

Towards a new partnership between the European Union and the African, Caribbean and Pacific countries after 2020

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Common global interests in a multi-polar world

1. To which degree has the partnership been effective in tackling global challenges?

2. What would be needed to strengthen results in this respect and on which global challenges could the partnership add most value in the future, in the context of the new SDGs framework and in relevant international fora?

The Agenda 2030 and its 17 Sustainable Development Goals (SDGs) will require a fundamental revision of the international cooperation system. Both European Union (EU) and ACP Group of States might take into consideration integrating the new policy domains of the Agenda 2030 into the existing framework. Within this new framework the cooperation EU-ACP should also focus on challenges such as: Sustainable Industrialization and green economy; mainstreaming gender equality, youth and women empowerment; enhancing resilience to environmental disasters; access to renewable energy and energy efficiency; human rights; microfinance.

Human rights, democracy and rule of law, as well as good governance

3. Have the mechanisms provided for in the Cotonou Partnership Agreement (CPA) (i.e. political dialogue, financial support, appropriate measures, suspension of the agreement) achieved meaningful improvements on human rights, democracy, rule of law and good governance, including the fight against corruption? Should the future partnership do more in this regard, and in what way?

4. Has the involvement of local authorities and non-state actors (i.e. civil society organisations, the media), national parliaments, courts and national human rights institutions in the partnership been adequate and useful to promote human rights, democracy and rule of law as well as good governance? Could they contribute more and in what way?

Peace and security, fight against terrorism and organised crime

5. Are the provisions on peace and security in the CPA appropriate and useful and has the balance between regional and ACP involvement been effective?

6. Should the future partnership provide for more effective joint action on conflict prevention, including early warning and mediation, peace-building and state-building activities, as well as on tackling transnational security challenges? Should this be done in the EU-ACP context?

Sustainable and inclusive economic growth, investment and trade

7. How effective has the partnership been in promoting sustainable and inclusive economic development?

Partnering with the private sector is the foundation of any successful development strategy. The impact of the private sector, and industry in particular, on the socio-economic development of countries is rooted in history. The private sector will remain on the forefront of jobs creation as 90% of the jobs worldwide are created by it, essentially through SMEs. Manufacturing and local value addition are key for creation of jobs, income and wealth as well as skill development, especially for women and youth as well as tackling the root causes of migration.

Today, industrialized countries add up to 70% of value to their products while sub-Saharan countries add only around 0.7%. This gap represents the difference between poverty and prosperity. This figure highlights that there is still much to be done in this sense for both parties of the Cotonou Partnership Agreement.

The EU could indeed make better use of its Private Sector Development support to promote crosscutting issues like women entrepreneurship or youth employment, as well as the Decent Work Agenda. Skills development within SMEs can be facilitated by partnerships with and skills transfer from large, established enterprises.

8. Taking into account the new SGDs framework, should the future partnership do more in this respect, and what?

The EU could indeed make better use of its Private Sector Development support to promote crosscutting issues like women entrepreneurship or youth employment, as well as the Decent Work Agenda. Skills development within SMEs can be facilitated by partnerships with and skills transfer from large, established enterprises

In the new ACP strategy for the post 2015 some policy domains strictly related to the promotion of inclusive and sustainable economic development have been identified and are anchored in the Agenda 2030. Each domain of the new ACP strategy (in brackets) offers opportunities for reinforcing economic development:

1. "Promoting Trade, Industry and Regional Integration: to optimize the value of primary commodity trade by industrial production and processing and to structurally transform the basis of ACP engagement with national, regional and global value chains". Linked to SDGs 1,2,8,9,10

2. "Building Sustainable Resilient and Creative Economies: to improve institutional mechanisms for the implementation of sustainable development goals in ACP societies within the framework of the Post-2015

Development Agenda". Linked to SDGs 8,9,10

3. "Supporting Global Justice and Human Security: To enable the views and voice of the ACP Group to resonate in selected multilateral fora on global issues that impact on the social, economic, political and cultural conditions in ACP societies". Linked to SDGs 16,17

4. "Advancing the Rule of Law and Good Governance: To strengthen policies and mechanisms for the functioning of legal and regulatory institutions in ACP societies". Linked to SDG 17

5. "Financing for development: to strengthen relationships with other stakeholders with the aim of speeding up the development of ACP States". Linked to SDGs 8,9,10, 17

In this context, some suggestions for the partnership to better promote the economic development of the ACP Countries in the era of the Agenda 2030 are:

- Promoting Inclusive and sustainable industrial development in the national development strategies
- Good economic governance with sound institutions: Industrial policies can provide a powerful policy tool to advance economic development. Many ACP countries have requested UNIDO to support them in their industrial policy formulation and implementation.
- Develop and foster an entrepreneurial culture among young women and men.
- Design tailor-made industrial policies according to the specific and dynamic needs expressed by the countries' manufacturing sectors.
- Using leveraging mechanisms to achieve multiplier effects and higher development impact of projects often achieved through collaborative partnerships.
- Assess the skills demand of industrial sectors for young women and men through national and/or regional surveys.
- Strengthen the tripartite dialogue among the private sector, academia and government to better respond to the skills demand from industries and industrial services.
- Identify employment intensive value chains.
- Expand and better coordinate financial and non-financial services.
- Create dedicated funds (e.g. start-up funds, guarantee funds, etc.) for young women and men entrepreneurs.

9. How effective has the partnership been in supporting macroeconomic and financial stability? In which areas would there be added value in ACP-EU cooperation on macroeconomic and financial stability?

10. How effective has the partnership been in improving domestic revenue mobilisation, in promoting fair and efficient tax systems and in combatting illicit financial flows? Would there be added value and more efficiency in stronger ACP-EU cooperation on these matters?

11. Has the partnership been able to contribute substantially to mobilising the private sector and attracting foreign direct investment?

12. How could the potential of the EU and ACP private sector be better harnessed? What should be the main focus of EU and ACP private sector cooperation in a post-Cotonou framework, and what might be the role of ODA in this?

The CPA has created space for the involvement of private sector organizations in policy processes, programming, implementation and political dialogue. Funding opportunities as well as available instruments have increased. A wide range of capacity building programs have been supported too.

EU is recommended to continue its involvement in improving the general investment climate through support to public administration reforms to enhance transparency of the business environment (both with respect to public administration and the private sector itself) and to cut down corruption, etc.

A recommended strategy for the EU-ACP private sector cooperation should consist of a two pronged approach: through business environment reviews at sector level, complemented with value chain analyses and by giving voice to private sector/industry representatives through their intermediary associations for validation of findings, prioritization of reforms and continuous monitoring of implementation to track results. In line with this strategy, collaboration with business intermediary organizations should be intensified.

Investments promotion should also take place in the broader ACP-EU, South-South (Intra-ACP) or even triangular (EU-ACP-BRICS) framework for cooperation. There is the need for an institutional strengthening: it should be ensured that Regional Economic Communities (RECs) are strengthened institutionally in order to improve their effectiveness with regard to monitoring and coordinating of the programs of the ACP PSD Strategy.

Official Development Assistance (ODA) remains vital where domestic resources are lowest, and all EU countries should maximize efforts to meet the 0.7% engagement. However, this must go hand in hand with a "capacity building and technical assistance" policy

13. In this setting, what opportunities do you see for the new, digital economy?

14. To what extent has the partnership been able to contribute to increase agricultural development and trade?

In the agribusiness sector, local sourcing and matching sourcing may enable higher economies of scale and success in accessing export markets. Many developing countries rely on agriculture as the base of their economy and exports and therefore investment in this area will be highly important. However, in order to increase productivity of agriculture and create more value and jobs in the supply chain, it will be necessary to reinforce links with industry and manufacturing.

By reducing post-harvest losses (in Africa up to 70% in fruits and vegetables), by extending the shelf-life of food, by adding value to commodities and by improving the quality and safety of foods, processing will effectively contribute to food security. Furthermore, local value addition to commodities through processing as well as agri-business and agro-industry will translate into jobs and income creation. Reinforcing the role of the private sector in agribusiness value chains, from the smallholder farmer over the medium sized processor to the large retailer, will make a difference in using agriculture as an effective vehicle for wealth creation in developing countries.

15. What has been the contribution of the partnership trade preferences to the integration of ACP countries in the world economy and to its development goals?

The trade preferences between the EU and the ACP had originally been envisaged in the form of Economic Partnership Agreements (EPAs); EPAs as envisaged in the CPA, were conceived to build on and foster regional integration processes in the ACP. According to ECPDM "EPAs have been initially branded as first and foremost "development tools", not traditional free trade agreements pursued with vested mercantilist interests. However, development impact of EPAs will not be automatic and it may be difficult to measure what economic development can be directly attributed to the EPAs or not. Advocate of EPAs stressed the potential positive impacts of EPAs, in terms of free trade but also on possible positive spillover effects, notably on economic reforms, competition and on the increasing interest of private operators to invest in the local economy to reap the benefits of access to the EU market. Critics of EPAs emphasise the potential negative effects EPAs can entail, in terms of policy space for pursuing development policies, lack of capacity (institutions, infrastructure, productive capacity, etc.), adjustments costs (loss of fiscal revenues, productive adjustments, etc.), and lack of support."

For UNIDO, the decision is totally in the hands of the respective countries/regions and their decision makers. From our point of view, the important issue is that countries/ regions have the necessary capacity to effectively negotiate and enter into EPAs and meaningfully integrate in the global market. However, ACP countries need to have good products/(services to trade, ideally with a high level of local value addition, and need their businesses and industries need to be competitive, that is our main concern. Therefore and at the request of the RECs, UNIDO has designed packages of accompanying (development) measures to support various Regional Economic Communities (RECs), especially regions negotiating Economic Partnership Agreements (EPAs). These programs are composed of elements such as industrial policies, standards and norms systems, industrial upgrading and innovation to boost local private sectors. In Africa, almost all RECs have included in the development component of their EPAs the quality infrastructure and private sector support activities recommended by UNIDO. Components of these programmes are currently implemented by UNIDO in partnership with the RECs in West Africa and Central Africa. In the Caribbean, a programme designed by UNIDO on "competitiveness and innovation" was later financed by the EU. In Central America, UNIDO accompanied RECs in the negotiation of an association agreement with the EU, with proposals for accompanying measures. In particular, it designed a programme aimed to reinforce the quality infrastructure of the region later financed by the EU.

16. Is there still a need for specific provisions on trade cooperation in the post-Cotonou framework, also taking into account the ACP countries which have not signed an EPA? If so, what could/should they cover?

Human and social development

17. Has the partnership delivered on its human development objective in an effective and efficient way, in particular on poverty eradication, and also concerning gender equality and empowerment of women? How could it be improved?

The human development dimension has been addressed throughout the partnership, mainly through focus on the social dimension. However, to some extent the real drivers for poverty eradication have not been addressed as probably wished. A quantum leap forward in economic opportunities and a profound economic transformation to end extreme poverty and improve livelihoods is necessary. There must be a commitment to rapid, equitable growth – not growth at any cost or just short-term spurts in growth, but sustained, long-term, inclusive growth that can overcome the challenges of unemployment (especially youth unemployment), resource scarcity and – perhaps the biggest challenge of all – adaptation to climate change.” Moreover the economic dimension of women empowerment could be further strengthened through measures like women entrepreneurship, access to sustainable energy.

18. Taking into account the new SDGs framework, what are the main challenges related to human development that the future partnership should focus on?

The new SDG framework is very comprehensive and tries to address development in a holistic way. While the MDG framework focused very much on the social dimension, the SDGs allow to balance the three dimensions of sustainable development and provide the opportunity to re-emphasize the importance of the economic and environmental dimension. Hence an important driver for human development will be the fostering of a real economy that provides people with jobs and income. In order to drive the real economy local value addition and beneficiation will be a critical element and therefore investing in inclusive and sustainable industrialization as well as innovation and resilient and green, low-carbon infrastructure (in sum SDG 9) seems an important contribution. On the environmental side and after the successful conclusion of COP21 and the Paris Agreement, investing in a low-carbon, circular economy and climate resilience will be essential. Turning the tide through transforming the real economy and especially industry as well as greening agriculture can be an important step based on SDG7 on sustainable energy, SDG 12 on SCP, SDG 9 on sustainable industrialization or SDG 13 on climate resilience. For climate resilience, both adaptation as well as mitigation, ideally actions with strong co-benefits on each side, should be addressed. This can be within the frame of the GCCA or outside.

Migration and mobility

19. Has the partnership been a useful vehicle for discussing migration issues and has it positively contributed? Has Article 13 CPA been fully applied?

20. Should a future partnership do more in this regard, and on which particular aspects should it focus (legal migration and mobility, addressing root causes of migration, return and readmission, tackling human trafficking and smuggling, international protection)?

While humanitarian interventions are absolutely necessary to address the pleas of people and protect them and their rights in the short-term, it will be important to address this issue more systematically and sustainably. Therefore we think that addressing the roots causes of migrations will be a key element of focus. Actions in this area should particularly target young people and women and offer opportunities in the real economy by: 1) Creating job opportunities in productive sectors in post-crisis context (experience in 25 countries); 2) Upgrading people's skills and immediate employability through vocational trainings and entrepreneurship curricula (2 million people in Africa); 3) Supporting agri-business and agro-industry for food security and decent rural jobs; 4) Developing clusters of micro and small enterprises; 5) Facilitating the integration of small farmers into local, regional and global value chains.

A stronger political relationship

21. How effective has the political dialogue been and at which level is it the most effective: national, regional and through the joint EU-ACP institutions? Should the scope of political dialogue be widened or narrowed?

22. Would a stronger involvement of EU Member States, associating their bilateral policies and instruments to the political dialogue at national level, enhance the dialogue's effectiveness and efficiency?

23. Has the fact that the agreement is legally binding been instrumental to its implementation as compared to other regional partnerships based on political declarations?

Coherence of geographical scope

24. Could a future framework be usefully opened up to other countries than the current members of the ACP Group of States? Which countries would that be?

25. What kind of framework should govern EU and ACP relations? How could an ACP-EU successor framework relate to the more recent EU regional partnerships with Africa, Caribbean and Pacific States? Could a future ACP-EU framework include distinct partnerships with regional partners?

26. Is there scope for building in more structured relationships with Asia, Latin America, the Middle East and North Africa?

Cooperation tailored more towards groups of countries with similar development level

27. Is the current system of allocation of development resources, based on need and capacities as well as performance, sufficient for channelling funds towards those countries where the highest impact can be obtained? Should allocation of resources continue to prioritise countries most in need, including fragile states?

28. What kind of cooperation could help to cover the specific needs of more developed ACP countries with a view to attaining more equitable and sustainable growth?

Strengthen the relationship with key actors

29. Has the current model of stakeholder engagement been conducive to attaining the objectives of the partnership in an efficient way? Which actors could play a more significant role in the implementation of the partnership? How could this be addressed?

30. What could be done to promote effective and efficient involvement of both international and domestic private sector, civil society, social partners and local authorities in the partnership?

31. Should the partnership be open to new actors as referred above?

32. In this regard, should the possibility of opening up the partnership to 'associated members' or 'observers' be considered?

33. How could a new framework promote triangular and South-South cooperation, including the increased involvement of ACP States as development actors in support of other ACP countries?

In particular areas such as energy, technologies and innovation capacity, environment, agribusiness, private sector development and so on, there is more and more the will and room for other forms of cooperation than the traditional “North-South” one. As a matter of fact, Southern enterprises (multinationals) are becoming more important in shaping private sector development in developing countries through increased investments and trade. Southern value chains with their own distinct chain governance patterns are emerging. Therefore, regional and international fora can contribute to discussions particularly on targeted business environment reforms in Partner countries and reveal new areas of partnership for North-South, South-South and triangular collaboration.

Triangular cooperation can be particularly effective in fostering regional integration, where a traditional donor, a newly emerging donor and EU collaborate at the country level and over borders within the region. There is also scope for public-private dialogue fora that include foreign investors from the South at country and regional levels.

Owing to its “tri-continental” reach (intra AC; with the European Union and other international organizations and emerging economies as well as countries with like-minded interests and values as the ACP), the potential for the ACP Group to be a dynamic platform of “hub” for South-South and Triangular Cooperation should be recognized. New emerging donors like China, Brazil or India already engage in South-South development cooperation and there are new examples of triangular collaboration and triangular development cooperation between BRICS, the EU and ACP countries.

Streamline the institutional set-up and functioning of the partnership

34. Has the joint institutional set-up (with the ACP-EU Council of Ministers, the ACP-EU Committee of Ambassadors, and the Joint Parliamentary Assembly) been effective in debating and promoting common views and interests and in providing political guidance and momentum to the EU-ACP partnership and the implementation of the CPA?

35. What is the added value of the joint ACP-EU institutions as compared to more recent regional and regional economic community frameworks for dialogue and cooperation?

36. What institutional arrangements would most effectively help address common challenges and promote joint interests?

37. Should a higher degree of self-financing of this functioning (ACP-EU Joint institutions and ACP secretariat) by the ACP States be required?

Better adapted and more flexible development cooperation tools and methods

38. Is there added value in having a dedicated financing instrument in support of the ACP-EU partnership? If so, what are the reasons and how would it differ from other external financing instruments funded by the general budget of the Union? Is this instrument flexible enough, especially to address crisis situations? Can this instrument be deployed differently?

Apart from joint institutions such as the Joint Parliamentary Assembly, the CTA and the (former) CDE or high level meetings such as the ACP Summits, the European Development Fund (EDF) is currently one of the most tangible and relevant aspects of the ACP-EU relationship as it is the main financial instrument that EU Member States use to provide development assistance to ACP countries, which may also receive some funding from thematic development programs under the EU budget. In some cases (e.g. in the Pacific), the EU is one of the few – if not the only – donor active in development cooperation in the beneficiary country.

39. What is the added value of the EDF's co-management system involving national authorities in the programming and management of aid programmes, as compared to other EU cooperation instruments in non-ACP countries?

40. Does the current set-up of the programming process and implementation of activities lead to real ownership by the beneficiaries? What could be improved? How can the EU and Member States maximise the impact of joint programming?

41. Does the variety of existing tools adequately support the EU and ACP common principles and interests and are there gaps that should be addressed? How do you assess the effectiveness and efficiency of various implementation modalities?

42. Should a higher degree of self-financing from the ACP States be required for activities to ensure ownership? Would this apply to all countries? On which principles should this be based?

43. How can the expertise of the EU and its Member States be better mobilised, particularly in the middle-income countries?

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