

Cotonou Agreement

General framework

The Cotonou Agreement, signed on 23 June 2000 for a period of twenty years and revised for the first time in 2005, builds on thirty years of experience. It is designed to promote and expedite the economic, social and cultural development of the African, Caribbean and Pacific ([ACP](#)) States, contribute to peace and security and promote a stable and democratic political environment. In accordance with Article 95 thereof, the Agreement may be revised every five years (with the exception of the provisions concerning economic and trade cooperation).

The Agreement represents a new stage in the cooperation between the ACP States and the European Union (EU) which began in 1964 with the signing of the first Yaoundé Convention and continued with the four Lomé Conventions.

Given the limited success of the main approach of non-reciprocal trade preferences in the previous conventions and the need to adapt to international developments such as globalisation and technological progress, plus the far-reaching social changes in the ACP States, the Agreement ushers in a **new approach** to cooperation in this field. This new approach aims to strengthen the political dimension, provide more flexibility and entrust the ACP States with greater responsibilities.

The new partnership is based on **five interdependent pillars**:

- reinforcement of the political dimension of relations between the ACP States and the EU;
- promotion of participatory approaches, involvement of civil society, the private sector and other non-State actors;
- development strategies and priority for the objective of poverty reduction;
- the establishment of a new framework for economic and trade cooperation;
- reform of financial cooperation.

Pillar I: political dimension

The Agreement puts greater emphasis on the political dimension, which concerns all of its objectives and operations and represents global commitments on the part of the ACP States.

The key elements of this pillar are as follows:

- **political dialogue**;
- **peace-building policies, conflict prevention and resolution**. In this field, the partnership will concentrate in particular on regional initiatives and on building local capacities;

- **respect for human rights, democratic principles based on the rule of law and transparent and accountable governance.** A new procedure has been developed for cases of violation of these elements, stressing the responsibility of the country in question;
- **good governance.** A new specific procedure has been drawn up. It is applied in serious cases of corruption in any country where the European Commission has a financial interest and where the corruption is an obstacle to development.

In 2005, the political dimension was expanded to include security issues, adding provisions on cooperation in countering the proliferation of weapons of mass destruction (Article 11b), provisions on the Rome Statute of the International Criminal Court and provisions on international cooperation in the fight against terrorism.

Pillar II: promotion of participatory approaches

The Agreement envisages a substantial role for non-State actors (NSAs) in the design and implementation of development strategies and programmes. The role of civil society is especially important, in particular through the strengthening of non-governmental organisations (NGOs). Further, the participation of these actors depends on certain criteria relating to management and their form of organisation.

The 2005 revision takes the participatory approach further as regards:

- NSAs, with the insertion of provisions to facilitate their access to indicative programme resources, under a strategy agreed between the Commission and the ACP State concerned;
- local authorities, with the insertion of a provision whereby they will participate in the consultation process and implementation of the programmes.

Pillar III: development strategies and poverty reduction

The integrated approach of the partnership stresses three key areas for cooperation, always taking into account the major objective of poverty reduction. This concerns economic, social and human development policies, as well as regional integration.

Economic development focuses on:

- private sector development and investment;
- macro-economic and structural policies and reforms;
- sectoral policies (for example, developing the industrial, trade, tourism and traditional knowledge sectors).

The key elements of **social and human development** are the following:

- sectoral social policies (for example, improving education, health and nutrition systems);
- youth issues;
- cultural development.

Regional cooperation and integration are aimed at facilitating development in all sectors.

Cooperation must also support inter- regional and intra-ACP cooperation schemes and initiatives, including those involving non-ACP developing countries. Regional cooperation and integration seek, among other things, to:

- accelerate diversification of the ACP States' economies;
- promote and expand inter- and intra-ACP country trade and trade with third countries, which equally benefits the least developed countries (LDCs) among the ACP States;
- implement sectoral reform policies at regional level.

The priorities for intervention will be drawn up for each country and the principle of differentiation has now become a key element of the partnership.

The comprehensive framework for development strategies also provides for systematic consideration of three **cross-cutting issues** in all fields of cooperation:

- gender equality;
- sustainable management of the environment and natural resources;
- institutional development and capacity building.

The **2005 revision** concerns the following points:

- inclusion of a new reference to the [Millennium Development Goals](#) (MDGs) in the preamble to the Agreement, which reaffirms partners' commitment to those goals;
- inclusion of a reference to promotion of the fight against poverty-related diseases and protection of the sexual and reproductive health and rights of women;
- as regards regional cooperation, simplification of procedures to request intra-ACP financing and facilitation of cooperation between ACP States and other developing countries on a basis of reciprocity;
- insertion of a provision on the development and use of local content for information and communication technologies;
- insertion of a provision on promotion of the participation of young people in public life and encouragement of exchanges and interaction between ACP and EU youth organisations;
- promotion of traditional knowledge as part of sectoral economic development;

- strengthening of existing provisions on island ACP States, emphasising their increased vulnerability brought about by new economic, social and ecological challenges and promoting a harmonised approach in this respect.

Pillar IV: a new framework for economic and trade cooperation

The new framework makes significant amendments to the existing system in order to bring it into line with World Trade Organisation rules and to enable the ACP States to play a full part in international trade.

The Agreement provides for the negotiation of regional economic partnership agreements with a view to liberalising trade between the two parties, putting an end to the system of non-reciprocal trade preferences from which the ACP States currently benefit. Trade cooperation is not restricted to traditional trading activities, it also affects other trade-related areas such as the protection of intellectual property rights, trade and labour standards, etc.

The EU's trade regime for all of the least developed countries (39 of which are part of the ACP group) has been enhanced with a process to be implemented over five years to ensure that LDC exporters benefit from duty-free access for essentially all of their products on the EU market from 2005.

Pillar V: reform of financial cooperation

In order to simplify the process and make financing more flexible, provision is made for the **rationalisation of cooperation instruments**, especially of the [European Development Fund](#) (EDF). In contrast to the previous conventions, the EDF will no longer be divided into several instruments with rigid allocation systems. All EDF resources will be channelled through two instruments:

- a grant facility, administered jointly by the Commission and the ACP States. Each country will receive a lump sum;
- an investment facility, a new instrument administered by the European Investment Bank (EIB), which may provide loans, equity and quasi-capital assistance. It will also be able to provide guarantees in support of domestic and foreign private investment.

The **new system for programming the aid** granted by the EU enhances the flexibility of the partnership and entrusts the ACP States with greater responsibility, particularly by establishing a system of rolling programming that eliminates the concept of non-programmable aid, in other words aid programmed unilaterally by the EU. The ACP States now have greater responsibility for determining objectives, strategies and operations and for programme management and selection.

The new programming process is centred on results. Financial assistance of a set amount is no longer an automatic right. Grants are allocated on the basis of an assessment of needs and performance in accordance with criteria negotiated between the ACP States and the EU.

The main instrument used for programming grants is the country support strategy (CSS). A CSS will be drawn up for each ACP State jointly by the Commission and the country in question. The CSS will set out general guidelines for using the aid and will be supplemented by an indicative operational programme containing specific operations and a timetable for their implementation. An annual review is provided for in order to adjust the CSS, the operational programme or the resources allocated. Halfway through and at the end of the period of application of the financial protocol, the annual review will also include an assessment of the cooperation strategy, which would either confirm the thrust of the CSS or suggest appropriate adjustments. The volume of resources allocated to the country concerned may be adjusted as a result. Provision is made for local actors to be involved in the annual review in accordance with the principle of decentralisation.

The regional programmes will also be subject to a system of rolling programming based on the same components. However, the regional programmes will be reviewed only halfway through and at the end of the period of application of the financial protocol.

The Agreement provides for **additional support in cases of fluctuation of export revenues**. This is needed because of the ACP States' vulnerability stemming from a high degree of dependence on export revenues in the agricultural or mining sectors in the ACP States. STABEX and SYSMIN, instruments of the previous Conventions, will not be renewed. The new system of rolling and flexible programming makes it possible to ensure support via the funds allocated within the framework of the CSS and the operational programmes.

The Commission undertakes the financial implementation of operations carried out with EDF resources centrally and by decentralised management. In accordance with the principle of decentralisation, the implementing tasks are carried out by the ACP States. The Government of each ACP State appoints a National Authorising Officer to represent it in all operations financed from Fund resources.

Institutional provisions

The joint institutions for cooperation established by the former Lomé Conventions remain in force.

The **Council of Ministers** consists of members of the Council of the EU, members of the European Commission and a member of the government of each ACP State, and meets once a year on the initiative of the presidency (most frequently) and in different geographical forms if necessary. The

presidency is held in turn by a member of the Council and by a member of the government of an ACP State.

The tasks of the Council of Ministers are as follows:

- initiating political dialogue;
- adopting political guidelines and taking decisions required for the implementation of the provisions of the Agreement;
- examining and resolving any issues impeding implementation of the Agreement;
- ensuring the smooth operation of the consultation mechanisms.

Decisions of the Council are arrived at on the basis of a consensus of its members. It may take decisions that are binding on the parties and draw up resolutions, recommendations and opinions. It may also delegate responsibilities to the Committee of Ambassadors.

The **Committee of Ambassadors** assists the Council of Ministers. It is made up of each Member State permanent representative to the EU, a Commission representative and a head of mission for each ACP State to the EU. The presidency is held in turn by the permanent representative of a Member State appointed by the Community and by a head of mission representing an ACP State appointed by the ACP States.

The **Joint Parliamentary Assembly** is an advisory body made up of an equal number of representatives of the EU, Members of the European Parliament and representatives of the ACP States. The latter are members of parliament or, where appropriate, representatives appointed by the national parliament. In the absence of a parliament, the participation of a representative is subject to prior approval of the Assembly. The Assembly may adopt resolutions and submit recommendations to the Council of Ministers. It meets twice a year in plenary session, alternating between the EU and an ACP country. The members of parliament may also meet at regional or subregional level if desired.

Provisions concerning the least developed, landlocked or island ACP States

Specific treatment is envisaged for these countries and countries in post-conflict situations. The aim is to increase their rate of development whilst taking account of their vulnerability. In addition to the specific measures and provisions in the various chapters of the Agreement, special attention is paid to these countries in certain fields, such as the strengthening of regional cooperation, the development of transport and communications infrastructure and the implementation of food strategies.

Humanitarian and emergency assistance

These are short-term measures aimed at responding to exceptionally serious social and economic difficulties resulting from natural disasters or man-made crises, such as war. They involve [humanitarian aid](#) measures including aid for refugees, the development of mechanisms for the prevention of natural disasters and disaster preparedness, etc. This aid is financed by the indicative programme of the ACP State concerned and by the Community budget.

Violation of essential elements of the Agreement

Article 96 of the Agreement lays down the possibility of taking appropriate measures in cases of violation by one of the parties of the requirements of essential elements of the Agreement, namely respect for human rights, democratic principles and the rule of law.

The Agreement provides for a consultation procedure to resolve the situation by establishing the necessary measures. However, in the absence of an acceptable solution, appropriate measures may be taken, including suspension of the Agreement, although this is a last resort.