

THE NEW ACP-EU [COTONOU] AGREEMENT:

A USERS GUIDE

Part 2

**NON-STATE ACTORS AND THE
NEW ACP-EU PARTNERSHIP AGREEMENT**

Produced By

**Trade & Development Studies Centre - Trust
[TRADES CENTRE]
Harare**

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Abbreviations

ACP	African Caribbean and Pacific
CAP	Common Agricultural Policy
COMESA	Common Market for eastern and Southern Africa
EDF	European Development Fund
ENGDOs	European Non-Governmental Development Organisation
EPAs	Economic Partnership Agreements
EU	European Union
FTA	Free Trade Area
FES	Friedrich Ebert Stiftung
GDP	Gross Domestic Product
GSP	Generalised System of Preferences
LDCs	Least developed countries
NAOs	National Authorising Officers
NGOs	Non- Governmental Organisations
NSAs	Non State Actors
Non-LDCs	Non –Least Developed Countries
NEW ERA	New Enhanced Regional Agreements
REPAs	Regional Economic Partnership Agreements
SADC	Southern African Development Community
TDCA	Trade and Development Co-operation Agreement between South Africa and The European Union
US	Untied States of America
WTO	World Trade Organisation

Foreword

Trade and Development Studies Centre- Trust [TRADES CENTRE] with the support of Friedrich Ebert Stiftung - Zimbabwe undertook an initiative to produce User Guides on ACP – EU Cotonou agreement in four series covering the major areas of ACP-EU co-operation namely trade aspects, financial and technical co-operation, role of non-state actors and political dialogue. The User's Guide seek to; lead concerned actors through the various provisions of the Lomé Convention, provide an analysis from an ACP perspective of the new arrangements, identify issues likely to arise in the course of implementation and inform in simple language the content of the agreement. The User's Guides provide simplified and basic introduction to the new ACP-EU agreement for those in the ACP who are likely to be drawn into its implementation. The target group is ACP member states government officials, non-state actors in ACP states seeking to become involved in EU-ACP co-operation, ACP Parliamentarians with responsibilities related to the implementation of ACP-EU co-operation, the media in ACP countries, concerned academics and research institutions in ACP countries and general public. They seek not only to outline the new agreement, but place it in the context of ACP countries own efforts to promote their own economic and social development.

The new Cotonou ACP-EU agreement negotiated has a number of innovations regarding inclusion and the role of non-state actors [NSA] whose implications remain and uncertain for those involved in the day to day work on ACP-EU matters.

Specific objectives of this Guide on Non state Actors and the ACP-EU partnership Agreement is to: outline in simplified version the provisions regarding non state actors, define non- state actors, outline factors to be taken in broadening participation, assessing the role of non state actors in programming, formulation and defining country support programs and drawing up the indicative programs. The user guide also seeks to outline the role of non-state actors in the review process, micro projects and decentralised co-operation.

Trade and Development Studies Centre and FES share the hope that through these User's Guides, ACP countries will be in a better position to take advantage of the innovations in the new agreement as well as to enable them to take appropriate measures to mitigate effects negative effects emanating from the new engagement. We are convinced that this Guide on the desk of each and every non-state actor [NSA] will serve as a very important source of information. It's a must to have for all NSA.

Dr. M. Tekere – TRADES CENTRE.

Dr. F. Schmidt - FES - Zimbabwe

1 BACKGROUND

Previous ACP-EU agreements primarily established a framework for co-operation between the European Commission and African, Caribbean and Pacific governments. Between 1975 and 1990 ACP-EU co-operation was almost entirely focussed on **state led development co-operation activities**. This did not mean that non-state actors were excluded from ACP-EU co-operation activities. It did however, mean that non-state actors were involved in ACP-EU co-operation activities **solely at the discretion of individual ACP governments**.

As early as the 1980s, under Lomé II, in countries such as Zimbabwe, large-scale micro-project programmes were established to encourage local self-help initiatives. From the mid 1980s onwards, under Lomé III, private sector affiliated organisations also began to become directly involved in ACP-EU co-operation programmes. In Zimbabwe this initially saw the establishment of a trade development programme **targeted** at the private sector. This evolved into a **private sector led trade development programme, with government withdrawing from the day to day management of the programme activities**.

In all these cases however the involvement of non-state actors was **at the discretion and initiative of the ACP government concerned, within the framework of state to state co-operation**.

Since 1990 increased emphasis has been placed on decentralised co-operation and promoting the involvement of a **wide range of non-state actors in the ACP-EU co-operation process**. This has been given fullest expression in the new ACP-EU agreement.

De-Centralised Co-operation: The Administrative Challenge

While at a **policy level** since 1990 the EU has been placing great emphasis on decentralised co-operation activities which bring a range of non-state actors into the ACP-EU co-operation process, at the **operational level**, EU Delegations have found decentralised co-operation programmes to be an administrative nightmare. Put simply, from an operational perspective it is far easier for EU Delegations to administer a 10 MECU road project than it is to administer a 10 MECU micro-project programme, involving hundreds of small non-governmental bodies and community self help groups. From the perspective of the local EU Delegations, who are responsible for overseeing the implementation of ACP-EU co-operation activities, decentralised co-operation and micro-projects can result in EU Delegation staff being buried under a mountain of paper work, with little scope for effective monitoring and control. From the perspective of local self help bodies, it can result in a highly frustrating and seemingly endless bureaucratic process which must be overcome before even relatively small volumes of assistance can be mobilised.

While considerable experience of decentralised co-operation and micro-project management has been built up; the lessons have still to be institutionalised within efficient and effective programmes for the delivery of EU assistance to non-state actors.

2 NON-STATE ACTORS UNDER THE NEW AGREEMENT

While ACP governments are once again allowed to determine the

*“development principles, strategies and models of their economies and societies in all sovereignty”*¹

under the new agreement the important contribution non-state actors can make to the development process is recognised. In this context it is agreed that where appropriate non-state actors shall:

- ✓ *be informed and involved in consultation on co-operation policies and strategies, on priorities for co-operation especially in areas that concern or directly affect them, and on the political dialogue;*
- ✓ *be provided with financial resources, under the conditions laid down in this Agreement in order to support local development processes;*
- ✓ *be involved in the implementation of co-operation project and programmes in areas that concern them or where these actors have a comparative advantage;*
- ✓ *be provided with capacity-building support in critical areas in order to reinforce the capabilities of these actors, particularly as regards organisation and representation, and the establishment of consultation mechanisms including channels of communication and dialogue, and to promote strategic alliances*².

While this explicitly recognises the important role which non-state actors can play in the development co-operation process and seeks to give concrete expression to the commitment to broadening out participation in the ACP-EU co-operation process, **it still leaves considerable power in the hands of the ACP state in determining which non-state actors are to be involved in ACP-EU co-operation activities and the basis on which they are to become involved.**

¹ The Cotonou Agreement, Part 1, Title 1, Chapter 2, Article 4.

² The Cotonou Agreement, Part 1, Title 1, Chapter 2, Article 4

3 BROADENING OUT PARTICIPATION: FACTORS TO BE TAKEN INTO ACCOUNT

The extent to which participation in ACP-EU co-operation will actually be broadened out to bring in representative non-state actors will in large part be determined by:

- the extent to which individual ACP governments are open to involving non-state actors;
- the extent to which non-state actors are adequately equipped to meaningfully participate in the ACP-EU co-operation process;
- the specific arrangements to be set in place for drawing non-state actors into the ACP-EU co-operation process

Secondary influences which will determine the extent to which non-state actors get involved in ACP-EU co-operation activities will include:

- the degree of commitment on the part of the European Commission services dealing with individual ACP countries, to promoting non-state actor participation in the ACP countries they deal with;
- the extent to which the local representatives of the European Commission are willing to make financial and logistical assistance available to support non-state actor involvement;
- the extent to which pressure can be brought to bear on the European Commission and individual ACP governments to give concrete expression to their stated commitment to widening out participation in the development co-operation process.

While the governments of individual ACP countries will retain considerable discretionary power in determining which non-state actors shall be involved in future ACP-EU co-operation activities, the EU is now seeking to play a more active role in ensuring that non-state actor participation is representative. In this regard the local EU Delegate is to play a major role.

THE NEED FOR A HARD ASSESSMENT

The difficulties involved in bringing non-state actors into the ACP-EU co-operation process should not be under-estimated. Individual non-state actor organisations in ACP countries will need to make a hard assessment of the benefits and costs associated with seeking to engage with the ACP-EU co-operation process. EU assistance programmes to ACP countries have a history of being highly bureaucratic and subject to lengthy implementational delays. Before efforts are initiated to try and broaden out participation in the whole programming process a number of serious questions need to be addressed by ACP NGOs and other non-state actors:

- Are local NGOs and other organs of civil society interested in becoming more involved in the planning and implementation of EU financed co-operation programmes?
- Do local NGOs and other organs of civil society have the organisational capacity to prepare a dialogue with government on the priorities and types of assistance most appropriately sought from the EU?
- Do local NGOs and other organs of civil society have the information base from which to prepare a dialogue with government on the priorities and types of assistance most appropriately sought from the EU?
- Is the ACP Government willing to support this process of widening out involvement in the programming process?
- Can local non-state actors get themselves organised quickly enough, so as to present a common front towards government in any programming dialogue? Do local non-state actors have the resources and capacity to work jointly together in any dialogue with government?

Only once these questions have been seriously addressed can there be a realistic prospect of broadening out participation in the programming process beyond ACP government departments.

4 THE EU DELEGATE AND NON-STATE ACTORS

It is envisaged that the EU Delegate to each ACP country will play a two-fold role in promoting the involvement of non-state actors: as a **critical observer** and as a **facilitator**. As a **critical observer** it will be the EU Delegate's responsibility to ensure that non-state actor involvement is representative and does not simply involve a "rubber stamping" of government programmes and policies by government sponsored non-governmental bodies. In a context where deregulation and privatisation have led to the creation of a plethora of non-governmental organisations, a significant number of which in some ACP countries were state sponsored, this is likely to be a far from straight forward task. It will require EU Delegates to have a fairly **detailed local knowledge** and for the EU Delegate to be willing to **act on this knowledge where "rubber stamping" involvement is the dominant trend** in non-state actor participation in ACP-EU co-operation programmes.

It will also require independent non-state actors in ACP countries to organise themselves and vocally articulate their views and concerns. In this regard European Non-Governmental Development Organisation (ENGDOs) could play an important role in providing financial and logistical support to local non-state actors.

In their role as **observers**, the EU Delegate is also expected to ensure that local non-state actors are familiar with the programming process and are effectively involved in all stages of the programming process (see later section on Non-State Actors and Programming).

As a **facilitator** it is envisaged that the EU Delegate will

- support capacity building for non-state actor participation;
- establish arrangements for dialogue between non-state actors and governments in the programming process;
- ensure that non-state actors can dialogue amongst themselves in preparation for programming.

THE ROLE OF THE EU DELEGATE

The European Commission is represented in each ACP country by a local office, which is referred to as a **delegation**. This local office is headed by a **Delegate**. As the name suggests, the head of the local EU office in ACP countries has certain powers delegated to him/her.

Under the new agreement the Delegate is mandated to provide a range of support to the technical preparation of co-operation activities (preparing projects and programmes, appraising dossiers, preparing financing proposals, supervising various aspects of tendering), with an emphasis on seeking ways to simplify project and programme appraisal and implementation procedures. The Delegate is also responsible for ensuring that projects and programmes are properly implemented and for evaluating co-operation activities.

Overall the Delegate provides the principal route for all communications between the EU and individual ACP governments on matters of ACP-EU co-operation. As such the Delegate has a major role to play in the dialogue with the ACP government on both the **Country Support Strategy**, and the **indicative programme** which is intended to give concrete expression to the objectives set out in the country support strategy.

It is envisaged that each EU delegate in facilitating dialogue between the ACP government and non-state actors will take the following steps:

- designate a contact point in the EU Delegation to deal with non-state actors;
- initiate a discussion with government on categories of non-state actors eligible for involvement in the programming dialogue and the implementation of co-operation programmes;
- provide technical assistance to non-state actors to facilitate their participation;
- extend direct support to certain non-state actors in implementing programmes within the national ACP-EU co-operation programme;
- co-operate closely with other agencies seeking to promote non-state actor participation.

WHERE WILL THE MONEY COME FROM?

While the EU Delegate is committed to providing technical assistance to non-state actor participation in both the programming dialogue and the concrete implementation of co-operation activities, it is by no means clear where the money to these activities is to come from. If the money is to come from the **national indicative programme**, then it will require the National Authorising Officer (an official of the government concerned) to approve such expenditures. This would leave the EU Delegate with little financial scope for facilitating non-state actor involvement, where a National Authorising Officer does not support the involvement of non-state actors. The issue of how the EU Delegate's facilitation activities are to be financed needs to be urgently addressed.

However, given the human resource constraints on EU Delegations in effectively managing existing co-operation activities, and the far more intensive nature of the dialogue process which the EU's new approach to programming will entail, it is an open question as to whether EU Delegations will have the capacity to effectively play the envisaged role of **critical observer** and **facilitator**.

The EU nevertheless believes that **around 15% of each initial country allocation should be directed towards use by non-state actors**. With the new financial envelop making available a total of 15,200 million EURO for ACP-EU co-operation activities, and with some 10,000 million EURO being allocated to financing national long term development co-operation activities, **the potential level of funding to be made available to non-state actors throughout the ACP is considerable indeed**.

In addition it now appears as if the European Commission is willing to **link the extent of non-state actor participation in ACP-EU co-operation activities under the initial allocation of funding to the final volume of resources to be made available following the mid term review**. Put simply, if ACP governments are seen to be deliberately excluding non-state actors from the ACP-EU co-operation process, then the level of aid made available to the country following the mid term review, would be **likely to be less than if non-state actors were effectively being brought into ACP-EU co-operation activities**. With perhaps as much as 25% of the total available funding being held back for allocation following the mid term review (on the basis of country performance), this could come to constitute an important incentive for ACP governments to effectively involve non-state actors in the initial stage of ACP-EU co-operation activities. Non-state actors should bear this in mind in organising their dialogue both with the EU Delegate and the national authorities in their countries.

5 WHO ARE NON-STATE ACTORS?

Under article 6 of the new ACP-EU agreement, non-state actors are defined as:

- Private sector;
- Economic and social partners, including trade union organisations;
- Civil Society in all its forms according to national characteristics.

ENGAGING WITH THE EU DELEGATE

Wherever possible non-state actors in ACP countries should **collectively** seek a meeting with the EU Delegate to discuss how non-state actors can, on a practical level, be drawn into ACP-EU co-operation activities. Drawing together a **representative delegation of non-state actors** and **securing a meeting with the EU delegate** should be accorded a high priority. The EU Delegate should be encouraged to:

- identify representative non-state actors;
- designate the contact point for non-state actors in the Delegation;
- initiate a dialogue on the prerequisites for effective participation of non-state actors in ACP-EU co-operation activities;
- provide an outline of past EU co-operation activities;
- elaborate on the likely priority areas for future co-operation.

From a European Commission perspective the civil society organisations to be brought into the development co-operation process could range from *self help groups, community organisations* and registered charities, through *church organisations* and *farmers associations* to *independent research* and *academic institutions*.

The actual eligibility of individual non-state actor bodies for involvement in ACP-EU co-operation activities will, however, depend on the extent to which they are perceived to:

“address the needs of the population, on their specific competencies and whether they are organised and managed democratically and transparently.”³

The definition of non-state actors allows for a wide range of organisations to engage in ACP-EU co-operation activities. However, it also allows for the **selective involvement of non-state actors**. For example, in Zimbabwe, the government could extend the EU supported private sector ZIMTRADE run trade promotion programme and existing micro-project programme and maintain that it has fulfilled its obligation to bring in non-state actors. This would be highly plausible since these programmes already account for more than 15% of the Zimbabwean national indicative programme. The government would have only involved

³ The Cotonou Agreement, Part 1, Title 1, Chapter 2, Article 6.2.

those non-state organisations in ACP-EU co-operation, which it felt comfortable in involving in the co-operation process. However, this would have involved no substantive change in how ACP-EU co-operation programmes are run. ACP organisations representing marginalised groups and the voluntary and non-profit making sector will have to be very active to ensure that they are brought into the ACP-EU development co-operation process, in a meaningful manner, which bring about a qualitative change in the nature of ACP-EU co-operation activities.

Significantly, in the European Commission's view, the involvement of non-state actors in ACP-EU co-operation can be seen to fall into two distinct components. Firstly **an initial involvement in the national debate on development priorities, to which all types of civil society bodies will be encouraged to contribute, in an organised and constructive manner.** Secondly, **the actual involvement of non-state bodies in the design and implementation of specific development co-operation activities.** In this second area it is envisaged that only a limited range of non-state actors will be involved, based on the relative expertise which specific non-state actors have in the focal sector or sectors for ACP-EU co-operation, set out in the **Country Support Strategy** and the **Indicative Programme.**

CLARIFYING WHO SHOULD BE INVOLVED

In a number of ACP countries it may be appropriate for non-state actors to take initiatives with Parliamentary representatives to the ACP-EU Joint Assembly, in organising a round table discussion with government on which non-state actors are to be involved in concrete ACP-EU co-operation activities. This could serve to help focus the efforts of non-state actors in organising themselves for dialogue with government.

This it is felt, will make the whole process of non-state actor involvement easier to manage administratively, than if an open ended commitment to non-state actor involvement were made. This is likely to mean that while the EU will encourage a wide range of non-state actors to get involved in the ACP-EU co-operation process, only a **limited range of non-state bodies will actually be involved in concrete financial and technical co-operation activities.**

6 NON-STATE ACTORS AND PROGRAMMING

6.1 How Will EU Aid Be Made Available?

Under the new arrangement EU aid will be made available to ACP countries in two main forms:

- through a facility for support to long term development;
- through an Investment Facility.

For the majority of non-state actors, their principal interest will be in the aid made available through the long-term development co-operation facility. However, for private sector entrepreneurs the operation of the Investment Facility is likely to be of interest. The long term development co-operation facility will make available aid to each individual ACP country, based on the countries **needs** and **performance**. The aid allocation will be divided in to a “base case” element, which will be allocated during 2,000, and a “high case” element, which will determined after a mid term review, which will be conducted 2 to 3 years into the new cycle of ACP-EU co-operation. This mid term review will be based on:

- each countries general aid utilisation performance;
- the progress made in meeting mutually agreed objectives;
- any unforeseen needs which may arise from severe export earnings losses and associated budgetary difficulties⁴.

The utilisation of these nationally allocated funds will be the subject of a joint discussion between the ACP government and the EU. This process of planning the use of allocated EU aid is known as the **programming process**.

6.2 The Country Support Strategy and Programming

Under the new agreement programming has two distinct, yet closely related stages. The first stage involves the preparation of a **Country Support Strategy**. Under the new agreement the **Country Support Strategy** is seen as the foundation for the programming of all future EU aid resources to an individual country. According to the new ACP-EU agreement the **Country Support Strategy** will be drawn up jointly by the ACP State and the EU, but should nominally involve:

“consultations with a wide range of actors in the development process”⁵.

⁴ For more details see the companion Guide “How the New EU-ACP Aid Arrangement Will Work”, TRADES Centre, Zimbabwe. June 2000.

⁵ The Cotonou Agreement, Annex IV, Chapter 1, Article 2

The **Country Support Strategy** should be based on the needs and specific circumstances of each ACP state and is intended as an:

“instrument to prioritise activities and to build local ownership of co-operation programmes”⁶.

WHAT IS THE PROGRAMMING EXERCISE?

The programming exercise is the process of consultation between the EU and individual ACP Governments through which the **utilisation of the money allocated to individual ACP countries over the five-year life of the Convention is planned**. It determines:

- the priority sectors for support;
- the type of assistance to be provided;
- the most appropriate agencies for implementation

There is a need for ACP countries to prepare themselves for the programming dialogue in order to ensure that the deployment of EU assistance is consistent with national development objectives. In the past ACP participation in the programming process has been largely restricted to state actors, however under the new agreement considerable emphasis is placed on **bringing non-state actors in to the programming process**.

Nominally each **Country Support Strategy** should include the following standard elements:

- *an analysis of the political, economic and social country context, constraints, capacities and prospects including an assessment of basic needs, such as income per capita, population size, social indicators, and vulnerability;*
- *a detailed outline of the country's medium-term development strategy, clearly defined priorities and expected financing requirements;*
- *an outline of relevant plans and actions of other donors present in the country, in particular including those of the EU Member States in their capacity as bilateral donors;*
- *response strategies, detailing the specific contribution the EU can provide. These shall, to the extent possible, enable complementarity with operations financed by the ACP State itself and by other donors present in the country;*
- *a definition of the nature and scope of the most appropriate support mechanisms to be applied in implementing the above strategy⁷s.*

It is however far from clear **how** the “**wide range of actors in the development process**” are to be brought into the process of preparing the country support strategy. The EU Delegate is

⁶ The Cotonou Agreement, Annex IV, Chapter 1, Article 2

⁷ The Cotonou Agreement, Annex IV, Chapter 1, Article 2

meant to have a role in facilitating dialogue between non-state actors and the government and should provide technical assistance to non-state actors to facilitate their participation.

However, the EU's initial timetable for the completion of the programming process, provided little scope for meaningful state/non-state actor dialogue, since it allowed only six weeks for such a dialogue at the very beginning of the process. Given the limited scope of past non-state actor involvement in the programming process and the limited local knowledge in ACP countries on the procedures to be followed, the allocation of a 6 week period for consultations at the very beginning of the process, (presumably some time in September-October 2000) would appear to be wholly unrealistic⁸.

THE COMMISSION'S INITIAL TIMETABLE

The Commission initially envisaged completing the process of programming nationally allocated aid by around March-April 2001. With nine distinct stages to the process, involving both dialogue in the ACP state, discussions in Brussels and joint ACP-EU dialogue, it was envisaged that this whole process would take around 6 months. Within this timetable, 6 weeks at the beginning of the process were earmarked for state/non-state actor consultations in individual ACP countries. However, it soon became apparent that the EU would not be able to convene in each of the ACP regions, the envisaged regional workshops on the new procedures to be followed, which had been scheduled for June to September 2000. The initially envisaged timetable for programming thus needs to be revised.

Indeed, if state/ non-state actor dialogue around the **country support strategy** is to be a meaningful dialogue, then a period far longer than six weeks will be required. While this is likely to cause some delay in the completion of the programming process, this should not be a cause of undue concern. Internal EU procedures for the ratification of the new ACP-EU agreement are such that it is unlikely that any of the newly allocated funds would be legally available to be spent much before mid 2002.

Against this background, if non-state actor participation in the formulation of the country support strategy is to be meaningful, the European Commission should be encouraged to:

- allow far more time for internal ACP consultative processes, within the overall programming process;
- make available the necessary resources to promote effective non-state actor participation in this national dialogue;
- establish appropriate frameworks for meaningful state/non-state actor dialogues in individual ACP countries.

⁸ For more details see the companion guide "How The New ACP-EU Aid Arrangement Will Work", TRADES CENTRE, Zimbabwe, June 2000.

Looking beyond the role of the EU Delegate, at the role of ACP government officials in bring non-state actors into the development co-operation process, the principal government official involved is the **National Authorising Officer**. The NAO is a senior Government Minister or official and is the principal contact point for all dealings with the EU related to the implementation of co-operation activities. To date, very few ACP governments have involved non-state actors in setting national priorities for co-operation with the EU. Very few ACP Governments have ever consulted non-state actors on the types of assistance most appropriate for addressing the development challenges faced.

A heavy burden is thus likely to fall on the NAO. NAOs will find themselves trying to coordinate not only the inputs of different government departments, but also the inputs of a wide range of non-state actors. In most ACP countries, this will be occurring against the background of the need to formulate much more substantive **Country Support Strategies**, in a context of no previous experience in any such wide ranging consultative process.

In these circumstances a **major effort will be needed on the part of non-state actors, if they are to have a role in both determining the trajectory of Country Support Strategy papers and the priorities and content of subsequent indicative programmes**. With the whole process likely to be characterised by muddle and haste, non-state actors will need to be very clear on how they intend to organise themselves, in order to ensure that their voices are heard, both in the process of drawing up the Country Support Strategy and the draft indicative programme. Non-state actors will need to formulate **clear strategies** for getting their message across to the NAO and senior political figures in government, who will play a role in determining how available EU funds, programmed at the country level, are to be spent.

THE COUNTRY SUPPORT STRATEGY: RECIPIENT LED OR DONOR DRIVEN?

The joint compilation of a Country Support Strategy replaces the previously internal EU process of drawing up a Country Strategy Paper. Given the capacity constraints which exist in many ACP government administrations the questions arise:

* will the compilation of the **Country Support Strategy document bring ACP governments substantively into the process of determining EU country strategies?**

or

* **will it merely constitute formal ACP endorsement of Country Support Strategy documents drawn up by the EU?**

This is an important question, for each country support strategy is intended to provide the framework for the future deployment of **all** EU assistance to the country concerned.

Against this background consideration could be given to the role Parliamentary Committees in ACP Parliaments could play in encouraging a wide ranging debate on the priorities to be addressed, the types of aid most appropriate to national circumstances and the specific activities to be undertaken.

ENSURING TRANSPARENCY IN NON-STATE ACTOR PARTICIPATION

Within the Implementation and Management Procedures annexed to the new agreement specific provision is made for “*a wide range of actors*” to be involved in the preparation of the **Country Support Strategy**. Provision is also made “*eligible non state actors and the resources allocated for non-state actors*”, to be clearly identified in the **draft indicative programme**. The questions arise:

- *who is to decide which non-state actors are to be involved?*
- *how are non-state actors to be brought in to this process?*
- *how can various groupings of non-state actors best organise themselves, so as to facilitate and promote their effective engagement with the whole programming process?*

A major issue for NGOs and other non-state actors is the need to ensure that the system for drawing non-state actors in to the programming process is **transparent** and based on **commonly agreed criteria**. If non-state actors are to actively participate in the implementation of the indicative programme, then the basis for this involvement should be clearly determined before beginning to engage in the process. If this is not the case then NGOs and other non-state actors could find themselves drawn into endless discussions to little or no purpose.

6.3 Drawing Up The Indicative Programme

On the basis of the objectives and priorities contained in the **Country Support Strategy** a national indicative programme will then be drawn up. Each ACP government is expected to draw up a national indicative programme specifying:

- *the focal sector, sectors or areas on which support should be concentrated;*
- *the most appropriate measures and operations for attaining the objectives and targets in the focal sector, sectors or areas;*
- *the resources reserved for projects and programmes outside the focal sector(s) and/or the broad outlines of such activities, as well as an indication of the resources to be deployed for each of these elements;*
- *identification of eligible non-state actors and the resources allocated for non-state actors;*
- *proposals for regional projects and programmes;*
- *a reserve for insurance against possible claims and to cover cost increases and contingencies.*

This draft indicative programme is then subject to an exchange of views with the EU before it is formally adopted and becomes binding on both the ACP government and the EU as the framework for the future deployment of EU aid to the country concerned.

It is this programming process which will determine how **all** future EU aid to each ACP country is to be used and **the channels through which it is to be deployed**. This will include the identification of the non-state actors to be involved in implementing ACP-EU co-operation activities and the manner in which they are to be involved. It is this programming process which the new ACP-EU agreement initially envisaged would be completed within 12 months of the signing of the successor

INFLUENCING THE PROGRAMMING PROCESS WHAT SHOULD BE DONE?

- undertake internal consultations amongst non-state actors in order to reach a consensus on the most appropriate form non-state actor participation in programming and implementation should take;
- approach the EU Delegate with a request for financial and technical assistance to facilitate the participation of non-state actors in the whole programming process;
- obtain information on the past pattern of EU assistance;
- obtain copies of past National Indicative Programmes in their country;
- identify areas of NIP activities of particular concern to their own constituency (women's organisations, farmers organisations, trade unions etc);
- identify who is the National Authorising Officer in their country;
- develop a concrete proposal on the consultation mechanisms to be established for government/non-state actors dialogue;
- approach the NAO for information on the current state of preparations for drawing up the **Country Support Strategy** and the **indicative programme**;
- approach senior government figures to ascertain the extent of openness to non-state actors involvement in the programming process;
- approach the responsible Minister to find out to what extent their sector will be included in the NIP and the envisaged role for non-state actors.

arrangement to the Lomé IV Convention. Given the importance of the programming process however, a strong case can be made for allocating a longer period of time to all internal ACP stage of the programming process so that meaningful non-state actor participation can be promoted.

7 NON-STATE ACTORS AND THE REVIEW PROCESS

The new ACP-EU agreement provides for a comprehensive review process and requires the NAO and the EU delegate to:

- *annually undertake an operational review of the indicative programme;*
- *undertake a mid-term and end-of-term review of the CSS and the indicative programme in the light of current needs and performance.*

This builds on the previous annual reports, which since Lomé IV, have been drawn up jointly by the EU delegate and NAO. The annual assessment process should cover:

- *the results achieved in the focal sector(s) measured against the identified targets and impact indicators and sectoral policy commitments;*
- *projects and programmes outside the focal sector(s) and/or in the framework of multi-annual programmes;*
- *the use of resources set aside for non-state actors;*
- *the effectiveness in implementation of current operations and the extent to which the timetable for commitments and payments have been respected;*
- *an extension of the programming perspective for the following years⁹.*

The annual review is then submitted within 30 days to **Development Finance Co-operation Committee**. In the light of these annual reviews the NAO and EU Delegate can adapt and revise the **Country Support Strategy** and the **indicative programme**.

For non-state actors a key issue is whether these annual operational reviews will be made public and be subject to public discussion and review. If the wider process of EU-ACP co-operation is to be opened up, there is a need to establish **appropriate national mechanisms for public discussion and comments on the annual operational review reports**.

⁹ The Cotonou Agreement, Annex IV, Chapter 1, Article 5

SOME PRACTICAL CHALLENGES IN BRINGING IN NON-STATE ACTORS

It needs to be recognised that bringing non-state actors into the process of drawing up the **Country Support Strategy**, the **indicative programme** and the **annual reviews** will require **a significant level of financial and logistical assistance**, if this is to be meaningfully promoted. It will not be easy for non-state actors to get to grips with the complexities of the ACP-EU co-operation process and the often-extensive lead times required to get concrete activities underway.

As a consequence, bringing in non-state actors is likely to prove, at least initially, a difficult and painful process. It needs to be recognised that if non-state actor participation in the wider process of programming is to be encouraged, **considerable time will be needed to set this process in motion**. **Performance targets** set for countries which do take the time to substantively bring in non-state actors to the programming process, will need to recognise this reality, if ACP governments promoting non-state participation in co-operation activities are not to be penalised financially.

One possible avenue for ensuring wider public discussion of indicative programme performance, is to require the annual reviews to be submitted to national ACP Parliaments, through relevant Parliamentary Committee structures. The annual operational review could then be the subject of open discussion, with both state and non-state actors being invited to submit their views to the relevant Parliamentary Committee on the progress of implementation. Such mechanisms are necessary since it is far from clear how the procedures of the **Development Finance Co-operation Committee** will enable it to play an effective oversight role with regard to the findings of the annual operational reviews compiled for each ACP country programme.

Such an opening up of ACP-EU co-operation at the national level to public scrutiny would constitute a radical new departure, in terms of involving non-state actors in the wider co-operation process. It would provide a forum in which **the general commitments to involving non-state actors and promoting poverty focussed, sustainable development, which is gender sensitive, could be regularly tested**. It would allow a comprehensive review of the extent to which the final beneficiaries have been consulted over the prioritisation of programmes and the types of interventions planned under the indicative programme.

8 MICRO-PROJECTS AND DECENTRALIZED CO-OPERATION

As was the case under earlier ACP-EU agreements, provision is made for micro-projects and decentralised co-operation. Through these provisions a framework was established for extending ACP-EU co-operation beyond the state to local communities, self help groups and a wide range of non-state actors. Micro-projects and more recently decentralised co-operation programmes have been a feature of a large number of national indicative programmes in ACP countries. The new ACP-EU agreement extend these general provisions to allow support to be made available to:

“micro-projects at local level which have an economic and social impact on the life of the people, meet a demonstrated and observed priority need, and shall be undertaken at the initiative and with the active participation of the local community which shall benefit therefrom;

and

“decentralized co-operation, in particular where such operations combine efforts and resources of decentralized agents from the ACP States and their counterparts from the Community. This form of co-operation shall enable the mobilisation of capabilities, innovative operating methods and resources of decentralised agents for the development of the ACP State.”¹⁰

Once again however such assistance will be extended

“within the framework laid down in the rules and national legislation of the ACP States concerned and the provisions of the indicative programme”¹¹

This means that for micro-projects and decentralised co-operation activities to be funded under the NIP, provision must be made within the NIP for the financing of such activities. If no provision is made in the NIP then there is no scope for funding EU funding for micro-projects or decentralised co-operation activities.

Under the terms of the new agreement the contribution from NIP funds

“shall not normally exceed three-quarters of the total cost of each project and may not exceed the limit set in the indicative programme”¹²

The remaining balance of the funds shall be provided:

- ✓ *by the local community concerned in case of micro-projects (either in kind or in the form of services or cash and adapted to its capacity to contribute);*
- ✓ *by the agents of decentralized co-operation, provided that the financial, technical*

¹⁰ The Cotonou Agreement, Part 4, Title II, Chapter 5, Article 70

¹¹ The Cotonou Agreement, Part 4, Title II, chapter 5, Article 70

¹² The Cotonou Agreement, Part 4, Title II, Chapter 5, Article 71

material and other resources brought in by such agents shall not normally be less than 25% of the estimated cost of the project/programme; and

- ✓ *exceptionally by the ACP State concerned either in the form of a financial contribution or through the use of public equipment or the supply of services.*¹³

The criteria for eligibility and procedures for applying for micro-project or decentralized co-operation funding should be laid down in the financing proposal submitted under the NIP, for the establishment of the fund. If non-state actors wish to take advantage of the establishment of a micro-project or decentralized co-operation fund, then considerable attention should be paid to the application procedures and eligibility criteria laid down in the financing proposal. If eligibility criteria are couched to broadly, then considerable discretionary powers can be left to the officials charged with administering the scheme. If eligibility criteria are couched to narrowly, then a range of non-state actors may find themselves excluded a priori from any micro-project or decentralized co-operation fund established under the new agreement.

Equally non-state actors will need to pay close attention to the management arrangements established for the processing of applications and disbursement of funds. In the past, often multiple layers of decision making have been established which have left grassroots organisations confused over who actually takes decisions and the criteria by which such decisions are taken. Where ever possible non-state actors should seek to ensure the establishment of a one-stop decision making process, operating under clear guidelines and criteria, with short commitment and disbursement time frames. If close attention is paid to the establishment of micro-project funds and decentralized co-operation programmes than they can offer an important vehicle for the effective participation of non-state actors in the ACP-EU co-operation process.

WHAT IS DECENTRALISED CO-OPERATION?

According to the European Commission decentralised co-operation allows a number of local partners other than the national administration to submit development projects and obtain financial assistance from the EU. It was first introduced in 1990 under the Fourth Lomé Convention. Its aim was to build on the micro-projects experience, through promoting “*greater involvement of people directly concerned by development programmes*”. Decentralised co-operation is seen as going hand in hand with the EU’s commitment to supporting democratisation and promoting respect for human rights. It seeks to establish direct links with local representative bodies and support their capacity to design and implement their own development initiatives. However, decentralised co-operation has always been seen as an integral part of the official relationship between the EU and the developing country government.

However, in many ACP countries the EU’s concept of decentralised co-operation has proved very difficult to implement.

¹³ The Cotonou Agreement, Part 4, Title II, Chapter 5, Article 71

TRADE AND DEVELOPMENT STUDIES CENTRE TRUST [TRADES CENTRE]

We are pleased to inform our long standing and prospective partners about the formal establishment of Trade and Development Studies Centre Trust [TRADES CENTRE] formerly known as Lome Trade Research Unit [LOTRU] as an independent research and training centre incorporated and registered with the Deeds Register in Zimbabwe. It is a non-profit making organisation controlled by a Board of Trustees whose members are eminent persons drawn from various sectors in southern Africa.

Our Vision. The economic renaissance of southern Africa and its poor communities in the Third Millennium will more than ever before depend on the impact of current fundamental global changes in the international, regional and national trading policy regimes being driven by the momentum of technological revolution, information technology and the neo-liberal philosophy, yet in the same region this problem issue is not subjected to assiduous close scrutiny. The aim is to establish a rigorous, consistent and ongoing programme on trade and development policy research, analysis and capacity building on ACP-EU co-operation, EU-SADC trade relations, US-SADC trade [AGOA], WTO, national trade and development issues. TRADES CENTRE'S vision is to develop into a southern Africa regional Centre of excellence on policy research, analysis and civil society capacity building on trade and development issues.

Our Objectives. The main objective of Trade and Development Studies Centre is policy-relevant training and research particularly focusing on the nexus between trade and development, aid and development, poverty reduction and welfare improvement in the context of WTO, post Lome IV ACP-EU co-operation, COMESA/SADC-EU co-operation, the SA-EU trade and development co-operation agreement, US-SADC [AGOA] trade, regional trade/economic agreements and national trade and development policies. A central objective of TRADES CENTRE is to provide southern Africa with technical, analytical support in developing and backstopping their positions in multilateral and inter-regional trade negotiations and support regional integration. TRADES CENTRE will also strive to build the capacity of poor communities on trade issues in order to assist them in meeting challenges posed by emerging trade regimes.

Our Approach. TRADES Centre aims to undertake practical, realistic, concrete and technically competent research work and training of civil society that produce feasible and implementable results taking into account the circumstances existing on the ground. Like its predecessor [LOTRU], the TRADES CENTRE will adopt both a demand driven and a proactive approach in bringing up issues that affect its target group.

Our bias. TRADES CENTRE is biased in favour of developing countries in particular southern Africa and its poor communities. Our aim is to analyse trade and development issues from the perspectives of southern Africa's poor communities, to explore the implications of the various international, regional and bilateral trade agreements, regional integration, national trade and development policies and other policy options on southern Africa for the poor.

Our Target Groups. Consumers of the results of the work of TRADES CENTRE include small scale farmers, consumer and faith groups, workers unions, informal traders, policy makers, parliamentarians, business community, NGOs and donor community. It is therefore the objective of TRADES CENTRE to improve the capacity of its target group to engage and interpret policy issues and decisions as they impact on the poor.

Resources. The main resource for the TRADES CENTRE is its pool of professionals and expertise within its permanent establishment, associated members and international experts and consultants committed to working in support of TRADES CENTRE vision. It receives financial support from various donor agencies and also generates resources from its own activities with no profit motive.

Deliverables. The results of the TRADES CENTRE activities will timeously be delivered and made publicly available through conferences, seminars and workshops for the target groups, briefing materials, publications, circulation in mass media, training programs and tutorials..

Philosophy. Generation and delivery of quality products timely. Practical, realistic research and training easily accessible and implementable and which produces concrete policy proposals aimed at improving the welfare of poor people and communities in southern Africa.

In its efforts to meet its objectives and deliver results TRADES CENTRE values the support by you and your organisation and we look forward to close co-operation in future. We welcome partnerships including funding.

Dr Moses Tekere:

Director and on Behalf of the Board of Trustees