

# **Continuing ACP-EU relations in a changing context**

## **A critical assessment of the Cotonou Partnership Agreement**

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## ABSTRACT

This thesis researches two disputed issues concerning ACP-EU relations and the new partnership agreement – often referred to as the Cotonou Partnership Agreement (CPA) - which has been the framework for these relations since 2000. Firstly, it examines to what extent the CPA presents a departure from the previous Lomé Conventions. Due to changes in the context in which the ACP-EU relationship evolved, the framework of this relationship transformed, turning from Lomé (1975-2000) to Cotonou (2000-2011). This thesis argues that this transformation doesn't present a departure from the previous Lomé frameworks, like the official sources of the EU and a substantial amount of expert are claiming. The CPA is essentially a continuation of the former Lomé Conventions (adapted to the context of the 21<sup>st</sup> century); the objectives aimed at by the relationship and the tendencies driving the relationship in its existence represent a clear continuation. Secondly, it researches to what extent the main objective of the new ACP-EU partnership to eradicate poverty contains false rhetoric from the side of the EU, like several critics have been claiming. It concludes that it is unfounded to speak of false rhetoric from the EU. Although the basis of most criticisms on the CPA is justifiable – reciprocity and political conditionality don't represent the best methods to achieve poverty eradication – this doesn't imply insincerity of the EU and its Member States towards Article 1 of the CPA.

KEY WORDS: Africa Caribbean and Pacific group of states (ACP), European Union (EU), Cotonou Partnership Agreement (CPA), Lomé Conventions, Economic Partnership Agreements (EPA's)

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## LIST OF ACRONYMS

ACP	African, Caribbean and Pacific States
AU	African Union
CAP	Common Agricultural Policy
CEE	Central and Eastern European States
CFSP	Common Foreign and Security Policy
CPA	Cotonou Partnership Agreement
DAC	Development Assistance Committee
EAMA	(French acronym for) Associated African States and Madagascar
EBA	Everything But Arms
EC	European Commission
ECDPM	European Centre for Development Policy Management
ECOWAS	Economic Community Of West African States
EDF	European Development Fund
EEC	European Economic Community
EPA	Economic Partnership Agreement
EU	European Union
FTA	Free Trade Agreement
GAERC	General Affairs and External Relations Council
GATT	General Agreement on Tariffs and Trade
GDP/GNP/GNI	Gross Domestic Product / Gross National Product / Gross National Income
GSP	Generalized System of Preferences
LDC	Least Developed Country
MFN	Most Favoured Nation
NSA	Non State Actor
ODA	Official Development Assistance
STABEX	System for the Stabilisation of ACP and OCT Export Earnings
SYSMIN	System of Stabilization of Export Earnings from Mining Products
UMEOA	(French acronym for) West African Economic and Monetary Union
WTO	World Trade Organisation

## INTRODUCTION

“23 June 2000: a date which will go down in the history of relations between the European Union and its ACP partners [African, Caribbean and Pacific group of states] as a watershed and a historic moment. It sets the seal on a quarter of a century of cooperation between a number of partners from North and South, most of whom are bound by historical ties, and at the same time marks the beginning of a new era. [...] The challenge facing the partners in the next few years will be to improve the effectiveness of this cooperation so as to achieve better results and arrive at their clearly stated goal – the reduction of poverty. [...] The conclusions of the Commission’s Green Paper on ACP-EU cooperation, and the results of the widespread debate which ensued, meant that simply maintaining the status quo was no longer an option. For this reason, the signatories to the Cotonou Agreement have jointly undertaken a radical reform of their partnership.” (EU Press Statement in *the Courier*, magazine of ACP-EU development cooperation, written by Kenneth Karl, September 2000).

The press statement quoted above, hails the Cotonou Partnership Agreement (hereafter the CPA) as a turning point in relations between the African, Caribbean and Pacific group of states (ACP) and the European Union (EU). Since the 1957 Rome Treaty these two groups of countries have had a special relationship evolving around development assistance issues. Over the years the name, shape and content of this relationship has altered significantly. The new agreement, which will be in effect until 2020, is often called “a ground-breaking and innovative framework for development, adapted to the needs of international cooperation in the early 21<sup>st</sup> century” (ECDPM 2007, 2). According to the EU, the ACP States and a substantial amount of experts, the CPA represents a departure from the previous Lomé Conventions (which were in effect between 1975 and 2000) in several ways. Nielson states the CPA forms an innovative new framework for a “true partnership between the two groups of countries with a view to addressing major challenges together” (Nielson 2000, 2). Although all of this might sound wonderful, the implementation of this new framework spurred a lot of criticism in the world of development cooperation. Critics disagree with the official discourse that the CPA presents a turning-point in the ACP-EU relationship, stating that essentially it is a continuation of the previous Lomé Conventions. Next to that, many experts are very critical of the new methods and policies of the CPA, claiming that they will not further the development of the ACP. In this thesis, both these issues will be addressed.

Many authors argue that the CPA isn’t as innovative, new and world changing as the official institutes are claiming in their press releases. These critics question the impact of the changes as presented by the new agreement and state that the CPA is the outcome of a gradual process that has, since the beginning of the relationship in 1960s, been driven by the same tendencies that are still dominant today. They argue that, although departing from some of its previous policies, the new agreement doesn’t present a fundamental shift in regard to the Lomé Conventions. Olumfemi Babarinde argues that “a careful scrutiny of the composition of the two groups of partners, as well as of the scope and instruments of cooperation enables the conclusion that the Cotonou Agreement is essentially a continuation of past practice” (Babarinde en Faber 2003, 2). Likewise, Mary Farrell states that “the EU-Africa relations have, from the beginning, been characterized by the realist tendencies of individual European states and [...] under the current EU policy, similar tendencies are driving the proposals of the Cotonou Agreement with the on-going negotiations on economic partnership agreements between the European Commission and groups of countries within the ACP

bloc" (Farrell 2005, 265-266). In this thesis it will be examined to what extent the CPA represents a fundamental change in ACP-EU relations. What is surprising, when looking at the critiques levelled so far, is that none of them address all aspects of the ACP-EU relationship. Most authors only examine the changes in the context or the input of the relationship before coming to the conclusion that the official discourse, stating that the CPA represents a fundamental change, is false. That is why in chapter 2 of this thesis the output of the ACP-EU relationship, during both the Lomé Conventions and the CPA, will be examined alongside the context and input. Thus a more comprehensive conclusion can be drawn regarding change or continuation within the ACP-EU framework.

Another aspect of the CPA often criticised is its acclaimed focus on poverty eradication (stated in Article 1 of the Partnership Agreement) while providing methods and policies that don't necessarily enhance this type of action. Critics claim that, although the CPA pretends to be in the best interest of the poorest, this isn't necessarily the case. Stephen Hurt, for example, claims that the driving forces behind the relationship aren't nobility, altruism and 'good intentions' from the EU – like the representatives of the ACP-EU framework are claiming – but the domestic interests of EU Member States. According to him and a substantial amount of other critics, the noble ambition of the partnership to reduce and eradicate poverty contains not much more than hollow words, because the methods outlined to achieve this ambition seem more likely to hinder rather than assist in meeting the targets (Hurt 2003, 165). In chapter 3 of this thesis it will be researched to what extent the main objective of the new ACP-EU partnership to eradicate poverty contains false rhetoric from the side of the EU. By analysing the 1998 negotiation process between the ACP and EU, reasons why critics have called the discourse of the CPA hollow will be highlighted. Then, an examination of the arguments of officials and experts are used to put these criticisms into perspective. The findings of the two case studies presented in the last section of chapter 3, will address the domestic interests of individual EU Member States, providing evidence for a conclusion towards the question whether or not the EU is guilty of using false rhetoric.

This thesis consists of three chapters. The first chapter will provide the historical background of the development of the ACP-EU relationship. It will describe the story of the relationship from its birth to its current being, and will give attention to the most important changes that took place during half a century of EU-Third World relations. The second chapter will contrast the most important aspects of the Lomé Conventions with that of the CPA. It will analyse the changes in context, input and output of the relationship and construct a conclusion towards the question to what extent the CPA presents a fundamental change in ACP-EU relations. The third chapter will research to what extent the EU is guilty of using false rhetoric regarding the first article of the CPA. It will analyse the reasons why critics have called Article 1 of the CPA hollow and will give officials and experts a chance to defend the EU's position. Finally, an overall conclusion will be drawn which answers the questions stated above, and which provide suggestions of areas for further research.

## **CHAPTER 1:**

### **Historical Background of the ACP-EU Relationship**

One of the most important features of the European Union's external relations is its development assistance policy. Since the 1960s the EU has been involved in a special relationship with a growing range of ex-colonies, creating a "unique system for the multilateral management of development assistance issues" (Cini 2010, 229). Over the years, the shape and the content of this system altered significantly; seven successive treaties, conventions and agreements have come and gone since the start of the formal relationship between the EU and the Third World.<sup>1</sup> In this chapter the story of this evolving relationship will be unveiled.

The 1957 Treaty of Rome established the European Economic Community (EEC), the precursor to the European Union (EU). This treaty integrated the internal European market, which had direct and serious consequences for third countries and the position of the developing world was addressed, albeit imperfectly, in this founding treaty (Holland 2002, 25). For France, the protection of the relationship with its colonial areas was of great importance, and the country lobbied to include provisions for 'association' for all dependencies in the Treaty, but the other Member States were reluctant to involve the European Community (EC) in what was to most a French external affair. In the end, the discussions that led to the Spaak Report, which set the framework for the original EC, France managed to include its wish in Part IV: "a contractual treaty-based relationship that established both the basis and the rationale for subsequent arrangements such as the Yaoundé and Lomé Conventions" (Holland 2002, 26) which will be discussed in the following paragraphs. The exclusive mechanism chosen for the task of providing aid was the European Development Fund (EDF), which still remains one of the key instruments of Europe's policy with the developing world.

Around 1960 most colonies of European Community Member States had gained their independence. A new regime or set of rules was needed to govern their relation with the EC. Therefore, in 1963 the first Yaoundé treaty was signed between the EC and some of their earlier colonies. The foundation of Yaoundé I was the recognition of the national sovereignty of the participating countries. Next to this it would grant these countries some of the privileges they had learned to enjoy during the colonial period. Thus it established reciprocal preferential trading arrangements between the EC and 18, principally francophone, countries known as the Associated African States and Madagascar (EAMA in its French acronym). The Treaty linked a range of separate development policies under a single integrated approach; 'financial aid, technical assistance and training, trade preferences and investment and capital movements were all covered' (Holland 2002, 28). Next to this, three joint institutions of the Association were created: the Council, the Parliamentary Conference and the Court of Arbitration. The benefits provided by the Treaty appeared marginal and were openly criticized by the 18 signatories and two Member States, Germany and the Netherlands. Ravenhill has stated that the impression was given that the Yaoundé states were just "suppliers of the residual market that the Community producers could not fill and at best provided them with a slight advantage over third countries" (Ravenhill 2002). Even more critically were those who interpreted the Yaoundé Convention as a poorly disguised extension of French foreign and colonial policy. One of these critics is Stephen Hurt, who states that the Yaoundé

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<sup>1</sup> For an overview of these treaties, see attachment 1 on page 46.

Conventions were “essentially a continuation of post-colonial relations” (Hurt 2003, 161). Yaoundé I expired in 1969 but was renewed for a further five-year period, Yaoundé II ending in 1975. During Yaoundé II the first enlargement of the EC took place, which had serious impacts upon the Community’s external relationship. “UK membership and the question of Commonwealth relations necessitated a major review of external relations” (Holland 2002, 28). This resulted in the first Lomé Convention.

In 1975 the first Lomé Convention was signed, bringing together forty-six countries in Africa, the Caribbean and the Pacific (ACP) with the nine Member States of the EC.<sup>2</sup> This was the official beginning of the ACP-EU relationship. According to Holland, there was “a profound distinction between the Commonwealth ethos based upon an open trading relationship and respect for sovereignty, and the paternalism of France and latterly the Community that suggested the Community had little respect for the newly won sovereignty of the Associates” (Holland 2002, 32). The most distinctive feature of the Lomé Convention was a commitment to an equal partnership between Europe and the ACP. This change in approach was partly a response to the perception that the Yaoundé arrangements had perpetuated dependency rather than promoted development (Holland 2002, 35) and partly a reflection of the Commonwealth philosophy that stood in stark contrast to the francophone style of colonial relationship. The institutional framework combined the Yaoundé structures with the commitment to partnership. Three principle institutions were established: the ACP-EC Council of Ministers, the Committee of Ambassadors, and the Joint Consultative Assembly (Holland 2002, 35). The basic structures set out in Lomé I persisted until the end of Lomé IV a quarter-century later. Especially at the policy level, Lomé I was much more than just an extension of the preceding Convention. The major policy objectives of Lomé were as commendable as they were ambitious: “the promotion of EC-ACP trade, agricultural and industrial development, special aid for the least developed states, and support for regional cooperation” (Holland 2002, 36). By dropping reciprocity and by the introduction of an export stabilization scheme the shortcoming of Yaoundé were addressed. STABEX, the major innovation of Lomé I, was the system for the stabilization of export earnings from agricultural commodities. The revision of Lomé I, Lomé II, came about in 1980, but varied little from the Lomé I framework institutionally and in basic approach. Two developments that were introduced implied a greater emphasis on the least developed countries and the introduction of SYSMIN, a special financing facility for mineral exports based on principles similar to those of STABEX. According to Holland, Lomé was historically important for creating a new actor in the international affairs – the ACP – and it was this framework that dominated Europe’s perspective on Third World relations for the remainder of the 20<sup>th</sup> century (Holland 2002, 40).

The oil shocks and the resultant 1970s’ recession fundamentally changed the context within which Europe conducted its development policy. If development were to be achieved, the revision of Lomé II, Lomé III, would have to do more than continue the existing framework. Lomé III was negotiated during the 1980s. Greece had joined the EC in 1981 and Spain and Portugal were set to do so in 1986. It was therefore that the then twelve EC Member States and sixty-six ACP states were party to these negotiations. Lomé III sought to “promote and expedite the economic, cultural and social development of the ACP states and consolidate and diversify relations in a spirit of solidarity

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<sup>2</sup> For an overview of the growing number ACP countries associated with the ACP-EU relationship from Yaoundé I until Cotonou, see attachment 1 on page 46.

and mutual trust" (Article 1 of Lomé III). According to Holland however, there were comparatively few concrete innovations to the Lomé framework, and as such "it failed to address adequately the development crisis that engulfed the Third World during the 1980s" (Holland 2002, 41). Unlike previous Lomé Conventions, Lomé IV, which entered into force in 1990, was a ten-year agreement with a mid-term financial review. Like in previous conventions, changes in the international context dictated the content and direction of Lomé IV policy. The collapse of communism in 1989 heralded a new and more immediate development priority for the EC; that of Eastern and Central Europe (Holland 2002, 42). During the 1990s Europe's funding priorities shifted from the traditional Lomé countries to those closer to home. Next to that "the 1992 Single European Market project<sup>3</sup>, the GATT (General Agreement on Tariffs and Trade) Uruguay Round<sup>4</sup> and the establishment of the World Trade Organisation (WTO)<sup>5</sup> all posed potentially new trade challenges to an already embattled Third World" (Holland 2002, 42). The ACP states faced increasing marginalization. In the negotiation rounds that led up to Lomé IV the much-prized principle of partnership at the core of the Lomé model appeared distinctly compromised, according to Holland. A key element in Lomé IV was the emphasis on economic and political conditionality like the essential elements of human rights promotion, democracy, good governance, "strengthening of the position of women, the protection of the environment, decentralized cooperation, diversification of ACP economies, the promotion of the private sector, and increasing regional cooperation" (EuropeAid 2010). By the time of its midterm review, the global development context had shifted from the parameters that had set the 1989 agreement; this shift further disadvantaged the developing countries. "A number of states faced increasing economic crises and donor fatigue was becoming endemic" (Holland 2002, 46). By the time Lomé IV ended, the Convention's system needed fundamental change in order to remain relevant in this changing context.

Lomé's latest incarnation, ACP-EU Partnership Agreement or, the Cotonou Partnership Agreement – in this thesis referred to as the CPA - was signed in June 2000. In this new partnership the non-reciprocal trade preferences of the Lomé Conventions were replaced with regional free trade agreements to be negotiated by the EU and various groupings of ACP countries (Forwood 2001, 424). As stated on the website of the European Commission, "the partnership is centred on the objective of reducing and eventually eradicating poverty consistent with the objectives of sustainable development and the gradual integration of the ACP countries into the world economy" (EuropeAid 2010). In the field of trade preferences CPA introduced the concept of Economic Partnership Agreements (EPAs) as a substitute for the generally applicable trade preferences to all ACP's

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<sup>3</sup> The 1992 Single European Market Project was presented in the Treaty on European Union (better known as the Maastricht Treaty). It created an economic and monetary union between the Member States of the European Union (European Union 1992).

<sup>4</sup> The Uruguay Round was the 8th round of Multilateral trade negotiations conducted within the framework of the General Agreement on Tariffs and Trade (GATT), spanning from 1986-1994 and embracing 123 countries as "contracting parties". The Round transformed the GATT into the World Trade Organization. The Uruguay Round Agreement on Agriculture, administered by the WTO, brings agricultural trade more fully under the GATT. It provides for converting quantitative restrictions to tariffs and for a phased reduction of tariffs. The agreement also imposes rules and disciplines on agricultural export subsidies, domestic subsidies, and sanitary and phytosanitary (SPS) measures (World Trade Organisation 2011).

<sup>5</sup> The World Trade Organization (WTO) deals with the rules of trade between nations at a global or near-global level. It's an organization for liberalizing trade. It's a forum for governments to negotiate trade agreements. It's a place for them to settle trade disputes. It operates a system of trade rules (World Trade Organisation 2011).

(Andersen 2002, 3). EPA's create a number of regional free trade areas, between the EU and different groups of the ACP countries, "the partnership component being that of a continuation of EU development aid to the countries of the individual free trade areas" (Andersen 2002, 3). The new agreement also expanded the political dimension, introducing respect for the rule of law, democratic principles and good governance; the violation of any of these essential elements can now lead to the suspension of aid (The Courier 2000). The CPA has been revised in 2005 and 2010. This thesis will focus on the negotiations process and implementation of the CPA in 2000. In the next chapter the differences between the Lomé Conventions and the CPA will be extensively discussed in order to find out whether or not the CPA represents a fundamental change for ACP-EU relations.

## CHAPTER 2: The Cotonou Partnership Agreement - Change or Continuation?

In a press statement written for *the Courier*, Poul Nielson, Commissioner for Development and Humanitarian Aid, stated that the signing of the CPA represented a major historical and political event. “The Partnership Agreement will give a new momentum to the relationship between the ACP States and the European Union. It represents an important component of international efforts aimed at promoting sustainable development and reducing poverty. [...] The new Agreement marks a turning point for at least three key aspects: the objectives to be focused on, the ways and means to achieve them, and the nature of the partnership.” (Nielson 2000, 2).

A substantial amount of experts agree with Commissioner Nielson that the CPA presents a big change in ACP-EU relations. Babarinde and Faber argue that “there are a number of forces impacting upon the longstanding ACP-EU relationship that are altering the nature of the relationship in a fundamental way. The new agreement is in reality both a product of and an impetus for this change. In order to make it acceptable for all parties, the most far-reaching changes have been left for later decision and the old Lomé jargons have been kept. This should not hide the crucial changes that are presently taking place” (Babarinde en Faber 2003, 3). Similarly, Oyejide and Njinkeu conclude that “although its trade elements are not yet in place, the Agreement already clearly indicates that these trade elements will represent a major departure from those associated with the Lomé Convention” (Oyejide en Njinkeu 2001, 1).

However, several authors have argued that, although departing from its previous policies, the ACP-EU relationship hasn't been changed as dramatically by the implementation of the CPA as is claimed by the official sources and EU press releases. Martin Holland, for example, writes: “the actual innovations were not quite as novel as suggested by the Commission's rhetoric [...] only a few aspects can rightfully claim to be a break from past practice” (Holland 2002, 208). Although arguing along the same lines, all experts have their own way of looking at this problem. Genevra Forwood writes that the CPA doesn't represent any big change, but a continuation of the Lomé Conventions: “Despite modification in the instruments and objectives, all the features of Lomé have fundamentally been rolled over into the new Convention. In the area of trade, where the most obvious change has taken place, the framework for trade will be determined at some point in the future, and the current arrangements will continue for at least another decade. Rather than radical overhaul, the story of Lomé is one of incremental change” (Forwood 2001, 438-439). Kunibert Raffer discerns quite a different kind of continuity: “After a quarter of a century the EU has finally been able to move decidedly towards the situation it had initially wanted when signing Lomé I, but was unable to force on the ACP then” (Raffer 2001, 22). He thus suggests that the EU conceded more concessions to the ACP than it was prepared to do during Lomé I and that it has been rolling back these concessions from Lomé II onwards; making the CPA seem like the outcome of a gradual process of increasingly conceding concessions.

In this chapter research will be conducted to find out which group of experts is 'right'. An analysis will be made to answer the question to what extent the CPA really represents a departure from- or continuation of the previous Lomé Conventions in the three key objects mentioned by Commissioner Nielson - objectives, ways and means, nature and spirit - plus the effects, the

contribution made to the development of the ACP countries. By addressing the changes in the *context* in which the ACP-EU relationship has had to evolve, the changes in the *input* of the relationship, as well as the changes in the *output* of the relationship, a comprehensive analysis will be outlined. This in contrast to the picture presented by most experts quoted above, who tend to consider only one or two of these features.

## Contextual Changes

“Successive enlargements, differential rates of global development, the collapse of communist ideology in Central and Eastern Europe and the reorganization of international trade under the auspices of the World Trade Organization (WTO) have all contributed to redefining the EU’s external relations with the Third World.” (Martin Holland in *The European Union and the Third World*)

The environment in which the ACP-EU relationship has evolved since the first Lomé Convention in 1975 has changed dramatically, especially during the 1990’s, when CPA negotiations commenced. Accordingly, this contextual change has had profound influence on the development of the relationship and the formation of the CPA. It is therefore important to give this context some attention before turning to the changes of input and output of the relationship because of the CPA. Hurt underlines how important it is to do so by stating:

“The wider context of North-South relations has been crucially important in the historical development of EU-ACP development cooperation. As neoliberalism has assumed a position of hegemony in the international political economy, the development of North-South relations has altered predictably from a belief in the view that the South should be protected from the excesses of the market to achieve development, to a position where the market and assumptions of development through liberalization have held sway. It is within this framework that EU-ACP development cooperation has functioned” (Hurt 2003, 161).

To put it simple, context matters. The ACP-EU relationship doesn’t operate in a vacuum, and policy choices are constrained by the varied contexts in which the EU and ACP operate. Therefore, in this section, the changes in both the exogenous and endogenous context that have been of importance for the ACP-EU relationship and the CPA negotiations are examined. Most important exogenous changes have taken place because of international trade liberalization and the end of the cold war. Most endogenous forces of change are part of the dynamics of the involved parties, within the EU and its Member States on the one hand, and within the ACP group of countries on the other.

## Exogenous Impetuses

According to Martin Holland, there are two important external arenas that constrain EU policy: “the WTO and global debt-reduction initiatives” (Holland 2002, 10). What this first impetus comes down to is that since the WTO formation in the 1990s, it has become clear that every initiative of the EU in development policy needs to be both compatible with WTO rules and consistent with developing country aspirations (Holland 2002, 10). This first impetus is exactly what has influenced the negotiations for the EU-ACP Green Paper since 1998, and which has been described as “the most compelling argument for not renewing the Lomé Convention” (Babarinde en Faber 2003, 4). The recognition that any new ACP-EU arrangement had to be fully compatible with the ‘General Agreement on Tariffs and Trade’ (GATT) and the WTO rules of trade liberalization demanded that a new trade regime in ACP-EU relations was constructed. The Uruguay Round of GATT drew attention to Lomé’s inconsistencies with the broad principles of trade liberalization. “The preferential trade regime of the Lomé accord, particularly the non-reciprocal duty free entry of ACP products into the

EU market was a violation of the Most Favored Nation (MFN) principle of the GATT/WTO that aspires to establish and advance equal treatment and non-discrimination among its Member States” (Babarinde en Faber 2003, 5). To comply with Article XXIV of the GATT/WTO<sup>6</sup>, the EU has proposed a set of reciprocal Economic Partnership Agreements (EPAs) which will be discussed in the next section, *changes in input*.

Another external impetus which transformed ACP-EU relations was the end of the Cold War. The collapse of the communist regimes in the Soviet bloc and the dismantling of the Berlin Wall affected the ACP-EU relations in at least two ways. Firstly, it broadened the horizon and scope of the EU’s external economic relations (Babarinde en Faber 2003, 5). The EU had to re-define its relationship with the Central and Eastern European (CEE) states and with that its overall external relations (Babarinde en Faber 2003, 6). The EU choose to redistribute a huge amount of its development assistance to these CEE, which lead to an enormous decline in attention for the ACP countries. Like Holland writes: “the preferences and resources given to Central and Eastern Europe had largely been at the expense of the ACP states: the cake had not sufficiently increased to cope with both these development demands” (Holland 2002, 17). Secondly, the collapse of totalitarianism and planned economies meant, in a way, the triumph of liberalism and capitalism over communism and autarky. This has lead to what Hurt has called “the hegemony of neoliberalism” (Hurt 2003, 171). Since the 1990s this context has allowed the EU to insist on tying economic assistance and other concession to the ACP countries to a series of conditionalities. In the 1990s, ideas of human rights, good governance and democracy were increasingly linked to EU development assistance. The disbursement of EU aid to ACP countries will now be based on willingness to reform the economy and polity, as well as on results (Babarinde en Faber 2003, 6).

### **Endogenous Impetuses**

To examine the endogenous impetuses within the ACP-EU relationship, in turn attention is given to the widening of the EU, the Commission’s reforms, and deepening integration – because these represent the most pressing internal changes of the EU influencing the ACP-EU relationship over the past two decades.

According to Babarinde and Faber, every enlargement of the EU has had a profound influence on ACP-EU relations. “Every time the EU has welcomed new members to its fold, the relationship between the EU and the ACP group has been effected” (Babarinde en Faber 2003, 6). The first enlargement since the relationship’s existence was that of the UK in 1973, which brought a more comprehensive and expanded relationship between the EU and its partners. The accession of the UK expanded the relationship with Caribbean and Pacific states, making the group ‘the ACP’.<sup>7</sup> The 1986 enlargement, the accession of Portugal and Spain, redirected the EU’s attention towards Latin-America where some of the (former) colonies of these countries were located. “The 1986 enlargement arguably marked the beginning of the ebbing of the ACP group’s importance with respect to the EU’s pyramid of privileges” (Babarinde en Faber 2003, 7). Then, during the following enlargement in 1990, when Finland, Austria and Sweden acceded, the importance of ACP in Brussels

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<sup>6</sup> Article XXIV of the General Agreement on Tariffs and Trade (GATT) “provides an important exception to Article I (the most favored nation clause) by permitting countries to enter into preferential free trade agreements (PTAs)” (Saggi en Murat Yildiz 2005).

<sup>7</sup> For an overview of the ACP states before and after the UK accession in 1973, see attachment 1 on page 46.

ebbed even further, because these countries had no historical ties with the ACP states. Finally, the 2004 accession of the CEE group of states into the EU has accelerated the process of ebbing importance of the ACP enormously because of the political and economic problems these countries have themselves and the considerable support they require from the European Development Fund. In respect to this issue, Thandeka Mkandawire made some pertinent comments:

“It is symptomatic of what is wrong with Africa’s position in the world that democratization and economic recovery in Eastern Europe should be considered threats to Africa’s wellbeing. To the extent that changes in Eastern Europe signal the end of imperial domination and the beginning of a new society based on respect for human rights, Africa can only benefit from such change” (Mkandawire 2004).

A second endogenous impetus is the growing competence and bureaucratic apparatus of the EU. “The increased number of Directorates General (DG) of the European Commission and of its Eurocrats has translated into proliferation of ideas and of policies, as well as the diffusion of influence within the supranational entity” (Babarinde en Faber 2003, 7). The DG for Development (also known as EuropeAid Development and Cooperation - DEVCO) was created in 2001 to steer and control the CPA. The increased involvement of bureaucratic institutions linked to the relationship is said to have set the context for an institutional interest to continue the ACP-EU relationship because these institutions owe their very existence to it (Forwood 2001, 433). This last element will be further discussed in the section concerning *motivations and underlying tendencies* driving the continuation of the relationship.

The third and last endogenous impetus discussed here is that of deepening European integration. The entering into force of respectively the Maastricht, Amsterdam and Nice Treaties (1992, 1999 and 2003) necessitated the modification of some of the aspects of the relationship. The Common Foreign and Security (CFSP) pillar that was introduced in the Maastricht Treaty, necessitated the inclusion of political dialogue, economic partnership and social development in the CPA negotiations (Babarinde en Faber 2003, 8). According to the Maastricht Treaty’s Article J.1.2. the CFSP shall “preserve peace and strengthen international security, promote international cooperation, develop and consolidate democracy, rule of law and respect for human rights, and fundamental freedoms” (European Union 1992). Following this article the EU pushed to promote pluralist democracy, human rights, the rule of law, and good governance in ACP societies (Babarinde en Faber 2003, 8). But, according to Andrew Mold the most important aspect of European integration in this respect is that of the CAP: “One of the major ways in which European integration has harmed developing country interest has been through the workings of the Common Agricultural Policy (CAP)” (Mold 2007, 18). In recent years, there has been an enormous groundswell of criticism that the CAP has not only closed off one of the potentially most lucrative agricultural export markets for developing countries, it has also undermined agricultural prices on world markets and exacerbated food insecurity in the poorest developing countries (Mold 2007, 18). Concluding, Holland states:

“The evolution of EU development policy mirrored the internal development of European integration process itself. Initially geographically restricted and limited in ambition, both integration and development policy expanded in scope, content and ambition over the past four decades. By the year 2000 the incremental policy-making style of the Lomé Conventions was forced to address a globally more contemporary approach to relations with the developing world” (Holland 2002, 51).

It is within this widely changing context that the negotiations for a new agreement that lasted from 1996 to 2000 should be understood. With these contextual changes in mind, attention is now turned to the changes in the input of the ACP-EU relationship.

## Changes in Input

In this section the most important differences represented by the CPA compared to the Lomé Conventions are discussed, explaining why to speak of change or continuation with respect to different issues. Firstly, the three key aspects that define the turning point of the CPA according to Commissioner Nielson will be addressed. Then, the motivations and so-called 'underlying tendencies' of the EU and its Member States will be examined. Finally, a conclusion is drawn that will address the issue of change or continuation in the input of the ACP-EU relationship.

## Objectives

Article 1 of the CPA presents the central objective of the partnership to be "reducing and eventually eradicating poverty consistent with the objectives of sustainable development and the gradual integration of the ACP countries into the world economy" (Courier 2000). According to Babarinde and Faber this objective is more precise and different from Lomé IV, in which the parties said that their central objective was "to promote and expedite the economic, cultural and social development of the ACP States and to consolidate and diversify their relations" (Lomé IV art. 1). However, Holland argues that changes in the central objective of the partnership aren't as revolutionary as claimed by Commissioner Nielson and expert Babarinde. He writes: "Poverty reduction has been part of the EU's formal treaty obligation since Maastricht, and informally for much longer. And whilst, laudable, poverty reduction is hardly an exclusive role for EU, but had become a common function of the international world by the end of the twentieth century" (Holland 2002, 208). Forwood explains the emphasis on poverty eradication by considering the changed endogenous context of the EU: "since the accession to the EU of Member States less burdened by colonial pasts, the EU has placed 'poverty eradication' at the top of its development agenda, above the neo-colonial aspiration of a few Member States" (Forwood 2001, 426). Thus, although putting the alleviation of poverty on the top of the partnership's list is new, the objective in itself was present in the Lomé Conventions as well, and isn't newly introduced in the CPA.

## Ways and Means

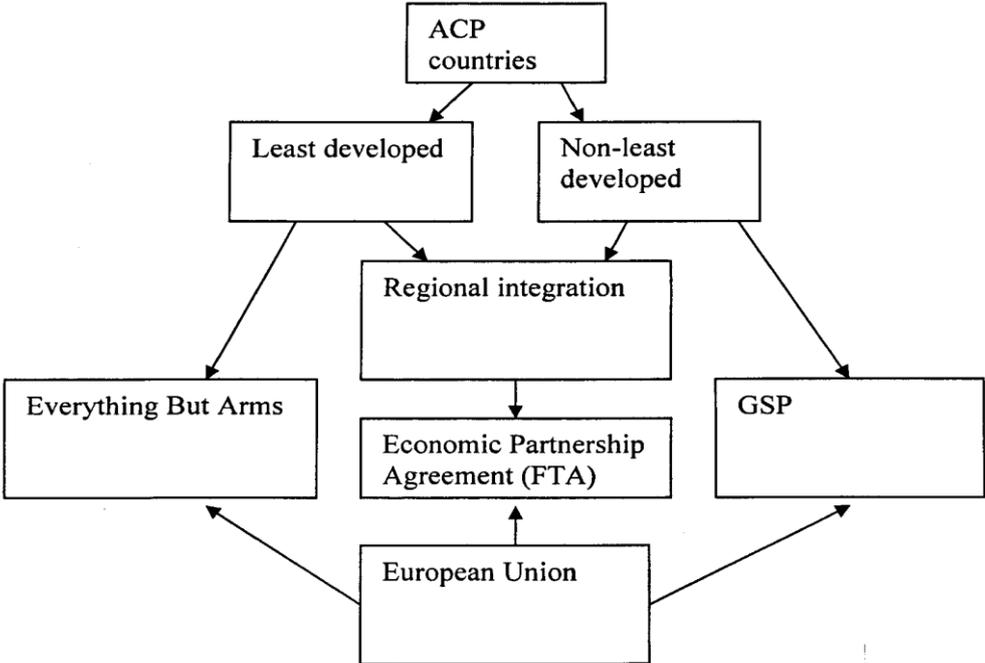
According to most experts the ways and means of achieving the objectives set out to reach by the partnership have changed profoundly, and in several areas.

Firstly, the political dimension of the ACP-EU relationship has received special attention in order to make the objectives (mentioned above) more effective. Article 8 of the CPA stipulates that the EU and ACP "shall regulate engage in a comprehensive, balanced and deep political dialogue" (Courier 2000). The purpose of this dialogue is to exchange information, foster mutual understanding and develop agreed priorities and shared agendas (Holland 2002, 201). The CPA identifies 'essential elements and fundamental elements' of which the distinction was the topic of some tension in the negotiations (Gomes 2000, 11). Like in Lomé IV (the fourth Lomé Convention which lasted from 1990 until 2000), three essential elements are respect for human rights, democratic principles and the rule of law – "in broad terms, these conditions do not depart significantly from the provisions established in Lomé IV" (Holland 2002, 202). Violation of any of these essential elements may ultimately lead to the suspension of a country from the CPA. But, full suspension is seen as a measure of last resort,

according to article 96 of the CPA. New to the relationship are principles of good governance and corruption. The ACP showed some reluctance to implement the principle of good governance as an essential element of the agreement. This led to the formulation of ‘the fundamental elements’, giving these principles a different status compared to the essential elements. “Provisions for the regular assessment of good governance are built into the Agreement, taking into account each country’s economic, social, cultural and historical context” (Holland 2002, 203). Thus, in terms of the political dimension, the CPA introduced some new aspects but also built on principles already introduced by Lomé IV.

Secondly, the trade arrangements between the EU and ACP changed tremendously with the CPA. It is argued that this entails the biggest change of the partnership. Hurt states: “The trade pillar of the Lomé Conventions was based on two major principles: non-reciprocity and non-discrimination. The new agreement is now based on reciprocity for non-LDCs [non-Least Developed Countries] and hence differentiation between ACP states” (Hurt 2003, 171). The CPA stipulates that the transition period between 2000 and 2007 will be used to negotiate Economic Partnership Agreements (EPAs) between different groups of ACP countries and the EU that “shall aim notably at establishing the timetable for the progressive removal of barriers to trade between the Parties in accordance with the relevant WTO rules” (art. 37.7 of the CPA, (Courier 2000)). Babarinde and Faber write that “this hints at the reciprocity of the trade preferences under the EPAs, which will require the ACP countries to give EC exports free entry into their markets” (Babarinde en Faber 2003, 22). The clear idea emphasized in the CPA about the future organization of the ACP-EU relationship, is that it becomes compatible with WTO rules and that reciprocal free trade agreements (FTAs) are, preferably, built on regional integration among ACP countries. The options that the ACP group has for its trade arrangements with the EU are depicted in figure 1 (Babarinde en Faber 2003, 24).

Figure 1: Options for future ACP-EU trade arrangements



The Least Developed Countries (LDCs) of the ACP group can choose between a Free Trade Agreement (FTA/EPA) or an Everything But Arms (EBA) initiative. An EPA will give EU exports free entry to the

market of the ACP countries. The EBA has a more attractive nature for the LDCs, this initiative comes closest to the continuation of the present non-reciprocal Lomé preferences. However, according to Babarinde and Faber, there are differences with Lomé: “EBA is a unilateral initiative by the EU not a contract between parties” (Babarinde en Faber 2003, 26). For the 36 non-LDC ACP countries, there is a choice between an EPA or a Generalized System of Preferences (GSP). The GSP is meant to stimulate exports of primarily manufactured goods by developing countries. It differentiates between sensitive and non-sensitive goods. For the former, tariffs are only partially lowered. “Non-sensitive products enter duty free, except those products for which there are particular core standards in environmental and labor protection” (Babarinde en Faber 2003, 26). According to Babarinde and Faber, the GSP will not be a very attractive alternative for most non-LDC ACP countries. “If these countries want to maintain their present access to the EU market they will have to enter into FTAs with the EU” (Babarinde en Faber 2003, 26). Thus, compared to the previous Lomé Conventions, the trade arrangements between the EU and ACP present a major departure for they are now reciprocal and to be discussed and arranged between the individual ACP countries and the EU, instead of one arrangement that accounts for the group as a whole.

Thirdly, the ways and means of the financial support delivered to the ACP states has changed as well with the introduction of the CPA. There has always been a separate funding mechanism for the ACP group of states, known as the European Development Fund (EDF). With the implementation of the CPA, the 9<sup>th</sup> EDF was concluded. Three significant changes to the previous 8 protocols were 1) reduction of the level of resources available, 2) reduction of the number of cooperation instruments through which financial aid can be channeled and 3) the introduction of performance-based aid. “The ACP states’ disappointment with the level of new EDF funding provided at Cotonou was a familiar outcome and reflected the sentiments of all the previous Lomé renegotiations. [...] The final level of resources for the 9<sup>th</sup> EDF was set at 15,2 billion euros over the five-year period 2000-2005 (13,5 billion in the EDF and 1,7 billion from the EIB’s own resources). This level of support was only marginally higher than the 8<sup>th</sup> EDF figure (with no increase in real terms)” (Holland 2002, 205). Even with modest inflation this means a remarkable reduction in real terms. Next to this, the CPA reduced the number of cooperation instruments that existed under the previous Lomé Conventions. Françoise Moreau writes: “The instruments of the EDF have been regrouped and rationalised. All available EDF resources will be channelled via two instruments: one envelope which will group together all non-reimbursable aid, and one envelope providing risk capital and loans with a view to supporting the development of the private sector” (Courier 2000, 10). The two facilities have been called Grant Facility and the Investment Facility. Next to budgetisation and simplification of instruments, the 9<sup>th</sup> EDF also introduced the performance-based aid system, which has evolved the nature of aid significantly. Moreau writes: “Five-yearly financial envelopes will be purely indicative and will be subject to review on the basis of need and performance. This will make it possible to give more effective support to efforts at reform in particular, and to prevent sizable resources being frozen in countries which do not put them to good use” (Courier 2000, 10). Thus, although the 9<sup>th</sup> EDF might seem just a follow up of the previous eight financial support clauses, there are a number of innovations that make the 9<sup>th</sup> quite different to its predecessors.

### **Nature and Spirit**

Another important aspect of the *input* of the relationship is the nature and spirit underlying the ACP-EU relationship. This section examines whether or not these two concepts have undergone significant change going from Lomé to Cotonou. According to the CPA documents, the term

'partnership' describes the new nature and spirit of the ACP-EU relationship best. It underlines that, by implementing aspects as political dialogue and institutional reforms, the relationship has become much more one of equal partners, instead of an unequal relationship between 'aid deliverer' and 'aid receiver'. However, there are some critics that disagree with this statement in the CPA. According to Holland, "the concept of partnership was as much the defining characteristic of Lomé as it is of Cotonou" (Holland 2002, 208). Contrasting this statement, Raffer argues that the idea of real partnership is largely absent in the CPA whereas, according to him, it was better represented in the former Lomé Treaties.

Next to the concept of partnership, the philosophy in relations between the EU and the ACP is also part of the relationship's nature and spirit. In an interview with Bernard Petit (Director of the European Commission) for *the Courier*, Kenneth Karl asked whether or not it is possible to speak of a fundamental change in this philosophy, Petit answered:

"The basic philosophy underlying ACP-EU cooperation has not essentially changed. This is to define, in the long term, a framework agreement of privileged relationships, founded on three pillars: the political dimension, trade and development aid. Past experience and the need to adapt the partnership to upheavals at an international level required a fundamental review of the spirit, objectives and implementation of our cooperation, so that we could revitalize the partnership and give it new aspirations and, above all, increased chance of success" (Karl, Interview with Bernard Petit, Director European Commission: "The Cotonou Agreement is the only one of its kind in the world" 2000, 18).

So, according to Petit, the spirit of Lomé had to be reviewed because of changes in the context in which the partnership existed, which resulted in a new perspective in the CPA. According to Babarinde and Faber, there has been another fundamental change in what they call the nature of the ACP-EU relationship. They state that whereas the Lomé Conventions were self-contained rule systems, the CPA is a framework agreement which exists of objectives, principles and options for instruments (Babarinde en Faber 2003, 17). "As a result of the framework nature of the Cotonou Agreement, the implementation of the Agreement depends on the outcome of further negotiations and discussions" (Babarinde en Faber 2003, 17).

Thus, the concept of partnership has been rhetorically present since Lomé I, but is in the CPA being underlined and implemented in a distinct other way than in the former Treaties. Next to this the philosophy and spirit of Lomé have been reviewed and changed to fit with the new context, with the result that the philosophy of Cotonou is quite different than that of Lomé. Finally, the nature of the CPA is distinctly different than that of Lomé because it is a more comprehensive framework for development compared to the Lomé Conventions, which were essentially self-contained rule systems.

### **Motivations and 'Underlying Tendencies'**

"the EU-Africa relations have, from the beginning, been characterized by the realist tendencies of individual European states and [...] under the current EU policy, similar tendencies are driving the proposals of the Cotonou Agreement with the on-going negotiations on economic partnership agreements between the European Commission and groups of countries within the ACP bloc" (Mary Farrell in *A Triumph of Realism over Idealism? Cooperation Between the European Union and Africa*, in 2005).

In this section the motivations and 'underlying tendencies' driving the EU and its Member States to continue the relationship with the ACP are analyzed. By contrasting motivations and tendencies to construct and continue Lomé Conventions and the CPA, change or continuation in this aspect of the relationship is examined. In order to distinguish motivations and tendencies, a theoretical framework is needed. Using the realist theoretical approach, referred to by Farrell, this section analyses to what extent such a theory of International Relations is able to explain the developments in EU-ACP relations.

"The past motivations of altruism (based on moral arguments) and self-interests (based on a Cold War mentality) were under attack and the new intellectual rationale driving the EU's external relations now emphasized democracy, liberalized market economy and regionalism" (Martin Holland in *The European Union and the Third World*, in 2002).

The two main theoretical approaches that recur in the literature as possible explanations for EU motivations for its ACP policies are neo-realism and economic liberalism. Both these theories assume that aid is motivated by self-interests and selfishness (Schieder 2011, 11). Neo-realists argue that EU development policy is primarily used by its Member States as an instrument to pursue national political and economic interests. Neorealist Waltz has stated that "if the preservation of the state is not in question, national goals easily fluctuate between the grandiose and the frivolous" (Waltz 1967, 15). Economic liberals, on the other hand, argue that states assist other states "when socio-economic and political condition in the recipient countries are improved with their help, thereby providing a political or economic benefit (for instance in terms of trade relations and investment) to the donor country itself" (Schieder 2011, 11).

John Ravenhill contrasts the EU motivations to continue EU-ACP relations during Lomé and Cotonou, by stating that "systematic security considerations - and in particular matters of economic security for Europeans such as the stability of the supply of raw materials—were a primary consideration in the early development of the regime, and that the Lomé process began to lose steam—and the regime began to weaken—as these security concerns began to abate in the 1980s and 1990s" (Ravenhill 2002, 9-16). Further, Aggarwal and Fogarty add that meanwhile "the difficulty of maintaining a strong regime that was proving ever more difficult to nest within the WTO—and with a set of partners that was decreasingly important in Europe's international commercial relations—ultimately undermined the Lomé regime and led the EU to align its trade treatment of the ACP more closely with those types allowed within the WTO's Article 24" (Aggarwal en Fogarty 2004, 355-356).

In spite of the ACP's generally low priority on the foreign policy agenda of the EU, the region remains firmly located on the post cold war foreign policy agenda. Gorm Rye Olsen argues that this was the case because the ACP became "one of the elements in the total efforts to develop 'Europe' into a significant international actor" (Olsen 2003). This statement implies that the ACP wasn't on the EU agenda because of concerns for the continent and its people, but because it served the purpose of developing the EU's Common Foreign and Security Policy (CFSP). Before analyzing EU motivations to continue the relationship, however, it is of great importance to remark that 'the EU interests' in the developing world have changed. Policy shifts can be explained by the change in EU interests in the ACP. "Because of the end of the cold war, the European interests in Africa to a growing extent became influenced by the idea or the old ambition that the European Community has a special interest in becoming a significant international actor" (Olsen 2003, 1). The traditional instrument,

development assistance, seemed to be no longer adequate “whereas instruments related to foreign policy and security concerns were considered more appropriate for a Union with global political ambitions” (Olsen 2003, 2). Another reason why the ACP didn’t disappear from the EU’s agenda was that the original motive for having development policy at all hadn’t disappeared yet either. According to Marjorie Lister and Martin Holland, this original motive was to promote the European integration process by means of a common foreign policy (Lister 1997, Holland 2002), also giving the EU a more visible role in international politics. With the end of the cold war, new possibilities, next to development assistance, presented themselves.

Olson argues that the ACP policy of the EU can be explained by the existence of donor interests, selfish European concerns. “The strengths of these donor interests manifest themselves in the amount of aid” (Olsen 2003, 4). Because of changes in the context in which the ACP-EU relationship developed, these donor interests to an increasing extent moved away from being influenced by “the traditional economic and psychological motives towards [...] the ‘national’ interests of the European Community to become a global actor” (Olsen 2003, 4). Without the strong EU interest in establishing a CFSP, Olson argues, the ACP countries could very easily have disappeared from the foreign policy agenda during the 1990s. “Measured only by the volume of aid, the Union’s interest in the region diminished quite drastically whereas the interests in the near abroad, the Mediterranean and the Balkans, increased correspondingly” (Olsen 2003, 18).

Siegfried Schieder doesn’t agree with Ravenhill and Olson that only realist tendencies can explain the changes in the ACP-EU relationship. He states: “Empirical research reveals the weakness of the realist explanation regarding France’s, Germany’s and Sweden’s ACP policies. Negotiating Cotonou, the privileged cooperation with the ACP countries was not really attacked in substance, although their strategic significance for the EU members had been in decline” (Schieder 2011, 11). Instead he claims that a constructivist notion of solidarity – which refers to a special form of togetherness and mutual obligation - is needed to explain the proceeding ACP-EU relationship, and to fill the realist explanatory ‘gap’.

Yet another, smaller aspect driving the continuation of the relationship, is that of inherent Eurocratic interests (already mentioned in the section about *change in context*). Forwood argues that the continuation of the relationship has several reasons, among which that of increased bureaucratic institutional attachment and interests. It is said that officials who have been working for, for example, the Development Directorate General for the past decades feel some kind of attachment towards the relationship, creating “inherent Eurocratic interests” (Barbarinde 1995, 486).

To summarize, the three experts discussed in this section all give different explanations for the evolution of the ACP-EU relationship and the motivations and tendencies driving this evolution. Ravenhill, writing from a neo-liberalistic perspective, states that the relationship evolved the way it did because of EU political and economic interests which changed drastically over the 1980’s and 1990’s. First, systematic security considerations were the driving force, later these interests abated and WTO rules and decreasing commercial interests were the most important factors developing the relationship into the CPA. Olsen, writing from an economic liberalistic perspective also states that the ACP-EU relationship existed because of EU political and economic interests, but gives different motivational explanations. He argues that the driving force behind the Lomé Convention was the promotion of the European integration process, and that the driving force behind the CPA was to

develop the EU into a significant international actor. Both these realist explanations assume that the underlying tendency driving the EU motivations didn't change – 'donor interests' are, and always were, the most important EU motivation. The last expert, Schieder, contrasts the realist's explanations by arguing that it was not only 'donor interests' but also the concept of 'solidarity' that was driving the EU to continue the ACP-EU relations. But, similar to the realists, Schieder also recognizes that EU interests and motivations have changed.

Thus, looking from whichever theory or perspective of IR, you'd have to conclude that although EU motivations and interests have changed over the years, the underlying tendency driving the motivations presents a continuation in the ACP-EU relationship. Realists would argue that this tendency is 'donor'- or national interests from the side of the EU Member States, and constructivists would state that it's these Eurocratic interests plus some form of solidarity they feel towards the ACP group of states.

### Conclusion Input: Change or Continuation?

The analysis of the four aspects discussed in the previous sections of the *input* part of this chapter, shows quite simply that the statement of the EU Commissioner Nielson was incorrect. While the CPA does represent some significant changes, it is indiscriminate to state that it represents a departure from the Lomé Conventions, and that the three key aspects (objectives, ways and means and nature and spirit) mentioned by Nielson define this so-called turning point in EU-ACP relations. Except for its *ways and means*, the CPA was mainly building on- and thus continuing the former Treaties, even in these key areas. The addition of a fourth important area - *motivations and underlying tendencies*- marks this statement even more clearly. With a bit more nuance, one could conclude that:

- The *objective* of the partnership hasn't changed profoundly, but has been redefined in Article 1. To alleviate poverty was one of the objectives of the Lomé Conventions, but is more sharply addressed in the CPA.
- The *ways and means* of the partnership do represent a big change, especially in the aspects of trade arrangements and financial support. But, the political aspect is more a continuation of Lomé IV; the biggest changes already took place in the years before the CPA negotiations.
- The *nature and spirit* of the relationship have undergone changes, but most aspects do clearly mark continuation. The concept of partnership and the underlying philosophy of the relationship are the most important continuations in this respect.
- The *motivations and underlying tendencies* of the EU in the partnership represent essentially continuation. The most important part, the tendencies, remained the same over the 25 years of ACP-EU relations, even though the motivations and interests might have changed with the new context the relationship has evolved in.

Thus, it's clear the CPA has introduced some transformative new policies, which led to profound changes in the *ways and means* of the relationship, but it essentially was a continuation of the former Lomé Conventions when it comes to objectives, nature and spirit and underlying tendencies.

### Changes in Output

In this section the change or continuation in the 'output' of the ACP-EU relationship is analyzed. It has to be understood that the CPA - due to it introducing fundamentally new policies and means of assistance - will have had a profoundly different impact upon the ACP the past decade than the Lomé

Conventions did from 1975 to 2000. Yet, what is researched here is whether or not this change of policy has had the effects aimed for, and whether or not the results represent a departure or continuation from the results reached in the Lomé years. Using *Policy Management Report 13* of the European Centre for Development Policy Management (ECDPM), the change in 'effectiveness' of the relationship is examined. By looking in turn at the CPA's key innovations - 1) the increased political focus, 2) the broadening of the partnership, 3) the effects of the EPAs and 4) performance-based aid management and programming – a conclusion of the deliverance towards these innovations and the change or continuation in effectiveness of the CPA up until now is drawn.

### Sound Politics?

Political dialogue, as presented in the CPA, is no longer only confined to issues of political conditionalities but will also be used as a tool to manage the partnership. The parties are invited to discuss all possible issues of mutual concern (ECDPM 2007, 9). In this section it is examined to what extent the political provisions of the CPA have helped to enhance the effectiveness of the CPA as a tool for promoting the development of ACP countries.

In the ECDPM Policy Management report it is stated that the political dimension of the CPA has proven to be "a valuable and timely innovation" (ECDPM 2007, 9). According to the report, the political provisions have enhanced ACP-EU cooperation and helped adapt it better to changing circumstances and challenges. "A broader range of partners has also been involved, including non-signatories to the CPA, such as the African Union (AU), and a wide range of non-state actors" (ECDPM 2007, 9). Next to this, the political dimension is said to have elevated the partnership beyond aid. Much closer and more comprehensive links between the EU and the ACP group of states are constructed, including other external policies next to the development policy. "Clearly the CPA has contributed to raising the status of development in the broad range of the EU's instruments for external action" (ECDPM 2007, 10).

But the report also sees some negative constraints to the political dimension. The first is "the erosion of (high-level) dialogue" (ECDPM 2007, 10), indicating the decrease of frequent contact between ACP and EU heads of state and ministers which previously contributed significantly to the success of the relationship. Accordingly this is due to a growing lack of interest in ACP matters and to the sterility in the debates, where important political issues are avoided. This erosion is said to have caused an irritation in ACP circles, and to have contributed to the increasing asymmetric power relations in the ACP-EU relationship (ECDPM 2007, 10). Another negative constraint is "the risk of double standards" (ECDPM 2007, 10). What is meant by this is the concern of some of the ACP countries about some of the new rules that have come along with the ACP, especially when it comes to the so-called 'sanction articles' 96 and 97 of the CPA which would be implemented inconsistently. Different experiences with political dialogue, conditionality and sanctions illustrate dilemmas faced by the EU in applying what it preaches. "Jointly agreed-upon common values in the CPA risk being undermined when self-interest overrules values" (ECDPM 2007, 11). It is feared and already seen that it remains difficult to implement the political dimension equally and honestly when EU interests are at stake, which can lead to double standards.

Thus, the first key innovation of the CPA achieved mixed results over the past decade (2000-2010). On one hand, it has helped the relationship adapt to the contextual changes and provided a platform that elevated the partnership beyond aid. On the other hand the political innovation has

lead to the erosion of dialogue and increasing asymmetric power relations (to the prejudice of the ACP), and the innovation risks the usage of double standards. Both these negative constraints make the partnership seem less credible in its claim to be a consistent and equal partnership.

### **Broadening the Partnership?**

The CPA strongly emphasizes the participation of non-state actors (NSAs) as a fundamental principle for cooperation (Courier 2000). This innovation stands in sharp contrast to the Lomé Conventions, where there were only a few opportunities for other development players to participate in ACP-EU cooperation or to access resources. “NSAs are promised greater access to funds available under the national indicative programmes (NIPs) and regional indicative programmes (RIPs), and they have a voice in determining how EU funds, made available to each ACP country and region, should be used” (ECDPM 2007, 14). NSAs are thus associated with the programming dialogue that is the process consultation between the EU and ACP governments, in which the allocation of resources is planned. Next to this, the text and the spirit of the CPA recognize that “local governments are a new actor in the partnership with a specific role and added value” (ECDPM 2007, 15). All these promises have raised high expectations in the world of NSAs, both in the EU and the ACP group of states. In this section it is examined to what extent these expectations have been met.

According to the ECDPM report, the CPA has been a key promoter of participation. It has opened up political space for NSAs. Barriers against the involvement of these non-traditional actors in the relationship have been removed or reduced. “Experience suggests that in most ACP countries the CPA has been a vehicle to encourage the official parties to involve NSAs in dialogue and programming processes and the implementation of the CPA” (ECDPM 2007, 16). Next to that the report emphasises that NSAs are building capacities to participate in the CPA. “In several ACP countries, a vibrant civil society has gradually discovered the potential (but also the subsequent complexity) of ACP-EU cooperation” (ECDPM 2007, 16).

There are however also some constraints to this key innovation of the ACP-EU relationship. The first bottleneck that needs to be addressed is that there are mixed records in terms of quality of NSA participation. Whereas assessments made by the EU are very positive, these are not widely supported by NSAs themselves. “NSAs tend to be critical of the overall quality of participation, institutional mechanisms for dialogue, access to funding and the complexities of EC procedures” (ECDPM 2007, 16-17). Next to that there have been complaints about the complexity and confusion induced by the NSAs’ involvement. “NSAs tend to be a very diversified group of actors, with different motives and development objectives” (ECDPM 2007, 17). This has led to much confusion among NSAs about who should do what, where and why and even territorial fights and competition for funding. Also, engaging with NSAs has been rushed; it seems that EU and ACP officials sometimes don’t understand the roles of NSAs in development and their potential added value for the relationship. This sometimes leads to “artificial consultations where NSAs are (mis)used as instruments to validate EU and ACP policies” (ECDPM 2007, 17).

Thus, this second key innovation has only half-heartedly been implemented and, up until now, has showed mixed results, just like the first. On the one hand, some progress has been made in involving the NSAs, but on the other hand this progress has been constrained by several factors which undermine official EU and ACP credibility in regard to carrying out real participatory approaches.

## The Effects of the EPAs

In this section a comparison will be made between the effects of the Lomé trading regime and the newly implemented trading regime of the CPA. It will be very interesting to analyse the differences between those two because this is where presumably the biggest change in ACP-EU relations has taken place. In turn, both regimes and their achievements will be addressed. What is important to note however, is that the ten-year-old CPA doesn't have as much measurable results as the twenty-five-year-old Lomé Conventions – certainly because its most important changes were only implemented in 2008- and that therefore nuanced conclusions to this comparison are very difficult to make.

The Lomé trade regime (1975-2000) wasn't able to achieve its expected results. The North-South trade arrangements covered non-reciprocal trade preferences, mechanisms to stabilise export prices, "as well as commodity protocols for bananas, rum, sugar, beef and veal" (ECDPM 2007, 21); all measures aimed to be conducive to development in the ACP. "Despite preferential access to EU markets for most products (reaching 90% percent in 1999), the ACP share in European imports dwindled from nearly 8% in 1975 to 2.8% in 2000" (ECDPM 2007, 21). The mechanisms for stabilising export prices (STABEX) and the commodity protocols (SYSMIIN) didn't promote export diversification in the ACP, as was expected at that time. The most striking thing, according to the ECDPM report, is that "non-ACP developing countries that did not benefit from the Lomé trade preferences have been outperforming the ACP countries in exports to the EU" (ECDPM 2007, 21). In addition to these disappointing results of the Lomé trade regime, tensions between the preferences and the rules of the WTO were also growing in the 1990's, giving the ACP-EU enough reasons to consider other trading regime options.

These considerations led to an agreement to make profound changes in the trade regime. This resulted in the negotiations for WTO-compatible economic partnership agreements (EPAs). The EPAs entered into force at the start of 2008 and are based on a number of key principles, including "development and poverty eradication, reciprocity, regionalism and special and differential treatment" (ECDPM 2007, 21). The existing non-reciprocal Lomé trade preferences would only be extended to the end of 2007.<sup>8</sup> Because the EPAs have only been implemented since 2008, it's difficult to measure their results. Therefore the aspects discussed here are more or less the presumed effects of the EPAs and the discussion about how EPA can become instruments for development and poverty alleviation. First the progress so far will be addressed, after that the constraints that have already presented themselves are analysed.

According to the ECDPM report, one positive impact of the EPA negotiations is that there has come increased awareness and analysis of regional integration in the ACP. Although the EPAs are clearly a controversial issue, some ACP actors are recognising that the EPA negotiation process "may have been a push factor for more cross-border dialogue and analysis of national and regional interests as well as economic reforms in the various ACP countries and sub-regions" (ECDPM 2007, 22). Next to that, EPA negotiations have caused the promotion of regional coherence. "Existing regional organisations might have been challenged through the EPA process to regroup and reposition themselves" (ECDPM 2007, 23). In West-Africa this led to more convergence between the Economic Community Of West African States (ECOWAS) and the West African Economic and

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<sup>8</sup> The implementation and options for trade arrangements for the different ACP countries is discussed more extensively in the *input* section of this chapter on page 15-16.

Monetary Union (French acronym is UMEOA). The pressure of EPA negotiations could have provoked reflection on the issue of overlapping memberships (ECDPM 2007, 23).

The ECDPM report also addresses several negative constraints entailed by the EPAs. Firstly, it states that it remains unclear whether or not the EPAs are development friendly. Critics fear their implementation wouldn't promote development and alleviate poverty.<sup>9</sup> "The creation of a free-trade area between countries with very different levels of development could disrupt local production and government revenues, and create unemployment, ultimately increasing poverty rather than reducing it" (ECDPM 2007, 23). To nuance this statement a bit: Oliver Morrissey, Chris Milner and Andrew McKay constructed a critical assessment of the EU-ACP EPAs and found that it varies from sector to sector whether the net welfare effects of these trade arrangements are positive or negative. They state that it is probable that ACP countries experience a loss of tariff revenue, which will be quite significant. Their estimates suggest that "the effect on the ACP is likely to be adverse – a net welfare loss of up to 0.5 percent of GDP and a loss of up to 70 percent of tariff revenue" (Morrissey, Milner en McKay 2007, 216). Their core conclusion is that "one cannot assume that the welfare effects on ACP countries will be positive; it is more likely that the static effects will be negative. [...] Least Developed ACP countries are unlikely to gain at all from an EPA" (Morrissey, Milner en McKay 2007, 217). According to them such countries can legitimately question the motives of the EU in requiring them to enter into an arrangement that requires them to make greater concessions than they are required to make under the WTO (Morrissey, Milner en McKay 2007, 217). Turning back to the ECDPM report, it underlines that secondly, there are different perceptions on the approach and the sequencing of the EPAs. "There are major differences of opinion between EU Member States and the EC on the approach and timing to achieve these development objectives" (ECDPM 2007, 23-24). Thirdly, the report states that it could be that EPAs undermine regional integration. "Regional configurations for EPAs may complicate ongoing integration processes rather than fostering them. Several countries that belong to more than one regional economic community have had great difficulty identifying their political and economic interests and selecting the regional grouping with which they would like to conclude an EPA" (ECDPM 2007, 24).

Thus, the third key innovation represents yet another big uncertainty in the presumed effectiveness of the CPA. Although there are two (very) small points of progress to be pointed out, the effects of most aspects of the EPAs are still ambiguous. Comparing these 'results' to the achievements of the Lomé trade regime is quite difficult. What can be concluded however is that if all the negative constraints presented in the previous paragraph aren't solved quickly, the results of the CPA's trade regime might go to the wall, making conditions for the ACP states even worse than under the Lomé regime.

### **Performance-based Aid Management and Programming**

The CPA introduced various innovations in the area of rationalization of instruments and aid managements. The Lomé aid-entitlement system was replaced by allocations based on a combination of needs and performance criteria. The ECDPM report states: "the CPA introduced a system of 'rolling' programming in which progress in the implementation of the national indicative

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<sup>9</sup> In chapter 3 this issue is addressed more extensively. This chapter addresses the different arguments of these critics and stands to analyse to what extent it is possible to speak of 'false rhetoric' from the EU because of its claim to have the aim to alleviate poverty while at the same time implementing EPAs that don't necessarily promote this aim.

plans (NIPs) is systematically reviewed through annual, mid-term and end-of-term reviews” (ECDPM 2007, 27). The question that still needs to be answered, however, is whether or not this fourth CPA innovation has contributed to more effective and efficient EDF development programmes.

According to the ECDPM report, perceived positive changes in aid management arising from the CPA include the following: 1) partial restoration of the credibility and legitimacy of EC aid, 2) a more focused and holistic approach to programming which provided better understanding of the connections between different sectors, 3) sectoral focus, 4) joint strategic approaches instead of unilateral EC support strategies, 5) a more strategic role for the national authorizing officer (NAO), 6) increased harmonization, and 7) more intense consultation with non-state actors (NSAs) (ECDPM 2007, 29).

However, despite of the positive changes mentioned above, several bottlenecks have been identified as well: 1) generalized lack of ACP ownership of the aid-management process, 2) increasing complexity of the programming process, 3) cumbersome EDF procedures, leading to slow disbursement, 4) suspicion among the ACP interlocutors that the criteria are not necessarily applied in a transparent and fair way, and 5) institutional capacity problems on the ACP side; lacking resources to engage fully in the various programming, review, project-development or monitoring and evaluation exercises.

Thus, it’s hard to conclude whether or not this final key innovation presents an increase in effectiveness compared to Lomé, because the institutional capacity to carry out the real intentions of this innovation are still in their infancy. However, it does seem like the positive progress outweighs the negative constraints in this innovation. The fact that aid is now directed more directly to where it is really needed (and deserved as well), does seem to have better effects than the Lomé aid-entitlement system. But, then again, this conclusion can only really be made once this aspect of the CPA has reached ‘maturity’ within a couple of years.

### **Conclusion Output: Change or Continuation?**

As stated in the introduction part of this *output* section, it is obvious that due to the new policies and means of assistance introduced by the CPA there have been some major changes to the ACP-EU relationship regarding the four key innovations of the CPA, when compared to the Lomé Conventions. It remains unclear whether or not an increase of effectiveness of the relationship has occurred because of the CPA. Although the Lomé Conventions didn’t reach the expected results by far, and were therefore quite disappointing, the analysis made in this section hasn’t been able to prove that the effects of the CPA are any different. Over the past decade (2000-2010):

- The political dimension of the CPA has received mixed results. Although it helped adapt the relationship to contextual changes, it also had major opposite effects (like the erosion of dialogue and increasing asymmetric power relations) which risk making the ACP-EU relationship seem less credible in its claim to be a consistent and equal partnership. But to be fair, in comparing this innovation to political effects of Lomé leads one to conclude that the effectiveness in this regard has increased somewhat, only because of the simple fact that there has come more attention for and awareness of this aspect of the partnership.
- The involvement of NSAs also resulted in both positive and negative consequences. The most important conclusion is that the negative constraints risk undermining the partnership’s credibility in regard to carrying out real participatory approaches. However, compared to

Lomé's involvement of NSAs, the CPA's innovation presents a step forwards, and the effects have increased somewhat.

- The (negotiations for) new trade arrangements have had ambiguous, but mainly negative consequences. Although it's too soon to say anything about the effects of the EPAs, it's clear that their negotiations were quite protracted, and for good reasons. What's important to add is that if all negative constraints of the EPAs that are present nowadays aren't solved quickly, the conditions for the poorest ACP states will be even worse than they were under the Lomé regime, decreasing the partnership in its effectiveness enormously.
- The performance-base aid management and programming was the only innovation that predominantly had positive effects. The only problem is the absence of the institutional capacity in the ACP group to carry out the innovations the way they were meant to be carried out. Once this institutional gap has been filled up, this innovation will probably increase the effectiveness of the partnership enormously.

What is actually needed to endorse a conclusion about the increased or decreased effectiveness of the partnership are statistics that compare Lomé results to Cotonou results. As it's too early to measure or research any of these statistics now, this is something future research could evolve around.

## Conclusions Chapter 2

Now that an extensive of the contextual changes and the changing or continuing processes in the input and output of the ACP-EU relationship, a conclusion can be drawn towards the question whether analysis has been made or not the CPA really stands for change.

Because of essential *contextual changes* that evolved around the ACP-EU relationship from the 1990's onwards, it was inevitable that the *input* and *output* of the relationship needed to change and adapt as well. In this thesis it is argued that the CPA was both a result and a cause of changes within and outside the realm of the partnership, but that essentially the CPA was a continuation of the former Lomé Conventions. Although this conclusion fits with the research and quotes of Holland, Forwood and Farrell (as stated in the introduction of this chapter) the analysis made in this thesis is more comprehensive. It puts together *context*, *input* and *output* whereas their research only addresses parts of the input and some parts of the contextual changes. Thus, although the CPA introduced new policies and means of development assistance to the ACP (which might have added to the effectiveness of the relationship in this new context) and changed the output of the relationship as well, the objectives aimed at and the underlying tendencies which drove the partnership in its existence represent a clear continuation of Lomé.

It is these last two elements that will be analysed further in the next chapter against a different background. In chapter 3 it will be researched whether or not the objective of the partnership contains false rhetoric on the side of the EU. To be precise, the *motivations and underlying tendencies* (discussed in this chapter on page 17-20) will be analysed extensively to provide answers to this question.

## **CHAPTER 3: False Rhetoric?**

Article 1 of the Cotonou Partnership Agreement (CPA) states: “The partnership shall be centered on the objective of reducing and eventually eradicating poverty consistent with the objectives of sustainable development and the gradual integration of the ACP countries into the world economy” (The Courier 2000, 6).

According to some authors, this first article of the official document presenting the CPA contains hollow words. These critics state that its inclusion in the Partnership doesn’t guarantee likely achievement (Farrell 2005, Hurt 2003). They argue that “the methods outlined for achieving this objective are actually likely to hinder rather than assist in meeting these targets” (Hurt 2003, 165). According to Mary Farrell, “the EU is promoting a model of economic-liberalization across the African continent and, in the process, it is attempting to secure for itself continued market access and privileged economic status in the continent’s emerging markets [...] However, the European policy is much less active in addressing the real problems of poverty and instability that are likely to place severe limitations on either achieving economic liberalization or securing broad-based societal benefits in the long term” (Farrell 2005, 266). Stephen Hurt even dismisses the official discourse of ACP-EU cooperation as “false rhetoric that is subsumed by the realities and power relations of the international political economy” (Hurt 2003, 174).

Officials and experts in the CPA negotiations have tried to put the criticisms of these authors in perspective. In recent interviews, two officials stated that the EU certainly wasn’t guilty of putting out false rhetoric, but that – due to several reasons that will be addressed more thoroughly later on in this chapter – it was ‘forced’ to change the existing Lomé regime into the CPA and that the EU’s highest aim within the partnership most certainly still is poverty eradication in the ACP. According to them, changes in the context made it impossible to continue the ACP-EU relationship the way it was in the 1970s and 1980s. They argue that the EU and ACP have tried their very best to adapt the relationship in a way that development won’t be undermined through these contextual changes.

In this chapter research will be conducted in order to find out to what extent the statements of the critical authors are justified. It will be analysed to what extent the first article of the CPA is based on false rhetoric from the EU. In doing so, the sincerity of intentions of the EU to eradicate poverty in the ACP will be measured and assessed. In order to set the context for this discussion, an analysis of the negotiations around the most contested issues in the CPA – the new trade regime and political conditionality – will be conducted in the first section of this chapter. Next to setting out the context, this analysis will also highlight the reasons why critics have called Article 1 of the CPA hollow. Then, findings through interviews with Dutch officials in the ACP-EU Joint Parliamentary Assembly and from the Ministry of Foreign Relations will be presented, contrasting and nuancing the statements of the critical authors. Thirdly, two case studies of different positioned EU Member States in the negotiations for the CPA – the Netherlands and France – will be presented. This will provide the evidence needed for the conclusion; finding out whether or not the EU is guilty of using false rhetoric.

## The Most Contested Issues in the Cotonou Negotiation Process

The negotiation process for the CPA started with the Green Paper and a discussion paper issued by the European Commission in 1996 (European Commission 1996). In 1998 the negotiations to redraft the Lomé IV Convention were officially launched and they were concluded in February 2000 (Courier 2000). Although the parties agreed on the fundamental issues at the moment of the signing, the four-year negotiation process which preceded this agreement was quite protracted. Not only did the ACP states disagree on some of the more controversial and contentious issues, it also took the EU Member States a full six month period to come to a common EU position on the future of Lomé (Forwood 2001, 427). The Commission is the representative of the EU in all ACP-EU negotiations. The EU Member States are supporters who present their opinion and preferences to the Commission, which in turn presents a medium-version of these positions as the 'EU-position' on ACP-EU related issues. This means that the EU-position is nearly always a compromise between two or three camps of EU Member States' preferences. It's a complex negotiation process which takes a lot of time.

As early as March 1998 the areas of dispute between the diverse EU Member States became evident; in particular the discussion whether the existing levels of access and preferences could be maintained led to heated discussions. According to Holland, genuine differences in objectives, priorities and mechanisms on development issues exist among the EU Member States. "For example, French development policy remains largely neo-colonial, Italy follows a more commercial approach, the UK stresses good governance whereas the Nordic states focus principally on the alleviation of poverty. Such varied perspectives make it difficult to establish even inter-member-state coordination, coherence or complementarity" (Holland 2002, 171). Especially the discussion about trade liberalization in the CPA reflects these differences clearly: "Whilst the Council supported the Commission's general trade liberalization thrust, a number of Member States (the UK and the Scandinavian countries in particular) were critical of this being imposed on all ACP states and promoted alternative mechanisms for those ACP states unable or unwilling to move towards reciprocity and liberalization" (Holland 2002, 187). The two most contentious issues discussed in the negotiation process were the new trade regime, introducing the principle of reciprocity and the differentiation of the ACP group, and the idea of inserting political conditions.

In this section, the negotiation process between the EU Member States over these two contested issues in the CPA will be addressed. For both issues, the criticism expressed by experts will be discussed and the position of different parties in the negotiation process that preceded the implementation of these issues in the CPA will be analyzed. Implicitly, this will also highlight the reasons why critics have called the first article of the CPA hollow.

### The New Trade Regime

The first contested issue, and accordingly the biggest change proposed by the CPA, is the introduction of the new trade regime within ACP-EU relations. With the implementation of the CPA, non-reciprocal trade preferences, the cornerstone of the Lomé Conventions, have been replaced by a reciprocal arrangement that is compatible with the multilateral trade rules of the WTO. The most important and therefore most protracted element of the new trade regime of the ACP-EU relationship, are the EPAs which have been negotiated between the EU and ACP states since 2003, and which are in effect since 2008. The second issue of this new trade regime that the EU Member States disagreed on was whether or not the group identity of the ACP should continue to be retained. The EU divided the 79 ACP countries into six groups who, individually have to negotiate an

EPA with the EU.<sup>10</sup> The countries are also classified as Least Developed Country (LDC) or non-LDC. This classification is used to grant different preferential status to the diverse ACP states.

Experts claim that there's little concrete evidence to believe that the new trade system of the CPA and the accompanying EPA's will have a positive impact on the poorest and most marginalized regions of the global economy. Hurt stresses that there are a number of problems surrounding the technical side of the new system, and more importantly, that there are concerns over the impact of these arrangements on the ACP group. The technical implementation problems revolve around the capabilities and institutional weakness of the current organizations within the ACP group (Hurt 2003, 169). The concerns over the impact of reciprocity on many ACP states revolve around the idea that it might be "damaging, especially for the poorest members of these societies" (Hurt 2003, 169). Patrick Watts has suggested that "regional integration and the liberalization of external trade barriers will not by itself reverse the economic marginalization of sub-Saharan Africa and the small island states" (Watts 1998, 54). According to Hurt, reciprocity is only likely to have some of the benefits predicted, in the official discourse "if ACP states can adapt their economies to absorb the costs of adjustment" (Hurt 2003, 170). However, potential cooperation within ACP regions is being threatened by improved possibilities for EU export to ACP states.

Not only critical experts but also research institutes like the ECDPM aren't sure the new trade regime will have a positive impact on the ACP. As is discussed in chapter 2 of this thesis (read section 3 in the part about *changes in output* on page 24-25), the ECDPM Policy Management Report 13 of 2007 questions the capability of the EPAs to lead to betterment, development and poverty reduction in the ACP states. Even the quite liberal magazine *Economist*, an authoritative weekly newspaper focusing on international politics and business news and opinion, states that the modest push for reciprocity, as it calls the introduction of EPAs, is deeply controversial: "the EU stands accused of forcing open the markets of some of the poorest countries in the world in order to further its commercial interests. Not quite gunboat diplomacy, the critics say, but an economic powerplay nonetheless" (Economist 2008). According to the *Economist's* critical authors, ACP countries need a shelter (like non-reciprocity) to protect their infant industries, "as the East Asian tigers did before them" (Economist 2005). What's quite surprising within the debate about the EPAs is that it seems like both supporters and opponents of the free trade regime are critical about the way it is implemented in the CPA. Supporters of free trade worry that by lowering tariffs on European products but not on others, the ACP countries will end up buying goods from the EU they might have gotten more cheaply elsewhere. Critics of free trade claim that a flood of EU imports will ruin the ACP's fledgling industries. "Both camps fret about the loss of tariff revenues on which many ACP governments rely" (Economist 2008).

Next to the two structural contested issues in the trade regime – reciprocity and differentiation - the EU and ACP also had some difficulty reaching consensus on the financial strength of the 9<sup>th</sup> EDF that accompanied the CPA. The transfer payments have always been of great importance for some of the ACP states, even though the ACP-EU relationship is built on a trade regime. The 9<sup>th</sup> EDF increased the financial resources only slightly, with €13.5 billion plus another €1.7 billion in loans from the EIB. Expectedly, the ACP countries were disappointed by the level of resources under the 9<sup>th</sup> EDF. In an interview for *the Courier* Jean-Robert Goulongana, the ACP

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<sup>10</sup> For an overview of the EU's partner classification, see attachment 2 on page 47.

Secretary General, stated: “The new EDF shows almost the same as the figure for the 8<sup>th</sup> EDF. Need we restate that the Cotonou Agreement is aimed at poverty eradication in the ACP countries and their progressive insertion into the world economy? This requires much more sizeable financial resources” (Courier 2000, 5).

Naturally, a new trade regime entailing reciprocity, differentiation and less financial support towards individual ACP states was not an idea that the ACP countries enthusiastically accepted. The group first aimed at maintaining the status quo required through the Lomé Conventions, but according to Babarinde and Faber soon discovered that “this position would be unproductive, subsequently accepting the principle of reciprocity, embodied in the FTAs” (Babarinde en Faber 2003, 16), while seeking to soften their impacts as far as possible. That’s why the ACP group advocated a ten-year rather than a five-year transitional period under an extension of the existing waiver from the WTO, “and sought to maintain and enhance the commodity protocols” (Forwood 2001, 435). Next to this, the ACP group emphasized that not only LDCs but also the highly vulnerable countries should benefit from differential treatment. In addition they addressed the need for a change in agricultural access to the EU, which should be improved. They expressed a concern about EU subsidized agricultural exports, as well as the need to relax the rules of origin (Forwood 2001, 435). Even in a declaration about the 86<sup>th</sup> session of the ACP Council of Ministers in December 2007 (when the deadline for the expiry of the trade provisions of the CPA and WTO waiver was coming very close), the ACP ministers still expressed serious concern about the EPA negotiations:

“Ministers deplore the enormous pressure that has been brought to bear on the ACP States by the European Commission to initial the interim trade arrangements, contrary to the spirit of the ACP-EU partnership. [...] Ministers observed that European Union’s mercantilist interests have taken precedence over the ACP’s developmental and regional integration interests. [Therefore] ministers stressed the need for revisiting the provisions which might be incompatible with their development goals and inconsistent with the binding provisions of the Cotonou Agreement” (the Secretariat of the ACP 2007).

Although the mandates of the ACP were logical, and would have improved the CPA in a way that its aim to reduce and eradicate poverty might be easier to reach, none of them were implemented as proposed by the ACP. Holland writes: “The negotiations between the EU and the ACP were vastly unequal. Those changes that did appear in the negotiating mandate were more likely to come from the Member States and even the European Parliament than from the ACP” (Holland 2002, 186). For reasons of domestic politics there were simply concessions that the EU was unable to make. It turned out the ACP mandate was only secondary to that of the EU in the negotiation process towards the CPA. It is therefore relevant to find out what the EU’s position was in the negotiations, and how this position was formed.

Although the contents of the EU mandate had been agreed unanimously, the negotiations that preceded and formed this mandate showed little signs of unanimity among EU Member States. There was a group of EU Member States that didn’t want the current new trade regime to be implemented in the CPA at the start of the negotiation process. First of all there were some states that opposed to the introduction of the EPAs. Forwood states that “Denmark, Sweden and the Netherlands, which traditionally direct a high proportion of their GNP in development aid, were primarily concerned with safeguarding the interests of the LDCs, and were reluctant to perpetuate the colonial heritage of a few Member States” (Forwood 2001, 428). These states also showed

reservations about the EPAs because they were concerned that, while these agreements may benefit the more competitive ACP countries, LDCs stand to be further marginalized (Forwood 2001, 428). The Commission's proposal for EPAs had the support of the majority of EU Member States, but because of the reservations of a few states, unanimity could not be reached without compromising. In the same declaration as quoted from in the previous paragraph, the dichotomy between the two camps of EU Member States (the ones in favor of implementing EPAs quickly, and the reserved ones) is clearly visible. In this declaration the ACP ministers expressed appreciation "to Denmark, Ireland, the Netherlands and the United Kingdom for their declaration at the General Affairs and External Relations Council (GAERC), urging the European Commission to show flexibility in reaching agreement on market access in goods by the end of 2007 and to avoid ACP States being made worse off in the new arrangement" (the Secretariat of the ACP 2007). In the end, this led the compromise of softening the introduction of EPAs with a five-year extension of the current WTO waiver, provision for access to the EU markets for "essentially all products for the LDCs, and assurances that non-LDCs would benefit from trade arrangements at least equivalent to their existing situation under Lomé" (Forwood 2001, 428). Secondly, the EU Member States disagreed over differentiation of the ACP group. The supporters of dissolution argued that the ACP-EU special relationship "discriminates against LDCs with no colonial ties to EU countries and that the economic principle of non-reciprocity contravenes agreements of the WTO" (Schieder 2011, 17). This line of argument was spurred in part by the introduction of the EPAs to support stronger regional integration. "To compensate supporters of groups dissolution, the EU agreed to improve market access for all LDCs which were not yet ready for the establishment of free-trade zones" (Schieder 2011, 17). In the end, the Member States broadly embraced this solution as "a compromise allowing for both the maintenance of the ACP group identity as well as compliance with WTO rules" (Schieder 2011, 17).

### **Political Dialogue and Conditionality**

The second contested issue in the CPA was that of political dialogue and conditionality. Although this wasn't a new issue - already under Lomé IV, the linkage between aid and human rights was introduced - its extensive inclusion in the CPA still called for a heated discussion. Especially article 96 (article 97 in case of corruption), which introduces the notion that violation of any of the essential elements for cooperation, such as respect for human rights, democracy, and the rule of law, could lead to the suspension of assistance was a much disputed aspect of the CPA. The introduction of good governance as a fourth essential element for cooperation also directed to protracted negotiations. "While the ACP protested against the new political conditionality, good governance as such was undisputed among the EU members. The latter, rather debated whether and when harsh sanctions should be imposed" (Schieder 2011, 18).

According to the critics, the introduction of political dialogue and conditionality has had effects in two ways: it has targeted aid towards projects that have the aim to improve human rights and democracy, and it has introduced sanctions on aid if one or more of the conditionalities are violated. This development has spurred substantial criticism, some experts even suggesting that this political conditionality can only lead to "low-intensity democracy" (Hurt 2003, 171). Furthermore, the new approach to aid provision is said to have a serious undermining capacity to the notion of the claimed equal partnership between the ACP and EU. Likewise Carlos Santiso writes:

"The EU's efforts to promote democracy and strengthen good governance in developing countries have been criticised for their lack of coherence, consistency and effectiveness, most recently in 2000 by the European Court of Auditors [*Comité des Sages 1998; Court of Justice 1998; Court of Auditors 2000a and b; Olsen 2002*].

The technocratic consensus impregnating EC aid and the opacity of its bureaucratic procedures have obliged the EC to address political problems with technical solutions in the straightjacket of complex decision-making processes and Byzantine management procedures. An opaque administrative labyrinth, a technocratic approach to the management of aid and burdensome *ex ante* financial controls compound the absence of an overarching democracy assistance strategy. Despite good intentions, altruist aims and the genuine professional dedication of the individuals involved, EC aid is a case of perverse institutional incentives.” (Carlos Santiso in *Reforming European Union Development Cooperation: Good Governance, Political Conditionality and the Convention of Cotonou*, in 2002).

Furthermore, the new approach to aid provision is said to have a serious undermining capacity to the notion of the claimed equal partnership between the ACP and EU.

According to Holland, there was a broad European consensus on the main elements contained within the Green Paper – democratization, human rights and good governance. However, “an analysis of the ACP positions reveals there was no unanimity between the developing countries and the EU on the content and application of these concepts. The agenda was principally Eurocentric” (Holland 2002, 190). What was resisted was the EU’s agenda to extend the scoop of good governance as a development prerequisite, particularly given the varied interpretations of what constituted good governance. The ACP rejected the European position that it should be the principle on which trade is made conditional. “They argued that good governance was in part a result of institutional development and sustained efforts to build national capabilities (especially legislative, judicial and executive): these levels of institutional development vary widely across the ACP and could only improve through continued and guaranteed support” (Holland 2002, 191). Indeed, to make trade or aid conditional may perversely undermine such institution building, according to Holland. But, just as with the new trade regime, it turned out the European terms and standards prevailed throughout the negotiations and were implemented in the CPA the way the EU wanted. The ACP agenda was also marginalized in the negotiations about the nature of political dialogue and migration. The ACP were concerned about how EU activities impacted negatively in the developing world (such as arms sales, activities of European transnationals and even nuclear testing). Migration underlined the two perspectives: “The EU saw this exclusively in terms of poverty, human rights, conflict and illegal immigration. The ACP, conversely, wanted to expand the agenda to cover the treatment of ACP immigrants in relation to Schengen and the free movement of individuals – something the EU was initially loath to do” (Holland 2002, 192). But, just like with the new trade regime the ACP didn’t have a big enough influence in the ‘partnership’ to push these issues up in the negotiation agenda.

As stated at the start of this section, the EU Member States reached consensus about political dialogue and conditionality quite easily. The only part they didn’t immediately agree upon was the implementation of article 96. Probably it was the nature of Article 96, which gives rise to many different interpretations - like the study of James Mackie and Julia Zinke clearly points out – which led to this prolonged discussion. Naturally the EU and ACP had difficulty achieving agreement about this aspect of the CPA: “While the EU wants to see the consultation procedure as an ultimate means for resolving differences through deepened discussions, the common perception is that of a ‘sanction article’ not only on the ACP side but also in civil society. [...] Article 96 looks like an instrument of sanction to be used by the EU against ACP states” (Mackie en Zinke 2005). The discussion about Article 96 among EU Member States was, however, more surprising. Although there’s no evidence of systematic bias or double standard, the influence of the excolonial powers

was quite interesting in this discussion. Although Hadewych Hazelzet found that the degree of human rights violations was a more powerful factor than the interests of the EU (in the form of a former colonial relationship with a member state, or significant trade relations or strategic importance to the EU), there was variation among the ex-colonial relations. “While former French and British colonies were no more or less likely to be sanctioned than countries that had not been colonies, the former colonies of smaller Member States experienced sanctions most often. Furthermore, the degree of sanctions applied varied, being softest in the case of the former colonies of France” (Laasko 2007, 7). Hazelzet concluded that those punished most harshly were not defended in the Council of the EU by their former colonizers, whereas France and, to a lesser extent, Britain, made efforts to protect their former colonies (Hazelzet 2005). What this research of Hazelzet clearly shows, is that the ACP-EU relationship and so-called partnership is affected by historical colonial links and the relative power of the EU Member State in question. This makes the implementation of Article 96 of the CPA a quite subjective matter, which can work out differently for every ACP country in question. Naturally, this has led to substantial objections on the side of the ACP group about this article. Once more, this is an aspect of the CPA that underlines the inequality in the political dialogue between the two partners.

### **The 1999 EU-ACP negotiation process: Unequal Partners?**

What has become clear in the two previous sections is that the most contested issues in the negotiation process towards the signing of the CPA were quite protracted. One commentator described the negotiations as “a situation of total power asymmetry, where the normative consensus of the EU leaves little room for concessions” (Elgström 2000, 195). According to Andrew Mold, the EU’s foreign policy interests take in a significant position in the ACP-EU negotiations, he states: “Within the whole panoply of the EU’s foreign policy interests, there is no hiding the fact that developing countries and development objectives take a relatively secondary place” (Mold 2007, 19). Similarly, Hurt states that “The ACP states should not be distracted from a realization that the EU has a distinct tendency to achieve foreign policy objectives through its regional and bilateral trade arrangements. The central focus of poverty eradication and development targets in the Cotonou Agreement should be understood within a historical context of the failure to meet development targets, such as the Development Assistance Committee’s target of Official Development Assistance (ODA) reaching 0.7% of GNP” (Hurt 2003, 175). According to these critical authors, the EU mandates are primarily implemented and ACP demands only accepted when this fits with the EU’s position and interests. In other words, they believe the EU to be guilty of using ‘false rhetoric’ in respect of the first article of the CPA. In the next section two Dutch officials will try to put the criticisms expressed here and in the previous two sections into perspective. Stating that, although the criticisms maybe justified to some extent, it is unfair to blame the EU for the course of events.

## Putting the Criticisms in Perspective...

In recent interviews, two Dutch officials and experts in the CPA negotiations stated that, although some of the criticisms on the CPA are justified, it is unnecessary to therefore label the EU's discourse on ACP-EU relationship matters 'false rhetoric'. Predominantly, these officials put forward four arguments that should put the criticisms of the CPA in perspective and counter allegations of the EU using false rhetoric.

Firstly, it needs to be understood that it were mainly the contextual changes that made the partnership change its relationship, not the changes in vested economic or political interests of the EU. As is outlined extensively in the previous chapter, the context in which the relationship evolved changed dramatically in the 1990s, making it very hard for the Lomé Conventions to continue. The relationship needed to adapt, and mainly because of the 'new rules' of the WTO the trade regime had to become reciprocal and differential. According to the senior policy official in the Dutch Ministry of Foreign Affairs, the choice to continue the Lomé trading regime didn't exist. Mainly because of the WTO incompatibility of the Lomé-system, the EU and ACP didn't have a choice but to reconstruct their trading relations. It was no longer possible to sell the maintenance of special trade relations with the ACP under the label of development assistance while other comparable development countries in for example Latin America, didn't get any of this preferential treatment. The EPAs were the only way to both maintain the special ties of the ACP-EU relationship and to be WTO-compatible. Next to that, the Dutch officials emphasize that the previous policies of non-reciprocal access under Lomé, failed. Despite the developmental orientation of the Lomé Conventions, the ACP failed to secure any noticeable increase in levels of development, and in many countries growth had collapsed below levels that had prevailed during the 1960s. Farrell states: "By 2000, ACP countries' share of the EU market had declined to half the level of the 1970s" (Farrell 2005, 268).

Secondly, when it comes to trade, the ACP relations aren't very interesting or of much importance to most EU Member States. Trade with the ACP only accounts for about 2% of EU trade relations, countries that are becoming more important are for example India and China. Therefore, it is difficult to define the direct economic interests of separate EU Member States in the trade and EPA negotiations with the ACP; compared to their commercial interests in trade relations with other areas, the relationship with the ACP is only of marginal importance. Because of their marginal economic interests, EU Member States don't 'clash' as much as they do with issues in which their own vested interests are at stake. According to the Dutch officials, they therefore also leave enough room for the EU promotion of development assistance in these negotiations. However, the officials do agree that the EU Member States differ in their perspectives on the methods to promote development in the ACP. But, in this respect, it's of importance to note that these different perspectives don't arise from the different economic interests of the Member States themselves but, for instance, from the special (colonial) history with the country at stake.

Thirdly, the so-called inequality of the partnership was denied by the officials. They stated that the ACP has had as much opportunity of putting issues on the partnership's negotiation agenda as the EU. The only problem is that the ACP states haven't developed as much political, democratic and institutional capacity to equally deal with these matters. Therefore, the EU has tried to help them develop this capacity and, according a Dutch official who was part of ACP-EU Joint Parliamentary Assembly, it has made enormous progress in getting ACP officials trained to become equal negotiation partners. In the last ten years they've become more organized, democratized and

better prepared to negotiate and defend issues in their interest. However, another official added that it is also quite logical ACP-EU relations are seen as unequal, because the EU is the deliverer and the ACP the receiver in the partnership. Whereas for instance France and the Netherlands can threaten to pull away from the partnership if things are decided with which they disagree, the ACP states don't have that kind of negotiation power.

The officials don't deny the existence of EU interests in more and better developed ACP states. If these countries are finally integrated into the world economy and have built the political capacity to let more parts of the population profit from this, the EU will get a very important trading partner in exchange. Next to economical motivations, the EU also has vested political interest in developing the ACP: in an increasingly globalised world, Europe doesn't want a hotbed for corruption and terrorism in its 'backyard'. And in the current environment of global warming and climate change it's also of importance to note that the EU will benefit if the ACP develop a sustainable way of life, and don't start adding to the pollution like all infant industrialized states have done up until now. That's definitely worth putting in some effort. The officials stated that these three aspects might be the main interest of the EU for helping the ACP to develop. According to them this doesn't mean the EU isn't sincere in its aim to eradicate poverty, because the partnership's and therefore the EU's main aim still is poverty eradication and (sustainable) development of the ACP. The motivations driving the continuation of this partnership might be different for the EU than for the ACP, but, according to the officials, it now comes down to a win-win situation, which is something that will make the partnership more profitable and stable for both sides.

Thus, according to the officials, the EU shouldn't be accused of using false rhetoric because: 1) the partnership had to become reciprocal because of contextual changes, not because of EU domestic interests, 2) the EU doesn't have much economic interests in the ACP group anyway, 3) the EU has tried it's very best to make the ACP an equal negotiation partnership, and 4) the partnership is now based upon a win-win situation, making it stable and profitable for both sides. In the next section of this chapter attention will be turned towards the domestic interest of the Netherlands and France. Following the analysis of these two case studies conclusions can be drawn, deciding whether the criticisms of the first sections are (still) justified or whether the officials were able to get rid of all reasons to blame the EU of using false rhetoric.

### **Domestic Interests in the CPA**

After having looked at the most contested issues in de negotiation process, the criticisms on the CPA negotiations and the statements of the two officials who deny the false rhetoric of the EU, attention will now be turned to two case studies. When it comes to ACP-EU partnership related issues, the Netherlands and France tend to differ of perspective. Genuine differences in objectives, priorities and mechanisms on development issues exist among these two EU Member States. Therefore it will be interesting to examine in what way these differences have been negotiated into a general position of the EU. How has the Commission observed the states' differences of opinion? Did its choice of position show that the Commission had taken into account Article 1 of the partnership? In this section these questions will be addressed, after having looked at the stances of the Netherlands and France in the CPA negotiations.

## The Netherlands

The Netherlands has a distinct development assistance signature; unlike many other EU Member States it gives 0.8% of its Gross National Income (GNI) to development assistance. According to a Dutch official of Foreign Affairs, the Netherlands has been a precursor in the field of development assistance and policies since the 1950s, and sees itself as an example of how other EU Member States should deal with development issues. However, he also stated that the Netherlands is one of the most critical countries when it comes to methods of aid deliverance, which has made it promote an integrated development policy for the EU. Since the 1990s it has tried to make clear that (political) conditionality is needed in most cases of aid deliverance to developing countries. In regard to article 96 in the CPA (which places sanctions on those countries failing to meet the political conditionalities of good governance etc.), it consequently was an advocate of legitimate but harsh sanctions on all countries in violation of one of the four essential and fundamental principles.

During the CPA negotiations, the Netherlands was one of the few Member States that placed question marks by the introduction of the EPAs. Together with the UK and the Nordic States, the country was quite skeptical about these new arrangements, and more importantly, it was afraid that the EPA might disadvantage the LDC's of the ACP group. Forwood writes: "Denmark, Sweden and the Netherlands, which traditionally direct a high proportion of their GNP in development aid, were primarily concerned with safeguarding the interests of the LDCs, and were reluctant to perpetuate the colonial heritage of a few Member States. In order to ensure the equal treatment of all LDCs within a single framework, these countries sought the inclusion of the nine non-ACP LDCs into the ACP. On the trade aspect, these states showed reservations about the REPAs, concerned that, while they may benefit more competitive ACP economies, less developed countries stand to be further marginalized" (Forwood 2001, 428). Instead of EPAs, the Netherlands promoted the equal distribution of EU trade and aid preferences among the countries that needed them most. Since the signing of the CPA in 2000, and the EPA negotiations started in 2003, the Netherlands has been a promoter of making the EPAs 'development friendly'. The Dutch delegation in the GAERC has lobbied for an expansion of the time-frame within which the EPAs need to be implemented, making sure their implications wouldn't disadvantage the poorest regions and would also work progressively towards poverty eradication.

When it comes to the domestic interests the Netherlands had in promoting the policies mentioned above, it's hard to distinguish any. The position of the Netherlands doesn't show the slightest sign of interest in maintaining special ties with specific ACP states for its own gain. Its focus on poverty eradication in the LDCs shows that its intentions towards Article 1 of the CPA are sincere. One official also stated that he believes the intentions of the Dutch delegation in development assistance to be the betterment and development of the poorest regions. Of course there are other motivations and interests that drive the Netherlands to stand for the policies it promotes (like those mentioned by the officials on the previous page) but direct Dutch domestic interests remain hard to distinguish.

## France

In contrast to the Netherlands, France only donates 0.47% of its GNI to development assistance. Nevertheless this makes France one of the five largest donors worldwide in absolute terms. Next to that, the country has pledged to meet the international target of allocating 0.7 percent of GNI to overall aid by 2012. France contributes some 18% of the European Union's development aid, and

participates in the multilateral aid programmes of the development banks and the United Nations. Most of France's assistance is granted in the form of bilateral aid, mainly to sub-Saharan Africa, via the Ministry of Foreign Affairs and the French development agency ADF (French Ministry of Foreign and European Affairs 2008).

During the CPA negotiations, the main plank of the French position was to continue a special relationship with the ACP, and to protect the cohesiveness of the ACP group. According to Schieder, the cornerstone of the French position during the CPA negotiations was "to maintain the identity of the ACP group and thus to continue the special relationship with these countries, not least its former colonies" (Schieder 2011, 18). Africa remains for France the partner closest historically, closest geographically and culturally, surest sentimentally and - last but not least - in the medium term, the most useful economically. According to one Dutch official, France has a paternalistic perspective on the ACP-EU relationship, especially when it comes to the ACP countries that were formally its colonies. France still sees West-Africa as its backyard and wants to maintain its special relationship with these countries. Therefore, the French government opposed the enlargement of the ACP group in favour of LDCs excluded from the privileged partnership. It emphasized the necessity of preserving the integrity of the Lomé Convention and sees itself as the moral advocate and voice of the ACP states, whose interests and issues it defends vehemently among its EU partners. According to Bretherton and Vogler, the French government was unwilling to "let Lomé die" (Bretherton en Vogler 2006, 122). According to Schieder, France's insistence on the exclusivity of aid is an expression of its own priority in giving precedence to 'special ties' over the actual need of development aid (Schieder 2011, 20). This hierarchy is also reflected by the geographical distribution of French ODA, which is in general focused on African countries with historical ties rooted in colonialism and countries considered part of the French-speaking community (*la francophonie*).

With regard to France's stance on the introduction of a political dimension in Cotonou, Schieder writes:

"France was one of those countries that insisted on more flexibility on the issues of corruption, and it favoured political dialogue rather than sanctions. Minister Josselin emphasized in the French Senate that the political dimension of the agreement was strengthened by making dialogue the rule and sanctions the exception. He described the introduction of "soft" action as progress depending on the particular infringement situation, because it would allow for the maintenance of dialogue. Once again, this attitude underlines the close ties between France and the ACP" (Schieder 2011, 20).

Thus, in sharp contrast to the Netherlands, France wanted Article 96 of the CPA to be softened, not hardened. By stating this, it aimed to defend the countries with which it historically had close ties, ensuring they had continued access to development assistance while (maybe) in violation of the Article.

The domestic interests France had in promoting the policies mentioned in the previous paragraphs are bit clearer than those of the Netherlands. It's obvious that France still has a big interest in maintaining ties with its former colonies, and wants continued access to their markets and politics. France is quite outgoing in its motivations and domestic interests and doesn't hesitate to fight for them in discussions that determine significant implications for the countries that are part of *la francophonie*.

### The European Commission's Compromise

Accordingly, when it comes to the CPA negotiations, France and the Netherlands differed on two important issues: the trading regime and the political conditionality. France did everything it could to protect its (and the EU's) special relationship with former colonies. It didn't want the special trade relations to be generalized to all LDCs into the GSP, like the Netherlands suggested, but wanted the EPAs to be implemented - which were both WTO-compatible and maintained the special ties. Next to that, it wanted the political conditionality to be implemented but didn't want it to have harsh consequences when violated by one of its former colonies with a 'francophone' regime. The Netherlands, in contrast, wanted the harsh sanctions mentioned by Article 96 to be implemented equally, but naturally, only when absolutely needed. Further, the Netherlands promoted the equal treatment of all LDCs and questioned the EPA trade regime, fearing that it might harm the most vulnerable and poorest regions of the ACP. So, what did the EC decide?

The European Commission had the difficult task to find consensus between these two different stances. Holland writes: "During the last week of the 1998 British presidency, the General Affairs Council chaired by Foreign Secretary Robin Cook, approved the negotiating directives for a new EU-ACP agreement. At one level this decision indicated there was on the European side a consensus on the future direction and objectives of the development partnership. However, this consensus came at the cost of compromise, bargains and certain specific reservations. The greatest area for compromise and effective presidential brokering was in the commercial sector" (Holland 2002, 187). The EU was divided between the Northern states that wanted the provision of EPAs to be phased out no later than 2005 and those, such as Spain, that argued for a much longer timeframe. The final EU position adopted, set 2005 as the cut-off date for these non-reciprocal arrangements. Holland writes: "The Dutch, thinking beyond the ACP mandate, wanted the GSP approach extended to all developing countries; conversely Spain objected to any discussion of GSP arguing that this was outside the remit of the Lomé talks. Furthermore, France, Italy and Germany were concerned that the GSP option would negate the incentives for the ACP to move towards reciprocal free trade and actually undermine this core objective of the Lomé negotiations" (Holland 2002, 187). The Commission, compromising between these two stances, decided that any ACP country that was either unwilling, or unable, to join a free trade regime would retain at least the current preferences offered through the GSP system. With respect to trading relations at least, the 1998 negotiating mandate was more sympathetic the ACP's development agenda than most readings of the earlier Green Paper had suggested, this was the consequence of compromise.

### Conclusions Chapter 3

Looking back on the previous chapter, one could conclude that there are (mainly) two perspectives on the most contested issues of the CPA, which can both be defended and refuted. In order to find the answer to the question stated in the introduction – to what extent are the statements of the critical authors justified, and is the EU guilty of using false rhetoric in regard to Article 1 of the CPA? – the arguments of the critics and the defense of the officials will be contrasted once more in the table on the next page.

As can be read in this table, the officials were able to refute most criticisms on EU sincerity satisfactorily. This doesn't mean the criticisms of experts like Hurt, Farrell, Holland, Mold and Mackie and Zinke aren't justified. On the contrary, the officials agreed with most of their statements. The only correction that needs to be made here is that, although the partnership might not always use the most convenient methods to promote poverty alleviation, this doesn't automatically imply the EU and its Member States aren't true or sincere towards Article 1.

Moreover, from the previous section of this chapter it can be concluded that some EU Member States do have domestic interests in maintaining the ACP-EU relationship. France in particular is a clear example of this fact. Luckily, possible negative consequences of these interests for the ACP are prevented from having too much impact on the general position of the EC through the workings of the communitarian model. Because countries like the Netherlands have less direct domestic interests in the ACP group of states, they can restrain less 'objective' Member States. In the end, the main aim of the partnership remains to develop the ACP and eradicate poverty, although the ideal setting to achieve this doesn't exist in the contemporary context.

	<b>Critics – Why the EU is guilty of using ‘False Rhetoric’ in respect to Article 1 of the CPA</b>	<b>Officials – Why the EU is not guilty</b>
<b>R H E T O R I C</b>	<p><i>The methods outlined for achieving the Article 1-objective are more likely to hinder rather than assist in meeting these targets.</i></p> <p><i>The European policy is much less active in addressing the real problems of poverty and instability that are likely to place severe limitations on either achieving economic liberalization or securing broad-based societal benefits in the long term.</i></p>	<p><i>New policies outlined in the CPA, like the introduction of EPAs, haven’t resulted in either positive or negative outcomes because they haven’t been implemented yet (because the EU tries to negotiate the most ‘development friendly’ way under the WTO waiver).</i></p> <p><i>The EU’s main goal within the ACP-EU partnership is to help and sustainably develop the ACP for both its own gain (new important trading partner) and the gain of the ACP (poverty eradication).</i></p>
<b>T R A D E</b>	<ul style="list-style-type: none"> <li>- Step from non-reciprocity (Lomé) to reciprocity (Cotonou) could harm weak economies. <i>(Hurt &amp; Farrell)</i></li> <li>- EU mercantilist interest preceded ACP development in trade-aspect of the CPA. <i>(Secretariat of the ACP)</i></li> <li>- Time pressure of the EPA’s implementation is too big for the LDCs, which forces them to open their markets too early and subsequently will weaken their economies. <i>(Hurt &amp; Farrell)</i></li> </ul>	<ul style="list-style-type: none"> <li>- EU had no other option but to change the trading regime because of several contextual changes (f.e. the WTO compatibility of reciprocity and the failure of Lomé), next to that the EU does everything within its power to soften the ‘reciprocity measures’.</li> <li>- EU has few mercantilist interests in the ACP, only to develop it into a more equal trading partner.</li> <li>- 1) Compromise of softening the introduction of EPAs with a five-year extension of the current WTO waiver, 2) Different arrangements for LCDs who are not ready for EPAs (f.e. EBA arrangement).</li> </ul>
<b>P O L I T I C S</b>	<ul style="list-style-type: none"> <li>- Power Asymmetry between the EU and ACP; Unequal partners; unequal negotiations – EU mandate dominates the discussion. <i>(Holland, Mold and Farrell)</i></li> <li>- Political conditionality can only lead to ‘low-intensity democracy’. <i>(Hurt)</i></li> <li>- Implementation of ‘Sanction instrument’ Article 96 could enforce the EU to make use of systematic bias or double standards regarding the ACP states they have special ties with. <i>(Mackie and Zinke)</i></li> </ul>	<ul style="list-style-type: none"> <li>- The EU has tried it’s very best to develop the ACP in an equal negotiation partner; the ACP group has equal rights and power in the political dialogue and agenda.</li> <li>- Aid without conditionalities like good governance and respect for human rights could end up in hands of corrupt elites which would undermine the democratic process even further.</li> <li>- The EU has a well-developed democratic apparatus which enables every member state to put in weight in a discussion, this communitarian system will (most of the time) prevent the use of double standards by one of the Member States.</li> </ul>

## CONCLUSION

In this thesis two essential issues concerning the Cotonou Partnership Agreement (CPA) have been discussed. Firstly, it was researched to what extent the CPA presents a departure from the previous Lomé Conventions. Due to changes in the context in which the ACP-EU relationship evolved, the framework of this relationship transformed, turning from Lomé (1975-2000) to Cotonou (2000-2011). The context of the 21<sup>st</sup> century, in which neoliberalism has become the hegemonic view on international political economy, altered the belief that the South should be protected from the excesses of the market to achieve development, to a belief that the market and assumptions of development through liberalisation. Through several changes in policies and methods of development assistance the ACP-EU relationship adapted to this neoliberal context. However, it is argued here that this adaption doesn't present a departure from the previous Lomé frameworks, like the official sources of the EU and a substantial amount of expert are claiming. The analysis of chapter 2 shows that the Cotonou Partnership Agreement was essentially a continuation of the former Lomé Conventions (adapted to the context of the 21<sup>st</sup> century); the objectives aimed at by the relationship and the tendencies driving the relationship in its existence represent a clear continuation.

Secondly, it was researched to what extent the main objective of the new ACP-EU partnership to eradicate poverty contained false rhetoric from the side of the EU, like several critical experts have been claiming. After close examination of both the criticisms and their rebuttal, it was concluded that it is unfounded to speak of false rhetoric from the EU. Although the basis of most criticisms on the CPA is justifiable – reciprocity and political conditionality don't represent the best methods to achieve poverty eradication – this doesn't imply insincerity of the EU and its Member States towards Article 1 of the CPA. Analysis conducted in chapter 3 proved that domestic interests of individual Member States didn't precede the development of the ACP. Given the contextual circumstances explained above, the EU has tried (and is still trying) its very best to shape the relationship and its policy thus that ACP development and poverty eradication won't be undermined. Although a win-win situation is still highly unlikely for the partnership, the fact that this now is the basis of ACP-EU relations could make its existence more profitable and stable in future reference.

After having stated this, it is important to note that both conclusions are the product of research of recent events. Results and direct effects of the CPA are still difficult to measure, certainly because its greatest innovation (the implementation of the EPAs) is still at the negotiating table. Future research analysing and measuring the direct effects of the CPA's key innovations could add a lot of value to these conclusions.

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## ATTACHMENTS

### Attachment 1: The ACP-EU Treaties

(Source: European Commission DG Development, ACP Secretariat)

Duration	Name	ACP signatories	Number of EC/EU Members
1963-1969	Yaoundé I	18 countries: Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo (Brazzaville), Congo (Kinshasa), Côte d'Ivoire, Gabon, Madagascar, Mali, Mauritania, Niger, Rwanda, Senegal, Somalia, Togo	6
1969-1974	Yaoundé II	21 countries: Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo (Brazzaville), Congo (Kinshasa), Côte d'Ivoire, Gabon, Kenya, Madagascar, Mali, Mauritania, Niger, Rwanda, Senegal, Somalia, Tanzania, Togo, Uganda	6
1975-1979	Lomé I	46 countries: <i>The Bahamas, Barbados</i> , Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo (Brazzaville), Congo (Kinshasa), Côte d'Ivoire, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Jamaica, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Niger, Nigeria, Rwanda, Samoa, Senegal, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Togo, Tonga, Trinidad and Tobago, Uganda, Zambia	9
1980-1984	Lomé II	55 countries: The Bahamas, Barbados, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo (Brazzaville), Congo (Kinshasa), Côte d'Ivoire, Djibouti, Dominica, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Jamaica, Kenya, Kiribati, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Niger, Nigeria, Papua New Guinea, Rwanda, Samoa, Saint Lucia, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Solomon Islands, Somalia, Sudan, Suriname, Swaziland, Tanzania, Togo, Tonga, Trinidad and Tobago, Tuvalu, Uganda, Zambia	10
1985-1989	Lomé III	65 countries: Angola, Antigua and Barbuda, The Bahamas, Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo (Brazzaville), Congo (Kinshasa), Côte d'Ivoire, Djibouti, Dominica, Dominican republic, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Jamaica, Kenya, Kiribati, Leso-ther, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Niger, Nigeria, Papua New Guinea, Rwanda, Samoa, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Solomon Islands, Somalia, Sudan, Suriname, Swaziland, Tanzania, Togo, Tonga, Trinidad and Tobago, Tuvalu, Uganda, Vanuatu, Zambia, Zimbabwe	12
1990-1999	Lomé IV	69 countries: Angola, Antigua and Barbuda, The Bahamas, Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo (Brazzaville), Congo (Kinshasa), Côte d'Ivoire, Djibouti, Dominica, Dominican republic, Equatorial Guinea, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Jamaica, Kenya, Kiribati, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Niger, Nigeria, Papua New Guinea, Rwanda, Samoa, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Solomon Islands, Somalia, Sudan, Suriname, Swaziland, Tanzania, Togo, Tonga, Trinidad and Tobago, Tuvalu, Uganda, Vanuatu, Zambia, Zimbabwe	12
2000-2020	Cotonou	77 countries: Angola, Antigua and Barbuda, The Bahamas, Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Congo Democratic Republic, Cook Islands, Côte d'Ivoire, Djibouti, Dominica, Dominican republic, Equatorial Guinea, Eritrea, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Jamaica, Kenya, Kiribati, Lesotho, Liberia, Madagascar, Malawi, Mali, Marshall Islands, Mauritania, Mauritius, Federated States of Micronesia, Mozambique, Namibia, Nauru, Niger, Nigeria, Niue, Palau, Papua New Guinea, Rwanda, Samoa, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Solomon Islands, Somalia, South Africa, Sudan, Suriname, Swaziland, Tanzania, Togo, Tonga, Trinidad and Tobago, Tuvalu, Uganda, Vanuatu, Zambia, Zimbabwe	15

**Attachment2: EU Partner Classification (Candau en Jean 2006)**

Group	Short name	Countries included
Sub-Saharan Africa non LDCs	SSA_nonLDC	Botswana, Cameroon, Congo, Gabon, Ghana, Cote D'ivoire, Kenya, Mauritius, Namibia, Nigeria, Seychelles, Zimbabwe, Swaziland
Sub-Saharan Africa LDCs	SSA_LDC	Angola, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Congo (Democratic Rep.), Benin, Equatorial Guinea, Ethiopia, Djibouti, Gambia, Guinea, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Guinea-Bissau, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Somalia, Sudan, Togo, Uganda, Tanzania, Burkina Faso, Zambia
Other LDCs	Other_LDC	Afghanistan, Bangladesh, Bhutan, Salomon Island, Myanmar, Cambodia, Eritrea, Kiribati, Haiti, Lao People's Democratic, Maldives, Nepal, Vanuatu, Tuvalu, Samoa, Yemen
Non-LDC, non-Sub-Saharan African Countries covered by EU's GSP and by another preferential agreement	GSP_PRE	Algeria, Antigua and Barbuda, Azerbaijan, Bahamas, Armenia, Barbados, Bolivia, Belize, British Indian Ocean Terr., Virgin Island, Belarus, Cayman Islands, American Samoa, Colombia, Mayotte, Costa Rica, Cyprus, Dominica, Dominican Republic, Ecuador, El Salvador, Falkland Islands, South Georgia, Fiji, French Polynesia, French Southern Territo, Greenland, Grenada, Guam, Guatemala, Guyana, Honduras, Jamaica, Jordan, Lebanon, Mexico, Montserrat, Morocco, Netherlands Antilles, Aruba, New Caledonia, Nicaragua, Northern Maria Island, Panama, Papua New Guinea, Peru, Pitcairn, St. Helena, Saint Kitts and Nevis, Anguilla, Saint Lucia, St. Pierre and Miquelon, Saint Vincent and The Grenadines, South Africa, Bouvet Island, Suriname, Syrian Arab Republic, Tonga, Trinidad and Tobago, Tunisia, Turks and Caicos Island, Egypt, Venezuela, Wallis and Futuna
Countries only covered by EU's GSP	GSP_nonPRE	Argentina, Bahrain, Bermuda, Brazil, Brunei Darussalam, Sri Lanka, Chile, China, Christmas Island, Cocos (Keeling) Islands, Cook Islands, Cuba, Georgia, Gibraltar, Heard and Mc Donald Isl, Indonesia, Iran, Iraq, Kazakhstan, Kuwait, Kyrgyzstan, Libyan Arab Jamahiriya, Macau, Malaysia, Mongolia, Moldova, Oman, Nauru, Norfolk Island, Palau, Pakistan, Paraguay, Philippines, Qatar, Russian Federation, Saudi Arabia, India, Viet Nam, Tajikistan, Thailand, Tokelau, United Arab Emirates, Turkmenistan, Ukraine, Virgin Islands (U.S.), Uruguay, Uzbekistan
Countries not covered by EU's GSP, but covered by another preferential agreement	nonGSP_PRE	Albania, Andorra, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Faroe Islands, Hong Kong, Hungary, Iceland, Israel, Latvia, Liechtenstein, Lithuania, Malta, Taiwan, Niue, Norway, Micronesia, Marshall Islands, Poland, Romania, San Marino, Slovakia (Slovak Republic), Slovenia, Switzerland, Turkey, Macedonia, Serbia and Montenegro
Countries not covered by any preferential agreement	nonGSP_nonPRE	Canada, Japan, Prk, Korea (Dem. People Rep.), New Zealand, Singapore, USA, Australia