0233>

34 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:077:0001:0010:EN:PDF>

35 <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014R0235>

36 The state of play of the negotiations of the EPAs can be found here:

http://trade.ec.europa.eu/doclib/docs/2009/september/tradoc_144912.pdf

37 Council Regulation (EC) No 1528/2007 of 20 December 2007 amended by Council Regulation No 527/2013

As for political affairs, relations with the ACP countries from Africa and Caribbean will be based on existing political declarations: the Joint Africa-EU Strategy and the Joint Caribbean EU Partnership Strategy. An important limitation to address is the fact that no such framework is currently in place for the Pacific countries³⁸. Further developments would also be required, with respect to the capacity of existing regional fora, to ensure the stronger decision-making mechanisms needed to effectively replace the current CPA structures.

Political dialogue with countries will therefore be based on ad-hoc arrangements, with no legally-binding commitment available in the absence of the overall CPA framework. The current provisions of Article 8 and Article 96 CPA (essential elements clause and appropriate measures) would cease to exist. In the area of peace and security, the African Peace Facility (APF) is the most important instrument for the promotion of peace and security in Africa. It was created on the basis of Article 11 of the CPA, since it allowed dedicating EDF money to cover military or defence-related expenditure, while this was considered not possible under the EU budget (Article 41.2 TEU). Without its legal (CPA) and financial (EDF) framework the APF would cease to exist.

With regard to the institutional and procedural shortcomings highlighted in the CPA evaluation, no particular change would be considered under this option as the whole EU-ACP framework would disappear altogether (including joint institutions, joint management, etc.).

38 Apart from the 2006 Strategy for a Strengthened Partnership with the Pacific Islands (SfPI).

Table 4.1 Overview of Option 1

		Option 1
What		General principles derived from: <ul style="list-style-type: none"> • EU Global Strategy • European Consensus on Development/Agenda for Change • External dimension of EU existing policies • Geographic strategies
Who	Partners	ACP countries but not as a group
	Stakeholders	General principles for relations with: <ul style="list-style-type: none"> • NSAs, LAs, and parliaments from ACP countries • Continental/regional organisations
How	Procedures	<ul style="list-style-type: none"> • Existing procedures
	Architecture	<ul style="list-style-type: none"> • No agreement with ACP group • Existing strategies for Africa, Caribbean, and Pacific regions

Option 2. New partnership with ACP countries

This option assumes that a new partnership agreement between the EU and the countries of Africa, the Caribbean and the Pacific would be adopted. The framework of general principles of EU external action and specific EU policies discussed above in the case of 'no partnership' are fully applicable to this scenario as well. But a partnership agreement goes further in the sense that the partner countries agree and commit to working together towards certain objectives.

Looking at the 'new partnership' option, there are three sub-options identified with the view to best meet the five specific objectives. All sub-options differ in the same way from the baseline scenario with respect to new content ('what') and actors ('who') considered. Nonetheless, in order to achieve the objectives the three sub-options differ in their organisational design ('how'). Descriptions of 'what' and 'who' hereby are therefore applicable to all sub-options, while the 'how' is detailed for each sub-option.

What

The new partnership departs from the scope of the CPA, focused primarily on poverty eradication and integration of ACP countries into the world economy, to promote a partnership with more encompassing objectives, based on shared values and mutual interests.

Importantly, the EU would be expected to better promote its economic and political interests more clearly than the current CPA.

In line with *Objective 1*, this option is aligned to the goals internationally agreed as part of the 2030 Agenda, and proposes a more targeted yet diversified approach to sustainable and inclusive development in ACP countries. The promotion of human and social development will continue to feature prominently, but the new partnership will differentiate actions across different types of countries.

In line with *Objective 2*, this option includes a number of more stringent provisions to promote EU security and prosperity (while preserving the key values and principles of the CPA). These provisions are expected to tackle rising security challenges for the EU, particularly in the area of international terrorism and organised crime and to tackle migration challenges through return and readmission and provision of possibilities for legal migration. Moreover, they will set the right conditions for increased EU investment, particularly by small and medium-sized enterprises, to address the fact that various stakeholders want to see more economic opportunities from the EU's new relations with ACP countries.

Who

The new partnership will include the current 79 ACP countries but, as explained further, it allows for reaching out to new members, notably to the nine non-ACP member of the group of LDCs (total LDCs is 48); the six non-ACP members of the group of SIDS (total SIDS is 37), and the 5 countries in Northern Africa (total Africa is 53). As regards the latter, this should not impact on their neighbourhood status and association agreements with the EU. The purpose of such geographical extension is to create the most appropriate geographical scope for engagement with a group of countries to reach the five objectives.

Governments in partner countries will continue to be the main interlocutors for the EU at the national level. However, in line with *Objective 5*, the new partnership will take a more comprehensive approach and advance the principle of democratic ownership by effectively involving other actors besides central governments (and in doing so, it will respond to one of the main criticisms emerging from the consultations and the evaluation, that these actors have been inadequately involved). The new partnership will thus improve mechanisms to allow for greater participation of different types of non-state actors, such as civil society and economic and social partners, including the private sector and trade union organisations, in development planning as well as political dialogue. It will also include new provisions to facilitate the further involvement of other state-linked actors, notably regional organisations, national parliaments, and local authorities.

How

Three alternative variations to the new partnership option are considered to see the extent to which the objectives are more likely to be met either with all ACP countries, or rather through more regionalised approaches (*Objective 3*). At one side (Option 2.1) some stakeholders, as well as the evaluation, have pointed to the fact that the current format rather than being

dismantled should instead be improved. In their view, this option offers a familiar framework, which has been able to deliver significant results and, once scope and procedures are upgraded, it would be capable of reaching all five objectives. At the other side, a large number of stakeholders claim that the heterogeneity of ACP countries, the increased prominence of continental and regional organisations, and the fact that important decisions have been taken in (competing) frameworks beyond the current EU-ACP partnership call for a radical change. In their views, the new partnership should embrace deepened regionalisation dynamics to address problems at the most appropriate level.

The IA looks into the extent to which EU-ACP relations would have to be fully regionalised (Option 2.2) or whether some objectives – expectedly Objective 1, 2, and 5 – are better pursued at regional level and other objectives – expectedly Objective 4 – at all-ACP level (Option 2.3).

More specifically:

Option 2.1: Revised common agreement (all ACP countries)

This option preserves the current institutional design, as a means to address a broader range of objectives (WHAT) and stakeholders (WHO) with respect to the current baseline, with one agreement to be signed only at all ACP countries' level. However, it will no longer be structured along the three pillars that have characterised the CPA. Instead, it will include a first section identifying common values, principles and actors, and a second section specifying a wide range of cooperation areas applicable to all ACP countries and some new provisions for collaboration in the international arena (*Objective 4*).

Option 2.2: Separate regional agreements (Africa, Caribbean and the Pacific)

This option entails three separate agreements with three regions (Africa, Caribbean, and Pacific). Also in this case, each new regional partnership will go beyond the three pillars of the CPA. Moreover, it will include a first section identifying common values, principles and actors, and a second section specifying a targeted number of areas of cooperation tailored to regional specificities, as well as some provisions for a potential collaboration in the international arena (*Objective 4*).

Option 2.3: Three separate regional partnerships under a common umbrella.

This option foresees one agreement with ACP countries, but has two components: i) an overarching umbrella listing common values, principles and interests, and identifying avenues for cooperation in the international arena (*Objective 4*); ii) three separate regionalised partnerships with countries in the three regions (Africa, the Caribbean and the Pacific), detailing specific priorities for the three regions, with the view to better tailoring actions to specific contexts.

The three options vary in terms of how they facilitate reaching out to new partner countries and the extent to which such outreach help address one or more aspects of the five objectives. More specifically, countries in North-Africa have increasingly become crucial to addressing

migration issues as well as other challenges to stability that have spill-over effects on the EU (*Objective 2*). Opening up to the non-ACP members of the groups of LDCs and SIDS could help promote a more targeted and coherent development approach based on different types of country vulnerabilities (*Objective 1*). Importantly, reaching out to the three groups (i.e. countries in North Africa, LDCs and SIDS) could provide the EU with additional diplomatic capital to tackle global challenges and promote its interests and values in various international fora (*Objective 4*).

The three options share a number of features as well, specifically the fact that they are legally-binding and that they will be subject to significant operational and administrative improvements. The evaluation and the consultation process have highlighted the fact that the legally-binding nature of the CPA has been instrumental to achieving a number of goals. In particular, it has ensured stability and predictability, has facilitated the respect of the essential elements of the partnership through enhanced political dialogue, and has guaranteed a platform for the enforceability of international trade agreements, which is crucial for generating confidence in investors.

Moreover, the new partnership sets to make adjustments to some of the current tools and instruments. This responds to various contributions to the consultations and to the recommendations of the CPA evaluation, which have pointed to the complexity of management rules and procedures as obstacles to effectiveness and efficiency. For instance, the general principles of co-management – which has proven important for planning and implementation of development assistance – will be preserved, but the National Authorising Office (NAO) system will be reviewed to streamline procedures and enhance partner ownership. In the same vein, changes will be made in the existing joint institutions, with the view to facilitating closer collaboration in areas that cut across countries and better engagement between the EU and the ACP countries in international contexts.

Table 4.2 Overview of Option 2 and its sub-options

		Option 2.1	Option 2.2	Option 2.3
What		<ul style="list-style-type: none"> • Promoting sustainable and inclusive development • Enhancing EU interests of security and prosperity • Encompassing regional dynamics • Tackling global challenges 		
Who	Partners	<ul style="list-style-type: none"> • ACP countries • LDCs, SIDS, North Africa countries 		

		Option 2.1	Option 2.2	Option 2.3
	Stakeholders	<ul style="list-style-type: none"> • Empowered NSAs, LAs, and parliaments from ACP countries • Stronger engagement with continental and regional organisations, and possibly third countries, and private development actors 		
How	Procedures	New procedures (i.e. improved co-management, stronger political dialogue)		
	Architecture	1 agreement for all ACP countries	3 agreements with the three regions (A, C, P)	3 regional partnerships (A, C, P) under a common umbrella

5. Analysis of impacts

5.1 Identification of relevant impacts

The general and specific objectives led to the identification of a number of options to organise and govern the relations with ACP countries. These options have political, social, economic, environmental and administrative impacts in many domains, which are described below. The different domains looked into for each type of impact are those deemed as critical under the specific problems section.

Table 5.1 Relation between objectives, policy options, and areas of impacts

Objectives		Policy Options	Areas of Impacts
General	Specific		
Shape relations with partners in Africa, the Caribbean and the Pacific as to best achieve the EU's strategic interests	<p>Foster sustainable development in ACP countries</p> <p>Enhance EU security and economic prosperity</p> <p>Encompass evolving regional dynamics within and beyond ACP borders</p> <p>Ensure stronger alliances to address global challenges</p> <p>Strengthen inclusive participation of stakeholders at various levels</p>	<p>Baseline: CPA</p> <p>Option 1. No partnership with ACP countries</p> <p>Option 2. New partnership with ACP countries</p> <p><i>Option 2.1. Revised common agreement (all ACP)</i></p> <p><i>Option 2.2. Separate regional agreements (Africa, Caribbean and Pacific)</i></p> <p><i>Option 2.3 Three regional partnerships under a common umbrella</i></p>	<p>Social</p> <ul style="list-style-type: none"> Sustainable and inclusive development Migration-development nexus Enhanced participatory approach to cooperation <p>Political</p> <ul style="list-style-type: none"> Peace and security Democratic governance and human rights Alliance building at the global level <p>Economic</p> <ul style="list-style-type: none"> Trade cooperation Macro-economic stability, investment returns and private sector development <p>Environmental</p> <ul style="list-style-type: none"> Environmental protection and climate change <p>Budgetary and administrative</p>

The assessment is conducted only on those domains that are expected to show variation in terms of change across the various options. In a number of other important domains the choice of the option is not expected to produce significant change vis-à-vis the baseline scenario and therefore no assessment is carried out.

The analysis of the various types of impact will then be used in Section 6, to ascertain which of the options best meets the objectives according to the criteria of effectiveness, efficiency and coherence. Specificities amongst Options 2.1, 2.2 and 2.3 are provided only when (and to the extent which) they are relevant for the analysis of the specific impacts to be assessed.

5.2 Social impacts

Sustainable and inclusive development

The adoption of 2030 Agenda, and the related 17 Sustainable Development Goals, has marked a substantial change in development thinking and practices. By integrating the three dimensions of sustainable development (social, economic, and environmental) and by advancing a universal approach, it has crystallised the idea that current challenges are affecting all countries and all should contribute to its implementation through collective action. To support the implementation of 2030 Agenda, the Addis Ababa Action Agenda (AAAA) has called on the international community to put in place a diversified set of measures – certainly official development assistance but also other private sources, including domestic resource mobilisation in developing countries.

The implementation of 2030 Agenda is expected to generate substantial direct social impacts, with respect to eradication of poverty, access to health, sanitation and education services, as well as fighting of inequalities and gender discrimination³⁹. Indirectly though, due to its multi-dimensional approach, it is also expected to have a significant environmental impact, by urging parties to take concrete actions fighting climate change and environmental degradation, as well as economic impact, by setting the conditions in place for sustainable economic growth.

The CPA has contributed to making substantial progress on human and social development, but has been less successful in tackling the root causes of poverty and inequality. Moreover, it has not been able to ensure a diversification of approaches, nor has it acted as a catalyst for mobilising a wide range of development funding resources. To be consistent with 2030 Agenda, the CPA should cater for more flexible and differentiated – but also tailored – partnerships for countries and regions, allowing for a wide spectrum of cooperation possibilities.

Option 1

The absence of a partnership does not mean that the EU will no longer engage on sustainable development with its ACP partners. The EU has committed to implement 2030 Agenda (SDGs) through its internal and external policies, ensuring Europe's economic growth and social and environmental sustainability, taking into account the Europe 2020 review. This strategy is to be presented in 2016.

³⁹ For analyses of the issues of poverty and human development, including future scenarios, see the Nopoor project at <http://www.nopoor.eu/>

Nevertheless, this option presents some significant weaknesses, which may slow-down the achievement of the 17 SDGs. First and foremost, it will discontinue and likely damage an established relationship with a large number of countries that are crucial for a more effective implementation of the 2030 Agenda. Second, the abandonment of an established partnership with a diverse group of developing countries such as the ACP group – which cuts across key groups such as LDCs, SIDS, MICs – will significantly reduce opportunities of coalition-building to tackle global challenges in multilateral fora. Third, the lack of comprehensive approach cutting across different policy areas will increase the risk that the social pillar is treated separately from other sectors rather than integrated within all interventions in order to maximise the contribution of these interventions to people's lives: indeed human development contributes as well to growth and to peaceful societies.

Finally, since challenges cannot be solved by individual states alone, mobilising and engaging all stakeholders (civil society and private sector) in collective action is needed: the lack of a formalised partnership which includes the most comprehensive framework for non-state actors does not give the possibility of creating these much needed multi-stakeholder partnerships. In sum, the EU's attempt to implement the 2030 Agenda could be significantly undermined if activities were to fall under different partnerships and instruments.

Option 2

A new partnership will build on the significant achievements of the CPA on human and social development and on shared international commitment of EU and ACP countries to achieving sustainable, resilient and inclusive development. The new ACP-EU partnership is therefore meant as an strong framework to implement the general EU vision in an integrated manner by bringing together, in one single comprehensive agreement, (i) the economic, social and environmental aspects of the 2030 Agenda, as well as the additional political dimension characterising the long-standing ACP-EU relations; and (ii) the necessary means of implementation to effectively achieve each of the 17 SDGs.

More specifically, the significant update of new content and scope of the new partnership vis-à-vis the baseline scenario will allow it to be more responsive to different ACP countries' needs through enhanced differentiation; ensure the involvement of all stakeholders, which are crucial to create multi-stakeholder partnerships; and serve EU interests, e.g. in international fora and by creating more opportunities for European firms in the delivery of global public goods.

Furthermore, a more diversified range of means of implementation in line with the Addis Ababa Action Agenda will be expected to turn the future ACP-EU Partnership into a strong vehicle to deliver on the 2030 Agenda. The new partnership, by embracing the concept of differentiated partnership, is expected to be a significantly positive force in supporting the implementation of the 2030 Agenda through concrete actions, demonstration effects and mutual lesson learning.

This option enables flexible and tailored partnerships for/with countries and regions, allowing for a spectrum of cooperation possibilities across the various sub-options:

- **Options 2.1 and Option 2.3** would offer the possibility to implement thematic action (e.g. human development, food security);
- **Options 2.1 and Option 2.3** would offer the possibility to act on the basis of levels of development and vulnerability (e.g. LDCs, SIDS, fragile states, MICs);
- **Options 2.2 and Option 2.3** would offer the possibility to take the aspects of regionalisation into account, with or without an overarching chapter: the establishment of three regionalised partnerships would allow EU cooperation to be tailored to the needs and specificities of each region, taking into account the specific vulnerabilities and capacities of the respective countries and regions.

In sum, the existence of a new partnership would represent a strong political commitment by all stakeholders (governmental and non-governmental), necessary to translate global vision into concrete and action-oriented cooperation. By further reinforcing existing cooperation efforts and strategically targeting global challenges, new opportunities will be created to define and promote common interests for the EU and ACP partners in areas of high political relevance.

Migration-development nexus

By investing in the development-migration nexus and legal migration opportunities for potential workforces, migration can have a positive impact on the social and economic development in the EU and the ACP countries.⁴⁰ Both South-North and South-South legal migration open up opportunities for migrants in terms of better employment and higher incomes. This can enhance development in the host countries and countries of origin, and can in turn reduce irregular migration pressure on other ACP countries and the EU.⁴¹ The greatest impact will be attained if migration provisions also take into account the contextual factors in both the country of origin and the host country, such as effects of remittances, integration policies for immigrants and risks and consequences of brain-drain dynamics

Facilitating legal migration can help addressing demographic challenges in Africa and the EU. While the EU might experience scarcity in labour forces in the future, high population growth in several African ACP countries is expected to generate surpluses in workforces. Better prevention, better migration management and fight against irregular migration will lessen security risks and human suffering related to irregular migration, and reduce migration-related crimes such as human trafficking and migrant smuggling. Acknowledging and addressing climate change related migration will be important to mitigate and pre-empt

40 Keijzer M., Heraud J., and Frankenhaeuser M., (2015), 'Theory and practice? A Comparative Analysis of Migration and Development Policies in Eleven European Countries and the European Commission', International Migration, p. 3.

41 Crush, J., (2015), 'The EU-ACP migration and Development relationship', Migration and Development, Vol. 4 (1), p. 49; Friedrich Ebert Stiftung, ECDPM, SALO, (2015), 'Making migration beneficial to Europe and Africa', Joint Policy brief/Seminar Report, p 6.

negative effects on development in affected countries and counter possible increased migration pressures on the EU and ACP countries.

Migration dynamics, opportunities and challenges differ substantially in and between the three regions, and differences are equally substantial between regions within Africa. Several migration-related issues, for example, are severely affecting some African countries such as massive forced displacement due to conflict; violence and human rights abuses; and the problem of human trafficking and migrant smuggling.⁴² The latter is also problem in the Caribbean and Pacific.⁴³

The African region is particularly relevant for the EU since the large majority of ACP migrants coming to the EU are African.⁴⁴ The United Nations High Commissioner for Refugees global trends report states that migration pressure on EU Member States is likely to rise over the coming years, especially from Sub Saharan Africa. Demographic trends in Africa are also increasing migration pressure in African ACP countries and EU member states.

The CPA, in its Article 13, provided a basis for political dialogue between the EU and the ACP in the area of migration. It also deals with issues such as human rights, fair treatment of legally residing ACP nationals, tackling root causes of migration, irregular migration as well as return and readmission. It contains the obligation – on both sides – to readmit their nationals who are illegally present on the territory of the other party, without further formalities, and provide them with appropriate identity documents for that purpose.

The implementation of Article 13 was uneven and led to uneven results, whilst bearing in mind differences in contexts between the Caribbean and Pacific regions and Africa. In particular, the legal obligation to readmit its own nationals has in practice seen unsatisfactory implementation and uneven cooperation from African countries. Recent developments highlight the importance to review the agreement in the area of return and readmission in order to strengthen the relevant provisions and make them more operational.

Article 13 does not reflect the EU's comprehensive approach to migration enshrined in key EU policy documents on migration, such as the Global Approach to Migration and Mobility and the European Agenda on Migration⁴⁵, including as well the EU Communication on Enhancing Legal Avenues to Europe and the EU Action Plan on Integration⁴⁶.

⁴² <http://www.unhcr.org/pages/4a02d7fd6.html/>

⁴³ https://publications.iom.int/system/files/pdf/global_phenomenon_en.pdf

⁴⁴ Crush, J, (2015), 'The EU-ACP migration and Development relationship', Migration and Development, Vol. 4 (1), p. 44.

⁴⁵ SEC (2011) 1353 FINAL

⁴⁶ COM(2016) 197 FINAL

Option 1

In the absence of a partnership, several available mechanisms remain to organise dialogue and cooperation in the area of migration between the EU and the African ACP countries. These alternative agreements are tailored to local realities and allow for differentiation in partners.

Such alternative mechanisms include other key partners such as North African countries, ECOWAS and the African Union Commission. In 2006 for example, the Rabat process was established to address irregular migration from Sub-Saharan Africa to Europe through the West-African migration road. A year later, the Africa-EU Migration, Mobility and Employment partnership was launched, focussing on areas such as fighting trafficking in human beings, remittances, diaspora, mobility and labour migration, international protection and irregular migration. The Khartoum process, launched in 2014, established a dialogue between the EU, nine African countries in the Horn of Africa and the African Union Commission. In 2015, a political declaration and action plan was adopted at the Valletta Summit on Migration by several African countries and the EU on all the key migration areas.

There are no alternatives available for cooperation between the EU and the Pacific region. For the Caribbean, the EU-CELAC structured dialogue on migration provides a framework to exchange best practices and build capacities, but does not cover comprehensive cooperation mechanisms.⁴⁷

While the implementation of Article 13 of the CPA, in which the migration principles are captured, has been uneven, discontinuing the agreement would mean abolishing key principles and legal obligation agreed upon between the EU and 79 countries, without any immediate alternative approach to agree on these commitments with direct partners. These principles cover fair treatment of third country nationals, non-discrimination, addressing root causes of illegal migration and readmission of nationals who are illegally present on the territory of the other party. Even though the scope of the article does not cover all dimensions of the migration issue, it provides a solid ground for cooperation and dialogue, even for alternative formats of dialogue within ACP-EU relations.

Option 2

This option, entailing a widening of scope in terms of content, uses as a starting point the agreed Article 13 of the current CPA, but develops it to make it both more comprehensive and more stringent. In doing so, it allows for a more holistic approach towards migration, better addressing objectives put forward in the relevant EU policy documents⁴⁸. The new approach

⁴⁷ http://www.eeas.europa.eu/la/migration/index_en.htm

⁴⁸ Brussels, 18.11.2011, COM(2011) 743 final, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: The Global Approach to Migration and Mobility. European Commission, 13.5.2015, COM (2015) 240 final, 'Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions a European Agenda on Migration'.

can also incorporate relevant parts of the 2030 Agenda for sustainable and inclusive development.

The EU and ACP countries were unable to include this holistic approach on migration in the 2010 revision of the CPA, but several actions afterwards indicate that the parties are willing to strengthen cooperation. For instance, a joint declaration was adopted and several sessions on migration-related issues were held in Brussels, resulting in recommendations endorsed by the ACP-EU Council of Ministers. In addition, it was explicitly stated that results of the dialogue should feed into the revision of the Cotonou agreement.⁴⁹ The outcome of the public consultation also indicated that a more holistic approach should be applied.⁵⁰ Furthermore, since migration issues go beyond ACP borders, with a key role for Northern Africa countries which often serves as a transit for migrants from Sub-Saharan Africa, the involvement of Northern Africa in the new partnership would be particularly relevant.

- **Option 2.1** would allow preserving the commitment of all EU and ACP countries on adopting a holistic approach to migration. However, it would be more difficult to take the strong regional specificities into account under this option.
- **Options 2.2 and Option 2.3**, by contrast, would allow moulding the agreement to the region-specific migration opportunities and challenges in Africa, the Caribbean and the Pacific, which might in turn enhance the positive economic and social impact. Security issues related to irregular migration and migration-related crime will also be better addressed. The public consultation also indicated that migration issues are better solved at the regional level.⁵¹

Enhanced participatory approach to cooperation

Greater and better inclusion of a wide range of stakeholders is essential for achieving sustainable and inclusive development, as they allow identifying the specific needs of people affected by various policy interventions. Stakeholder participation is also crucial in achieving significant political impacts (by promoting human rights and supporting democratic governance), economic impacts (for example by encouraging and monitoring public-private partnerships), and environmental impacts (as they ensure greater commitments by all relevant stakeholders in developing and implementing sustainable environmental practices). Through time, however, the space for democratic engagement for non-state actors across ACP countries has shrunk. The role of civil society has been increasingly challenged by new restrictive legal frameworks, whilst the role of parliaments and local authorities has been threatened by an increasing trend of centralisation of power and even authoritarianism across various ACP countries.

49 <http://www.acp.int/content/joint-acp-eu-council-backs-experts-recommendations-migration>;

<http://www.consilium.europa.eu/en/press/press-releases/2015/05/29-acp-dialogue-migration-development/>

50 European Commission, (2016), 'Towards a new partnership between the European Union and the African, Caribbean and Pacific Countries after 2020', Summary report of the public consultation'.

51 European Commission, (2016), 'Towards a new partnership between the European Union and the African, Caribbean and Pacific Countries after 2020', Summary report of the public consultation'.

The CPA has provided a framework for a broad and inclusive relationship that goes beyond national governments, by recognising the role of parliaments, local authorities and non-state actors (civil society, private sector, trade unions) in development. It has formalised their role both in the conduct of political dialogue and in the programming and implementation of cooperation programmes.

The consultation process has confirmed that the provisions for stakeholder engagement have made the CPA a unique framework in the field of international cooperation. These actors have indeed been supported in complementing the state in partner countries in the delivery of goods and services for better human and social development. At the same time, their advocacy role has remained limited and there is a growing request for further involvement in political dialogue through the adoption of specific mechanisms. Similarly, local authorities have been mostly designated as partners for service delivery, rather than as relevant stakeholders to be fully involved in CPA decision-making processes. Based on the consultation of stakeholders, an urgent need to further involve the private sector has become manifest.

Option 1

Under this option, the lack of a formalised partnership with the ACP countries means that the role of these actors would be significantly reduced, since the mutual rights and obligations would no longer be defined in any legally-binding agreement. The impact will therefore be lower than the baseline. Doing away with multi-decade efforts to ensure a systematic inclusion of key stakeholders in ACP-EU relations would send a wrong political message to ACP governments, as well as NSAs/LAs/parliaments' organisations.

Although it could be improved, in its current shape and in some countries, the CPA appears as a political incentive at country level to involve these actors in the development process. As mentioned earlier, the CPA, for the first time, provided a framework where key actors were recognised as partners. Removing this framework could possibly imply serious drawbacks and further marginalise them. Multi-stakeholder partnerships are also at the heart of the new universal 2030 Agenda and are seen as a way to achieve results, and therefore could appear counter-productive to put an end to a political agreement capacitated to strengthen this dialogue.

Option 2

The new partnership would build on the provisions of the existing CPA, taking into account several recommendations made during the stakeholder consultation, particularly by civil society organisations. The inclusion of more stringent mechanisms for a more active involvement throughout the development process will have a direct positive effect on sustainable and inclusive development, across a number of different policy areas.

It would allow involving stakeholders in a comprehensive way in the different policy areas. Positive political impacts are expected through their involvement in peace building and tackling the root causes of state fragility. The further involvement of local authorities and

NGOs within and beyond the urban areas, which has been a major critique, will have a significant impact in the local implementation of the 2030 Agenda. The involvement of the private sector is also expected to contribute to filling funding gaps, improving on delivery of goods and services, encouraging innovation and promoting business partnership between ACP and European actors.

Besides service delivery, the new provisions would allow NSAs to act as a catalyst for change and foster an enabling environment for better interactions between citizens and state, ultimately enhancing democratic accountability, especially in those countries which are restricting policy space for non-state actors. This option is expected to achieve greater impacts if compared to the baseline scenario.

5.3 Political impacts

Peace and security

Peace and security have become areas of strategic importance in ACP-EU relations. On the one hand, it is widely accepted that development and security policies are closely interrelated: countries involved in conflicts or facing threats to political stability suffer from reduced progress towards human development and experience significant economic slow-downs (or collapse), which has obvious social consequences. On the other hand, instability in ACP countries has major negative implications for Europe in terms of increased threats to security related to migration flows, organised crime, trafficking of people, drugs, and weapons, as well as in terms of missed economic opportunities for European firms, thus significantly reducing the prospects for foreign direct investment in ACP countries.

The CPA has been instrumental in the areas of conflict prevention, peace-keeping and peace-building at country, regional and continental levels. Indeed, the African Peace Facility has provided a strong direct support for the resolution of a number of crises in Africa and has significantly contributed to the enhancement of the AU and some RECs capacities in preventing and reacting to threats to stability. At the same time, as highlighted by several contributors to the public consultation and to the expert round tables, the CPA has been less effective in tackling the root causes of state fragility, for example by strengthening and better enacting the security-development nexus, and to ensure coherence between the various security-related instruments, institutions and policies.

Importantly, the three regions face substantial different peace and security challenges, and these differences appear as well within Africa itself. Furthermore, the challenges in Africa, affecting directly the EU, are going beyond the borders of the ACP, most notably North Africa. In this regard, the existing format does not allow to significantly take this diversification into account and provide for more tailored approaches and platforms of dialogue to the specific region. It does not profit from the increased role that continental (i.e. AU) and regional (e.g. ECOWAS) organisations have in addressing peace and security in the three regions.

Option 1

Under this option, provisions on peace and security for ACP countries will fall under the Joint-Africa EU Strategy and the Joint Caribbean EU Partnership Strategy, which provide general political frameworks for EU engagement in these areas, whereas the Strategy for the Pacific does not. The lack of a formalised partnership for ACP-EU relations implies that the EU would have to rely on ad-hoc strategies with the aim of implementing its comprehensive approach to security. Moreover, crucial existing commitments to fighting international terrorism and preventing the proliferation of weapons of mass destruction (as well as the reference to the International Criminal Court and the Statute of Rome), would be lost. An important problem to solve concerns the APF: should the EDF cease to exist, some potentially difficult change is required as the Treaty of Lisbon (Article 41.2 TEU) excludes expenditures arising from operations having military, or defence implications from being financed by the EU budget. The ongoing consideration of a potential future EU instrument for capacity building in security and development (CBSD) is particularly looking into this issue⁵².

Option 2.1

This option has some strengths and weaknesses in relation to the baseline. On the one hand, the adoption of a new and more comprehensive partnership is expected to facilitate targeted actions to better address the root causes of instability and state fragility (for instance, increased inequalities, population displacement, hunger and food insecurity) as well as resilience building to help prevent recurrent humanitarian crises. Moreover, it will preserve the commitment made by both parties to fight international terrorism and the proliferation of weapons of mass destructions. On the other hand, it would still not allow tailoring actions towards the three regions in line with the deepening of regionalisation dynamics, would not fully benefit from the increased role of continental (i.e. AU) and regional (e.g. ECOWAS) organisations, and would not fully resolve the potential overlap of competences between different institutions and frameworks (ACP-EU and EU-AU).

Option 2.2

This option has the merit that it would fully take into account that different regions face different sets of security challenges and therefore more tailored actions are required to address their needs. In particular, in Africa (thanks also to the extension of countries in North Africa), this would allow strengthening the African Peace and Security Architecture (APSA), including contributing to the solution of conflicts and enhancing the capacity of the AU and the various RECs, and addressing other sources of fragility. In the Caribbean, attention would likely be placed on drug trafficking and organised crime, and in the Pacific on ethnic tensions. This option would also avoid the current overlap between continental/regional and ACP institutions. Nonetheless, the potential lack (or the difficult re-negotiation) of an overarching

⁵² Commission proposal amending Regulation (EU) 230/2014 of the European Parliament and of the Council establishing an instrument contributing to stability and peace (COM(2016)447 final)

chapter, in which all parties commit to fight against terrorism and the proliferation of weapons of mass destruction, would significantly reduce the positive impact of this option.

Option 2.3

This option offers a good framework to implement the comprehensive approach to peace and security. It combines the advantages of both thematic and geographic approaches. In particular, a new, more comprehensive, ACP-EU partnership is expected to better promote the security-development nexus, with a view to effectively addressing the root causes of fragility and facilitating resilience building. It will put in place the right conditions for more tailored actions in line with the specific security needs of the three regions, and create new opportunities for increased cooperation between EU and ACP countries on issues of global relevance, including the fight against international terrorism and weapons of mass destruction. These positive effects would be further enhanced by the association of countries in North Africa into the new EU-ACP partnership.

Democratic governance and human rights

The promotion of human rights and democratic governance is at the heart of the EU's external action. The European Union sees human rights as universal and indivisible, and actively promotes and defends them both within its borders and when engaging in relations with non-EU countries. Essential elements clauses are a core component of all EU legally-binding agreements with third countries; they have become even more important in a multipolar world with emerging players which do not, or to a lesser extent, respect such values and principles. Besides an obvious political impact, the effective promotion of human rights and democratic governance has major social and economic impacts: on the one hand, it supports the achievement of sustainable and inclusive development in partner countries by increasing democratic accountability; on the other hand, it is expected to positively affect economic prosperity, both in partner countries and in Europe, by creating the conditions for increased activities related to sustainable growth.

The CPA formula is the most substantive and prescriptive one compared to all other EU agreements with third countries, with Articles 8 and 9 specifying the essential and fundamental elements of the partnership, and Articles 96 and 97 defining the procedures in case of breach of one of those elements. Thanks to these provisions, the CPA has been useful in promoting the linkage between these values and principles not only in the political pillar, but also in the development cooperation and trade pillars – for instance, the non-execution clauses of the EPAs refer to the appropriate measures under the CPA. Nevertheless, the CPA would have to be amended with the view to correcting existing problems linked to existing implementation mechanisms and to address emerging trends of weakened democratic practises and human rights violations in several ACP countries. In particular, some criticisms, made by some ACP states and several civil society organisations, relate to the perceived inconsistency, since its procedures have not been applied consistently across ACP countries. Furthermore, political dialogue has often fallen short of addressing the underlying causes of weak governance and hence has failed to be a real game-changer in the EU's democratisation efforts.

Option 1

The absence of a partnership, particularly with a number of countries where violations of human rights and cases of democracy decay are increasing, would be perceived as loss of the EU's long-standing commitment to promote the 'essential elements' of the CPA and would seriously damage its reputation of normative actor, especially in a context in which emerging powers show less interest in universal norms and values.

In the case of no partnership, the EU will continue to promote and defend the universality and indivisibility of all human rights in cooperation with national governments from the three regions (as well as in collaboration with international and regional organisations and civil society), but the lack of comprehensive provisions would significantly weaken its efforts. Political dialogue with individual countries would be largely promoted on an ad-hoc and informal basis and no coherent institutional interactions at the ACP level would be envisaged. As a result, a reduced impact of this option vis-à-vis the baseline scenario is expected, when it comes to ensuring more ambitious rules and standards across countries, as well as the formation of ACP-EU alliances at the international level for the promotion of specific norms.

Option 2.1

This option assumes the preservation of all the overall provisions of the CPA, specifically the general commitment to values and principles and the accompanying implementation measures, but foresees the strengthening of mechanisms for political dialogue at both national and global levels. At the national level, in line with the suggestions made by several contributors to the public consultations, the implementation of more flexible approaches for associating governments in political dialogue together with a closer involvement of non-governmental actors (e.g. civil society, local authorities, parliaments) are expected to significantly enhance democratic accountability and the overall promotion of human rights. At the global level, this option would allow to better engage ACP countries in the promotion of issues of common interest (for example in the case of UN resolutions) – and this effect would be further strengthened by the association into the EU-ACP new partnership of the non-ACP members of the LDCs and SIDS groups.

Option 2.2

This option implies the full re-negotiations of all the provisions on human rights and democratic governance at regional level, which could in fact prove very challenging. In the case of Africa, African-AU human rights systems and governance agendas might potentially offer building blocks for an agreement on similar type of provisions as the ones embedded in Article 9 of the CPA. The re-negotiation of the provisions on human rights and democratic governance is likely to be more challenging in the case of the Caribbean and the Pacific, because neither of the relevant joint partnership/strategy includes similar provisions to those for Africa. It would be at least equally difficult to renegotiate legally-binding procedures in case of non-respect of the fundamental and essential elements as established by Articles 96

and 97 of the CPA. The absence of provisions on political dialogue would imply the loss of an important forum where to discuss cases of decay in human rights and democratic governance – and therefore a significant reduced impact of this option vis-à-vis the baseline scenario.

Option 2.3

This option has the merit of integrating the main advantages of option 2.1, notably the possibility to have focused discussions at ACP-EU level on key global issues and more flexible and participatory approaches to the promotion and protection of human rights at the national level. It would also give the possibility to better anchor political dialogue in the regional frameworks and systems (for example in the African Governance Architecture), so as to increase the legitimacy and role of key regional actors in this area, like AU and RECs, and foster the support to greater democratic practices. At the same time, it should be noted that, irrespective of the option retained, the challenge of re-negotiating new provisions on human rights and democratic governance with ACP countries in a future partnership should not be underestimated. For many, the inclusion of clear and legally-binding provisions on fundamental and essential elements in 2000 was possible due to a certain leverage of the EU with respect to ACP countries. Twenty years later, agreeing to the same level of obligations on issues that have proven contentious (good governance) and on issues where EU policies are strong (LGBTI rights) may prove to be challenging.

Alliance building at the global level

A central goal for the EU is the promotion of its values and interests at the international level, which in a growing multipolar world, with actors projecting diverging priorities, requires the set-up of reliable alliances. If such alliances are effective they reinforce the EU's position in the global arena, and therefore ensure strong political impacts. Effective alliances would also result in other impacts (i.e. social, environmental and economic), depending on the types of policy areas targeted and ambitions in the common goals identified. More specifically, they would allow the EU and the ACP better addressing a range of global challenges, notably international terrorism, financial stability, climate change, communicable diseases, and so on.

The CPA provided a (insufficiently developed) platform for EU and ACP countries to discuss relevant policy matters and identify common interests and joint positions aimed at influencing global decision-making processes and international fora. Yet, the parties have not been able to reach the full potential that such a close relationship could offer.⁵³ Importantly, the joint position adopted on climate change in the framework of COP21 in Paris has shown the major potential that an alliance between more than 100 countries has in successfully shaping global negotiations and provides a crucial reference for the future. There is therefore need for improvements in the range of policy areas to be addressed, the concrete processes and procedures agreed to allow such alliances in an effective and timely manner, as well as the involvement of additional key partners beyond ACP and EU countries in specific policy areas and international fora.

⁵³ CPA evaluation (DEVCO, 2016).

Option 1

This option will limit possibilities of alliance building to countries already belonging to the existing regional partnerships, in a limited range of policy areas, or to ad-hoc coalitions provided that (a substantial number of) ACP countries are interested in joining the EU in pursuing issues of global relevance. In the absence of an ACP-EU partnership, the EU would not be able to build on the success of the COP21 experience and would not be able to effectively compete with existing fora to which ACP countries belong, such as the G-77. Importantly, this option would run counter the preferences of the ACP Group, which has manifested its intention to form strategic alliances with the EU at the global level to tackle global challenges and underlined that joint positions result in outcomes closer to the interest of the two parties when done through an established, comprehensive, and legally-binding framework.

Option 2.1

This option will build upon the potential provided by the CPA. Reformed EU-ACP joint institutions and the redefinition of new objectives will increase the likelihood of the ACP-EU partnership to effectively tackle a range of global challenges. In so doing, the expectation is that of a higher impact vis-à-vis the baseline scenario. An additional important element to take into account is that the extension of the partnership to the non-ACP members of the LDCs SIDS groups and to countries in North Africa would allow the EU to rely on additional diplomatic clout on crucial issues, notably global trade negotiations, climate change and migration.

Option 2.2

This option, at best, would promote alliances only with countries that belong to the three ACP regions, and on a restricted number of region-specific challenges. Even such scenario may be too optimistic, as suggested by difficulties in building such alliances so far, under existing regional settings. Moreover, it is unlikely that this option would allow building alliances with cross-cutting group of countries, such as LDCs or SIDS, in future crucial global negotiations on trade and climate change. Overall, the reduced critical mass generated by distinct regional alliances undermines the potential impact of this option and therefore represents a step back from the baseline scenario.

Option 2.3

This option will encompass the advantages of a strengthened framework to more effectively addressing global challenges, as evidenced under option 2.1, together with an opportunity for more focused alliances on region-specific challenges, as highlighted under option 2.2. The considerations on the benefits accrued by the extension of the ACP-EU partnership to the non-ACP members of the LDCs and SIDS groups (as well as countries in North Africa) made for option 2.1 apply also to this scenario.

5.4 Economic impacts

Trade cooperation

The main objectives of EU-ACP trade cooperation have, traditionally, been that of integrating the ACP in the world economy, promoting sustainable development and contributing to poverty eradication. For this reason, it is expected to generate different types of impacts. The primary impact is economic: EU-ACP trade cooperation is expected to bring substantial benefits to European firms, including small and medium enterprises (SMEs), based on implementation of EPAs and increased access to growing ACP markets. Trade cooperation has also significant social and political impacts. As highlighted in 2030 Agenda, it can be a crucial vehicle for achieving sustainable development. Economic growth and job creation are also expected to contribute to reduced migration flows. Importantly, the ACP as a group has played an active role in the Doha Development Agenda negotiations and therefore can be a strategic partner in building global alliances. Finally, trade cooperation has been linked to values through the provisions on essential elements, good governance and sustainable development.

The CPA has facilitated increased trade flows between the parties as well as the ACP countries' increasing WTO membership and the group's increasing role in international trade negotiations. After the expiry of the non-reciprocal preference regime in 2007, EPAs have been concluded in all the three regions to serve as the main platform for EU-ACP trade cooperation with those ACP countries that have opted for this instrument. At this stage, though, evidence on the actual impact of EPAs remains limited, as their implementation is too recent to have relevant data and their effects will be felt gradually in the long term.

The current organisation of the dialogue is however not optimal. The ACP-EU dialogue on trade may be seen as too much focussed on ACP interest, and not enough on EU interests, and some provisions can be considered to reflect an obsolete model of trade policy. In fact, the dialogue has mostly focussed on trade in goods and on tariffs, as well as certain non-tariff measures, whereas modern trade is organised around value chains, the digital economy, services, trade-related issues and investment. There is thus scope for improvement, and the current framework offers the necessary space for an update without calling into question the core principles and the institutional architecture of the ACP-EU partnership. For example, the links with core EU values and sustainable development (including labour rights, environmental standards, and anti-corruption measures) should be strengthened.

Option 1

This option would have major shortcomings, linked respectively to loss of a framework agreement within which the EPAs are implemented, the loss of the holistic approach of the CPA and the reduced scope for trade cooperation with ACP countries at the global level.

Firstly, EPAs are fully-fledged international agreements and the disappearance of the CPA would not, as such, affect their validity. However, the absence of a framework agreement at all-ACP level would involve a number of considerable drawbacks, including risks related to

interpretation and possible renegotiation of EPAs. EPAs are based on the objectives and the essential and fundamental elements of the CPA laid down in Articles 1, 2 and 9. The CPA also contains tools and mechanisms to address and implement such elements, including political dialogue (Article 8), as well as the appropriate measures that can be adopted in cases of breaches of the essential elements (Article 96) or in serious cases of corruption (Article 97). The reference to these elements in the various EPAs implies that they can be part of the implementation and dialogue between the parties, and, as the last resort, an EPA could even be suspended in case of non-respect. Nevertheless, to ensure legal certainty and maintain the provisions on political dialogue and enforcement measures, the EPA texts would have to be revised, and this could involve potentially cumbersome renegotiation and a risk of inconsistencies between regions. An alternative possibility would be that of negotiating separate framework agreements with all EPA partners, which would imply excessive political, institutional and administrative burdens and complications.

Secondly, ACP-EU trade relations under the CPA have been based on a holistic approach including the political, economic and development dimensions and their inter-linkages. This has notably allowed addressing trade (e.g. market access, trade in services) and trade-related areas (e.g. sustainable development) within political dialogues with ACP countries, including with those that have not (yet) concluded an EPA. Should the existing CPA framework be abandoned, many ACP countries would fall under the EU's Generalised Scheme of Preferences, where applicable (i.e. below Upper Middle Income countries), which does not have similar provisions to the CPA in terms of dialogue and appropriate measures. The inclusion of these mechanisms in various unilateral and bilateral trade cooperation instruments would involve the risk of in silo approaches, which would be a drawback as compared to the unique multi-dimensional nature of the CPA. Moreover, EPAs have a significant development dimension, requiring mobilisation of substantial Aid-for-Trade resources. While development cooperation could in principle be provided under any instrument outside a framework agreement comparable to the CPA, the existence of an ACP-EU partnership has so far facilitated the channelling of funding for the preparation and implementation of EPAs. Dismantlement of this partnership could involve a risk of uncertainty concerning the magnitude of such funding.

Thirdly, in the absence of a formalised partnership, there would no longer be any institutional vehicle to address trade issues at all-ACP level, as the joint ACP-EU institutions including the Joint Ministerial Trade Committee (JMTC) would be dismantled. Trade dialogue with ACP partners would be conducted at best in the context of each EPA and possibly other frameworks such as the JAES with Africa, without any all-ACP institutional channel to exchange views, consult on horizontal issues and cross-fertilise between different EPAs. Moreover, the parties would be deprived of access to an inclusive dialogue that allows them to address trade issues, such as WTO issues, non-tariff barriers and trade capacity building, simultaneously with all ACP countries.

Option 2.1

This option would have the considerable advantage of preserving a number of important elements of the CPA. First of all, it would keep the link between the trade provisions of the partnership and its essential elements (i.e. human rights, democracy, and rule of law), fundamental element (i.e. good governance) and principles regarding trade-related areas (e.g. labour rights and environment). All these issues could be continued to be discussed in the ACP-EU political dialogue and appropriate measures (including suspension of trade preferences) could be taken in case of breaches of the essential elements (Article 96 CPA) or in serious cases of corruption (Article 97 CPA). Furthermore, the institutions for trade dialogue would be maintained. All these provisions are the only means for a comprehensive dialogue on trade issues simultaneously with all ACP countries in one go, not only on EPAs and trade capacity building but also on non-tariff barriers and WTO issues. They also offer the possibility of fostering mutual understanding and common interests between the ACP and the EU in multilateral fora, including at the WTO where ACP-EU cooperation has recently been useful for instance in the context of the negotiation of the Trade Facilitation Agreement.

Option 2.2

This option entails the substitution of the legally-binding relationship between the EU and the ACP Group of States either by a non-legally-binding relationship, or no interaction at all under the post-Cotonou arrangement. In parallel, the interaction between the EU and the regional level would be strengthened and become legally-binding – in addition to the legally-binding EPA arrangements which are already in place with some RECs or EPA regional configurations. In particular: (a) dialogue on trade would take place between the EU and the political regional entities, such as the African Union, Cariforum or Caricom, Pacific Forum; (b) dialogue on trade would take place with the Regional Economic Communities or EPA regional configurations. This option has some major shortcomings.

First, the disappearance of a legally binding framework agreement for EPAs would involve the same issues as under option 1.

Second, breaking down the current all-ACP level would deprive the parties of access to an inclusive dialogue that allows addressing trade issues simultaneously with all ACP countries. This would lead to fragmenting this dialogue into several fora, which would involve the disadvantage of multiplying the political, institutional and administrative burden of managing such a dialogue. In the current framework, EPA institutions already deal, or will deal, with trade issues specifically attached to each EPA regional configuration or REC anyway, according to the provisions of the EPAs. The relevant degree of regionalisation is thus already introduced in the current framework. The agendas of the EPA institutions include a broad scope of issues, reflective of the various priorities of the EPAs. Moreover, trade cooperation issues are already part and parcel of the agendas of the political dialogues with RECs or national governments even where no EPA is applied. The added value of strengthening the dialogue on trade between the EU and RECs is therefore not obvious.

It is true, to an extent, that trade issues in Africa, which includes a high number of LDCs and land-locked countries, are different from those of the (mostly middle-income) islands of the Caribbean and the Pacific and there is very limited intra-ACP trade between Africa, Caribbean and Pacific. However, current agendas at ACP level do include issues which are region-specific. The degree of coherence and specificity of the agendas in each region should also not be overestimated at least as far as trade is concerned. If one takes Africa as an example, there is limited convergence of interests between North Africa and Sub-Saharan Africa. Legally, North Africa is linked to the EU through specific trade arrangements, distinct from and potentially in contradiction with any legally-binding frame which would possibly be established with Africa/AU. The different degrees of development between middle-income countries, such as Nigeria and South Africa, and LDCs potentially affect negatively coherence. Finally, structural disagreements within Africa regarding trade policy and the links between trade and industrialisation are also a strong limitation to the coherence and consequently the relevance of Africa as a block in this policy area.

Option 2.3

This option has the double advantage of preserving the positive elements of the CPA regarding the all-ACP level (as highlighted in Option 2.1), while introducing an interaction at regional level which would be better tuned to the specific interests of the various regions (as highlighted in Option 2.2).

Regarding the all-ACP level, a slimmed down legally-binding cover arrangement would include the essential and fundamental elements, with the appropriate measures to implement and enforce them, as well as the related political and policy dialogue mechanisms, the main principles and objectives of the partnership, and certain elements on trade cooperation such as trade and sustainable development and development cooperation. Space will be also preserved for policy dialogue with the ACP Group on trade, in order to discuss overall WTO matters and possible joint approaches in other international governance forums on trade and development (e.g. G20, 2030 Agenda).

Regarding a strengthened interaction at regional level, the option would allow to engage with a range of relevant regional and sub-regional cooperation formats beyond ACP countries, by building on existing dialogue at the different regional levels (e.g. AU and CELAC on relevant continental issues, REC/EPA sub-regional configurations with respect to trade, etc.). Such approach will therefore support a greater alignment between the ACP-wide agreement and specific regional joint initiatives pursued by the EU in Africa, the Caribbean and the Pacific.

Macroeconomic stability, private sector development and investment returns

There is strong consensus on the strategic role that the private sector plays in generating sustainable economic growth in developing countries and at the same time enhancing investment returns for European firms and citizens. The expansion of the private sector in ACP countries is widely recognised as a powerful tool not only for job creation – which is vital in light of the population growth – but also because it plays a crucial role in the fight against poverty and for progress on human and social development, particularly for the

economic and social empowerment of the poorest and most vulnerable, including women, girls and youth. And through innovation and investment in low-carbon and resource-efficient solutions, it has a major role to play in the transformation towards an inclusive green economy – thus generating significant environmental impact. Indirect positive impacts on other areas such as migration, by creating new jobs in ACP countries, and peace and security, by potential reducing sources of inequality, could also be expected.

The EU has every interest in making sure that its companies benefit from growth in ACP countries and are able to access new markets. In this respect, some of the most advanced ACP economies do have a role to play in the EU's own growth, jobs and investment agenda through trade and investment or through sector cooperation. The holistic approach to the private sector underpins the EU's strategy for its own development – the Europe 2020 strategy – where SMEs and investments have been given a central place for achieving sustainable growth. Similarly, the new EU trade and investment strategy ('Trade for All') foresees that investment and investment protection provisions will have to be integrated into broader trade agreements (including with ACP countries), whereas investment agreements have so far tended to be negotiated separately.

The CPA has significantly contributed to macro-economic stability in ACP countries, being a precondition to sustainable growth, particularly through the budget support aid modality. By contrast, the benefits of mainstreaming and engaging the private sector as a strategic development actor in all the sectors (i.e. sustainable energy, sustainable agriculture and agribusiness, infrastructure, green sectors) have largely been overlooked. While the CPA recognises the special need for investment and private sector development and outlines concrete measures to achieve this (e.g. capacity building, partnerships, financing, information sharing), the implementation of this part of the agreement has been mainly government driven, and in fact constrained. Importantly, the various initiatives and mechanisms agreed upon over the years had little effect on creating a favourable environment for greater attraction of and return on foreign investments, promoting access to innovation (i.e. knowledge and technologies) and supporting economic diversification across ACP countries. In addition, support to the group of ACP LDCs has been too often limited to aid mechanisms, with very low opportunities for the private sector to contribute to development strategies. Clearly, against the increased global competitiveness, the CPA needs a substantial update as to capture the whole potential of the private sector for both ACP countries and European firms and citizens.

Option 1

This option entails that the EU would have to rely solely on the external dimension of the Europe 2020 and the Trade for All strategies, which however do not contain specific implementation mechanisms. Importantly, should the partnership with ACP countries be discontinued, the EU would lose an important tool to engage with 79 states in the economic sphere. This would not only limit the promotion of EU existing economic interests, but would result in curbed future market opportunities. In particular, abolishing the partnership would entail losing the commitment from ACP countries on a number of general principles on

macro-economic stability and investment protection. In fact, these provisions would have to be renegotiated with individual countries, with a positive outcome not necessarily guaranteed for all cases. Ultimately, it would no longer be possible to organise ACP-EU policy dialogues on issues related to private sector development and macroeconomic stability and to implement commitments taken at the international level that are important to fostering an enabling environment for sustainable economic growth.

This option would also go against the preferences of ACP countries, which have indicated that private sector development and macroeconomic stability are key issues on which they want to work closely in cooperation with the EU. The absence of a partnership would lead to the loss of a number of mechanisms and instruments that were established to promote private sector development in ACP countries, which have worked as well as anticipated, but that still provide a solid base for future development⁵⁴. In addition, the EU would no longer dispose of a framework to apply an integrated approach to sustainable economic growth, and would have to rely on thematic instruments to foster economic macro-stability and private sector development.

Option 2

This option builds on the positive aspects of the CPA, most notably on macro-economic stability and investment protection, but at the same recognises that the new partnership has to be adapted to the new political and economic reality and to shift accordingly from an aid-based approach to multi-stakeholder and multi-level relationship where the private sector has an important role to play in the economic sphere. More and more ACP countries, in fact, perceive themselves as economic players on a global stage and seek economic partnerships, rather than aid-driven partnerships. Importantly, the presence of a partnership is expected to enhance the confidence of international (and of course European) investors, allow for a greater focus on effective means to attract international investments, and enable greater returns,

The impact of this option, in all its three variations, is expected to be stronger than the baseline, though some variations can still be noted. Specifically, **Option 2.1** and **Option 2.3** are expected to provide better ways for responding to global challenges (e.g. financial stability, taxation, commodities). Moreover, they would enable to better tackle challenges faced by groups of countries cutting across the three regions, for example LDCs. **Option 2.2** and **Option 2.3** would allow adopting approaches tailored to the specific needs and challenges of different regions, engaging more closely with regional economic communities, and potentially fostering regional integration. In the case of **Option 2.2**, however, the re-negotiation of general principles in this area could pose serious problems in that some of the existing regional frameworks and regional organisations would not necessarily be prepared to confirm existing commitments.

⁵⁴ At the intra-ACP level, various support instruments have been put in place, including the Global Energy Efficiency and Renewable Energy Fund (GEEREF), the ACP/EU Microfinance Programme, the Private Sector Enabling Environment Facility (BizClim), ACP Investment Facility (IF) and PROINVEST, an EU-ACP partnership programme for the promotion of investment and technology)

5.5 Environmental impacts

Environmental protection and climate change

Fostering environmental protection and addressing challenges related to climate change are strategic EU policy goals, with commitments agreed in several international fora including the relevant SDGs in the 2030 Agenda and the Paris Agreement. These SDGs refer specifically to agriculture and fisheries, land degradation and desertification, protection of terrestrial and marine ecosystems and the services they provide, sound management of chemical waste, resource efficiency and sustainable use of natural resources. SDG objective 13 calls to take urgent action to combat climate change and its impacts.

ACP countries are home to a large share of the world's biodiversity, which is severely affected by the persistence of unsustainable industrial practices and illegal activities. Although ACP countries are currently amongst the lowest greenhouse gas producers, trends for Sub Saharan Africa in the next 15 years are predicting a steep increase in energy demand. Many of the ACP countries are very vulnerable to the impacts of climate change. To address these challenges and vulnerabilities, the implementation of the Paris Agreement is essential.

Addressing environmental challenges in ACP countries will have high returns for the EU and globally. Large-scale destruction of wildlife and ecosystems is primarily an irreversible environmental loss, which indirectly exposes ACP societies to indirect economic and social threats. Ecosystems provide goods, and regulatory and support services which are crucial for human wellbeing and economic development of ACP countries as well as indirectly for the entire planet. Importantly, a shift towards sustainable practices in local production will allow a range of indirect gains for the EU.

Climate change is an area where mutual interests can be identified amongst EU, African, Caribbean and Pacific countries. Direct environmental and indirect socio-economic impacts of climate change policies are therefore relevant for both ACP and EU countries, although to different extents. Mitigation policies will also provide positive environmental, economic and social impacts for the EU and globally.

The CPA has been instrumental in promoting adaptation measures based on joint agreements for environmental cross-cutting issues (Art. 32), supported through EDF operations (e.g. Global Climate Change Alliance). Strategic Environmental Assessments have been increasingly adopted to assess the environmental impact of sectorial policies across ACP countries, with interventions being judged significantly better than other EU actions in non-ACP global regions.

The CPA has also set the scene for a range of political and policy joint actions in supporting climate change adaptation and mitigation across ACP countries and globally. Notably, joint ACP-EU actions under the current CPA have been decisive towards the conclusion of the Paris Agreement on climate change at the COP21 bridging the divide between developing and developed countries (195 countries adopted the first-ever universal, legally-binding global climate deal). The agreement has been considered as a major win for Europe, as well as for

the global community. The environmental, social and economic impact of this legally-binding agreement is potentially massive, but will depend on the degree of its implementation.

This said, scale and duration of efforts under current CPA have been judged insufficient, as it could so far not reverse persisting environmental degradation, nor address root causes of negative environmental impacts on lands and oceans in the region.

Option 1

The option will build on programmes and mechanisms available at regional or thematic level, aimed at fostering environmental protection and fighting climate change (e.g. Climate Change Alliance or Biodiversity and Protected Area Management).

A first limitation of this option emerges with respect to the implementation of environment related parts of 2030 Agenda, Paris Agreement under the UNFCCC and external aspects of environmental EU policies. These in fact require coordinated actions with many interrelated policy areas, which will be more difficult to organise in the absence of an overall partnership. Compared to the baseline, there are therefore fewer guarantees that international commitments will be respected and related activities implemented.

Importantly, the lack of a common platform at the ACP level will limit the potentials for setting-up formal alliances and joint ACP-EU positions at the global level. As a result, potentials of alliances for stronger commitments at the global level, in line with EU ambitions on these policy areas, will be certainly reduced. Ad-hoc mobilisation will still be possible, so to build on existing dialogues at the regional levels, but impacts are expected to be limited when compared to the current CPA potentials in mobilising a stronger critical mass in relevant international processes and at the UN level.

Option 2.1

The option will strengthen the efforts and ambitions of the current partnership. It will build on current global agreements such as the SDGs and Paris Agreement, by providing for greater guarantee of respect of commitments and implementation of activities towards the agreed international goals, while seeking to go beyond them in some areas. Also, dedicated procedures to allow alliances in relevant global fora (e.g. UN, FAO, and IMO) will be introduced, building on the results obtained under the current CPA. This could lead to stronger agreements related to environmental protection or climate change mitigation. Potential further engagement with all LDCs and SIDSs, including non-ACP countries, will also allow supporting climate change adaptation across most vulnerable countries and forming stronger alliances at global levels. Impacts are therefore expected to be stronger as compared to the baseline.

Option 2.2

The option will promote more tailored and focussed set of agreements for Africa, the Caribbean and the Pacific. With respect to the current CPA single framework, it will allow to further diversify the EU intervention across the three regions, and strengthen existing sub-

regional operations and policy dialogue on region-specific needs, challenges and potentials. More tailored mechanisms for Sub-Saharan Africa (SSA) countries are expected to achieve greater impacts. This option would allow as well for increased cooperation with other key actors, but this would have to be organised for the three regions separately. In this regard, cooperation with LDCs and SIDs would be difficult in light of the geographic spread of its members over the different regions. Furthermore, although individual regional alliances can be pursued, the critical mass mobilised could be in fact limited, if compared with joint ACP-EU statements. There is very limited precedent experience of joint cooperation in international fora with respective regions.

Option 2.3

The option will strengthen the efforts and ambitions of the current partnership, as under option 2.1. A partnership provides for greater guarantee of respect of commitments and implementation of activities towards the agreed international goals. Also, dedicated procedures to allow alliances in relevant global fora (e.g. UN, FAO, and IMO) will be introduced, building on the results obtained under the current CPA. The option will allow focusing and eventually going beyond the commitments made at international level. It will build on successful practices and processes in the creation of climate change alliances at the ACP-level (as in Option 2.1). At the same time, through regional partnerships, it will allow to increase impacts through more tailored support activities (similarly to Option 2.2), based on regional needs, priorities and political/societal willingness. The overall impact of this option is therefore expected to be stronger than the baseline, both at the global and regional levels.

5.6 Budgetary and administrative impacts

The decisions made on the future framework to organise the relationship between the EU and ACP countries will also have budgetary, administrative and institutional implications.

As regards the budgetary aspects, the main financial instrument underpinning the CPA is the European Development Fund⁵⁵, which is an extra-budgetary fund financed by direct contributions from EU Member States according to a contribution key and is covered by its own financial rules. Appraising the EDF is not within the scope of this impact assessment. The future of the EDF will be tackled in the context of the next multiannual financial framework. If the EDF were to be incorporated into the EU budget, this might have consequences for the ACP EU relations, particularly regarding the implementation and financing of peace and security activities (as operators having military or defence implications cannot be financed by the EU budget⁵⁶), and the principles of co-management.

⁵⁵ Created in 1957 by the Treaty of Rome and launched in 1959, the European Development Fund is the EU's main instrument for providing development aid to ACP countries and to OCTs. The EDF funds cooperation activities in the fields of economic development, social and human development as well as regional cooperation and integration.

⁵⁶ Art 41 TEU.

As regards administrative implications, the EDF is implemented jointly with the beneficiary countries via specific co-management mechanisms, such as the National/Regional Authorising Officer. Financial co-management aims at promoting the principles of aid predictability, ownership, alignment, transparency, in line with the global agenda on aid effectiveness. By moving beyond the donor-beneficiary relation, co-management of the EDF has also proven important for the planning and programming, monitoring and evaluation of EU cooperation with the ACP countries. However, its effectiveness has been hampered in practice by a number of shortcomings, such as the lack of capacity of NAO systems, centralised and bureaucratic procedures, which have reduced the flexibility and responsiveness of aid.

The different options will have an obvious impact on the joint institutions and the ACP secretariat. This is not cost-neutral, and the various options bring about different impact on the cost of institutional functioning. However, the main financial costs of a partnership are linked to the implementation of activities set up within the cooperation framework(s), and these will not be significantly impacted by the form of the future relations.

The CPA joint institutions⁵⁷ are currently set-up for managing the partnership. Under the current CPA, EDF allocations earmarked to support the joint institutions accounted for, on average, EUR 1.5 million per year. The budget earmarked to support the ACP secretariat is about EUR 8 million per year. The EP also has a small budget to finance participation in the Joint Parliamentary Assembly. However, the effectiveness and efficiency of the CPA institutions in practice have been seriously hampered by administrative burdens, formalism and slow decision-making mechanisms.

Option 1

Ending the partnership would imply abolishing the joint institutions, and thus the financial burden that these institutions entail. Without dedicated EU funding, the ACP secretariat will have to be fully self-financed by ACP countries, also resulting in a reduction of costs for the EU. However, in order to achieve the objectives put forward in this document, alternative actions and frameworks will have to be set up which will induce costs which are difficult to predict.

In addition, the principle of financial co-management which lies at the heart of the CPA would no longer apply to ACP countries. This would constitute the loss of an important tool for mutual engagement in the field of development cooperation. Aid provided to ACP countries would nonetheless still be guided by the principles of ownership and mutual accountability that currently apply to non-ACP developing countries under other EU external action instruments such as the DCI.

Option 2.1

⁵⁷ ACP-EU Council of Ministers, ACP-EU Joint Parliamentary Assembly, ACP-EU Committee of Ambassadors

The option foresees a single partnership agreement to be concluded between the EU and the ACP. The costs related to the joint institutions and the ACP Secretariat are comparable to those in the baseline scenario. The focus will be on improving the efficiency and effectiveness of the functioning of the Joint institutions. Capacity building projects set up to enhance the ACP Secretariat's role as well as that of NAOs/RAOs might induce supplementary costs, but would also enhance the effectiveness and efficiency of co-management mechanisms. At the same time, co-management is expected to be improved through simplified administrative procedures and increased transparency.

Option 2.2

The option assumes a regionalised partnership, dissolving the framework at ACP level, and therefore eliminating the costs related to maintaining both the joint institutions and the ACP secretariat. Existing regional institutional frameworks and policies will be used to organise the relation with the African, Caribbean and Pacific countries respectively. Given the lack of resources and capacities that several of these regional organisations suffer from, making these institutions fit for purpose will induce additional costs. Regional strategies are not as comprehensive as the CPA and related regional structures are characterised by an important 'implementation' gap, following lack of capacity and lack of inclusiveness towards the civil society and the private sector, hampering the operationalisation and implementation of these strategies. Furthermore, regional structures largely depend on donor funding and there is no joint strategy with the Pacific. Transaction costs might increase as the EU will engage with a higher number of organisations. As regards co-management mechanisms, similar types of improvements in terms of capacity-development and administrative simplification could be considered as in Option 2.1.

Option 2.3

The option entails a regionalisation of the EU-ACP relationship whereby the decision-making process will be strongly regionalised. As described for Option 2.2, working with and through existing regional structures will induce additional costs in order to make these institutions fit for purpose. While an institutional setting will remain necessary to manage the partnership at ACP level, it will have to reflect the limited scope of the overarching framework. It has to avoid duplication of management and implementation tasks carried out at regional level, and will substantially reduce costs at ACP level. A streamlining exercise on the basis of the subsidiarity principle should enable less or leaner structures and reduced number of meetings at ACP and regional level, avoiding duplication or overlap of different existing frameworks and structures. Costs will be further reduced with self-financing of the ACP secretariat by ACP countries. The evaluation points to a number of deficiencies in the functioning due to the absence of clarity of processes, procedures and monitoring, which have to be addressed. As regards co-management mechanisms, the same type of improvements as those envisaged under Options 2.1 and 2.2 would apply.

While no substantial difference can be made between the sub-options at this stage in terms of the management cost of the relations with the ACP countries, it will be important to identify the most appropriate level of competences (between national, regional, continental and all-

ACP), that will allow the EU to reach its objectives. On this basis, the institutional engagement and related financial cost should be decided.

6. Comparison of options

6.1 Introduction

This section seeks to link the specific objectives listed in Section 3 to the various impacts for each domain identified in Section 5. In doing so, the merits of the various options will be established. Clearly, each of the five objectives is linked to more than one domain.

The comparison is conducted following the criteria of effectiveness, efficiency, and coherence, by taking into account the various impacts discussed in Section 5:

- *Effectiveness* looks at the extent to which each option meets the five objectives that the EU has set for its relations with ACP countries;
- *Efficiency* gauges the extent to which each option is cost-effective;
- *Coherence* helps ascertain the extent to which each option is consistent with the EU's external action, whilst contributing to the promotion of policy coherence for development.

In the following section an assessment of all identified options is provided. The baseline is firstly described, providing a reference for assessing the main strengths and weaknesses of each other option in achieving the identified objectives for the EU (Section 3). On the basis of such assessment, the options are then compared to identify the preferred one.

6.2 Positive and negative effects of the policy options

Baseline

The baseline scenario (representing the status quo) assumes the extension of the Cotonou Partnership Agreement after its expiration in February 2020. The consultation process and the evaluation have shown that good progress has been made towards the main objectives of the CPA but have also pointed to a number of weaknesses with regard to the respect of the *efficiency and effectiveness* of some provisions and mechanisms and the *coherence* between various overlapping policy frameworks, problems which would worsen if not properly addressed. Furthermore, major changes have occurred over the past 15 years in the overall global context and the interests and ambitions of both the EU and ACP countries have evolved.

It is therefore become evident that, when projected into the future after its expiration in 2020, the existing CPA would not be *effective* in integrating the new development agenda built around the new Sustainable Development Goals, responding to the EU growing concerns over stability and prosperity, dealing with deepened regional dynamics and the increased heterogeneity of ACP countries, enhancing the EU's ability to tackle global challenges and forging strategic alliances in the international arena, and facilitating a more inclusive involvement of all stakeholders in policy and political processes. In sum, an extension of the status quo would result in limited *effectiveness, efficiency, and coherence*.

Option 1

The option relies on existing policies, and by doing so strengthens the recognition of regional needs and the established regional frameworks. Under this option, the EU will have to adopt specific actions to promote sustainable and inclusive development and enhance its prospects for increased security, stability and prosperity. Moreover, without a partnership the EU's ability to promote democracy and human rights in such a large number of third countries will be negatively affected, not least because of the lost commitment to the principles and essential elements agreed upon under the CPA and the lack of structured and effective political dialogue. In the absence of the CPA ambitious framework with respect to the involvement of key stakeholders, the effectiveness of this option in fostering participatory collective actions will also be negatively affected. Through this option, the EU would send a strong negative political signal which would be particularly detrimental in the context of an increasing multi-polar world and emerging powers with different sets of priorities and reduced interest in norms and values.

There may be some opportunities to create ad-hoc alliances to address specific global challenges, but the EU would have to rely on the willingness of its counterparts to join forces in international contexts. This would happen in a framework of competing existing international alliances and against the likely prospects of ACP countries seeking to enter into new partnerships with emerging powers. In this broader context the EU would have difficulties to form effective strategic alliances that could include a group of 79 countries at once.

Another important drawback is that, from a trade perspective, the absence of a framework agreement at all-ACP level might entail a substantive revision of the EPAs, which would result in new cumbersome and difficult renegotiation processes, bearing significant political risks for the EU. The fact that the EU will have to rely on a diverse set of thematic approaches and less comprehensive regional partnerships will negatively affect the degree of *efficiency* (turning strategies into concrete activities) as well as *coherence* of its action (both EU coherence and policy coherence for development).

Although the absence of a formalised partnership would remove current procedures and institutions, including their inefficiencies as highlighted in the CPA evaluation, it will represent a serious impediment to the generation of comprehensive and coherent approaches towards ACP countries, thus limiting the scope for the actual implementation of the security-development nexus and migration-development nexus. The option would also increase the risks of relying on unstructured procedures and process for policy dialogue, therefore hindering the potentials for promoting effective and reliable policy relations amongst the EU and ACP countries. Importantly, the perspective of not having a partnership will meet the opposition of the ACP countries, which on various occasions have reaffirmed their determination to stay united as a group and to deepen and enhance their relationship with the EU.

This option therefore offers limited improvements in terms of effectiveness, with respect to the baseline, as it allows meeting only some of the objectives identified in Section 3 and has a mixed performance in terms of efficiency and coherence.

Option 2.1

In terms of *effectiveness*, the EU will be able to promote its economic and political interests by introducing a set of specific measures and mechanisms in the areas of democratic governance, security, migration, private sector development and investment, climate change and, more generally, sustainable and inclusive development with the view to contributing to the successful implementation of 2030 Agenda.

In doing so, this option promotes a holistic approach to the EU's relations with the ACP countries (i.e. better policy coherence for development) and creates the conditions to forge strategic alliances in various international contexts (i.e. greater global impact), which ultimately contribute to enhanced EU *coherence*. Importantly, the outreach of the EU-ACP partnership to the group of LDCs and SIDS that does not already belong to the ACP would add diplomatic capital to the EU in international contexts.

This option preserves the positive legacy of the CPA (i.e. commitment to agreed principles and values; comprehensive approach; structured political dialogue; inclusion of stakeholders), but at the same time addresses the weaknesses highlighted by the evaluation and the consultation process. More specifically, it strengthens political dialogue, makes significant adjustments to the system of co-management and the joint institutions, thus enhancing *efficiency*. One of the main characterising features of the CPA, that is ensuring the full participation of key stakeholders in the development process, is not only maintained but also reinforced.

Importantly, this option preserves the overall elements which are needed to conduct the EU's trade policy vis-à-vis the ACP countries as well as a component of cooperation with continental and regional organisations, and also offers the flexibility to improve and update existing instruments, for example in relation to trade-related norms.

As regards *efficiency* and *coherence*, some crucial concerns remain unresolved, specifically with regard to the overall suitability of the institutional design when compared with competing policy frameworks, which over the years have become significantly prominent in the relations between EU and ACP countries/regions. In fact, the increased heterogeneity in interests and needs of the three ACP regions is not adequately taken into account by this option.

With respect to the baseline, this option assures the achievement of most of the objectives set in Section 3, but with a mixed performance in terms of efficiency and coherence.

Option 2.2

This option has the merit of customising EU external relations according to the specific needs and priorities of the different regions – thus enhanced *effectiveness*.

By facilitating engagement with homogenous geographical continental and regional groupings, it contributes to enhancing *coherence* in the EU's external action. More specifically, it is likely to reinforce relations with Africa and the Caribbean – assuming however that the Joint Africa-EU Strategy and the Joint Caribbean-EU Partnership Strategy are strengthened – but will not have the same effects for the Pacific, for which no such joint comprehensive partnership exists. Moreover, the stronger involvement of countries in North Africa enables the EU and the ACP to maximise results in several areas, particularly in strengthening links between peace and security and sustainable development, fighting terrorism and promoting better managed migration flows. Nevertheless, some problems may likely remain at the implementation level, owing to the limited capacity of the existing continental and regional organisations in the three regions – hence the risk of reduced *efficiency*.

A major challenge for this option would be that of dismantling the EU's relationship with the ACP group as a whole (and making it more difficult to reach out to the group of non-ACP LDCs and SIDS), which is expected to substantially hamper the pursuit of common EU and ACP interests at the global level – thus reduced *effectiveness*.

Furthermore, an agreement confirming the current strong commitment of both parties to the principles and the essential elements contained in the CPA would be more difficult to conclude. Even more uncertain is the prospect of achieving legally-binding agreements, considering that negotiations would have to start from scratch, unlike in option 2.1 and option 2.3.

Finally, this option could entail a revision of the EPA texts – owing the absence of a chapeau as foreseen by the current CPA in which some general provisions for trade cooperation are outlined – bearing economic and political risks for the EU.

With respect to the baseline, this option enables the overall achievement of most of the objectives set in Section 3 and assures a great coherence, but with mixed results in terms of efficiency.

Option 2.3

The option has the merits of acting at two levels. By fostering the regional components, it facilitates the promotion of EU tailored actions in the three ACP regions with a view to effectively meeting all the new economic and political objectives. By strengthening the common framework, it creates the ideal condition for building strategic alliances with a group of 79 ACP countries (and potentially more with the strategic outreach to countries in North Africa and the non-ACP members of the group of LDCs and SIDS), hence maximising the impact of the EU in the international arena. The option therefore brings together the potentials of previous options 2.1 and 2.2, while addressing their drawbacks

Like option 2.1, it preserves the positive aspects of the CPA as highlighted by the evaluation, most notably the commitment to the promotion of human rights and democratic governance (through a strengthened political dialogue) and the inclusion of key stakeholders in the

development process; maintains the general provisions that underpin trade cooperation (thus avoiding lengthy and potentially risky re-negotiations of EPA texts); makes significant adjustments to the system of co-management and the joint institutions. All these measure will enhance efficiency.

Like option 2.1, it provides the EU with added diplomatic capital for a more strategic pursuit of its interest (and those of the ACP group) in the international arena, as well as for the actual promotion of a number of values and norms. Moreover, it makes it easier to implicate other countries (i.e. LDCs, SIDS) in addressing global challenges, particularly climate change and other aspects of the 2030 Agenda.

Like option 2.2, it allows for constructively building on existing policy frameworks for the relations between the EU and the various ACP regions which over the years have become gradually more prominent, most notably the Joint Africa-EU Strategy and to enable tailored actions to the specific needs and priorities of different regions – thus contributing to enhancing efficiency and coherence. Moreover, the strategic outreach to countries in North Africa enables the EU (and the ACP) to maximise results in several areas, particularly in strengthening links between peace and security and sustainable development, fighting terrorism and promoting better managed migration flows.

The option, with respect to the baseline, simultaneously contributes to enhanced *effectiveness*, *coherence*, and *efficiency*.

Overall comparison of the assessed options

Based on the assessment described so far, the various options are compared so to identify the extent to which each of those are more or less effective, efficient and coherent to reach the objectives, when compared to the baseline.

A scoring system (+ –) is used to determine the preferred option vis-à-vis the baseline scenario (see Table 6.5). Scores are derived from a thorough reflection on the analysis conducted in Section 5, whereby each option has been assessed in detail across the different types of impacts that it has in meeting the five objectives. Each option can present both an advantage and disadvantage vis-à-vis the baseline scenario, hence the possible presence of + and – for certain criteria. Details for this assessment are provided in Annex 4.

On the basis of this comparison, the preferred option is identified and further discussed in Section 6.3.

Table 6.1: Comparison of options with respect to the criteria of effectiveness, efficiency and coherence

	Option 1	Option 2.1	Option 2.2	Option 2.3
Effectiveness				
Fostered sustainable development	+ -	+	++	++
Enhanced EU security and economic prosperity	+ -	+	++ -	++
Encompassed regional dynamics within and beyond ACP borders	++	=	++	++
Increased action on global challenges (International alliances)	-	+	-	+
Strengthened inclusive participation of stakeholders at various levels	-	+	+	+
Efficiency				
Enhanced institutional fitness	+ -	+ -	+ -	++ -
Achieved optimisation of procedures and processes	+ -	+	+	+
Coherence				
Increased coherence with overarching EU priorities	+	+ -	+	++
Improved policy coherence for development	+ -	+	+	+

6.3 Identification of the preferred option

From the above comparative table, it emerges that the preferred option for the EU is that a new partnership between the EU and the ACP countries, in the form of an overarching agreement including a 'roof' listing common values, principles and interests and identifying general principles and avenues for cooperation in the international arena, and three partnerships setting region-specific priorities and actions to implement respectively in Africa, the Caribbean and the Pacific.

This new format facilitates, on the one hand, the promotion of series of norms and values across all ACP countries and EU-ACP cooperation in the international arena (also thanks to the reach out to countries in North Africa and to non-ACP countries belonging to the groups of LDCs and SIDS); on the other hand, by taking into account deepened regionalisation dynamics and the increased heterogeneity of ACP countries, it allows taking actions at the most appropriate level, within Africa, the Caribbean and the Pacific. The regional partnerships will set priorities and actions for the respective regions and integrate existing regional strategies.

This option enables the preservation of all the valuable elements of the current CPA but most importantly put the right conditions in place for the EU to meet its new objectives, including that of more effectively pursuing its political and economic interests, increasing its impact in

the global arena, and enhancing the prospects of implementing 2030 Agenda (thus enhanced *effectiveness*). Moreover, it significantly enhances *efficiency* and *coherence* by making substantial adjustments to the system of co-management and joint institutions, strengthening political dialogue, and facilitating synergetic interactions between different EU policies.

6.4 Specific feature of the preferred option – legal format

As part of the preferred option selected, one important issue that will have to be dealt with concerns the legal form of the agreement, and as such its main advantages and disadvantages are further discussed.

The current Cotonou Partnership Agreement is legally-binding. Some stakeholders argue that this does not bring much advantage and should be avoided in the future as it comes with lengthy procedures to change, reducing flexibility and efficiency. It is stated that legally-binding measures are not strictly necessary when defining basic principles as well as political dialogues, as positive experiences with non-ACP countries have proven. Also, legally-binding agreements do not necessarily guarantee that all signatories will adhere to the obligations. As emerging from the CPA evaluation, some provisions have not been fully implemented in partner countries, notwithstanding their legally-binding nature often due to lack of political will (e.g. Article 13 on migration). Governments which had no interest in pursuing formal Article 8 political dialogues, for example, have not been persuaded by the existence of a legal provision in this sense. Finally, with respect to more stringent binding commitments to be agreed in the future, difficult discussions are also anticipated around a number of specific issues (e.g. ICC, CPA Article 96 procedure).

Legally-binding agreements, nonetheless, have also a number of features which enable effective cooperation and lead to results. The evaluation of the Cotonou agreement, the public consultation and the consultation of EU delegations, for example, highlight the fact that the legally-binding nature of the CPA has been instrumental to its implementation in a number of countries. They have amongst others provided for an advanced, long-term, stable and comprehensive reference for political dialogue, cooperation and trade. It has given the essential space to dialogue on human rights or migration. Additionally, they allow for consultations on 'essential elements' such as human rights, democracy and rule of law, also in case of violations against these essential elements. Moreover, a legally-binding framework enables financing projects in these essential elements areas, where they would fail to be accepted by some authorities.

The legal basis is particularly important in relation to commitments made by the parties in the area of human rights, democracy, good governance and the rule of law. These solid commitments, captured in the legally-binding nature of the agreement, would be lost, if the legal nature of the partnership would be abandoned. This would give the impression that pursuing these principles is no longer a priority for the EU in its relation with ACP countries, and in EU external policies in general. It would damage the EU's reputation as a normative actor, especially when taking into account the many challenges the ACP countries face in these areas, and the deteriorating situation in terms of political space for non-state actors in

some countries. Also in light of the changing international scene with emerging powers not sharing these principles on human rights, democracy, good governance and the rule of law, abolishing the legally-binding nature would give the wrong political message.

A legally-binding agreement would be in line with the EU's ambition to help advancing a rules based world, built on democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law. Taking these ambitions into account, a legally-binding agreement presents a number of advantages vis-à-vis political declarations. The EU has signed many legally-binding agreements with other countries, for example, in the area of trade (open-ended) and climate change (Paris Agreement). However, broader legally-binding political agreements are less common.

For the trade related aspects of the ACP-EU relation, the absence of a legally-binding framework agreement at ACP level would generate substantial drawbacks. To ensure legal certainty, to maintain the political dialogue mechanisms and, moreover, the possibility to use appropriate enforcement measures under the Economic Partnership Agreements, the texts of the agreements might need to be revised, since they contain references to the CPA. This might entail renegotiating the EPAs, which would not only be a cumbersome process, but also generate political and reputational risks for the EU.

A legally-binding agreement also clearly indicates in which areas and to what extent signatories are willing to work together, enhancing predictability and clarity. While ratifying a legally-binding agreement can be more cumbersome than agreeing on a political declaration, the ratification process is more democratic, increases involvement from national stakeholders and improves accountability. Also, legally-binding agreements can include a range of provisions that enable parties to make adjustments in a timely manner when desirable.

While it is not guaranteed that all parties will deliver on all commitments made, signing a legally-binding agreement is foreseen as a firm expression of political will to carry out the agreement and invest in ACP-EU relations. Abolishing the legally-binding nature, instead, would be an indication that parties are less committed.

Regardless the range of possible challenges, therefore, it is believed that a legally-binding framework is instrumental to the achievement of all EU specific objectives. The implementation of joint commitments is more likely to be achieved when the political will is reinforced with legal commitments.

Obtaining such an agreement is considered realistic, when negotiating a new framework with the group of ACP countries, due to the longstanding relation through which trust and consensus around a number of essential elements and values has been built. A legally-binding agreement is therefore the preferred specific feature for the policy option to be negotiated by the EU with ACP countries, while foreseeing mechanisms that allow the agreement to be adapted timely to changing times, particularly for the regional partnerships.

6.5 Operational objectives

In order to effectively support the achievement of the specific objectives envisaged for the new ACP-EU partnership, a range of operational objectives are reported here in respect to the specific objective, to be pursued through the policy option identified in this report.

Table 6.2: Relation between specific and operational objectives

Specific objectives	Operational objectives	
	With reference to the specific objectives	Transversal to all objectives identified
I. Foster sustainable development in ACP countries	<ul style="list-style-type: none"> - Reinforce trade cooperation, private investment and technological cooperation as vehicles of development - Reinforce and broaden political dialogue - Strengthen links between peace and security and sustainable and inclusive development - Improve tools and dialogue for environmental protection and sustainability and for climate change mitigation and adaptation policies 	<p>Ensure geographical extension to non-ACP countries and regions</p> <p>Promote full engagement with key actors, emerging donors and private foundations</p> <p>Agree and monitor legally-binding commitments</p> <p>Identify the extent to which a fixed term or open ended partnership is to be negotiated</p> <p>Fully address the issues of efficiency in current administrative settings (CPA evaluation)</p> <p> </p> <p> </p> <p> </p> <p> </p> <p> </p>
II. Enhance EU security and economic prosperity	<ul style="list-style-type: none"> - Strengthen cooperation to respond to security threats in the European Union - Promote better managed migration flows - Promote EU commercial interests and market opportunities, increase investment 	
III. Encompass regional dynamics	<ul style="list-style-type: none"> - Identify and implement specific regional strategies 	
IV. Ensure stronger alliances to address global challenges	<ul style="list-style-type: none"> - Promote effective and efficient rules based multilateralism - Promote and establish strategic and effective alliances with third/ACP countries on key global issues - Reduce the implementation gap on commitments taken in various international fora - Engage with emerging donors on new areas for cooperation and strengthen existing commitments 	
V. Strengthen inclusive participation of stakeholders at various levels	<ul style="list-style-type: none"> - Promote an enabling environment for a strengthened role of non-state actors (including civil society and private sector), local authorities and parliaments - Establish stronger mechanisms for engagement with regional organisations 	

7. Monitoring and evaluation

A well performing monitoring and evaluation system will increase accountability and transparency and demonstrate the extent to which the EU is effectively and efficiently achieving the expected objectives and goals of the partnership with ACP countries. In addition to providing an updated scoreboard of the realisation of the EU external action, these measurements will help establishing benchmarks and designing future priorities to consider. Monitoring and evaluation of the specific objectives will have to take various forms since the objectives belong to various policy areas and they are not all equally quantifiable. Nonetheless, by allowing regular joint reviews they will provide a system for identifying areas of the partnership that need to be adapted or strengthened. Furthermore, they will provide relevant information to feed into internal management decisions, thereby strengthening the framework for ensuring effectiveness of EU funding for external action.

Importantly, the framework for cooperation should avoid the creation of additional technical burdens for partners involved in its implementation. The proposed monitoring and evaluation system will therefore build on the relevant existing EU monitoring and evaluation systems that cover the respective policy areas under consideration (e.g. trade and investment, climate action, migration, etc.).

- The 2030 Agenda follow-up and review mechanisms, and resulting global indicators⁵⁸, will provide the foundation for monitoring the implementation of the future ACP-EU partnership. It will present a coherent framework and a baseline through which to assess results and impacts of a range of objectives set-up for the partnership across Africa, the Caribbean and the Pacific. This is expected to be particularly relevant for Objective 1 of the new partnership. This will be further supported by other mechanisms, such as the monitoring frameworks⁵⁹ under the Global Partnership for Effective Development Cooperation⁶⁰ and the EU International Cooperation and Development Results Framework⁶¹. External expertise to evaluate and review EU projects could be used for specific initiatives requiring additional monitoring and evaluation⁶².
- Advancements towards Specific Objective 2 will be largely based on EU systems. For example, indicators set-up to assess advancements in the area of migration reflected in the biennial report on the implementation of the GAMM will be used.

58 The Inter-Agency and Expert Group on SDG indicators (IAEG-SDGs) has put forward a proposal of 229 indicators, to be reviewed by the UN Statistical Commission and submitted to ECOSOC and the General Assembly for adoption.

59 Eurostat underlines its willingness to support statistical capacity building in partner countries to strengthen national governance. Stronger national statistical systems will also be needed to monitor and report against 2030 Agenda.

60 <http://effectivecooperation.org/about/global-monitoring-framework/>

61 https://ec.europa.eu/europeaid/devcos-results-framework_en

62 In addition to these, the TWI2050 global initiative is also considered as a possible source of data on progress across regions that can be provided for each SDG.

- Ad-hoc indicators and a dedicated monitoring system will have to be developed, particularly when it comes to advancement in process (for operational objectives) and outcomes/impacts for Objectives 3 and 4.
- Advancements towards Specific Objective 5 will be largely based on the EU International Cooperation and Development Results Framework as well as the monitoring of the EU Country Roadmaps for Engagement with Civil Society, complemented by global and regional indicators to assess progress on the enabling environment for participatory action, such as the worldwide governance indicators (WGI).

A preliminary overview of possible indicators to be considered in the implementation of the new partnership is provided in Annex 5. The table gives an indication of available sources of data, as well as types of measures to be developed for monitoring and evaluating the advancements and consequent results of the partnership through time, including the relation between Specific Objectives and related Areas of Impacts to which the new partnership is expected to contribute. Monitoring and Evaluation Reports will have to further assess the extent to which a new partnership has actually contributed to such impacts.

The analysis at this stage provides an overview of how such operations would have to be implemented, as required by the EU Better Regulation Guidelines. This will have to be streamlined, after the negotiations, to the exact features and timelines of a future partnership.

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1. Procedural information
2. Stakeholder consultation
3. Report on public consultation
4. Comparison of options
5. Monitoring and evaluation table of intervention

Annex 1 - Procedural information

1. Identification

Lead Services: DG DEVCO and EEAS

Agenda planning/WP reference: 2015/DEVCO+/003.

2. Organisation and timing

The process that led to drafting this Impact Assessment has followed a number of steps.

In October 2013, under the co-lead of DG DEVCO and the EEAS, an Inter-service steering group on ACP-EU relations post 2020 was established in order to involve all relevant services in the preparatory process for a Commission proposal with draft Council negotiating directives.

This Inter-service steering group was composed of representatives of the following Directorate Generals: AGRI, BUDG, CLIMA, CNECT, COMM, COMP, EAC, ECFIN, ECHO, EMPL, ENER, ENV, EPSC, ESTAT, FISMA, FPI, GROW, HOME, HR, JRC, JUST, MOVE, MARE, NEAR, OLAF, REGIO, RTD, SANTE, SG, SJ, TAXUD and TRADE, as well as to EPSC and FPI.

The Inter-service steering group met to discuss the Joint Consultation Paper, the Evaluation, as well as the Impact Assessment.

The Impact assessment was submitted to the Regulatory Scrutiny Board (RSB) on 11 May 2016. The Meeting of the RSB took place on 8 June. Following the received recommendations from the RSB the draft impact assessment was revised. This revised impact assessment was submitted again to the board which provided a positive opinion on the 4th of August 2016, including some further recommendations which have been addressed in the document.

Main changes included a clearer spelling out of the objective of the impact assessment itself and the introduction of the 'intervention logic' framework. The latter has been introduced as to clarify better the link between problems, objectives and options.

The characteristics of the Cotonou Partnership Agreement have been explained in the introduction. Furthermore, to strengthen the description of the problem section, the link with the major context changes and outcome of the CPA evaluation was strengthened.

The chapter on 'why the EU should act' has been further developed and the EU Global Strategy priorities have been integrated. Views of different stakeholders have been more clearly spelled out throughout the text as well, using to a large extent the outcome of the

public consultation. The view of the ACP countries has been described better, with particular reference to the outcome of the recent ACP summit end of May 2016 in Papua New Guinea.

As regards the options, both the baseline and the different options have been better described in the context after 2020 and the analysis of priority domains has been revised. These changes have then been reflected in the conclusions (comparison chapter 6), which have been fine-tuned. The comparative table in chapter 6 is explained more in detail through a supplementary annex. A number of modalities to the preferred option have been introduced and their pros as well as cons are discussed.

As regards the EDF, It is important to specify that the financing of the relations is not dealt with within the framework of this impact assessment. Reasons for this are the specific focus of the impact assessment on the way the relations should be best organised and the fact that the European Development Fund (EDF) instrument is part of the discussion on the new set of financial instruments for external action due in 2020 under the new multiannual financial framework (MFF). No details on the amount and functioning of financing provisions are therefore discussed. However, in a few cases reference is made to specific aspects related to the EDF (e.g. its role in relation to the African Peace Facility, or costs related to joint institutions) if deemed relevant with respect to the potential impact of the different options.

3. Consultation and expertise

An important aspect of the Impact Assessment builds upon the stocktaking of the current partnership agreement, and the extent to which it remains valid for the future and offers a platform to advance common interests. A thorough review of the assumptions on which the partnership is based, of its scope, instruments and ways of working was thus carried with the objective of providing relevant and evidence-based information for decision making. The evaluation Staff Working Document⁶³ assessed the effectiveness of the current agreement.

Analysis on specific topics was provided by external consultants, who also helped to analyse the outcome of the broad public consultation and the consultation of the Delegations. Further input was provided by EU Member States and some major non-governmental organisations undertaking similar analyses. Information was also gathered through ongoing discussions with EU Member States and the European Parliament. Stakeholders were also consulted through a public consultation and a number of more targeted consultations (see Annex 2).

⁶³ SWD(2016) 260 http://ec.europa.eu/europeaid/joint-staff-working-document-evaluation-cotonou-partnership-agreement_en

Annex 2 – Stakeholder consultation

The stakeholder consultation has been a major undertaking in the policy preparation for a future relationship with the ACP countries. The EU has elaborated early on a consultation strategy in order to collect input and views from a wide range of stakeholders, from EU and third countries, on the key questions pertaining to the partnership and relations after 2020. The Commission's minimum standards for public consultation have been met, and all interested parties have had the opportunity to contribute to this inclusive consultation process.

The following targeted and open public consultation activities were carried out:

- a targeted series of round tables⁶⁴ in spring 2015 with a variety of stakeholders in different EU Member States to analyse and evaluate various aspects of the CPA and identify key issues and questions for the public consultation;
- a broad public consultation⁶⁵, on the basis of the Joint Consultation Paper entitled "Towards a new partnership between the European Union and the African, Caribbean and Pacific countries after 2020" (see Annex 3);
- an internal survey in October 2015 in order to capture the experience and views of the Commission's staff in the field – EU Delegations were requested to consult Member States' embassies and capture the assessment from the respective national authorities on specific topics;
- Dialogue with civil society representatives: Policy Forum on Development (14-16 March 2016) and DEVCO Civil Society Event (16-17 March 2016);
- High-level event back to back to the ACP-EU Joint Ministerial Committee in April 2016.

Looking at key aspects on a future relationship, the main findings and key messages of the public consultation are summarised below:

- A consensus appears on the need to adapt the content of the new partnership to global trends and tendencies, including climate change, migration pressures, economic development;
- Respondents largely agree that the 2030 Agenda for Sustainable Development and the SDGs should be a priority, particularly the focus on poverty eradication, inequalities, the universality principle, as well as democracy, human rights, and good governance;
- Most respondents underline the need to pursue EU interests in the future relationship with ACP countries;
- There is a large majority in favour of a stronger role of civil society actors and private sector,
- The potential role of public-private partnerships using multi-stakeholder approaches has been emphasised as a useful instrument to encompass different objectives;

⁶⁴ European Commission (2015), ACP - EU relations after 2020: Issues for the EU in consultation phase 1 Final Report, https://ec.europa.eu/europeaid/sites/devco/files/eprd-acp-eu-post-cotonou-final-report_en.pdf

⁶⁵ http://ec.europa.eu/europeaid/public-consultation-eu-acp-new-partnership_en

- Participants are largely in favour of strengthening the partnership with other actors, including emerging powers, philanthropy and regional organisations;
- Stakeholders stressed the need to take into account the evolved regional partnerships that the EU is forging at continental (African Union) and regional (Regional Economic Communities) level. However, there are diverging views about their respective roles, about how to ensure synergies and proper coordination, and how to organise the relationship with the ACP Group;
- There is consensus that the geographical scope of a new partnership should remain very broad as to allow critical mass to have an impact on global issues, and build alliances around coherent thematic groupings;
- The majority of replies underline the fact that the legally binding nature of the agreement has been instrumental to its implementation;
- Many respondents consider that the framework for engagement with the ACP Group should be more focused and lighter.

Annex 3 - Report on public consultation

EUROPEAN COMMISSION

Directorate General for
International Cooperation and Development



EUROPEAN EXTERNAL ACTION SERVICE



‘TOWARDS A NEW PARTNERSHIP BETWEEN THE EUROPEAN UNION AND THE AFRICAN, CARIBBEAN AND PACIFIC COUNTRIES AFTER 2020’

– Summary report of the public consultation

March 2016

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Disclaimer

This report summarises the main views and suggestions expressed by the respondents to the various questions contained in the joint consultation paper 'Towards a new partnership between the European Union and the African, Caribbean and Pacific countries after 2020' of 6 October 2015 (JOIN(2015) 33 final). They can in no way be taken to reflect the views of the European Commission or the European External Action Service.

Acronyms

ACP	African, Caribbean and Pacific States
CPA	Cotonou Partnership Agreement
CDE	Centre for the Development of Enterprise
COP21	Conference of the Parties – 21 st Conference
CSO	Civil Society Organisation
DCI	Development Cooperation Instrument
DRM	Domestic Resource Mobilisation
EDF	European Development Fund
EEAS	European External Action Service
EIB	European Investment Bank
EIF	Enhanced Integrated Framework
EPA	Economic Partnership Agreement
EU	European Union
EUD	EU Delegation
FDI	Foreign Direct Investment
ICT	Information and Communication Technologies
IF	Investment Facility OR Integrated Framework
JCP	Joint Consultation Paper
LDC	Least Developed Country
MDG	Millennium Development Goal
NAO	National Authorising Officer
NSA	Non-State Actor
ODA	Official Development Assistance
PCD	Policy Coherence for Development
PFM	Public Financial Management
SDG	Sustainable Development Goal
SIDS	Small Island Developing States
SYSMIN	Instrument for cooperation in the Mining Sector
TAIEX	Technical Assistance and Information Exchange

Introduction

In October 2015, the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy launched a public consultation on the basis of a Joint Consultation Paper (JCP) entitled "Towards a new partnership between the European Union and the African, Caribbean and Pacific countries after 2020"⁶⁶.

The purpose was to initiate the discussion on the key questions pertaining to the partnership and relations with the group of African, Caribbean and Pacific (ACP) countries after 2020. The outcomes of the public consultation are reviewed in this report and will contribute to the evaluation of the current Cotonou Partnership Agreement (CPA) and to the setting out of policy proposals for a future relationship.

The consultation ran for twelve weeks from 6 October to 31 December 2015. The questionnaire was composed of 43 questions dealing with both backward-looking and forward-looking aspects, and covering multiple issues regarding the content, scope and tools of the EU-ACP partnership.

Respondents were invited to answer the questions using an online form. Not all questions were answered by all respondents and the provided replies generally offered opinions rather than evidence-based analysis.

A total of 103 contributions were received from a wide range of stakeholders from EU and ACP countries. Most submissions were received from public authorities, followed by civil society organisations, associations and think tanks and a limited number from the private sector.

Although a wide range of stakeholders have contributed to the consultation, no robust trend could be drawn from the analysis regarding commonalities and/or divergences based on categories of stakeholder. Identified key messages are generally wide-ranging and common to several groups of stakeholders, regardless of their category or geographical origin. A major problem highlighted is the difficulty to attribute progress or lack thereof specifically to the CPA framework or to EU policy as a whole.

Main findings and key messages are summarised below.

⁶⁶ JOIN(2015) 33 final.

Main outcomes on key questions

On the past performance of the CPA, respondents see generally a positive contribution to human and social development, including poverty reduction, but opinions seem divided on the contribution towards sustainable and inclusive economic development. Work on peace and security as well as trade was positively evaluated, although the latter to a lesser extent than expected. In some other areas, respondents have mostly a critical opinion of the effectiveness of the CPA, especially with regard to private sector development and Foreign Direct Investment (FDI), migration, the democratic governance related mechanisms and the generation of EU-ACP alliances on global challenges.

Looking forward, respondents largely agree on EU interests to be pursued in the future in our relations with ACP countries. The main priority put forward is the implementation of the Sustainable Development Goals (SDGs). A number of key concerns are identified under global challenges, notably climate change, poverty reduction, inequalities, migration and peace and security. Private sector development, improved business environment and business promotion are seen as priorities in the framework of sustainable and inclusive economic growth.

Looking at key aspects on how a future relationship should be organized, the main trends are as follows:

- The majority of replies underline the fact that the legally binding nature of the agreement has been instrumental to its implementation.
- A consensus appears about the need to take into account the evolved regional partnerships at continental (African Union) and regional (Regional Economic Communities) level. However, there are diverging views about their respective roles, about how to ensure synergies and proper coordination, and how to organise the relationship with the ACP Group. Nevertheless, on the latter, many respondents consider that the framework for engagement with the Group should be more focused and lighter.
- The general view is that the CPA can be adapted to deliver on global public goods e.g. COP21.
- There is a very large majority in favour of a stronger role of civil society actors and private sector.

Summary of contributions following the thematic structure of the JCP

I. Shared principles and common interests (the 'what')

i) Common global interests in a multipolar world (Q1-2)

According to a majority of respondents, the CPA has been less effective in tackling global challenges than expected. There are two main reasons cited: first, the Partnership was not designed to deal with global challenges as such, limiting its capacity to deal with *collective* problems that interest all ACP countries (e.g. climate change, migration); second, ACP countries, at times, have chosen to cooperate with other groupings, for instance the G77, which may have been perceived as better articulating their interests.

Nevertheless, it is the general view that the CPA could be effectively adapted to deliver on key global public goods, as it has already proven useful to place key issues on the global development agenda. For instance, the coalition of 'High Ambition' at COP21 in Paris, which was built as a result of the EU's special partnership with the ACP Group of States, is an example that could be replicated in the future.

Respondents have identified a number of global challenges where the future partnership could add value. More specifically, emphasis was put on the 'SDG package', but also on climate change, poverty reduction, peace and security, fight against international terrorism, private sector development, energy security, natural disasters, equitable trade practices, urbanisation (though some of these issues are not necessarily global challenges).

Greater coordination between the EU and the ACP at the international level, as well as the need to promote Policy Coherence for (Sustainable) Development were largely emphasised as needed in order to achieve better results when addressing global challenges.

ii) Human rights, democracy and rule of law, as well as good governance (Q3-4)

Respondents have been generally critical on the extent to which the CPA mechanisms (i.e. political dialogue, financial support, appropriate measures, suspension of development cooperation) have contributed to improving human rights, democracy, rule of law and good governance, including the fight against corruption. Political dialogue as foreseen in Article 8 of the CPA is seen as too EU-driven, technical and formalistic.

Nevertheless, the need to preserve and strengthen political dialogue in the future was underlined by many respondents who acknowledged that political dialogue has allowed raising the profile of certain human rights and controversial issues in the development agenda.

A majority of respondents consider that the involvement of key stakeholders has been useful but not sufficient to promote human rights and democratic governance, and that more should be done to further encourage their participation. Many respondents point to the shrinking

space for Non State Actors (NSAs) in several ACP States because of restrictive legislation adopted during the past decade reducing their degree of autonomy and freedom. In particular, the EU should continue to support Civil Society Organisations (CSOs) and local authorities with additional capacity-building and financial resources and actively seek their participation in political and economic processes, especially at the local level.

iii) Peace and security, fight against terrorism and organised crime (Q5-6)

The provisions on peace and security are considered in general as appropriate and useful, most notably in relation to Africa, with the recommendation to improve and strengthen them further. It is also underlined that regional organisations have gradually become more prominent in this domain, with the result that the added value of the ACP Group is somewhat limited in this regard. Therefore, in order to ensure an effective approach to peace and security issues, the emerging consensus is that greater integration of national, regional or continental level approaches should be sought.

The majority of respondents indicate that the future partnership should provide for more effective joint action on conflict prevention, peace-building and state-building activities, as well as on tackling transnational security challenges. The future partnership framework could allow for a comprehensive approach to peace and security, provided there is sufficient joint planning and coordination so that the existing duplications and gaps between transnational, regional, national and thematic support by the EU and its Member States are avoided.

A smaller number of respondents believe that the future EU ACP partnership should not be (further) involved in the above-mentioned areas. In their view, continental, regional and national levels are more relevant to deal with these specific issues. Moreover, the EU should try to engage with other partners at the global level – in particular the UN – and seek to cooperate with international powers like the USA, Russia, China and India, wherever possible.

iv) Sustainable and inclusive economic growth (Q7-16)

The opinions on the overall record of the CPA in promoting sustainable and inclusive economic development are divided, not least because of the problems related to attributing results. Some have argued that the CPA has significantly contributed to poverty reduction and economic growth, ensuring country ownership and achieving inclusiveness by addressing the needs of the most vulnerable people. Others have taken a more critical stance, arguing that the EU has pursued an economic development model based on international trade and extractive industries, which has largely failed to reach all segments of the population in ACP countries. It is further argued by some that similar successes/failures could have been achieved through other agreements, rather than necessarily through the CPA.

Looking forward, there is general consensus that the adoption of the SDGs has provided an important framework for international cooperation and that any future partnership should be adapted to ensure the effective implementation of the 2030 agenda in the various ACP

countries. In line with this, it would be necessary to tackle inequality, support greater trade and investment opportunities, focus more on private sector development, provide better evidence-based PCD analyses, pay additional attention to cross-cutting issues, ensure greater collaboration and inter-institutional dialogue between the EU and ACP, and increase ownership of local/regional governments and CSOs and grass-roots organisations with the aim of 'localising' the SDGs.

The contribution of the partnership's trade preferences to the integration of ACP countries in the world economy and to its development goals is generally considered positive, albeit less than expected. Economic Partnership Agreements (EPAs), the Everything But Arms initiative and the trade related assistance to Least Developed Countries (LDCs) have been instrumental for improving ACP countries' position in world trade (notably EU-ACP). However, integration into the world economy is uneven and the impact on poverty reduction is questioned.

EPAs are a subject where no general consensus seems to emerge. They have undoubtedly contributed to investors and traders' confidence in ACP economies and the EU should increase its ambitions during trade negotiations with ACP States to achieve the maximum reciprocal liberalisation. However, it is questioned if the trade preferences have been in the ACP's interest in the longer run. Moreover, some respondents go on to say that EPAs and most importantly the EU's policy in the World Trade Organisation (WTO) have gravely damaged agricultural production and food security in the ACP countries.

Most contributors see the need for further specific provisions on trade cooperation in the future. There is a need for some substantial additions and revisions. A number of suggestions are made, such as: the enhancement of infrastructure, trade facilitation issues, mechanisms for industrial development and capacity building of ACP countries, increased opportunities for liberalisation of services and investment as well as trade-related areas such as regulations and competition, especially for countries that have not signed EPAs yet.

Looking at more sector-focussed elements, there are mixed views on the record of the CPA in supporting macroeconomic and financial stability. The starting point is that the effectiveness depends to a large extent on specific contexts and therefore it is difficult to establish a clear link between the CPA measures and the improvements observed in the country.

Most contributions consider that the mobilisation of the private sector and the attraction of FDI are areas where the Partnership has not been effective. Their view is that economic trends in the world economy and other economic and political factors such as the improved business enabling environment, better trading environment and more effective economic infrastructure in the ACP countries are behind any improvement. A small group of respondents offer a more positive assessment. The perception is that, overall, the CPA has positively contributed to improving the investment climate.

Respondents also consider that the potential of the EU and ACP private sectors could be better harnessed by further improving the business enabling environment (particularly for micro-, small- and medium-sized enterprises), the trading and investment climate through effective investment promotion and protection agreements and legal frameworks that respect basic environmental and social rights. Official Development Assistance (ODA) is seen as a catalyst for mobilising a wide range of resources. However, Domestic Resource Mobilisation (DRM) is still considered as the main resource for development.

The general view is that advantages of the digital economy have not yet been fully reaped. The digital economy can potentially contribute significantly to the expansion of the private sector and the economic development of ACP countries, notably through enabling access to international markets, the transfer of technology and business networking. One should not only focus on the economic benefits of Information and Communication technologies (ICT), but also seek to capitalise on their social and political impacts.

For some, the CPA has been effective in contributing towards an increase in agricultural development and trade, particularly through the European Development Fund (EDF). This has led to increased crop productivity and access to water for low-income rural populations, agricultural research and extension services, and engagement with low-income rural populations. In contrast, a smaller group believes that the CPA has not contributed, stating that it has not encouraged effective diversification nor has it resulted in increased levels of exports.

v) Human and social development (Q17-18)

A large majority of respondents state that the CPA has contributed to making substantial progress on human development, including poverty reduction, gender equality and empowerment of women, yet some important challenges remain. Many underline that the strong poverty focus of the CPA, through the EDF, has been well targeted to achieving MDGs, particularly poverty eradication and gender equality. An important consideration is that impacts are not easily attributable to the CPA due to lack of aggregated evidence.

The starting point is that of harmonising the future agreement with the 2030 Agenda as much as possible to be able to deliver on these top priority objectives in the most efficient and effective way possible. In terms of specific goals, the top five priorities raised by respondents include: education (SDG 4) and health (SDG 3); decent employment, especially for the youth (SDG 8); poverty reduction-inequality nexus (SDG 10); environmental sustainability and climate change (SDG 13); gender equality and the empowerment of women, girls and youth (SDG 5).

vi) Migration and mobility (Q19-20)

There is a general negative assessment of the effectiveness of the CPA's contribution to the area of migration. The lack of consistency between the EU and ACP agendas is cited as one of the main obstacles in this regard. Africa is often quoted as a showcase where countries focus on development aspects (e.g. remittances, brain-gain), while the EU is much more interested in readmission, control measures and the security aspects of migration. The narrow focus of Article 13 CPA on legal residents, migrants legally employed in EU and ACP countries, returns and readmission of nationals illegally present on the territories of EU and ACP countries, is considered one of the main causes of its limited contribution to the discussion on migration issues.

The majority of responses suggest that the main objectives with regard to migration in a future partnership framework should focus on the respect of migrants' human rights and the promotion of fair, safe and responsible migration, the fight against human trafficking, abuse and discrimination as well as tackling the root causes (notably armed conflict and climate

change) of forced migration, circular and South-South migration. In this regard, the inclusion of La Valletta Summit's political agreement and the associated Action Plan of November 2015 is considered fundamental. Some question whether the ACP-level is actually the right one to address migration issues. For them, in fact, regions are better suited, particularly since some countries of origin and transit are not included in the ACP Group.

II. Towards a more effective partnership (the 'how')

i) A stronger political relationship (Q21-23)

Political dialogue is widely recognised as one of the main elements of the CPA, and is generally perceived as a useful tool as it allows a regular exchange with partner countries on topics of common interest. However, there is no consensus on its effectiveness. It is considered most effective at national level, although its quality varies from one country to another. Political dialogue at regional level is seen as complementary and necessary, but has been limited due to resource constraints and lack of institutional capacities of regional organisations. At the ACP level, existing structures could be better used to forge common positions in international organisations and negotiations – as was the case at COP21.

Many respondents point out that political dialogue remains underused, limited notably by its often rigid and formalised nature, as well as the lack of transparency and insufficient involvement of other key stakeholders such as civil society and local authorities. Most respondents agree that the scope of political dialogue should be broadened to be as comprehensive as possible. A greater involvement of key stakeholders is deemed necessary, as well as a stronger involvement of EU Member States (MS) in view of strengthening synergies to provide for more leverage. However, it is underlined as well that EU MS are not a homogeneous group and some want to keep their own engagement with partner countries.

A majority of respondents consider that the legally binding nature of the agreement has been instrumental to its implementation (e.g. political dialogue), and some call for strengthening this dimension. This being said, others point to the fact that certain legal provisions have not been fully implemented and argue that reciprocity and a consensus on basic principles as well as political dialogues, do not necessarily have to be conducted within the framework of a legally binding agreement.

ii) Coherence of geographical scope (Q24-26)

A number of respondents stress that certain key values and principles should always be central to any future partnership and that it should be integrated within the broader external objectives of the EU. While there are some in favour of one agreement for all ACP countries, many state that the future partnership should adapt to the increasingly sub-regional approach that the EU has been following to address foreign policy, security, trade and development concerns in the ACP regions. Nevertheless, it should be noted that regional frameworks may still be fragile and criticised for lacking means of implementation. One option could be that of maintaining a revised and slimmed-down EU-ACP agreement as an umbrella agreement, complemented with individual and more substantial agreements at the regional level. Some propose to split the current partnership into three more specific geographical groupings and no longer consider the ACP Group as one.

As regards opening the EU-ACP partnership to other countries, many share the view that this could be useful, particularly towards developing and neighbouring countries that face similar challenges (e.g. LDCs, Small Islands and Development States (SIDS)). On the other hand, a different view is that opening to other countries would further dilute the importance of the EU-ACP partnership, potentially making common ground harder to find and reducing the capacity for effective collective action. Overall, a consensus seems to emerge that the geographical scope should remain very broad to allow a critical mass to have an impact on global issues, and build alliances around coherent thematic groupings.

Looking at building more structured relationships with other regions beyond the ACP Group, a large majority of respondents agree that there is scope and opportunity for including emerging partners in Asia and Latin America. Many respondents underline that such a structured relationship would be particularly necessary with Africa (treated “as one” and therefore integrating North Africa), and that deepening the political partnership with Africa is a key priority.

iii) Cooperation tailored more towards groups of countries with a similar development level (Q27-28)

The current system of aid allocation is mostly considered to strike a good balance between prioritisation of needs and greater aid effectiveness. Still, for some it is not adequate for targeting countries most in need, it is too technocratic and can even be counterproductive. Those with this view consider that need, capacity and performance are rarely aligned and the neediest countries tend also to have the least capacity and the poorest performance.

As for the future partnership, the general view is that the allocation of resources should continue to prioritise countries most in need, notably LDCs and fragile states, in line with the 2030 Agenda. At the same time, some respondents suggest that resource allocation should take into consideration in-country inequalities and various types of vulnerability. In fact, differentiation does not necessarily mean graduation.

Many state that partnerships should go beyond only aid, traditional donor-recipient dynamics, and beyond one-size-fits-all approaches. It is suggested to explore tools, including innovative forms of assistance such as: blending; knowledge and experience sharing; twinning and Technical Assistance and Information Exchange (TAIEX)-like initiatives. Several respondents underline that ODA should mainly act, if not exclusively, as a catalyst for domestic resources and FDI mobilisation.

iv) Strengthen the relationship with key actors (Q29-33)

The CPA is acknowledged as quite unique in its recognition of the role of NSAs. However, most respondents have mixed views on the effectiveness of the current model of stakeholder engagement and note a strong discrepancy between the principles enshrined in the agreement and how the partnership is implemented in practice. CSOs mainly underline that mechanisms for ensuring full participation of civil society in the partnership have been developed, but have to date functioned on an ad hoc basis. Various respondents also point to a low involvement of the private sector.

A large consensus emerges on the need for stronger and broader engagement from all types of stakeholders. The need for an enabling environment was largely cited as essential to promote efficient and effective stakeholder engagement. Many responses underline the need to establish legal frameworks and specific and sustainable consultative mechanisms at national and regional levels, to ensure increased participation. Access to information and more transparency were stressed as well.

A number of respondents suggest that the promotion of triangular and South-South cooperation should be done in the framework of support to regional organisations and regional economic integration. For example, the EU could support ACP partner countries that have more potential or experience to support other countries in their region. Many agree that the preferred modalities for this type of cooperation are: technical assistance, capacity building, technology transfer, peer learning, sharing of experiences, and exchange of best practices.

v) Streamline the institutional set-up and functioning of the partnership (Q34-37)

A large majority of respondents believes that the joint institutions have not been effective. They have functioned in a rather bureaucratic way, focusing mainly on financial and technical cooperation and side-lining the political substance of the partnership. The track record of the existing ACP-EU framework in dealing with common challenges is sobering and therefore the institutions should be substantially revised. A small group of responses take a more positive view on the effectiveness of the joint institutions, arguing that they have played not only a symbolic role, but they have fostered constructive dialogue between partners.

However, opinions are clearly divided when considering the added value of the joint ACP-EU institutions as compared to more recent regional and regional economic community frameworks for dialogue and cooperation. One group considers the joint institutions of key relevance as they provide for genuine dialogue, strengthen the ACP-EU positions in the global arena and make ACP countries' political voice stronger. For the other group, the regional cooperation between the EU and ACP has largely been taken over by new regional and sub-regional organisations. In both cases, respondents show preference for changes in the current institutional arrangements to address common challenges and promote joint interests. Finally, a large majority of respondents is in favour of requesting a higher degree of self-financing by the ACP States, which would be in line as well with the ACP ambitions to be an autonomous player. However, contributions should be dependent on financial capacity. Few argue that this is not relevant. While self-financing is important, several ACP countries are among the poorest in the world and face considerable resources challenges.

vi) Better adapted and more flexible development cooperation tools and methods (Q38-43)

Respondents are divided over the added value of having a dedicated financing instrument in support of the ACP-EU partnership. A slight majority considers there is added value, not only because it ensures predictable and reliable funding but mostly because the EDF is perhaps one of the most tangible and significant aspects of the ACP-EU relationship. This notion is

challenged by those who see the EDF as a duplicate of the Development Cooperation Instrument (DCI) but with different arrangements. Many responses show that the EDF 'budgetisation' is highly desirable.

The assessment of the current system of co-management generates another divide among respondents. Some consider it promotes the principles of ownership and partnership, the alignment to government policies and the achievement of results. Others do not believe there is any added value, as the National Authorising Officer (NAO) system has developed into an obstacle because it is isolated from decision-making centres and adds more layers of bureaucracy, which can reduce the flexibility and responsiveness of aid.

There is a general agreement about the contribution of the current programming process to the ownership of development processes by the ACP countries. It is essential that this principle be reinforced. In parallel, respondents underline that the ACP Group must take full ownership of its institutions, including their finances. Respondents also recognise the potential of EU joint programming to improve the quality of EU development cooperation by enhancing transparency, accountability and coordination within EU Member States, although more progress should be made in joint modalities for delivering aid, delegated cooperation, or monitoring and evaluation mechanisms.

The variety of existing tools to support the EU and ACP common principles and interests is considered broad although gaps still remain (e.g. twinning and TAIEX could be added). The effectiveness of budget support generates agreement among respondents. It should remain the key implementation modality of any future financing instrument but with a higher degree of flexibility during implementation. Most respondents agree with the need to request co-financing from countries that have reached a certain level of development. Sustaining the ACP structure with only EU resources is incompatible with the ambitions of the ACP to be an autonomous player and it greatly reduces the legitimacy, credibility and effectiveness of the ACP Group.

Finally, respondents identify areas where the expertise of the EU and its Member States can be better mobilised, particularly in the middle-income countries: exchange of experiences (e.g. through twinning and peer-to-peer partnerships); technical assistance and transfer of knowledge (e.g. for sustainable agriculture or the preservation and sustainable management of natural resources); non-ODA cooperation and private sector development (e.g. increased role of diasporas or triangular cooperation actions with other ACP countries); and institutional dialogue (e.g. network of information-sharing and strengthening of institutional dialogue).

Overview of received contributions by country and category

Table 1. Geographic distribution of contributions

Country of origin	Number of responses
EU	
Austria	2
Belgium	25
Czech Republic	2
Finland	7
France	8
Germany	3
Hungary	1
Italy	2
Lithuania	1
Luxembourg	2
The Netherlands	2
Poland	1
Portugal	3
Spain	2
Sweden	3
United Kingdom	12
Non EU	
Benin	2
Cabo Verde	1
Cameroun	1
Democratic Republic of Congo	2
Ethiopia	1
The Gambia	1
Ghana	3
Guinea-Bissau	2
Jamaica	1
Mauritania	2
Mexico	1
Morocco	2
Samoa	1
Swaziland	1
Togo	1
Uganda	4
USA	1
Total	103

Table 2. Stakeholder categories

Category of stakeholder	Number of responses
Associations	16
Civil society organisations	23
Citizens	13
Companies	4
Public authorities / International organisations	41
Think tanks	6
Total	103

Annex 4 – Table 6.1 Comparison of options with respect to the criteria of effectiveness, efficiency and coherence

The table hereby provides an overall assessment of each option, as identified and discussed throughout the Impact Assessment report, which is summarised in Chapter 6.2. The criteria identified are based on the objectives (Chapter 3) to be achieved. For each of the different options (chapter 4.1), the most relevant pros (+) and con's (-) are identified with respect to their respective effectiveness efficiency and coherence in achieving the specific objectives. The impact assessment methodology requires that the assessment of each criterion for each option happens against the baseline. The latter assessment is based on the various potential impacts they are expected to achieve (Chapter 5).

	Option 1	Option 2.1
Effectiveness		
Fostered sustainable development	(+ –) (+) New Integrated Strategy in line with SDGs (–) Loss of comprehensive implementation partnership	(+) (+) New objectives in line with SDGs (and perseverance of comprehensive implementation partnership)
Enhance EU security and prosperity	(+ –) (+) Enhanced focus on EU interests in areas of security, migration and investment (–) Loss of strong commitment to norms and values and need for substantive revision of certain agreements (e.g. EPAs)	(+) (+) New mechanisms to better promote EU interests in areas of security, migration, investment
Increased action on global challenges (International alliances)	(–) (–) Possibility to only create ad-hoc alliances on specific global challenges	(+) (+) Strengthened institutions for effective alliance building at global level
Strengthened inclusive participation of stakeholders at various levels	(–) (–) Loss of ambitious in the framework for involving key stakeholders (currently in place due to the CPA)	(+) (+) Enhanced role of NSAs (e.g. civil society, private sector), local authorities, parliaments, and RECs

Efficiency		
Enhanced institutional fitness	(+ –) (+) Increased flexibility from loss of unfit institutional design (–) Need for adaptation of existing structures and instruments in the absence of overall framework	(+ –) (+) Increased opportunities for comprehensive approaches to countries (–) Risks from reliance on unfit institutional design
Achieved optimization of procedures and processes	(+ –) (+) Gain from loss of inefficient procedures and processes (–) Risks from reliance on unstructured procedures and processes (including principles of co-management and dialogue)	(+) (+) Improved co-management system and strengthened dialogue mechanisms
Coherence		
Increased coherence with overarching EU priorities	(+) (+) Alignment to new EU Global Strategy	(+ –) (+) New objectives aimed at integrated comprehensive approach (–) Overlap with other policy frameworks
Improved policy coherence for development	(+ –) (+) New general strategy aimed at sustainable and inclusive development (–) Reduced opportunities for comprehensive approaches	(+) (+) New objectives promoting needs and priorities of developing countries in integrated fashion

	Option 2.2	Option 2.3
Effectiveness		
Fostered sustainable development	<p>(+ +)</p> <p>(+) New objectives in line with SDGs (and perseverance of comprehensive implementation partnership)</p> <p>(+) Tailored actions according to regional needs</p>	<p>(+ +)</p> <p>(+) New objectives in line with SDGs (and perseverance of comprehensive implementation partnership)</p> <p>(+) Tailored actions according to regional needs</p>
Enhance EU security and prosperity	<p>(+ + -)</p> <p>(+) New mechanisms to better promote EU interests in areas of security, migration, investment</p> <p>(+) Tailored actions according to regional needs</p> <p>(-) Increased risk of loss of commitment to values through regional negotiations and revision of agreements (e.g. EPAs).</p>	<p>(+ +)</p> <p>(+) New mechanisms to better promote EU interests in areas of security, migration, investment</p> <p>(+) Tailored actions according to regional needs</p>
Increased action on global challenges (International alliances)	<p>(-)</p> <p>(-) Reduced influence of regional alliances on specific global challenges</p>	<p>(+)</p> <p>(+) Strengthened institutions for effective alliance building at global level, as well as on regional public goods</p>
Strengthened inclusive participation of stakeholders at various levels	<p>(+)</p> <p>(+) Enhanced role of NSAs (e.g. civil society, private sector), local authorities and parliaments, and RECs</p>	<p>(+)</p> <p>(+) Enhanced role of NSAs (e.g. civil society, private sector), local authorities, parliaments, and RECs</p>
Efficiency		
Enhanced institutional fitness	<p>(+ -)</p> <p>(+) Improved institutional design to fit regional</p>	<p>(+ + -)</p> <p>(+) Improved institutional design to fit regional</p>

	<p>priorities</p> <p>(-) Limited capacity of existing frameworks</p>	<p>priorities</p> <p>(+) Improved institutional design to foster common interests at global level</p> <p>(-) Adjustment of institutional structures to fit the regional priorities (building on existing frameworks)</p>
Achieved optimization of procedures and processes	<p>(+)</p> <p>(+) Improved co-management system and strengthened dialogue mechanisms</p>	<p>(+)</p> <p>(+) Improved co-management system and strengthened dialogue mechanisms</p>
Coherence		
Increased EU coherence	<p>(+)</p> <p>(+) New general strategy aimed at integrated comprehensive approach in line with regional priorities</p>	<p>(+ +)</p> <p>(+) New general strategy aimed at integrated comprehensive approach at the global level (e.g. towards LDCs)</p> <p>(+) New general strategy aimed at integrated comprehensive approach in line with regional priorities</p>
Improved policy coherence for development	<p>(+)</p> <p>(+) Promoting needs and priorities of developing countries in integrated fashion</p>	<p>(+)</p> <p>(+) New objectives promoting needs and priorities of developing countries in integrated fashion</p>

Annex 5: monitoring and evaluation table of intervention

EU Intervention		Monitoring and Evaluation Indicators	Systems for Data Collection
Specific Objectives	Related actions		
I. Foster sustainable development in ACP countries	<ul style="list-style-type: none"> ○ Supporting partner countries in the attainment of the SDGs; ○ Tailored action for eradication of poverty, increased human development and reduced inequalities within and across countries; ○ Improving environmental protection and sustainability and supporting climate change mitigation and adaptation policies; ○ Reinforcing economic, trade and technological cooperation putting more emphasis on trade, private investment and technological progress as vehicles of development; ○ Promoting regional cooperation and integration; ○ Strengthening the links between peace and security and sustainable and inclusive development; ○ Promoting human rights, gender equality, 	<p>Advancement of ACP countries on relevant SDGs indicators (e.g. human and social development, environmental protection)</p> <p>Greater integration of ACP countries in the world economy (e.g. trade activities, FDI flows, technology transfer)</p> <p>Increased activities of regional organisations</p> <p>Enhanced conflict prevention and peace-building actions</p> <p>Enhanced respect of human rights and democratic governance</p>	<p>Global follow-up and review of the 2030 Agenda for Sustainable Development Monitoring framework of the Global Partnership for Effective Development Cooperation</p> <p>WTO UNCTAD EUROSTAT</p> <p>RECs reports</p> <p>UN EEAS reports on peace and security UNDP EEAS monitoring of human</p>

	<p>the rule of law, good governance, and peaceful and inclusive societies;</p> <ul style="list-style-type: none"> ○ Tailoring EU international cooperation to the needs, resources and capacities of partner countries and regions, including with regard to allocation of aid/differentiation, as well as stronger focus on regional specificities. 	<p>principles in ACP countries</p> <p>Increased share of ODA to LDCs and fragile states and increased levels of innovative financing for development and trade-related assistance</p>	<p>rights and democracy promotion</p> <p>EU DEVCO Development Results Framework OECD-DAC</p> <p>ACP national statistics and country level monitoring systems</p>
II. Enhance EU security and prosperity	<ul style="list-style-type: none"> ○ Promoting a mutually beneficial growth agenda with ACP economies, especially with some of the more advanced, benefitting EU's commercial interests through increased trade and investment and sector cooperation; ○ Responding to peace and security challenges that the EU faces as spill-over effects of political instability elsewhere, including by dealing with root causes, preventing, managing and resolving conflict, contributing to peace building, tackling terrorism and preventing radicalisation, disrupting organised crime, and fighting cybercrime; ○ Tackling root causes to migration and promoting better managed migration flows that are beneficial to countries of origin, 	<p>Increased trade and FDI flows from EU to ACP countries (including beyond-the-border issues)</p> <p>Increased stability in ACP countries</p> <p>Reduced number of irregular migrants (cf. Valletta Action Plan on migration)</p> <p>Increased benefits of legal migration</p>	<p>WTO UNCTAD EUROSTAT</p> <p>UN WB</p> <p>Biennial report on implementation of the Global Approach to Migration and Mobility (GAMM) Mechanisms under the ACP-EU Dialogue on Migration</p>

	<p>transit and destination;</p> <ul style="list-style-type: none"> Engaging in a reinforced political dialogue, beyond the exchange of views, towards a focus on concrete results. 	Deepened EU-ACP political dialogue activities at country level	EU Delegations EEAS reports
III Encompass regional dynamics	<ul style="list-style-type: none"> Identify and implement specific regional strategies 	See regional strategies	See regional strategies
IV. Ensure ambitious alliances in addressing global challenges	<ul style="list-style-type: none"> Creating a stronger alliance between ACP and EU countries on key global issues with shared common concerns, interests and ambitions; Undertaking targeted action to reduce the gap between commitments taken in various international fora on a series of global issues and their actual implementation; Jointly engaging with emerging donors on cooperation. 	<p>Number of EU-ACP common positions / voting and joint declarations in international settings</p> <p>Accountability mechanisms put in place for monitoring commitments at international level</p> <p>Joint actions with emerging donors</p> <p>Increased role of the EU in international affairs and better external perception of the EU as a global actor</p>	<p>UN Outcomes of international summits</p> <p>EU DEVCO Development Results Framework / EU Delegations</p> <p>EU external perceptions surveys</p>
V. Strengthen inclusive participation of stakeholders	<ul style="list-style-type: none"> Strengthening the role of non-state actors (including civil society and private sector), local authorities and parliaments. This entails moving from service delivery to advocacy based on improved engagement with national authorities; 	<p>Enabling environment for democratic accountability in ACP countries</p> <p>Increased participation of NSAs, LAs and Parliaments in policy-</p>	<p>Regional governance indicators (e.g. African Peer Review Mechanism)</p> <p>EU DEVCO Development Results Framework</p>

	<ul style="list-style-type: none"> Improving cooperation and coordination with continental and regional organisations. 	<p>making processes in ACP countries</p> <p>Established consultation mechanisms and increased dialogue with continental and regional organisations</p>	<p>World Bank governance indicators</p> <p>ACP national statistics and country level monitoring systems</p> <p>NGO reports</p> <p>EU Delegations / EU evaluations</p>
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