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OF THE UNION FOR
FOREIGN AFFAIRS AND
SECURITY POLICY

Strasbourg, 22.11.2016
SWD(2016) 381 final

JOINT STAFF WORKING DOCUMENT

EXECUTIVE SUMMARY OF THE 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

{JOIN(2016) 52 final}
{SWD(2016) 380 final}

Executive Summary Sheet

Proportionate impact assessment on the future relations between the European Union and the African, Caribbean and Pacific countries after 2020

A. Need for action

Why? What is the problem being addressed?

The Cotonou Partnership Agreement (CPA) governs relations between the EU and 79 members of the African, Caribbean and Pacific (ACP) Group of States and is due to expire in February 2020. In light of existing provisions, negotiations between the parties must start by no later than August 2018. The purpose of this initiative is to identify the best format to organise and govern relations with partners in Africa, the Caribbean and Pacific, taking into account the changing global context and the results of the CPA evaluation. Main challenges to be addressed are: 1) uneven patterns of development across ACP countries, particularly in the context of a strong population growth; 2) growing security challenges, linked to terrorism threats and uncontrolled migration flows, as well as untapped economic opportunities; 3) insufficient recognition of the deepened regional dynamics within and beyond the ACP countries; 4) rising global challenges; and 5) lack of inclusive multi-stakeholder partnerships for effective governance. 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.

What is this initiative expected to achieve?

The general objective is to shape relations with the ACP countries after 2020 as to best achieve the EU's interests. The specific objectives are as follows: 1) foster sustainable development in ACP countries; 2) enhance EU security and economic prosperity; 3) encompass evolving regional dynamics within and beyond the ACP countries; 4) ensure stronger alliances to tackle global challenges; and 5) strengthen inclusive participation of stakeholders at various levels.

What is the value added of action at the EU level?

The challenges faced by the EU and its citizens require a comprehensive and joined-up approach. Thanks to its broad set of policies and instruments, the EU is well placed to confront such challenges and seize the opportunities ahead. Action at EU level has an added value, in terms of political and financial leverage, that is larger than the sum of individual Member State actions. Importantly, some policy areas, most notably trade are exclusively the competence of the EU. Furthermore, this initiative directly contributes to the EU as 'A stronger global actor' which was highlighted as one of the political priorities presented by the European Commission's President in 2014. The specific external action priorities are further defined by the EU Global Strategy and the EU Consensus for Development which is currently being reviewed, as well as other relevant sector EU policies. Finally, the global network of EU delegations ensures a (political) presence in countries where many Member States are not represented.

B. Solutions

What legislative and non-legislative policy options have been considered? Is there a preferred choice or not? Why?

Of the broad number of options that have emerged from the consultation process only those that were deemed likely to achieve (most of) the new EU objectives have been subject to a full assessment. The current CPA projected into 2020 represents the baseline against which other options are assessed. The first option envisages no specific partnership between the EU and the ACP countries, as existing policies and strategies are deemed well suited to

achieve the new objectives. The second option assumes that a new partnership is agreed upon, with the various objectives being pursued either with all ACP countries, through more regionalised approaches, or a combination of the two. In this respect, three different sub-options are considered: 1) a common agreement with all ACP countries; 2) three distinct regional agreements with respectively the countries in Africa, the Caribbean and the Pacific; 3) an agreement consisting of three distinct regional partnerships under a common umbrella.

Based on a thorough analysis, the preferred option is option 3: a new partnership agreement, that includes an overarching umbrella that lists shared principles, values and goals and identifies avenues for cooperation between the EU and the ACP countries in international contexts, and incorporates three regional partnerships set respectively for African, Caribbean and Pacific countries, which will integrate existing regional strategies. This option enables the preservation of all the positive elements of the current CPA (as highlighted by the CPA evaluation). Most importantly, it will put in place the right conditions for the EU to meet its new objectives, including that of more effectively pursuing its political and economic interests, increasing its impact in the international arena, and improving the prospects of implementing Agenda 2030. Moreover, by taking into account deepened regionalisation dynamics and the increased heterogeneity of ACP countries, it will enable actions to be taken at the most appropriate level, in line with the subsidiarity principle. Finally, it is expected that the new partnership will be legally binding. The implementation of joint commitments is more likely to be achieved when the political will is reinforced with binding provisions. This will enable the respect of the essential elements of the new partnership through enhanced political dialogue and guarantee a platform for the implementation of the Economic Partnership Agreements. The legally binding nature is seen as having produced a number of advantages and no substantive disadvantages.

Who supports which option?

The consultation process has shown that some significant changes must be made to the existing EU arrangement with ACP countries. The achievement of the Sustainable Development Goals and the implementation of Agenda 2030 are universally seen as key priorities. EU Member States have expressed a strong desire for a political partnership and for strengthening provisions that enable a more effective promotion of vital EU interests. General consensus exists on the need to take account of deepening of regional dynamics and avoiding overlap between different frameworks. However, there are differences of opinion as regards the degree of regionalisation that should take place. Many support building alliances with the ACP partner countries to best promote common interests and values in different international contexts. Civil society organisations have called for a more inclusive involvement of different types of non-state actors in all aspects of EU-ACP relations. ACP countries have repeated their determination to 'stay united as a group' and that the EU-ACP partnership should be consolidated through a formalised, comprehensive, and legally binding framework.

C. Impacts of the preferred option

What are the benefits of the preferred option (if any, otherwise main ones)?

The preferred option enables the achievement of all the objectives listed above. In particular, the EU will be able to promote its economic and political interests, including enhanced security, orderly management of migration, increased economic prosperity, and, more generally, sustainable and inclusive development (particularly in ACP countries) with the view to contributing to the successful implementation of Agenda 2030. It will do so by enabling the promotion of EU tailored actions in the three ACP regions and strengthening the common framework. This will therefore create the ideal conditions for building strategic alliances with a group of 79 ACP countries, This is important in view of tackling global challenges, particularly climate change and other aspects of the 2030 Agenda, as well as maximising the impact of the EU in the international arena. The impact could be increased by reaching out to North African countries and the non-ACP members of the group of least developed countries and small island developing states. Moreover, it preserves the positive aspects of the CPA as highlighted by the evaluation: maintains

the strong commitment to the promotion of human rights and democratic governance and the inclusion of key stakeholders in the development process; maintains the general provisions that underpin trade cooperation; makes significant adjustments to the system of co-management, including the joint institutional framework.

What are the costs of the preferred option (if any, otherwise main ones)?

The costs are not significant. The revision of the system of co-management (e.g. Joint Institutions, National Authorising Officer) and the integration of existing EU regional strategies for Africa, the Caribbean and the Pacific will help to reduce costs and avoid duplication of management and implementation tasks across the different levels. The costs associated to the implementation of aid programmes and projects are not expected to change significantly from existing practices.

How will businesses, SMEs and micro-enterprises be affected?

Sustainable and inclusive economic growth and private sector development including trade and investment are part of the specific objectives of this initiative. This will provide new economic opportunities for EU companies, including SMEs.

Will there be significant impacts on national budgets and administrations?

The main financial instrument underpinning the CPA, the European Development Fund (EDF), is an extra-budgetary fund financed by direct contributions from EU Member States. The appraisal of 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 (MFF) review. There are no other significant impacts on national budgets or administrations envisaged.

Will there be other significant impacts?

NA

Proportionality

The preferred policy option is fully coherent with and complementary to EU Member States' bilateral actions. It does not impose supplementary burdens on EU Member States or economic operators. Furthermore, it focusses on a more efficient and effective partnership, aligning it to the increased regionalisation of EU relations with the ACP countries. The evaluation of the current CPA has also shown administrative weaknesses in several decision-making and management processes that will be addressed.

D. Follow-up

When will the policy be reviewed?

Monitoring and evaluation of the specific objectives will take various forms since they 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 offer relevant information to feed into internal management decisions, thereby strengthening the framework for ensuring effectiveness of EU funding for external action.