

THE NEW ACP-EU ARRANGEMENT:

A USER'S GUIDE

PART IV

**POLITICAL DIMENSIONS
OF THE NEW ACP-EU COTONOU AGREEMENT.**

Produced by

Moses Tekere
TRADES CENTRE
Harare
Zimbabwe

June 2001

Trade and Development Issues No 10

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## 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.

In the area of **political dialogue** the new Cotonou ACP-EU agreement has a number of innovations. It seeks to deepen and widen the present political dialogue between the ACP and the EU (i.e. to include new areas such as peace and conflict prevention, arms trade, etc), to work out more flexible and diversified institutional arrangements for dialogue (i.e. to avoid excessive formalism) and to involve non-state actors in these political dialogue processes. The Cotonou agreement builds on the Lomé IV bis in respect of human rights, democratic principles and the rule of law, as 'essential elements' of ACP-EU cooperation, whose violation could lead to a suspension of aid. In addition to these essential elements, the new agreement recognizes 'good governance' as a fundamental element. Further, the Agreement introduces a key element of linking aid to performance i.e rewarding good performers and penalizing those that fail to deliver. Another dimension of political dialigue is inclusion of *asylum and immigration particularly the issue* of repatriation of immigrants illegally present on the territories of each party.

The objective of this guide is not to shade some light into the above 5 dimensions of political dialogue. A detailed discussions of these is not intended

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 negative effects emanating from the new engagement

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## 1 *Introduction*

Since the conclusion of the Lomé Convention in 1975 between EU and the ACP countries, the agreement has developed in both scope and coverage from a mere economic cooperation to capture non-economic aspects such as political dialogue and involvement of non-state actors. Political cooperation is now a fundamental component of the Cotonou Agreement. The George Town Agreement lays the foundation of political dialogue and equality a ‘partnership between equals’, based on mutual rights and obligations. In the Lomé I convention and to avoid cold war related differences the parties adopted a fairly neutral position on political issues, recognizing and respecting the sovereignty of ACP States most of which were emerging from European colonialism. However, politics became part of ACP-EU cooperation over time. Lomé III Convention (1985) already included a clause on human rights although this was seen by the ACP as contradicting the principles of sovereignty and equal partnership, proclaimed in the Lomé Convention.

A number of factors have changed the political cooperation landscape between the EU and ACP. First, the end of the Cold War has seen a general shift towards democracy in the ACP. Second, at the EU level, it was recognized that external resources can do little more than support ACP domestic efforts. In the absence of decent governance structures that allow for participation and public accountability, aid is not likely to contribute to development. All this led the EU, to consider human rights, respect for democratic principles and the rule of law, as essential elements of the ACP-EU partnership (Lomé IV bis). It also led the EU to gradually abandon the principle of 'aid entitlements' in favour of a more performance-based allocation of dwindling aid resources<sup>1</sup>.

Thus, the Cotonou agreement incorporates five main dimensions of political dialogue between the EU and ACP:

- *Reinforced political dialogue* The Agreement seeks to deepen and widen the present political dialogue between the ACP and the EU (i.e. to include new areas such as peace and conflict prevention, arms trade, etc), to work out more flexible and diversified institutional arrangements for dialogue (i.e. to avoid excessive formalism) and to involve non-state actors in these political dialogue processes
- *Conflict resolution and peace.* Another key innovation is the commitment to pursue an ‘active, comprehensive and integrated policy of peace-building and conflict prevention and resolution. According to the agreement “broadly

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<sup>1</sup> ECDPM. 2001. Cotonou Infokit: Towards a Stronger Political Partnership (18). Maastricht: ECDPM

based policies to promote peace and to prevent, manage and resolve violent conflicts shall play a prominent role in this dialogue, as shall the need to take full account of the objective of peace and democratic stability in the definition of priority areas of cooperation”.

- *Essential and fundamental elements.* The Cotonou agreement builds on the Lomé IV bis in respect of human rights, democratic principles and the rule of law, as 'essential elements' of ACP-EU cooperation, whose violation could lead to a suspension of aid. In addition to these essential elements, the new agreement recognizes 'good governance' as a fundamental element.
- *Performance based aid allocation .*The Cotonou Agreement introduces a key element of linking aid to performance. This is a system of rolling programming where the allocation of funds is based not only on an assessment of each country's needs, but also of its performance. As such, it allows the Community and the beneficiary country to regularly review and adjust their cooperation program and overall budget.
- *Asylum and immigration are innovations within the political dialogue of the parties to the Cotonou arrangement.* Negotiations at concluding bilateral agreements requiring specific obligations for the readmission and return of illegal migrants will be initiated between the parties. Ultimately this will help to define ways to repatriate immigrants illegally present on the territories of each party, subject to the constraint of international convention and law.

The objective of this guide is not to shade some light into the above 5 dimensions of political dialogue. A detailed discussions of these is not intended

## **1 The Cotonou Agreement and stronger Political Dialogue**

The new Cotonou Agreement contains a wide range of provisions that deal directly or indirectly with the stronger political dimensions of ACP-EU cooperation.

The agreement provides for regular comprehensive, balanced and deep political dialogue leading to commitments on both sides. ‘The objective of this dialogue is to exchange information, foster mutual understanding, and to facilitate the establishment of agreed priorities and shared agendas, in particular by recognising existing links between the different aspects of the relations between the Parties and the various areas of cooperation. Political dialogue is intended to facilitate consultations between the Parties within international fora. The objectives of political dialogue also include preventing situations arising in which one Party might deem it necessary to have recourse to the non-execution clause’.

Objectives of the a revitalised dialogue

- It facilitates agreement on cooperation priorities with a view to attaining the development objectives of ACP-EU cooperation.
- It allows the partners to assess progress on human rights, democratic principles and the rule of law, the so-called 'essential elements' of the partnership.
- It helps avoid recourse to measures of last resort such as the suspension of aid.
- It can also be used to address new areas with a major impact on development such as peace, conflict prevention, arms trade, migration, etc.
- Dialogue is not limited to the national level. It is equally important at the regional level (e.g. with a view to negotiating economic partnership agreements) or at the global level (e.g. with a view to defending ACP interests in international fora).

In theory, the partnership now rests on a much more solid political foundation, taking into account the following innovations:

### **Broad participation in political dialogue**

Unlike the Lome Conventions, the Cotonou Agreement recognises various actors in political dialogue. ACP States remain central actors in determining development

strategies ‘in all sovereignty’. However, one of the main innovations of the new Agreement is that representatives of civil society shall be associated with this dialogue (article 8). The involvement of civil society is considered particularly important in peace-building processes (article 11). This commitment to ensure the participation of civil society is also reflected in the provisions that regulate the working methods of the ACP-EU joint institutions (articles 14-17). As such, it is foreseen that both the ACP-EU Council of Ministers and the Joint Parliamentary Assembly shall organise an ongoing dialogue with representatives of ACP-EU economic and social partners and with the other actors of civil society in order to obtain their views on the attainment of the objectives of the Agreement.

### **Flexible Dialogue**

The Cotonou agreement provides for flexible formal or informal dialogue according to the need, and conducted within and outside the institutional framework, in the appropriate format, and at the appropriate level including regional, sub-regional or national level. It opts for pragmatism and country specific approaches. The dialogue is intended to be flexible with its precise form depending on the issue under consideration. It shall be conducted within or outside the ACP-EU institutional framework of joint institutions, in the appropriate format and at the appropriate level (regional, sub-regional, national).

Specific consultation procedures are foreseen when ‘essential elements’ of the partnership (i.e. respect for human rights, democratic principles and the rule of law) may have been violated (article 96) or for ‘serious cases of corruption’ (article 97).

### **A Reciprocal Dialogue? Dealing with Policy Coherence**

An interesting innovation in the Cotonou Agreement concerns the introduction of a consultation procedure on the coherence of Community policies and their impact on the ACP States (article 12). The Community is invited to inform ‘in good time’ the ACP States of measures it intends to take ‘which might affect the interests of ACP States’. Such a request for information may also be made by ACP States themselves.

These steps should allow for ACP-EU consultations that will consider ACP concerns and possible questions for policy changes. If the Community does not agree to amendments proposed by the ACP States, it needs to provide a justification.

## **2 Peace-building policies, conflict prevention and resolution**

Conflict resolution and peace are an important part of the Cotonou agreement. The Parties agreed to pursue an active, comprehensive and integrated policy of peace-building and conflict prevention and resolution within the framework of the Partnership. This policy shall be based on the principle of ownership. It shall in particular focus on building regional, sub-regional and national capacities, and on preventing violent conflicts at an early stage by addressing their root-causes in a targeted manner, and with an adequate combination of all available instruments.

The activities in the field of peace building, conflict prevention and resolution include support for

- balancing political, economic, social and cultural opportunities among all segments of society, for strengthening and democratic legitimacy and effectiveness of governance,
- establishing effective mechanisms for the peaceful conciliation of group interests,
- bridging dividing lines among different segments of society as well as support for an active and organised civil society.

A number of activities towards conflict resolution and peace building are envisaged and include support for:

- mediation, negotiation and reconciliation efforts,
- effective regional management of shared, scarce natural resources,
- demobilisation and reintegration of former combatants into the society,
- addressing the problem of child soldiers, as well as for suitable action to set responsible limits to military expenditure and the arms trade,
- promotion and application of agreed standards and codes of conduct.
- the fight against anti-personnel landmines as well as to addressing an excessive and uncontrolled spread, illegal trafficking and accumulation of small arms and light weapons.

In situations of violent conflict, the parties shall take all suitable action to prevent an intensification of violence, to limit its territorial spread, and to facilitate a peaceful settlement of the existing disputes. Particular attention shall be paid to ensuring that financial resources for cooperation are used in accordance with the principles and objectives of the Partnership, and to preventing a diversion of funds for belligerent purposes.

In post-conflict situations, the Parties shall take all suitable action to facilitate the return to a non-violent, stable and self-sustainable situation. The Parties shall ensure the creation of the necessary links between emergency measures, rehabilitation and development cooperation.

The dialogue focuses, inter alia, on specific political issues of mutual concern or of general significance such as the

- arms trade,
- excessive military expenditure,
- drugs and organised crime,
- or ethnic, religious or racial discrimination.

The dialogue also encompass a regular assessment of the development of the developments concerning the respect for

- human rights,
- democratic principles,
- the rule of law
- and good governance.

### 3 Essential and Fundamental Elements – Violation and Non execution

The Cotonou Agreement puts the human being first. According to article --- “Cooperation shall be directed towards sustainable development centred on the human person, who is the main protagonist and beneficiary of development; this entails respect for and promotion of all human rights’. In the preamble to the Cotonou Agreement, the parties acknowledge the critical importance of a conducive political environment for development purposes, as well as the primary responsibility of ACP States to establish such an environment. ACP-EU cooperation is underpinned by a basic set of political principles and values [‘essential elements’ (respect for human rights, democratic principles and the rule of law) and one ‘fundamental’ element (good governance)] to be respected by each of the parties.

One of the most contentious issues during the negotiations leading to the Cotonou Agreement was the inclusion of good governance as a 'fundamental' element of the partnership, alongside the 'essential elements' of respect for human rights, democratic principles and the rule of law. The distinction between fundamental and essential is significant in that the latter's violation could lead to the suspension of cooperation<sup>2</sup>.

#### Essential Elements

The essential elements underpinning ACP-EU cooperation are not nor new, they already existed under the Lomé IV bis Convention. They include respect for:

1. *Human rights* and fundamental freedoms, as defined by international law. “Respect for all human rights and fundamental freedoms, including respect for fundamental freedoms, including respect for fundamental social rights, democracy based on the rule of law and transparent and accountable governance are an integral part of sustainable development”
2. Universally recognised *democratic principles*. Democratic principles are universally recognised principles underpinning the organisation of the State to ensure the legitimacy of its authority, the legality of its

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<sup>2</sup> ECDPM. 2001. Cotonou Infokit: Essential and Fundamental Elements (20). Maastricht: ECDPM.

actions reflected in its constitutional, legislative and regulatory system, and the existence of participatory mechanisms. Based on universally recognised principles, each country develops its democratic culture.

3. The *rule of law*, in particular the effective and accessible means of legal redress, an independent legal system guaranteeing equality before the law, and an executive that is fully subject to the law.

A violation of any of the essential elements may provide grounds to suspend EU assistance and trade cooperation with the ACP country concerned. With such serious consequences, definitions and decision-making procedures are critical.

Human rights are well defined in various internationally recognised conventions making monitoring and evaluation relatively straightforward. Judging respect for democratic principles and the rule of law, however, is a more delicate exercise. ACP countries tend to fear that this may lead to subjective interpretations or to the use of double standards by the EU.

#### **ARTICLE 96**

#### **Consultation procedure and Suspension of Cooperation.**

As regards human rights, democratic principles and the rule of law the Cotonou agreement provides in article 96 that

"If, despite the political dialogue conducted regularly between the Parties, a Party considers that the other Party has failed to fulfil an obligation stemming from respect for human rights, democratic principles and the rule of law referred to in paragraph 2 of Article 9, it shall, except in cases of special urgency, supply the other Party and the Council of Ministers with the relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties. To this end, it shall invite the other Party to hold consultations that focus on the measures taken or to be taken by the party concerned to remedy the situation.

The consultations are conducted at the level and in the form considered most appropriate for finding a solution. The stipulated timeframes.

The consultations begin no later than 15 days after the invitation and continue for a period established by mutual agreement, depending on the nature and gravity of the violation. In any case, the consultations shall last no longer than 60 days.

If the consultations do not lead to a solution acceptable to both Parties, if consultation is refused, or in cases of special urgency, appropriate measures may be taken. These measures shall be revoked as soon as the reasons for taking them have disappeared.

The term "cases of special urgency" shall refer to exceptional cases of particularly serious and flagrant violation of one of the essential elements referred to in paragraph 2 of Article 9, that require an immediate reaction.

The Party resorting to the special urgency procedure shall inform the other Party and the Council of Ministers separately of the fact unless it does not have time to do so. The "appropriate measures" referred to in this Article are measures taken in accordance with international law, and proportional to the violation. In the selection of these measures, priority must be given to those which least disrupt the application of this agreement. It is understood that suspension would be a measure of last resort.

In the past, the application of sanctions to ACP States that were seen to violate essential elements was not always based on dialogue or on transparent decision-making. Hence, the Cotonou Agreement has worked out a new procedure that may provide more guarantees for a fair treatment (article 96). It puts more emphasis on the responsibility of the State concerned. It also allows for greater flexibility in the consultation process in order to make the best use of dialogue as a tool to solve the crisis. Suspension should be a measure of last resort.

However, there is also a provision to deal with ‘cases of special urgency’, i.e. particularly serious and flagrant violations of an essential element. The other party is then allowed to take immediate ‘appropriate measures’. These measures will be revoked as soon as the reasons for taking them have disappeared.

### **Good Governance – the Fundamental Element**

As mentioned above one of the contentious issues during the post Lome negotiations was the inclusion of good governance as an essential element whose violation could trigger non-execution clause. The EU wanted to expand the essential elements to include good governance while the ACP felt that this concept was sufficiently covered by the existing essential elements. They further argued that the complexity of arriving at universal criteria to assess the level of governance meant that the suspension clause allowed too much scope for arbitrary opinions.

The compromise reached is that good governance has been added as a ‘fundamental’ element of the Cotonou Agreement. After lengthy discussions, a definition of the concept was also agreed upon (see box).

#### **Defining Good Governance**

The Cotonou Agreement (article 9) defines good governance as ‘the transparent and accountable management of human, natural, economic and financial resources for the purposes of equitable and sustainable development.’

It entails clear decision-making procedures at the level of public authorities, transparent and accountable institutions, the primacy of law in the management and distribution of resources and capacity building for elaborating and implementing measures aiming in particular at preventing and combating corruption.

Contrary to the essential elements, a State facing governance problems will not have to fear a suspension of aid, with the notable exception of ‘serious cases of corruption’.

### **Corruption can Trigger Suspension of cooperation**

Corruption was given a class of its own as it can now trigger suspension of cooperation. The Cotonou Agreement recognizes corruption to be a major development problem to be addressed. According to article 97 ‘serious cases of corruption’, including acts of bribery leading to such corruption, could constitute grounds for a suspension of cooperation. These provisions will be applied not only in cases of corruption involving EDF resources, but also in any country where the EC is financially involved and where corruption constitutes an obstacle to development. It is thus not confined to EC activities.

The EU and the ACP have agreed on a specific procedure to deal with such cases of corruption (article 97). Such consultations shall begin no later than 21 days after the invitation and shall last no longer than 60 days. If consultations do not result in solutions, appropriate and proportional measures to the seriousness of the situation shall be taken. Suspension would be a measure of last resort.

### **Positive Measures**

The political chapter of the Agreement is not only about negative measures against States that fail to respect basic political principles and values. It is also about actively supporting the promotion of human rights, processes of democratisation, consolidation of the rule of law and good governance (see articles 9 and 33 of the Agreement).

In this context, ACP-EU cooperation could inter alia

- Provide support for political, institutional and legal reforms;
- Fight against corruption;
- Assist the reform, rationalisation and modernisation of the public sector;
- Promote political, administrative, economic and financial decentralisation;
- Support institutions needed to underpin a market economy;
- Build capacity of non-state actors;

## **4 From Aid Entitlement to Performance Based Partnership**

The raised profile of political dialogue engendered a major change to the Lomé culture of 'aid entitlements' – which was based on five-year country allocations regardless of performance. Aid entitlements made it hard critically assess the recipient country's performance in fulfilling mutually agreed obligations. In its negotiating mandate, the EU made it clear that aid is there to help those that help themselves and in political terms, this meant greater 'selectivity' in granting aid. Allocations would be based on both 'needs' (i.e. objective development indicators) and 'merits' (i.e. qualitative performance indicators). The idea was to reward countries and regions (with additional resources) when they performed well in implementing the objectives of the Agreement. Negative incentives, in the form of decreased aid allocations or sanctions would be used against those countries that do not. In such a performance-based partnership, the EU wanted to ensure a more flexible use of resources while improving overall aid effectiveness.

At first sight, the proposal seemed highly controversial to ACP governments. An erosion of the partnership idea was feared - reflected in the imposition of new conditionalities, checklists of quantifiable performance indicators and unilateral sanctions<sup>3</sup>.

The Lomé Convention IV bis already contained elements of merits and sanctions (including suspension of aid). Several EU Member States and multilateral agencies used country performance criteria to determine the volume, nature and implementation strategies of their cooperation. Both parties acknowledged that the period of 'aid entitlements' could no longer be upheld. European taxpayers had to be reassured that value for money was obtained. Furthermore, it was felt that a performance-based partnership had the potential to transform the current, largely inefficient system of donor-imposed conditionalities into a locally owned set of accepted objectives and performance criteria.

### **Defining Performance Criteria**

Annex IV of the Cotonou Agreement defines a set of needs criteria as

- 'Per capita income,
- Population size,

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<sup>3</sup> ECDPM. 2001. Cotonou Infokit: Performance Based Partnership (21). Maastricht: ECDPM.

- Social indicators
- Level of indebtedness,
- Export earning losses', etc.

In addition, special treatment is required for

- 'Least developed ACP States',
- 'Vulnerability of island and landlocked states' and for
- 'The particular difficulties of post-conflict countries' (article 3).

The Cotonou Agreement wants performance to be measured 'in an objective and transparent manner' (article 3, Annex IV of the Cotonou Agreement). To this end, it has defined a set of parameters to be used in performance assessments (see box).

| <b>Performance Criteria in the Cotonou Agreement</b>                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Progress in implementing institutional reforms;</li> <li>• Country performance in the use of resources;</li> <li>• Effective implementation of current operations;</li> <li>• Poverty alleviation or reduction;</li> <li>• Sustainable development measures;</li> <li>• Macroeconomic and sectoral policy performance.</li> </ul> |

### **Assessing Performance**

The success of a performance-based partnership will depend, largely, on the way it is put into practice. Participation and ownership are essential elements of effective implementation strategy.

The Cotonou Agreement, to some extent, recognises the need for a flexible and locally driven process of performance assessment. To this end, it foresees that:

- Programming of EU aid will be 'rolling' so as to ensure flexibility in managing EU aid resources;

- The national and regional indicative programmes will be subjected to an annual operational review, as well as to a mid-term and end-of-term review in order to adapt the programmes to evolving circumstances and to ensure that they are correctly implemented;
- The parameters and criteria for the reviews will be defined by both parties and included in the indicative programme;
- Political dialogue will be a key tool for assessing performance;
- The annual operational review of the indicative programme shall consist of a joint assessment of the implementation of the programme and will be conducted locally through the EC Delegation and the National Authorising Officer;
- Following the completion of mid-term and end-of-term reviews, the Community may revise the resource allocation in the light of current needs and performance. This could entail an increase in resources (for ‘good performers’) or a reduction (for ‘bad performers’);
- Non-state actors will be associated to the performance reviews (which may render the process more participatory and transparent).

Assessing recipient performance is more difficult and delicate. What type of performance criteria should be retained? Should the assessment be based on universal principles or be country-specific? How important are merits compared to needs? How can the danger of defining abstract checklists and slippery benchmarks be avoided? In what time perspective is performance measured, etc.

### **Some Open Questions**

Promoting and implementing a performance-based partnership will require time for learning and experimentation. The Cotonou Agreement provides a basic framework to assess performance, but a number of open questions remain, including:

- *Penalising the poor?* The application of performance criteria may lead to a further marginalisation of the poorest countries and populations (e.g. in cases where aid is suspended). How will the EU reconcile ‘selectivity’ with its stated ambition to fight poverty? How can aid be re-directed in cases of interruption of aid?
- *Politically fragile countries.* A growing number of ACP countries confront serious problems of governance, political instability or conflict. How should performance criteria be applied to politically fragile countries? How effective are existing cooperation policies and instruments for these countries?
- *Joint Monitoring.* The mechanisms to jointly assess performance in a balanced, participatory and decentralised way have not been fully elaborated. Inevitably, final decision-making will remain the political responsibility of central agencies, particularly at the EU level (e.g. decisions with regard to resource allocations). However, all other aspects of a performance assessment lend themselves to participatory approaches, involving central and local governments, civil society, private sector, independent institutions, etc. This broad-based involvement of local actors may help to avoid a biased, centralised assessment that is disconnected from complex local realities.
- *Donor performance.* Even within an ‘unequal partnership’, donor performance criteria could also be envisaged with a view to ensuring credibility (e.g. avoiding hidden agendas and double standards) and effectiveness (e.g. in terms of providing effective support to reforming governments). Possible donor performance criteria include simplicity and transparency of decision-making, the level of consistency and coordination between the EU and the Member States, improved policy coherence, and bureaucratic performance (e.g. the quality and speed of aid delivery).

## **5 Cotonou and Migration**

Migration was one of the most contentious issues towards the end of the post Lome IV negotiations. The ACP were focusing on the unfair treatment of ACP migrants in EU while the EU wanted to block influx of new ACP migrants into EU. As a compromise, the agreement reaffirms existing obligations and commitments in international law to ensure respect for human rights and to eliminate all forms of discrimination based particularly on origin, sex, race, language and religion.

Article 13 of the Cotonou Agreements provides for fair treatment of third country nationals who reside legally on their territories, integration policy aiming at granting them rights and obligations comparable to those of their citizens, enhancing non-discrimination in economic, social and cultural life and developing measures against racism and xenophobia. ACP workers legally employed in the EU shall be free from any discrimination based on nationality, as regards working conditions, remuneration and dismissal, relative to its own nationals. The agreement also aims at supporting the economic and social development of the regions from which migrants originate and of reducing poverty as well as EU supported training of ACP nationals in their country of origin, in another ACP country or in a Member State of the European Union as well as support towards vocational integration of ACP nationals in their countries of origin.

The agreement further provides for political dialogue to examine issues arising from illegal immigration with a view to establishing, where appropriate, the means for a prevention policy. Parties agreed to accept the return of and readmission of any of its nationals who are illegally present on the territory of the EU or an ACP State,

## 7 Implementation Challenges

It is clear that the new 'rules of the game' with regard to the political dimensions of ACP-EU cooperation are quite ambitious. They will require a major adaptation of current strategies and processes of political cooperation. A few examples illustrate this:

- *Appropriate strategies.* Recent evaluations have shown that the EC, much like other donor agencies, has not yet developed a comprehensive and effective set of strategies to promote political reforms in partner countries, to prevent conflict or build peace or to help developing a strong civil society.
- *Processes.* For a performance-based partnership to be effective, thorny 'process questions' need to be clarified. How will performance criteria be agreed upon? Who should be involved in their elaboration, negotiation and monitoring? What role can be played by independent local institutions (e.g. human rights associations)? How can the EU's performance assessment be coordinated with that of other donor agencies?
- *Policy coherence.* Partnership is a two-way process. EU demands for improved governance, transparency and accountability would gain in strength if similar standards were applied on the donor side. The growing focus on the politics of ACP-EU cooperation calls on the EU to ensure greater policy coherence towards ACP countries at different levels (e.g. in the standards applied to different ACP countries, between aid and trade, and with other policies affecting developing countries such as agricultural policies).
- *Capacities.* The new Cotonou Agreement invites the EU to transform itself from a fairly traditional aid donor to a 'political animal' that can support complex domestic political and institutional changes in ACP countries through dialogue, positive measures and cooperation with civil society. This is not an evident thing to achieve in a short time. Capacities may be found wanting all levels, especially in the EC Delegations.

## **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