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European Development Cooperation to 2010

Political Partnership with the South

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This series of Briefing Papers will identify the main issues in the debate about European Development Cooperation to 2010.

The EDC 2010 project has identified two main drivers of change with respect to European development cooperation. The first is the degree of commitment to Europe, the second the commitment to poverty reduction. The interaction of these two gives four possible European futures: at one extreme, a strong commitment both to coherent European action and to poverty reduction; at the other, a weak commitment to both Europe and poverty reduction; and, in between, two intermediate positions.

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The picture in brief

Partnership has become a prominent feature of development cooperation. The European Union (EU) has longstanding partnerships with other regions in the world, not only with the African, Caribbean and Pacific group (the ACP) but also with other regional groupings, like the Mercado del Sur (Mercosur) in Latin America, or the Association of South East Asian Nations (ASEAN). However, there is no consistent pattern to political partnerships with the South, which are based on different principles according to the context. Some exist mainly as vehicles for dialogue; others have more of a contractual character, with clear obligations on both sides. The institutional apparatus also varies: in some cases, there is only minimal infrastructure; in others, the partnership is underpinned by joint political and parliamentary bodies. In all cases, partnerships are constantly evolving. The partnership with the ACP, for example, has become distinctly less contractual and more conditional in successive treaties and conventions.

Issues and options

The EU and its partners face difficult choices in coming years, both about who participates in terms of appropriate regional groupings, and about what partnership involves in terms of reciprocity and accountability. No one pattern is likely to predominate but there will certainly be changes in the way current partnerships are structured.

Along our scenario axes of pro-poor policy focus and the level of coherence (see EDC Briefing: *What scenario for the future?*), two extreme scenarios for the future of political partnerships can be defined:

In the *minimum scenario*:

- The EU will continue to define regions according to its own preferences;
- Ties with the 'near abroad' will be strengthened at the expense of other partnerships;
- Interest in the ACP group will decay;
- Regional groupings beyond the 'Wider Europe' will increasingly be neglected;
- Partnerships with other regions will be seen as an alternative rather than complementary to multilateral international cooperation; and
- Participation of non-government actors and civil society will largely be symbolic.

In the *maximum scenario*:

- The EU will open its regional partnerships to requirements of new settings, which might go as far as a dismantling of the ACP from within;
- However, positive aspects of the ACP relationship (for example, political institutions) will not be lost, but transferred to new regional groupings that presently cut across existing boundaries, such as the AU;
- Other regions will engage in an equally institutionalised dialogue with the EU;
- Regional dialogues will feed into the UN system and strengthen the voice of developing countries in the international system; and
- Integration of civil society into the political dialogue and mutual accountability will be practised.

A brief history of political partnerships

The notion of ‘partnership’ features prominently in EU relations with developing countries. However, the term has many meanings, ranging from informal dialogue at one extreme to some kind of contract at the other, with mutual obligations, dispute procedures and sanctions. Different EU partnerships take different forms (Box 1) and have different objectives (Box 2).

Africa, the Caribbean and Pacific states

During the early days of its existence, the EEC affirmed its commitment to its former colonies and to overseas countries and territories through the successive Yaoundé agreements, focusing mainly on francophone Africa. With the accession of the United Kingdom in 1973, the partnership was redefined into the Lomé I agreement with the Africa, Caribbean and Pacific Group (ACP) in 1975. Successive Lomé agreements were concluded for five years in 1980 and 1985 and for ten years in 1990, with a mid-term review in 1995. The latest agreement with the ACP is the Cotonou Convention, signed in 2000 for a twenty-year period.

The various Agreements have always talked in terms of partnership in three dimensions: political, trade and aid. Institutions have been established to support the partnership (Box 3).

Thus, Title II of the Cotonou agreement is dedicated to establishing a ‘comprehensive political dialogue [...] to exchange information, to foster mutual understanding, and to facilitate the establishment of agreed priorities and shared agendas’. The dialogue is conducted by an ACP-EU Council of Ministers, assisted by a Committee of Ambassadors. The Joint Parliamentary Assembly gives

Box 2: Partnership objectives defined at inter-regional summits

Latin America / Caribbean

- In Rio 1999, the objective was to strengthen political, economic and cultural understanding and encourage development of strategic partnership, establishing a set of priorities for future joint action in the political and economic fields.
- The Madrid Summit of 2002 assessed progress made in strategic partnership, emphasising the three main pillars of the relationship: political dialogue; economic and financial relations including trade and capital; and cooperation (aid). It made new proposals for further strengthening of inter-regional and of sub-regional partnerships (Mercosur, Andean Community, Central America).

Asia (ASEM)

- The London Summit in 1998 established the Asia-Europe cooperation framework (AECF), trade facilitation action plan (TFAP) and investment promotion action plan (IPAP).
- The Seoul Declaration for Peace on the Korean Peninsula was adopted in 2000.
- The Copenhagen Summit of 2002 initiated the Cooperation Programme on Fighting International Terrorism.

Western Balkans

- Agenda for the Western Balkans and European Integration were adopted at the Thessalonica Summit 2003. All five partnership countries included in the programme benefit from generous trade preferences – exceeding those granted to the accession candidate countries. In the long term, the EU offers these countries the prospect of full accession.

recommendations to the Council of Ministers.

The new Cotonou Agreement of 2000, which replaces the Lomé Convention, strengthens the political dimension, e.g. democratisation, human rights, and good governance.

Box 1: Political dialogue and cooperation programmes

Africa, Caribbean, Pacific (ACP)

Yaoundé Agreement – initial cooperation agreement entered into force in 1963

Lomé Convention – first of five Lomé conventions entered into force 1975

Cotonou Convention – signed in 2000, into force in 2003 for 20 years.

EU-Africa dialogue – launched by Cairo Declaration and Cairo Plan of Action (2000) including North Africa (i.e. non ACP members). The Lisbon Summit (planned for 2003) is still pending, due to conflicting views over the participation of Zimbabwe

Latin America

Central America – specialised political dialogue initiated through the San José Dialogue (1984); cooperation agreement in Panama and Brussels (2003)

Andean Community – specialised political dialogue started with the declaration of Rome (1996); cooperation agreement in Quito (2003)

Mercosur – Inter-institutional Agreement in 1992; EU-Mercosur Interregional Framework Cooperation Agreement, Madrid (1995)

Mediterranean

Barcelona Process: Euro-Mediterranean Partnership concluded in Barcelona (1995)

Western Balkans

SAP – (Stabilisation and Association Process) initiated at Zagreb summit (2000)

CARDS – (Community Assistance to Reconstruction, Development and Stability in the Balkans) programme since 2001

Central Europe

PHARE – (Programme of Community Aid to the Countries of Central and Eastern Europe) initiated in 1989 to help Eastern European transition process, became pre-accession instrument in 1997

Enlargement – Accession Treaty signed with ten Central and Eastern European countries in Athens (2003)

Former Soviet Union

TACIS – (Technical Assistance to the Commonwealth of Independent States) programme launched in 1991; new regulation (2000) covers the years 2000–2006

South East Asia

ASEAN – Cooperation Agreement between the Association of South East Asian Nations and the EC (1980); Burma/Myanmar excluded

ASEM – Asia-Europe meetings held since 1996

Other

Gulf Cooperation Council – Cooperation Agreement with Europe in 1989

China – takes part in ASEM but also annual summits initiated in London 1998

Russia – bi-annual summits established by the Partnership & Cooperation Agreement 1997

USA – bi-annual summits since the Transatlantic Declaration in 1990

Japan – annual summits since the Political Declaration in 1991

Source: EC (2002): Annual Report on the EC Development Policy and the Implementation of External Assistance, Brussels.

In 1995, the mid-term review of Lomé had already inserted the respect for human rights and democracy as essential elements. Good governance was included in Cotonou in 2000. These issues are also defined as topics of the ongoing political dialogue. Some ACP countries consider this more pronounced political dimension an enforcement of conditionalities and an erosion of the former partnership.

Asia and Latin America

Dialogue with Asia and Latin America gained momentum towards the end of the 1970s, both in terms of trade and investment relations and of development cooperation. In 1976, the EC Asia and Latin America (ALA) cooperation programme was established.

The creation of the Rio Group in 1986 – the year of the Iberian enlargement – became an occasion to launch inter-regional dialogue on a ministerial level with the whole region. At the same time, a multitude of dialogue fora were created between the EU and the Rio Group: ministerial meetings and the Latin American & Caribbean summits, as well as specialised political dialogues with Central America, the Andean Community and Mercosur.

Political dialogue between the EC and the Association of South East Asian Nations (ASEAN) was launched in 1972. Meetings at ministerial level have been taking place since 1978. In 1994, the Commission adopted a new strategy to strengthen the political ties between Europe and Asia.

Box 3: Institutions of the Cotonou agreement

ACP-EU Council of Ministers – consists of members of the Council of the European Union, members of the European Commission and a member of the government of each ACP State. It meets once a year on the initiative of the presidency (or more frequently) and in different geographical forms if necessary. The tasks of the Council of Ministers are as follows:

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

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

Committee of Ambassadors – assists the Council of Ministers. It is made up of the permanent representative of each Member State for the European Union, a Commission representative and a head of mission for each ACP State for the European Union.

The ACP-EU Joint Parliamentary Assembly – a consultative body comprising equal numbers of Members of the European Parliament and ACP representatives (77 each) – meets twice a year and provides for a political forum beyond government interactions. It has established three standing committees, mirroring the three dimensions of the Cotonou agreement.

The Cotonou agreement created an additional body, the **ACP-EU Economic and Social Committee**, which potentially offers a voice to the civil society of the partners.

After the creation of the European Common Foreign and Security Policy (CFSP), the EU became a member of the ASEAN regional forum, which is a forum for security issues in Asia. In 1996, the Asia-Europe Meeting (ASEM) was created in Bangkok.

The 'Wider Europe'

During the 1980s, new types of aid instruments were established to include the 'near abroad'. These new partnerships with the Union's neighbours were modelled along somewhat different lines to traditional development assistance and were administrated by the External Relations Commissioner.

Relationships with Central and Eastern Europe were launched soon after the fall of the 'Iron Curtain', assisted via the PHARE programme; this process eventually led to Eastern enlargement. Former Soviet Republics receive funds through Technical Assistance to the Commonwealth of Independent States (TACIS) to enhance their transition to democracy and market economy.

In 1995, the Euro-Mediterranean partnership was initiated. The MEDA assistance programme to the Mediterranean countries functions in a similar way to TACIS.

Recently, the 'Wider Europe' policy has led to a proposal for the neighbouring countries to participate in the EU's internal market, on the basis of particular internal political, economic and institutional reforms. One particular partnership within this broader approach is the assistance to the Balkans, offering the long-term prospect of EU membership.

Issues

Does the EU have the right partners?

Although the Cotonou convention was signed as recently as 2000, entered into force only in 2003, and formally extends to 2020, there are doubts about the future of the ACP relationship. These relate partly to the heterogeneity of the group, but also to the existence of other arrangements which cut across the boundaries of the ACP. The most important of these is the African Union, founded in 2001, and currently the focus of interest of developed countries through the New Partnership for African Development (NEPAD). The AU includes countries which are not members of the ACP, notably most North African countries.

The Cotonou Agreement of 2000 stated that non-state actors should be informed, provided with financial aid and 'be involved in the implementation of cooperation projects and programmes in areas that concern them or where [they] have a comparative advantage'. In some partner countries, civil society organisations have set up fora to have an impact on their national planning process and to interact with the local representation of the EU Commission. However, the quality of civil society involvement varies considerably, and might range from information sharing over consultation to joint decision-making.

Is partnership touching the right topics?

Through political dialogue, the EU is attempting to foster economic ties. However, partnerships are also seen as instruments for promoting regional integration. Dialogues

can be seen as a tool for the prevention of conflicts. One example is the EU's approach to South Eastern Europe. A mixture of aid, trade preferences, dialogue, technical advice and contractual relations has smoothed conflicts. However, the long-term prospect of full accession to the EU – one major element – is not applicable in other regions. Other forms of genuine partnership have to be developed.

In the ASEM framework, China, Japan and South Korea loosely coordinate their discussions with the EU and with South East Asian states (Brunei, Indonesia, Philippines, Malaysia, Singapore, Thailand, and Vietnam). The structure is hardly formalised but these rivalling states previously had even less political interaction. Little evidence can be given about results of political dialogues, as these are usually convened behind closed doors.

Fading Cotonou partnership?

The character of the ACP relationship has evolved but there is now less emphasis than in the early days on contractuality and the obligations of the EU towards its partners. Many observers feel that the relationship has become less of a partnership and more of a traditional donor-recipient arrangement, with strong elements of conditionality.

The possibility of suspending aid is central to this. Under international law, any treaty party can suspend treaties if the partner commits a 'material breach' of the treaty (Vienna Convention of 1969). Since 1995, a 'human rights clause' is a standard for all EU treaties with third countries. Article 9 of the Cotonou agreement lists human rights, democracy and the rule of law as 'essential elements' of the agreement; good governance features as a 'fundamental element'. The Agreement defines governance rather broadly but uses rampant corruption in the partner country as the indicator for a breach of the element – which might be followed by sanctions.

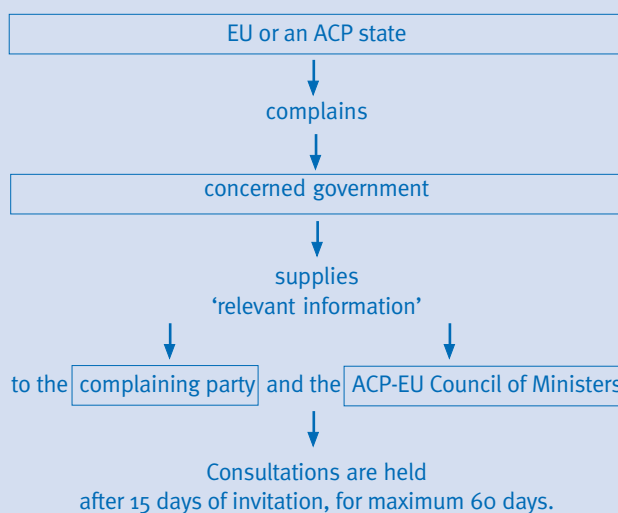
Article 96 of the Cotonou agreement outlines the procedure for the suspension of the Convention (Box 4). The procedure has been applied after coup d'états or flawed elections in the cases of Haiti, Fiji, Côte d'Ivoire Coast and Zimbabwe. Other (so-called 'targeted') sanctions can be concluded as CFSP measures, outside partnership agreements, for example arms embargos or travel bans, the latter aiming at members of government. The application of negative sanctions, however, can lead to disagreements internally within the EU about the justification and duration of measures (as in the case of Zimbabwe). Inconsistent application of sanctions risks undermining their credibility. And political dialogue risks losing its two-way character when the immediate link to aid suspension is made.

Is reciprocal accountability viable?

The contractuality of Europe's relations to the ACP formally defines the responsibilities of the partners. Both the EU

Box 4: Art. 96 procedures under Cotonou

In case of a breakdown of the regular consultations, Article 96 prescribes the procedures for **ad hoc consultations** in case of a violation of the 'essential elements' human rights, democracy and the rule of law:



'If the consultations do not lead to a solution acceptable to both Parties, if consultation is refused, or in cases of special urgency, appropriate measures may be taken. [...] The "appropriate measures" [...] are measures taken in accordance with international law, and proportional to the violation' (Art. 96, 2c). If measures are taken immediately, they are notified to the other party and the Council of Ministers. Consultations can be called by the concerned party so as to find a solution to the situation.

The procedure is largely similar in serious cases of **corruption** (Art. 97).

Art. 98 provides for a **dispute settlement procedure**, involving the Council of Ministers and possibly arbiters. One is nominated by each of the conflicting parties and a third one by the Permanent Court of Arbitration for International Organisations and States (seated in The Hague).

and the ACP are responsible for adopting framework programmes for cooperation and ensuring the 'proper, prompt and efficient execution of projects and programmes' (Art. 57 of the Cotonou Agreement). Joint institutions within the Cotonou framework offer the fora for an actual, frequent dialogue; partners are mutually accountable. The legal framework is trying to balance asymmetric power relations. However, given that the ACP countries are aid recipients and are granted preferences, they could potentially pay the highest price for any disagreement. The benevolent rhetoric of the EU might veil European interests and complicate the dialogue in situations of conflicting interests.

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