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?

a) Inequality and poverty

Globally, the proportion of people living on less than $1.25 a day has fallen by more than half, lifting half a billion out of poverty. In sub-Saharan Africa, 41 percent fewer mothers die in childbirth now than they did two decades ago. Deaths of children under five have been drastically reduced in Rwanda, Liberia, Madagascar, Malawi, Niger, and Ethiopia. Efforts to combat diseases are paying off: globally, there has been a 25 percent decrease in deaths due to malaria. In 2014, the IMF estimated that Ethiopia was the world's fastest growing economy at more than 10 percent. The Democratic Republic of Congo, Cote d'Ivoire, Mozambique, Tanzania and Rwanda all grew by 7 percent or above. Whether any of these successes can be attributed to the partnership is very difficult to say, but since the CPA there has seen in these regions a general improvement.

However, a large majority of ACP citizens have not been able to prosper, as they should, from this progress, since the benefits of growth are not ‘trickling down’ to the majority. For example, sub-Saharan Africa remains the poorest region in the world. Forty percent of people in sub - Saharan Africa live in extreme poverty (on less than US $1.25 per day); this is more than four times greater than the world average. Nor are future poverty trends positive for the region, which is set to face devastating impacts of climate change even if the global community manages to limit warming to 1.5 degrees as agreed in the Paris climate deal. The absolute number of people living in extreme poverty in sub

Saharan Africa is projected to increase by over 50 million between 2011 and 2030, to 470 million people.

The gap between the rich and the poor is spiralling out of control. The 80 richest people on the planet have the same wealth as the poorest 50 percent (3.5 billion people). This extreme inequality is so endemic that it is denying countless millions the right to have enough nutritious food to eat, to go to school, see a doctor, or access to water and dignified sanitation, and to land for climate resilient food. The extremely wealthy have disproportionate influence on policies that impact on us all. This corrupts our politics, allows wealth to trickle up not down, and leads to poorer people being denied the economic opportunity to flourish in life. Money doesn't just buy a nice car; it also buys better education or healthcare, and increasingly public policies. It creates paralysis when urgent action is required. So the cycle continues. By 2016, the richest 1 percent will own more wealth than everyone else put together. Amongst the ACP regions, high levels of inequality across Africa are slowing poverty reduction efforts. Six African countries (South Africa, Namibia, Botswana, Zambia, Central African Republic and Lesotho) are among the top 10 most unequal countries in the world (as measured by their Gini coefficients).

b) Environment and climate change degradation

The partnership has been effective, mainly in terms of promoting dialogue and technical arrangements, through tools such as the Global Climate Change Alliance and the intra-ACP instrument of the European Development Fund. The other basis of dialogue and cooperation, the Joint Africa-EU Strategy also includes cooperative actions on, for example, climate change but has existed outside and alongside the EU-ACP partnership. The political dialogue in countries where budget support is given has helped give greater consideration for climate change impacts and actions in many countries, and though it is difficult to pinpoint exact causal relations, there is a discernible new approach in many African countries where the objective of a 'green and climate resilient economy' has become a central objective of many governments. The relationships with ACP have also contributed to the EU's success in forming a coalition of 'High Ambition' at COP21 in Paris, which centred around many of the EU's partners within the ACP, This coalition helped to achieve global consensus on the climate action, and allowed the deal to be adopted in the final hours in Paris. The real litmus test though is on how the EU will build on this coalition in future years, ensuring the coalition was no tactical ploy to sideline big emitters, but an actual real effort to stand in solidarity with those countries and communities most impacted by climate change.

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?

a) Inequality and poverty

The future partnership should do more in breaking down the extreme inequalities that exist between and within countries of the partnership. Delivering the SDG framework will not be a technocratic exercise. Making sure they happen requires us to be political. In order to make the global goals possible, the future partnership must ensure that:

● The voice and power of the most vulnerable and marginalized people and communities – like small-scale food producers, disabled people, vulnerable workers and above all women – are strengthened so that they can claim their rights and hold their governments to account.
● The concentrated power of vested interests is challenged and properly held to account by governments and citizens – be it among agribusiness, energy, pharmaceutical, and extractive companies or in the financial sector.
● National and international financing rules are made fair and target the reduction of economic and social inequality, and ending poverty.
● Tax dodging by multinational companies is clamped down on through the creation of a global tax body that shapes global tax rules and includes all governments.
● EU governments set out clear timetables to meet past aid promises to commit to 0.7 percent backed with a commitment to reach 50 percent aid to the poorest countries within the next five years, alongside provision of new and additional resources for international climate finance in line with commitments at the UNFCCC.
● The partnership recognizes that 'leaving no one behind' requires examining the extreme concentrations of wealth and income that can be drivers of inequality. It is the political and economic elite who captures the benefits of growth, and who also often shapes public policies in their favour.
● While focusing on those who are left behind should of course remain the focus, to reach the goal of ending extreme poverty, The EU needs to pay more attention to the gap between the rich and the poor, and produce more research more research on the drivers of extreme wealth and income inequality and its impact on poverty. All steps to reduce inequality nationally and among countries are integrated into all the goals and throughout any future partnership – particularly those aimed at ending poverty and hunger.
●The EU needs to fully implement policy coherence for sustainable development because at the moment there are still some glaring ironies on policies like trade, investment, tax and arms;
● Private finance cannot, and should not, substitute for the role of governments in their obligation to respect, protect and fulfil human rights and to provide basic services and agriculture extension. Addressing funding gaps at a national level through strengthened and fairer taxation, and aid as required, is imperative for universal public

service provision.

b) Environment and climate change

The building of low-carbon and climate resilient societies must become a key priority for the EU's relationships with ACP countries, including helping countries to meet and overachieve the Nationally Determined Commitments under the Paris climate agreement, which in essence are low-carbon development plans. From the EU side this would involve working more with member states to ensure that all aid is climate proofed, contributes to a wider transformation, and promotes the highest levels of best practice within the field.

The EU should though stop relying only on aid budgets to provide financial support, but increasingly look into alternative sources of public finance to supplement limited aid budgets, such as financial transaction taxes or set asides from the EU's carbon market. Another priority is to ensure that ACP countries can successfully access climate finance from the myriad of climate funds available, and successfully integrate climate resilience and low-carbon energy in domestic development plans.

The political weight of the EU-ACP partnership within the international fora of the SDGs and the UN must be heightened and enhanced, which means providing real and additional support to developing country partners, and prioritise their political asks in global negotiations.

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?

As mentioned before, even though growth can be seen in many ACP countries, a large majority of ACP citizens have not been able to prosper, as they should, from this progress, since the benefits of growth are not ‘trickling down’ to the majority. For example, sub-Saharan Africa remains the poorest region in the world. Forty percent of people in sub – Saharan Africa live in extreme poverty (on less than US $1.25 per day); this is more than four times greater than the world average. Nor are future poverty trends positive for the region. The absolute number of people living in extreme poverty in sub Saharan Africa is projected to increase by over 50 million between 2011 and 2030, to 470 million people. Six African countries (South Africa, Namibia, Botswana, Zambia, Central African Republic and Lesotho) are among the top 10 most unequal countries in the world (as measured by their Gini coefficients) if any future partnership wants to be effective, tackling inequalities within and between countries, need to be front and centre.

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

The future partnership should do more in breaking down the extreme inequalities that exist between and within countries of the partnership. Delivering the SDG framework will not be a technocratic exercise. Making sure they happen requires us to be political. In order to make the global goals possible, the future partnership must ensure that:

- The voice and power of the most vulnerable and marginalized people and communities – like small-scale food producers, disabled people, vulnerable workers and above all women – are strengthened so that they can claim their rights and hold their governments to account.
- The concentrated power of vested interests is challenged and properly held to account by governments and citizens – be it among agribusiness, energy, pharmaceutical, and extractive companies or in the financial sector.
- National and international financing rules are made fair and target the reduction of economic and social inequality, and ending poverty.
- Tax dodging by multinational companies is clamped down on through the creation of a global tax body that shapes global tax rules and includes all governments.
- EU governments set out clear timetables to meet past aid promises to commit to 0.7 percent backed with a commitment to reach 50 percent aid to the poorest countries within the next five years. Climate finance provided to developing countries should – as a first step to full additionality – come from growing aid budgets (as opposed to stagnant budgets) and processes need to be put in place to set up alternative sources of new and additional public climate finance in line with commitments at the UNFCCC.
- The partnership recognizes that 'leaving no one behind' requires the top 1-10 percent wealthiest to be active citizens and reverse the extreme economic wealth and income gap.
- All steps to reduce inequality nationally and among countries are integrated into all the goals and throughout any future partnership – particularly those aimed at ending poverty and hunger.
- The EU needs to fully implement policy coherence for sustainable development because at the moment there are still some glaring ironies on policies like trade, investment, tax and arms;
- Private finance cannot, and should not, substitute for the role of governments in their obligation to respect, protect and fulfil human rights and to provide basic services and agriculture extension. Addressing funding gaps at a national level through strengthened and fairer taxation, and aid as required, is imperative for universal public service provision.

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?

The European Union has so far failed to implement its commitments to Policy Coherence for Development embedded in the 2006 European Consensus on Development and reaffirmed in the 2011 Agenda for Change:

● The EU did not implement concrete tools to facilitate tax collection from ACP States tax administrations (Article 33.3 CPA): there is neither public Country by Country Reporting nor EU public registers of beneficial ownership. Capacity building must go hand in hand with developing an enabling environment for DRM at EU and global level.
● Capacity building of tax administrations is an essential step on the way to broadening domestic tax bases, developing national social contracts on taxation and making DRM more progressive and efficient. However, these efforts can only go so far in tackling tax dodging as even countries with well-resourced tax administrations are victims of tax evasion and avoidance. In a globalized economy no country can tackle these issues on its own.
● The EU still has harmful tax practices used by major corporations both in the EU and ACP States (ART 33.3 i). Some Members States facilitate tax avoidance and evasion. This is not coherent with the priority of the European Commission to enhance ACP States capacities to mobilize domestic resources.
● No integration of ACP States in international fora to work on tax cooperation (Article 33-3. point ii): global tax reform has taken place within the OECD and developed countries did not support the idea of having a UN body on tax or a World Tax organization.
● ACP States have no access to the same information as the developed countries (Article 33-3. point iii) developing countries are not temporarily exempted from providing reciprocal information exchange which means they need to have the capacity to give information before getting information.

To palliate the insufficient support to DRM and to building pro-poor fiscal systems, Policy Coherence for Development and increased support for domestic resource mobilisation and tax authorities in developing countries in line with the principle of ownership must be fully implemented. Achieving this requires:

● Better inclusion of ACP States in international fora to discuss global

tax reforms (UN Body - EU/ACP States Committee on tax cooperation).
- Tax and Corporate transparency: public CbCR, public registers of beneficial ownership, tax rulings made publicly available also to ACP States.
- Temporarily exemption of “reciprocal” information exchange for ACP States.
- Fight tax evasion and avoidance within the EU to prevent EU corporations to avoid taxation in ACP States.
- Dedicate more funds to administrative capacity building.
- No loans and subsidies to private sector entities under investigation for tax avoidance
- EU blacklist of tax havens + sanctions.
- Analyse the potential spillover effects on European and ACP States of any new European legislative proposal on tax and assist ACP States to conduct analysis on the impact of their tax systems on economic and gender inequalities through impact assessments.
- All governments must take action to end the 'race to the bottom' that encourages countries around the world to compete with each other to offer the lowers corporate tax environment, driven by harmful and preferential regimes

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

To mobilize the massive resources required to meet the sustainable development challenge head on, private finance is an inevitable part of the effort since considerable levels of investment are required for large-scale infrastructure projects, such as roads, railways, power and telecommunications. But private finance must play a positive role in development by creating job opportunities, enabling people to learn new skills, and generate the wages communities desperately need to prosper. Private finance and the private sector cannot substitute for public finance to solve public solutions to public problems.

At the same time, developing countries are losing out on significant amounts in potential tax revenues through corporate tax dodging. According to UNCTAD, developing countries as a whole lose around US$100 billion in tax revenues each year as a result of corporate tax avoidance schemes that route investments through tax havens. Additionally, an estimated US$138 billion per year is lost to developing countries because they give away generous tax incentives to multinational companies. The future partnership must ensure that countries can generate sufficient public funds from FDI and mobilisation of the private sector and ensure the private sector pays thier fair taxes.

FDI plays an important role in the development process by stimulating the private sector, but there is an urgent need to improve the transparency and quality of FDI, and to regulate and direct overall flows to priority areas in line with national priorities. Developing countries must have the necessary policy space and flexibility to drive and regulate private financial flows and activities towards growth with equity and decent employment. Until now, evidence has shown that FDI hardly reaches least developed countries and micro, small and medium enterprises (MSMEs), which provide the majority of employment and GDP in developing countries. Any future partnership must tackle this trend.

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 private sector has a crucial role to play in driving poverty eradication and food security improvements, especially in contexts where government and donor funding are limited. There has been a rapid expansion of aid being used in partnership with private sector investment; however, this has happened without the required level of debate on the strong accountability and mechanisms needed to ensure that the aid is stimulating the private sector’s contributions to sustainable development.

For many countries, rich and poor alike, there is an, often unsubstantiated belief, that the private sector is more effective and more efficient than public bodies. However, there is no evidence to support this claim and in fact in many cases the opposite is true. There is rapidly growing evidence showing how long-term contractual arrangements in which the private sector is tasked with the delivery of a public service or an asset are a very expensive and risky method of financing. If they fail, public-private partnerships (PPPs) can end up 'privatizing benefits while socializing losses', when the public sector has to rescue or bail-out a failing private service provider. Moreover, private contracts tend to be secretive with little information available for public scrutiny.

Across the board insufficient attention has been paid to the checks and balances needed to ensure private finance delivers for poor people. Governments, investors, businesses, civil-society organizations and public representatives need to work together to ensure that privately financed programs are transparent, and guarantee sustainable and equitable development as well as poverty reduction. Too often private finance is mobilised in murky, unaccountable ways, leading to hidden public and user debt burdens, environmental and social abuses and violations of human rights.

The role of financial instruments created to mobilize private investment, such as public private partnerships and blended finance for development, are consistently over-emphasized by donors and governments. There must be guarantees in future partnerships that the role of private providers in development is positive and sustainable, and does not entail any conflict with the public interest.

There is an urgent need to work towards stable and binding rules and standards, which are conducive to achieving national development priorities and to ensuring that businesses adhere to the UN Guiding Principles on Business and Human Rights, and respect international social and environmental safeguards. Specifically, clear criteria should be applied when donors and governments are deciding on private sector partners and evaluating potential deals. Criterion should be based on financial sustainability, accountability, and a strong governance framework including independent oversight, and transparent monitoring and reporting. Compliance with development effectiveness principles and robust environmental and social safeguards is also critical. There should also be equity in risk, benefit sharing, and influence over project design between governments, donors and private investors. Finally each project should be assessed against whether it maximizes benefits for sustainable development, as well as ensure interventions do no harm.

More fundamentally, private investors are simply not interested in investing in areas unlikely to yield a high profit. For example, private health and education services benefit the richest first and foremost, leaving people in poverty behind. When healthcare is sold through the private sector for instance, quality care and medicines are often available at high prices to only to those who can afford them, while poor people may be forced to rely on low-quality medicines or unqualified care providers. Good quality public health and education services that are free at the point-of-use and available to all can be powerful equalizers, enhancing the economic prospects of the majority while protecting those who are most vulnerable from impoverishment.

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?

Oxfam’s research into ‘mega-PPPs’ in agriculture found them likely to skew the benefits of investments towards the privileged and powerful, while leaving the risks to fall to the poorest and most vulnerable. Private finance cannot, and should not, substitute the role of governments in their obligation to safeguard human rights and provide basic services and agriculture extension. Private finance and the private sector cannot substitute for public finance.

Regarding specificities of the agriculture sector, PPPs between governments, companies and donors are increasingly used and represent the potential to stimulate much needed investment into the sector. When PPPs are used to unlock the potential of small scale producers, rather than large scale plantation agriculture, they represent a non-negligible pathway towards enhanced local livelihoods and poverty eradication. Family and small-scale farming are inextricably linked to food security, and a weight of evidence points to the central role of small-scale farming in reducing poverty, generating employment, and contributing to resilient local livelihoods. Support towards private sector development should therefore focus on unlocking the constraints faced by domestic local small- and medium-sized enterprises – constraints such as lack of access to credit, inputs or markets, and lack of education and business training opportunities – rather than focusing on attracting FDI or supporting companies that are based abroad.

In agriculture, secure land tenure for local people is crucial for the development of the sector. Governments and donors should not support private sector operations that could stifle competition or support the creation of a monopoly or monopsony position in the market. Rather, governments and donors should provide support for producer organizations and informal producer groups through business training and basic infrastructure, as well as the expansion of banking services, credit and insurance in rural areas – particularly those that can be accessed by women. Women’s role is central, although often overlooked, in improving the lives of their families and communities, and in contributing to livelihood strategies adapted to changing environmental realities. Women often have a strong body of knowledge and expertise that can be used in climate change mitigation, disaster reduction and adaptation strategies.

Adhering to the principle of Free, Prior, and Informed Consent (FPIC), and the right to say no to large-scale development interventions – including oil, gas and mining projects and large land deals – is critical to respond to people’s needs and avoid devastating consequences on local communities.

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?

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?

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

There are many challenges related to human development, public investment in health, education, agriculture, and water and sanitation is essential to fight poverty and inequality. Here we will focus on 1) education, and 2) Health that the future partnership should focus on:

1) Education: Education is a key catalyst for other SDGs but is often underestimated. More than 781 million adults cannot read and write today, and it is those from the most marginalized backgrounds and women who are most likely to be left behind. The investment in public quality education is vital for the world's poorest and to eradicate poverty. There is no country that has experienced economic growth and reduction in poverty who has not invested in education. But seeking to ensure that all girls and boys complete quality primary and secondary education is ambitious, and therefore, education will have to change drastically in many countries in order to live up to this goal.

The privatization of education is not a good option, especially since there is no evidence that private schools give better learning outcomes than public schools. Access to education is not only a universal and a human right, it is also central to the advancement of sustainable and equitable economic and human growth and development. Free education is one of the strongest weapons in the fight against inequality, benefiting everyone in society, but the poorest most of all. Education systems must be publicly provided for and governments must prioritize spending on quality education through progressive and general taxation – and aid in the form of budget sector support where needed.

2) Health: One of the SDGs rightly focuses on health because access to healthcare is not only a human right, it is also central to the advancement of sustainable and equitable economic growth and human development. And free access to quality health services is one of the strongest tools to reverse inequality.

Universal health coverage has the power to transform millions of lives by bringing healthcare to those who need it most, at the time they need it and without them dropping into poverty or facing economic hardship. Therefore, public financing of healthcare, especially paid for through general taxation – and aid in the form of budget sector support where needed – must be significantly increased to see this target realized. Governments and donors must also prioritize investment in expanding and improving public delivery of healthcare. This needs to be a key focus of any future partnership.

To achieve universal healthcare, services must be comprehensive and free at the point of use. Out of pocket payments for healthcare push three people every second into poverty and exclude millions from effective healthcare. In developing countries, health insurance schemes work for the minority who are employed in the formal sector but it continues to exclude the majority who live and work in the informal economy, as well as poor and vulnerable groups. In contrast, the majority of countries that have achieved universal health coverage have done so through prioritizing spending on health through general taxation. However, in 2010 Africa was cheated out of US$11 billion through just one of the tricks used by multinational companies to reduce tax bills. This is equivalent to six times the amount needed to plug the health care funding gap in Ebola affected countries of Sierra Leone, Liberia, Guinea and Guinea Bissau.

Issues around access to medicines show a glaring example of inequality and should also be focused on in the new partnership. The current global research and development system relies on commercial interest and therefore there is little investment in therapies needed for public health. On the other hand companies' political capture ensures that they have the greatest monopoly and thus the highest possible price even if it excludes millions of people from the medicines they need. New systems of research and development must be developed including separating the cost of R&D from the pricing of resultant products as a first step towards access to quality medicine. It is no good adopting SDG3, while tying government hands from implementing measures that protect public health via strict trade and investment agreements. The EU must ensure that free trade agreements enable governments to protect public health, public interest and promote access to knowledge and to medicines, tying in with the EU's commitments to policy coherence for development.

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)?

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?

Over the last decade EU MSs have made extensive commitments related to aid and development cooperation effectiveness, including by endorsing the Paris (2005), Accra (2008), Busan (2011) and Mexico agreements (2014), as well as through their own internal aid reform processes. However progress to reach all commitments has been slow and the EU to date has collectively failed to meet these targets. A prerequisite for any future partnership and to build continued trust with ACP partners, the EU must meet these commitments and targets in a verifiable timeline. There must also be a rising increase of the share of total ODA/GNI reaching a 50 a percent target for allocation to the Least Development Countries (LDCs) within the next five years.

Aid remains a vital flow of concessional public finance to more than a fifth of the world’s countries. Aid is still larger than any other external resource flow in 43 countries – most of them in sub-Saharan Africa; home to over 220 million people living on less than US$1.25 a day, and where over 20 percent of the population is going hungry.

Ultimately, the goal is for aid to work itself out of a job. To make this happen, aid must first catalyse other forms of public finance, primarily domestic resource mobilization, and help sustain it. The vast majority of extremely poor people live in countries where tax systems are weak and raise minimal public revenues domestically. Aid should support increasing domestic revenue collection to increase self-reliance.

Second, aid needs to advance the rights of citizens. More aid should be used to improve public accountability and to support citizen's efforts to hold their governments to account. Development is the product of a compact between active citizens and effective states. Aid most often fails when it tries to substitute for this relationship, rather than supporting and strengthening it.

Finally, aid needs to do a better job of sustainably supporting people to raise themselves out of poverty. Donors remain reluctant to fully invest in the success of local development institutions and leadership to sustain development independent of aid.

Shocks, crises and uncertainty undermine the impact of development efforts and investments, and entrench inequality. Concessional aid continues to be needed more than ever to allow countries to respond to and recover from shocks and crises. Last year's outbreak of Ebola in West Africa has shown how quickly development gains can be rolled back and how the poorest people suffer more, and longer. While disasters can hit anywhere, they have the greatest impact on the poorest countries and on the poorest people within them. It's not just more international and public finance that is vital; equally important is how it is spent. A greater proportion of domestic public finance and aid–both humanitarian and development – must be used to prevent, mitigate for and reduce risk, to build resilience and strengthen public services for all.

To increase the development effectiveness of all forms of public (and private) finance, action is needed to accelerate progress toward meeting existing development effectiveness standards, such as the Busan Partnership for Effective Development Cooperation which include commitments towards government ownership transparency and accountability for all development actors.

Of paramount importance is that ACP governments have ownership over (and are accountable for) their development agendas. There needs to be a focus on how international public finance and domestic public spending is allocated and targeted, as this has a definitive influence on inequality and poverty outcomes. Spending within countries, across sectors or across social groups (gender, age, ethnicity etc.), is also crucial in this respect.

Governments are increasingly turning to the private sector to substitute for public financing gaps. While private finance can have an important role to play in development, it must be channelled under the right conditions. Too often, private finance is being mobilised in unaccountable and murky ways that can result in environmental, social and human rights abuses. There has been a rapid expansion of aid being used in partnership with private sector investment without the required level of debate on the strong accountability mechanisms needed to ensure that the aid is stimulating the private sector's contributions to sustainable development. Donors and governments should prioritise financing arrangements that comply with development effectiveness principles and international human rights, social, and environmental standards, driven by national development strategies, equitable in risk and benefit sharing, and demonstrates additionality, so that its impact on development is positive and sustainable.

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?

There are still key aspects needed to be done in more developed ACP countries. Any future partnership should ensure:

- The voice and power of the most vulnerable and marginalized people and communities - like small-scale food producers, disabled people, vulnerable workers and above all women - are strengthened so that they can claim their rights and hold their governments to account.
- The concentrated power of vested interests is challenged and properly held to account by governments and citizens – be it among agribusiness, energy, pharmaceutical, and extractive companies or in the financial sector.
- National and international financing rules are made fair and target the reduction of economic and social inequality, and ending poverty.
- Tax dodging by multinational companies is clamped down on through the creation of a global tax body that shapes global tax rules and includes all governments.
- The partnership recognizes that 'leaving no one behind' requires the top 1-10 percent wealthiest to be active citizens and reverse the extreme economic wealth and income gap.
- All steps to reduce inequality nationally and among countries are throughout any future partnership.
- The EU needs to fully implement policy coherence for sustainable development because at the moment there are still some glaring ironies on policies like trade, investment, tax and arms.

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?

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?

Whatever the future architecture of a financial instrument to support Africa, Caribbean and Pacific countries will be, the following key aspects must be embedded - sufficient quantity of funds to continue to support these countries in achieving the sustainable development goals and achieving development effectiveness principles at all levels of implementation.

ODA remains a crucial tool for poverty reduction precisely because it can be better targeted to directly fight poverty and achieve shared global development goals. However, making sure there will be sufficient funds in the future is cause for concern. Even though the SDGs highlighted the need for more resources to tackle multiple challenges till 2030, the EU has failed to meet their 2015 target of 0.7% of GNI and 0.15%-0.2% to LDCs. ONE’s 2015 DATA Report showed that the EU28 should have delivered an additional $55.8 billion in 2015. This puts into question the EU as a credible partner when commitments continue to be made with no concrete deliverables. Any future instrument most contain sufficient funding by EU member states.

Aid delivered by the European Commission (EC) has unique characteristics that bring an added value to the EU, its Member States, as well as the wider donor community, and importantly recipient governments. Such characteristics include its global presence, its specific competence and expertise, its right of initiative at community level, its facilitation of coordination and harmonisation, and its supranational character. This size and the presence of the 130 delegations - recently upgraded to represent the whole of the EU - around the world allows the EC to implement development programmes on a scale bilateral donors cannot match, and in places they cannot reach. Therefore, continuing an instrument through the EU will be important to ensure this level of scale and coordination remains.

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?

Under the Busan agreement the country ownership principle is key, which means any use of ODA whether it’s for ACP or non-ACP countries should do so adhering to the Busan principles of development effectiveness. Therefore, there is extreme importance in the added value of the EDF’s co-management system involving national authorities and this should continue. As well as national authorities, other key actors need to be continually included in development decisions including CSOs.

Oxfam believes that any aid must be delivered in a way that supports democratic country ownership, empowering developing country governments and their citizens to fight poverty and inequality (including gender equality) and meet humanitarian need. This is what any future instrument and management systems should build. To achieve this, the EU must:

Empower ACP countries by:

• Aligning any future aid, to national development policies – that have been planned, formulated, and discussed by developing country governments and the parliamentarians and civil society (including women's organizations) in these countries and are gender sensitive
• Providing more of their aid through country systems, including scaling up the use of budget support and other forms of budget aid
• Stopping attaching economic policy conditions to EU aid whether through formal or informal tying of aid, inefficient contracts, loan components or other protectionist policies designed to increase the economic benefit to EU interests, which will reduced the total value of aid invested in the partner country;
• Enhancing the transparency of their aid by continuing to provide sufficient data to the International Aid Transparency Initiative (IATI); publishing country-level aid commitments for the next 3-6 years, and ensuring all draft and final aid contracts are published, including the conditions, in a manner which is accessible and timely for the public in recipient and donor countries and all follow-on material including evaluations

Empower citizens by:

• Providing More and Better Funding to CSOs (including women's organizations in developing countries), Parliamentarians and the Media - by providing more long-term, predictable and core financial support to these groups and flexible contracts
• Ensuring all aid contracts are produced in consultation not only with developing country governments, but their citizens too and that all monitoring and evaluation of aid agreements are undertaken in consultation with citizens too
• Attaching conditions to EU aid that push for developing country governments to enhance their domestic accountability mechanisms / institutions and providing sufficient technical and financial support to enable these changes to happen especially to allow more citizens oversight of country systems
• Committing to supporting an enabling environment for civil society within ACP countries and helping ensure civil society has the right and protection to assembly, advocate, and engage their governments
• Ensuring they are not undermining domestic accountability - The EU should pay special attention to the manner in which they engage and intervene in domestic processes, which include decisions on types of funding and using participation and consultation, so that the state can be held accountable to its people.

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?

The EU Joint Programming offers the potential to improve the quality of EU development cooperation by enhancing transparency, accountability and coordination within Member States. Keeping the house in order is the right thing to do, unless it just creates higher hurdles for the EU partners to overcome: if the national ownership of the development process is not persevered, the policy space of partner countries may be in fact further eroded.

Joint Programming calls for a joint donor analysis and response to the partner country’s national or regional development plan. It is led by the EU or member state missions and is open to other donors. According to the 2015 EU Accountably report on Financing for Development the implementation of Joint Programming is under way in different stages in 55 partner countries; but the Report clarifies that by now only four Member States have replaced the bilateral strategies with Joint Programming documents. Developing countries where joint programming has been implemented have raised concerns about coordination undermining alignment, as well as in relation to donor-driven sector allocations and limits to consultations with national stakeholders

Furthermore, little progress has been made on more practical aspects such as joint modalities for delivering aid, delegated cooperation, or monitoring and evaluation mechanisms. Budget support, which is a delivery mechanisms that could help to overcome some of these difficulties, has decreased significantly across the EU and within the EU institutions themselves.

The most critical challenge is to make sure that partner countries stay in the driving seat of the development processes. The risk is that the Joint Programming may turn out to be just an exercise to close the EU’s own ranks and strengthen its bargain power when it comes to the development strategies to be agreed with the partner countries. In this regard, CONCORD has highlighted already that the EC delegations should improve its own capacity to listen to all kinds of actors, including CSOs in partner countries. The choice of the actors with whom the EU works does not always appear to be led by strategic thinking, but rather practical decisions due to a restriction of staff at EC headquarters and in EU delegations. Any future financial instrument should ensure that civil society is an integral part of the discussions for example on the programming at country-level.

Looking forward, the EU institutions should focus their efforts on translating the Agenda 2030 into concrete implementation plans. Delivering on such an ambitious agenda also entails building effective mechanisms that can hold member states and the EU institutions accountable for delivering on their commitments. Neither the EU nor millions of people across the world suffering from poverty and inequality can afford the EU to backpedal again. The EU Accountability Report on Financing for Development needs to be strengthened in order to become an effective tool to encourage member states to work in the right direction. This means more consistent monitoring of commitments across years, identifying areas for improvement, and proposing corrective measures and follow-up mechanisms for the latter.

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?

Budget support should remain the key modality of any future instrument. Budget support, not only promotes developing country ownership, but has proved to have significant results, builds vital developing country government capacity to promote and enable development, and reduces the administrative burden of aid. It is important because it helps build strong and accountable states vital for ensuring growth, reducing inequalities and poverty reduction. History has shown us that development works best when governments are responsible and accountable for their own strategic development paths, including taking direct responsibility for and, ownership of, the disbursement of ODA.

Budget support strengthens public finance management and more generally strengthens national systems, helps finance vital recurrent costs and strengthen public delivery systems. For example, budget support is one of the only ways of using aid money to pay for teachers and doctors training costs and salaries. It therefore helps to strengthen national public delivery systems in essential areas such as health and education.

However, budget support should only be given to governments that can demonstrate a strong commitment to fighting poverty and human rights abuses, and to have anti-corruption and transparency mechanisms in place, to ensure relevant information is made public to the citizens. The EC should utilize general budget support or sector budget support depending on a given country situation and which instrument it believes will deliver the best results. In concrete terms, EU donors must ensure that parliaments and an inclusive representative group of civil society organizations are involved in all stages of the budget support process as they play a central role in holding governments to account. It is important that 5% of the amount provided in budget support should go to support local CSOs that are doing budget tracking and monitoring, as well as local parliament, the media and audit institutions.

With regards to the increased focus on the private sector - while we agree that economic growth is an essential, although not a sufficient, element to enable a country to develop – benefits will not automatically trickle down and safeguards need to be put into place to ensure inequality is addressed. To ensure long term results for the poorest and in a time where ODA is limited, the EU needs to use aid funding only where private sector finance is otherwise not available and where it is demonstrated ex ante through an in depth analysis that the benefits will be concentrated in the poorer parts of the population. The EU should also focus on the local private sector not the European private sector and simplify its public procurement system to make sure local companies can benefit from it. It needs to put in place safeguards to ensure that private companies respect human rights, decent jobs and pay their taxes in the countries where they operate. We would also strongly advise against concentrating on the private sector in delivering social public services as evidence shows that it does not sufficiently address the needs of the poorest .

Blending and public-private partnerships (PPPs) are increasingly seen as part of a potential change in development finance, effectively transforming aid more from the public to the private sector, while at the same time helping to replace aid with private finance. Although the increasing interest towards wider private sector cooperation may have value there are several questions to be raised related to financing schemes involving private funds to ensure their transparency and accountability. The EU needs to put in place sufficient criteria, standards, and safeguards need to be in place first in order to guarantee a demonstrable impact on poverty reduction and increased food security, and to guarantee environmentally, socially and economically sustainable practices that place special attention on marginalised groups' voices and rights.

Trust Funds should be utilised only in crisis situations – The OECD Development Assistance Committee stipulates that attaching specific political conditions to budget aid should be handled in the context of the overarching policy dialogue between a partner country and its donors, and not applied to one single aid instrument only. For example, funds from the EDF to be allocated to the EU Trust Fund for Africa must not be linked to or conditioned by agreements on readmission, stronger border control or stifling of mobility within Africa, cooperation on organised crime, or other areas not directly associated with the efficacy of action to reduce poverty, fight inequality, and achieve human security for the benefit of populations in situations of poverty and fragility. Such instrumentalisation of aid goes against key commitments signed under the Paris, Accra and Busan development effectiveness Agreements.

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?

As a rights-based organisation Oxfam believes that poor and marginalised people, irrespective of which country they live in, should be supported in their efforts to realise their human rights commensurate to their needs and in conformity with humanitarian standards.

The process of allocating aid to particular countries or regions should be transparent, and be part of an on-going dialogue with key stakeholders, including the recipient countries (in practice this dialogue should where possible be conducted through existing coordination mechanisms).

Developing countries have made very significant progress in mobilising domestic resources over the last decade or so. Across all developing countries public revenues are estimated to have increased by an annual rate of 14% during 2000-12, reaching an estimated $7.7 trillion in 2012 (World Bank 2013). These dramatic increases are helping to generate unprecedented optimism about the ability of developing countries to finance their own development in the future.

It is though important to note that that this story is predominantly a MIC one, with Low Income Countries (LICs) having mobilised just 2% of these revenues in 2012 (World Bank 2015). This means that although LICs doubled their domestic revenues in real terms over the last decade leading to them outstripping net Official Development Assistance (ODA) levels, ODA still represents a very important additional contribution to the resources available to the poorest countries.

This picture is reinforced when it is understood how trends in domestic revenue mobilisation translate into Government spending per person in these countries. An estimated 377 million (more than a quarter of the world's extreme poor) live in countries where annual public spending is less than $500 per capita (DI 2014).

Therefore what is important is that primarily ODA should support countries with basic service provision. If ODA can also be used to support increased revenue collection and more efficient service delivery, it could conceivably accelerate the effort to end extreme poverty. Finally aid can be most effective and reduce corruption when it strengthens the engagement of citizens with their own state. With the right changes to donor laws, policy, and practice, donors can adopt a more locally driven approach to fighting corruption, and thereby sharpen tools to support people in partner countries in their fight against corruption.

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

Whilst Oxfam recognises that a country's GNI per capita level could be a factor when determining the amount and type of aid each country receives, per capita income levels should not be the sole determinant and others criteria such as the level of health and education, inequality or gender equality should be taken into account.

Within this context, Oxfam believes that a greater percentage of ODA should be allocated to LICs and LDCs as many of them have a greater need for aid due to the fact that they frequently have limited access to other sources of development finance (domestic or external) compared to better-off countries.
However as ¾ of the world's estimated 1.3 billion people in extreme poverty now live in MICs, it is crucial that the EU remain engaged in MICs (Lower and Higher) to eliminate poverty, address inequality and achieve the SDGs. The extent of poverty and inequality remaining in MICs shows that growth alone is insufficient to overcome poverty and that aid can improve the lives of particular sections of the population of MICs.

The aid modalities might differ between LICs and MICs. Aid in MICs could for example focus on mobilising greater domestic resources, ensuring greater income redistribution, or introducing social safety nets. A particular focus should be given to supporting civil society's ability to pressure the government to mobilise internal sources of finance for development and be accountable for the delivery of their fundamental duties.

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