

**Final Report of the  
Ambassadorial Working Group on the  
Future Perspectives of the African  
Caribbean and Pacific (ACP) Group of States  
*Transforming the ACP Group into  
an Effective Global Player***

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## **EXECUTIVE SUMMARY**

The Future Perspectives advocated in this Report attempt to reposition and transform the ACP Group of States into a dynamic and effective inter-governmental organization fully responsive to the global challenges of an unsettled and multi-polar 21<sup>st</sup> century.

The narrative of the Report provides the role, restated vision, mission and core values of the ACP Group, conscious of the need to articulate in concrete terms, the basis and rationale of interventions within a coherent All-ACP strategic policy framework.

Although not exhaustive, this account is grounded in the historical experience of 39 years of trade negotiations, development financing and political engagements within and between ACP States and those of the ACP and the EU. These engagements have resulted in an accumulation of social capital, expertise and organizational systems within the ACP Secretariat that provide a comparative advantage for knowledge generation, development policy analysis, capacity building and intra-ACP trade and investment.

These human and institutional resources remain underutilized for the optimum benefit of ACP's Member States. In addition, today's global demands offer scope for new thinking, new tools and expertise of outstanding calibre to be deployed for the promotion of fundamental changes in the structure of ACP economies. This situation offers opportunities for the ACP to be effectively engaged in complementary and subsidiary ways at global, regional and national levels. By this means, the Group becomes more visibly present as a valuable asset for policy changes and institutional strengthening of Member States and regional organizations.

### **Managing continuity and change**

The Georgetown Agreement in its recognition of the Lomé Convention (1975) provided the foundation on which to engage the then-European Economic Community (EEC) primarily to ensure favourable trading arrangements for ACP commodities. In this arrangement, trade was intended to be an instrument for industrial transformation of "labour surplus" economies, rather than mere commercial exchange of commodities in so-called "free" markets.

The appeal of the Group as advocate and champion of post-colonial societies was evident as the membership grew from 46 to 58 by Lomé II in 1980, 66 by 1985, 70 in 1995 and to the present 79 Member States. Despite such numerical strength, the tangible gains of trade as an instrument of development have been disappointing. Today we are a population of approximately 933 million or some 14% of the world's population but only contribute 4.7% of global trade and account for 1.9% of the world's GDP. This was about the same in 1975 at 2.0%. <sup>1</sup>

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<sup>1</sup> See Joint ACP/UNCTAD Report: *African, Caribbean and Pacific States' Participation in International Trade*, ACP/61/055/11 Brussels, October 2011

## Unity and solidarity to be demonstrated in practice

The track-record of political declarations and negotiating capacity have reconfirmed the continued relevance of the principles of unity and solidarity, explicitly stated in the 1975 Georgetown Agreement (GA) and amended in 2003. However, the consistent demands of stakeholders, throughout our consultations, have emphasized a recurring message that fundamental change in working methods and service delivery must be addressed. This message has been forceful and widespread.

It was emphasized in stakeholder consultations (Commonwealth, 2012), a policy research seminar (Centre for Conflict Resolution, 2012) and deliberations of the WG. Hence, the outline of a Road Map and Action Plan (section 9.0 & 10.0) to guide implementation of the WG's recommendations imply amendments to the GA in the governance architecture of the Organs of the Group. The structure and functioning of the Secretariat must be very significantly reformed (section 7.0) and initial measures are explicitly stated in Decision # 1 of the 99<sup>th</sup> Session of the Council of Ministers, held in Nairobi, Kenya on 15 June 2014.

## The “New” ACP: enhanced identity and visibility

The preferred option that emerged in the course of these reflections is for the ACP Group of States to forge an identity as an autonomous, financially self-reliant, transcontinental organization “working in solidarity to improve the living standards of our peoples” (Vision Statement, 2013).

As the ACP Group pursues its future activities, subscribing to the Post-2015 Development Agenda, it is essential to consolidate the gains and mutual benefits of the 39 years of its existence, reach beyond the traditional ACP-EU partnership and engage with new centres of economic growth and development.

In so doing, the systematic and strategic actions undertaken must ensure common interests of the ACP Group as a whole, deepen intra-ACP cooperation and be founded on the ownership of development policies by member states. Such actions will be oriented towards the structural transformation of ACP's economies, taking into account their goals of regional integration. These processes must also overcome dependency on “aid” but enable effective development finance cooperation and promote investments that are beneficial to host countries, other ACP states or foreign sources of investment.

## Mutually reinforcing Policy Domains

The overall strategic direction of the transformed ACP is captured in the overarching theme of *Promoting Partnerships for Sustainable Development* in which poverty eradication and sustainable development are the primary goals.

Our programmes and engagements will **deepen** trade, value-added manufacturing, micro, small and medium enterprise (MSME) development and regional integration through inter- and intra-ACP cooperation on the foundations of sustainable, resilient and creative economies; **consolidate** the *acquis* and **re-shape** the principles and institutions of ACP-EU relations to enable maximum mutual benefits of this unique partnership; and simultaneously **diversify** the engagements of the ACP Group by

becoming a **Hub and Facilitator of South-South and Triangular Cooperation**, particularly through building new partnerships with countries of the Global South. A common priority in our policy domains is to ensure the rule of law and good governance are treated as prerequisites for sustained and equitable development.

The solidarity expected in today's world of an ACP membership that is far more diverse than in 1975 reinforces the need to place central emphasis on Intra-ACP relations. This requires identifying commonalities and cross-cutting issues that affect all ACP and developing countries, such as climate change, food and nutrition security, energy efficiency and security, as well as peace and security. Simultaneously, the ACP recognises specificities of groups of countries, as for example SIDS and LLDS, that aim to harness the common driving forces for the structural transformation of their economies.

### ❖ **Trade, enterprise development and integration**

The persistent commodity-dependent structure of our economies entails severe production and marketing costs on enterprises from ACP countries that require improved productivity and competitiveness. This cannot be achieved without economic integration, clusters of production and access to research and innovation by means of accompanying structural, institutional and capacity development programmes. In this regard, a new ACP Strategy for Private Sector Development (PSD) has been approved by the Council of Ministers and is being undertaken in the ACP-EU Joint Cooperation Framework for PSD.<sup>2</sup> Moreover, also deserving of further attention is the link between the Trade Finance and Investment Facility and a Long Term Development Fund with both loan and savings components.

The refocusing of ACP trade to enable participation in global value chains requires adoption of integrated commodity strategies as recently reported in an UNCTAD study.<sup>3</sup> This approach will ensure benefits that generate jobs and encourage entrepreneurial capacity of the large youth populations in ACP societies.

In the extractive sectors of ACP economies the need for transparency, accountability and equitable sharing of benefits will be systematically addressed through programmes based on recommendations from a study on mining and management of natural resources currently being undertaken by UNDP in the 10<sup>th</sup> EDF Intra-ACP Action Plan. Specific programming of appropriate activities in the policy domain of “trade, industry and regional integration”, as discussed in this Report (section 5.3) will also take account of successful “best practices” in the beneficiation process as demonstrated in the case of the diamond industry of Botswana.<sup>4</sup>

### ❖ **Rule of Law & good governance**

The rationale for the “rule of law” as a priority policy area rests on the premise that for sustainable and resilient economies while growth is necessary it is not sufficient to achieve social equity and overcome structures of inequality unless institutions are democratic, just, transparent and free of corruption.

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<sup>2</sup> See ACP/85/012/14 Final of 11 June 2014.

<sup>3</sup> See ACP's Commodities' Policy Review, 2014; also Isabelle Ramdoo, Fixing Broken Links: Linking extractive sectors to productive value chains, ECDPM, DR No 143.

<sup>4</sup> Roman Grynberg, Botswana Institute for Development Policy Analysis (BIDPA), Some Like Them Rough : The future of Diamond Beneficiation in Botswana, ECDPM, March 2013. [www.ecdpm.org/dp142](http://www.ecdpm.org/dp142)

Increasingly politically conscious citizens accompanied by wide access through traditional and social media to information on public policies are giving rise to growing demands on how authority is being exercised and calls are frequently made for high standards of accountability. The levels of social discontent are becoming apparent in the wake of acute inequality that is very pronounced in extravagant life styles of elites when growing unemployment, especially among the youth, and chronic poverty is noticeable.

In addressing these concerns that characterize many ACP societies, the principal objective is to strengthen participatory policy-making and regulatory institutions to function in transparent and accountable ways. Dissemination of lessons learnt from across ACP societies provides a basis for value added contributions by the ACP. Specific activities can utilize the modalities of South South and Triangular Cooperation to promote participatory patterns of governance at all levels.

### **❖ Global justice and human security**

Justice, peace and security are prerequisites for development. In this context, the ACP's numerical strength of its 79 member states can add value through engagement with groups such as chapters of the G77 in advocating reforms in multilateral fora on such issues as migration, terrorism and transnational organized crime.

For example, the results of the Intra ACP Migration Facility give the ACP a comparative advantage on this issue. The principal and indicative specific objectives for programming in this domain are illustrated in the body of the Report.

### **❖ Financing for Development**

Irrespective of how clearly focused is the analysis of the policy dimensions and capacity development needs of any or all of the strategic domains for ACP's interventions, adequate and predictable development finance is indispensable for effective implementation of programmes on sustainable development and poverty eradication.

The Monterrey Consensus on Financing for Development (2002), the Doha Declaration and the series of the Paris Principles on Aid Effectiveness (2005) to the Accra Agenda (2008) and the Busan High Level Forum (2002) clearly recognise that traditional donor support, principally of grants, has become less and less predictable in the context of a changing landscape.

Indeed the sources of development finance that have become more substantial are foreign direct investment, remittances from migrant employment and diaspora communities. In this shifting pattern of global development finance, it is frequently noted that the wealthy industrialised donors as members of the OECD/Development Assistance Committee (DAC) have failed to live up to their commitment of 0.7% of GNI by 2015 for financing the MDGs.

Concerted efforts would need to be made to secure financing that is predictable and results-oriented aligned to nationally owned development policies taking into account subsidiarity and complementarity.



In this regard, the role of the ACP is expected to be of significant value given the accumulated experience in the negotiation and joint management of development finance cooperation through the European Development Fund.

The necessary preparations by the ACP as a whole, although led by the MDFIP Department, should include an impact assessment of Intra-ACP Programmes of the 10th EDF; lessons derived there from with particular relevance to the strategic policy domains identified in this Report and the scope for innovative financing mechanisms targeting sectors or a nexus of sectors of critical importance for poverty eradication in ACP economies.

### ❖ **Building Sustainable, Resilient and Creative Economies**

The foundation for structural transformation for ACP economies rests on ensuring the capacity for resilience, sustainability and the creative use of our societies natural and human resources. The ACP Group must undertake to examine the impact of climate change and variability on a range of issues including food and nutrition security, promotion of renewable energy, and disaster risk reduction.

Given the membership in the ACP Group of a large number of SIDS, consideration should be given for the establishment of an ACP SIDS Forum.

The repertoire of cultural and creative resources within ACP societies can provide a new platform to promote and enhance entrepreneurship, in particular among youths.

### **A Renewed Institutional Architecture**

For the ACP Group to achieve its ambitious new mandate, strong, high-performing systems and consistent processes must be put in place to generate noticeable and sustainable results in areas of specific interventions. These are proposed to address:

#### **The ACP Group as a:**

##### **a. Knowledge Management Institution** with four elements:

- knowledge repository and clearing house;
- a platform for knowledge sharing;
- a facility for research, innovation, creative and cultural services; and
- an agency partnering on policy research for development cooperation.

**b. An Inter-regional Organisations Coordinating Hub:** to facilitate interactions and policy dialogues with RECs/RIOs on a structured basis along the lines of the previous initiative for an Inter-Regional Organisations' Coordinating Committee (IROCC).

**c. A Facilitator for International and Development Cooperation:** to be an active participant in the Global Partnership for Effective Development Cooperation with the EU and other partners. ACP's accumulated experience will be of great significance in South-South & Triangular Cooperation.

- d. **An ACP Trade Finance & Investment Facility:** originally promoted as an ACP Bank, it is to be more concisely understood as a “financing vehicle” for which a market study has been done pointing to the niche areas in which capital and sound bankable project design for the private sector, with a special focus on MSMEs in ACP countries are needed. To ensure complementarity with existing finance institutions the response from member states is being sought as a basis for “next steps”.

### **The Review of Organisational Structures**

In reflecting on the governance organs of Summit, Council of Ministers and Committee of Ambassadors as stipulated in the Georgetown Agreement, proposals are offered to empower the ACP Group to be more proactive and robust in crafting its agenda and decision-making. Given the importance of Summits of Heads of State and Government and the convening of ACP Summits, it is proposed that an Summit should meet regularly, at least once in three years. Well-structured and planned, these will provide occasions for the highest level of political leadership to express and reiterate ownership and commitment.

Appreciating the growth of regionalism, the importance of complementarity with regional groupings and regular dialogues between leadership of RECs/RIOs, must be a standard feature of ACP’s activities. A strengthened engagement with the Parliamentary Assembly and Civil Society organizations is intended to ensure more inclusive and consultative relations with the Group as a whole.

To enhance the policy management and coordination function of the Committee of Ambassadors in conjunction with more substantive policy deliberations in discharging its responsibilities, an Enlarged Bureau is proposed. This is meant to allow Chairs of Sub-Committees to have a coherent view of the Group’s strategic interventions in a more holistic rather than “compartmentalized” manner. It should meet at least every quarter.

### **A Reformed Secretariat: professional, results-oriented and cost-conscious**

It is generally agreed that comprehensive and fundamental changes in the working culture of the Secretariat is of primary importance.

The central coordination function of the Chef de Cabinet is regarded as essential in assisting smooth and timely implementation of decisions from the CoA, and overall liaising with ASGs and Departments to ensure coherence and address constraints faced in achieving Work Programmes. Consideration should be given to making this central coordination function permanent or beyond the term of a single administration.

With the enlarged importance given to Financing for Development, a post on Development Policy Analysis, Programming and Resource Mobilisation, should be created to be filled at the level a Senior Expert.

A comprehensive Corporate Communications Strategy is urgently required for enhanced visibility, effective communication and identity of the Group. The implementation of this calls for replacement of the present "Press Attaché" post by a permanent one of Communications & Media Relations Expert.

The findings of the Desk Audit will provide an empirical basis for all revisions of current or introduction of new posts.

### **Financial sustainability**

The intrinsic responsibility and obligation of member states to ensure the financial sustainability of the ACP Group as an autonomous, self-determining organisation was reiterated in the Sipopo Declaration. The first priority in this regard is to encourage member states to meet their commitments in a timely manner within the Financial Regulations. It is well accepted that member states will be more disposed to make concerted efforts to contribute to the ACP, along with many competing demands of membership in multilateral and regional organisations, to the extent that monetary and other benefits are derived as members of the ACP.

A range of income streams recommended by the WG include the establishment of Endowment/Trust Funds, project management services, co-financing of development projects, resource mobilisation from EU and other traditional or "emerging" donors", private foundations, contributions from corporate social responsibility and in-kind support by attachments of highly specialised expertise for project design, management and evaluation services.

The scope will be explored for facilitation of South-South & Triangular Cooperation programmes whereby expertise within the ACP Secretariat can be deployed if operational costs are provided by the beneficiary country or agency.

### **Recommendations of a Road Map and Action Plan**

The Working Group recommends the appointment of an **Implementation Task Force (ITF)** to be given appropriate TOR to review the following proposals and identify priority areas for a phased implementation process:

#### **1. Amendments to the Georgetown Agreement**

##### **1.1 The Summit**

1.1.1 The Summit of Heads of States and Government should meet at least once in three years;

1.1.2 The position of the President of the Summit should be enhanced to include speaking at major international fora in his capacity and highlight issues of importance to the Group; and

1.1.3 The President should hold consultations with the President of the European Commission, Council, other Heads of States and world leaders to address issues of mutual interest.

## **1.2 Council of Ministers**

1.2.1 Appropriate global occasions should be identified for the participation of the President of Council to participate and convey a major address on ACP matters; and

1.2.2 The President of Council should attend regional meetings in the interest of promoting closer working relations with the regional organisations.

## **1.3 The Committee of Ambassadors**

The mandate of the Committee of Ambassadors in the Georgetown Agreement should be redefined to include:

1.3.1 Acting as an advisory body to the Council of Ministers on issues relating to strategic domains and making policy recommendations as appropriate; an office of Vice-Chair may be considered which can be an Outgoing Chair and member of the Troika. When the incumbent Chair is unavailable for a critical matter, the Vice-Chair may deputise;

1.3.2 Forging structured relations with RECs and RIOs while creating linkages with new and emerging partners and encouraging South-South Triangular Cooperation;

1.3.3 Monitoring the implementation of the ACP-EC Partnership Agreement and other Agreements as well as preparing appropriate documentation for the launching negotiations of the Revised Cotonou Agreement;

1.3.4 Providing strategic direction and review of the ACP Secretariat's programme of work and implementation of mandates; and

1.3.5 Overseeing budget and audit functions of the Secretariat.

## **1.4 The Bureau**

1.4.1 An Enlarged Bureau should meet at least every quarter.

## **1.5 The Subcommittees**

1.5.1 The alignment of the work programmes of the subcommittees with actions envisaged in the strategic domains;

1.5.2 Review of the responsibilities of core members of the sub-committees to encourage attendance at appropriate level at meetings and better communication of information to other members of their respective regions; and

1.5.3 Consideration should be given to the expansion of the core membership of the subcommittees; and or also a Bureau of each Sun-Committee as obtains with the DFC.

## **2. The Regional Economic Communities/Integration Organisations**

2.1 The Rules of Procedure and a systematic coordinating system should be designed for the IROCC to assume a more prominent role in addressing issues of ACP concern and linking these to priority activities of RECs & RIOs to promote regionalization while respecting subsidiarity and complementarity. This may have great importance in the sharing of experiences and capacity building in implementation of EPAs.

## **3. The ACP Parliament Assembly**

3.1 The role of the ACP Parliamentary should be enhanced and utilized as an advocate of ACP issues.

## **4. Other Consultative Groups**

4.1 Amendments should be made to the Georgetown Agreement, Articles 5 and 6 to create an appropriate forum to allow for non-state actors and private sector organisations to have a structured engagement with the ACP Council of Ministers and participate in decision-making processes on Intra-ACP programming of financial resources.

## **5. On the ACP Secretariat**

A fundamental change in the working culture of the Secretariat is of paramount importance. Decision No. 1 of the 99<sup>th</sup> Session of the Council of Ministers in Nairobi, June 2014 directed the implementation of short and medium term recommendations on working methods of the Secretariat. These must be implemented as expeditiously as possible. Taking into account the findings of the Desk Audit, the following are recommended:

5.1 The central coordination function by a Chef de Cabinet as provided in its job description should be strictly adhered to. Consideration may be given for this post not be an appointee of the SG but recruited under normal regulations as a fixed term contractual post subject to renewal on satisfactory performance. The permanence of the post will provide an important element in the institutional memory of the organization and assist in continuity when a new Executive Management takes office.

5.2 A post of Senior Expert for Development Policy Analysis, Programming and Resource Mobilization should be introduced with appropriate duties and responsibilities.

5.3 The design and implementation of a comprehensive Corporate Communications Strategy should be undertaken among the short-medium term actions by the incoming administration. This requires immediate attention to the replacement of the present "Press & Information Officer" by a permanent post of "Communications & Media Relations Officer".

5.4 An appropriate "accountability system" should be designed for an assessment of the posts of SG, ASGs, General Counsel and Chef de Cabinet.

5.5 The role and functions of the Recruitment Advisory Committee should be elaborated and the nature and scope of performance-contracts of employment clearly defined.

5.6 Necessary amendments to the Georgetown Agreement and Staff Regulations (2011) should be made regarding the designation and responsibilities of any posts affected by the changes proposed in this report.

The financial implications of all recommendations are to be ascertained relative to the variance with present budgetary allocations.

## **6. Financial Sustainability and Resource Mobilisation**

6.1 Establishment of a Trust Fund Facility or Endowments related to the Trade Finance and Investment Facility and a Long Term Development Fund (LTDF) should be initiated as an urgent matter by means of suitable technical expertise to prepare the legal and financial provisions for such a Facility. This should be undertaken as a priority action of the incoming administration.

6.2 The scope, function and prospects for a Corporate Social Responsibility Programme should be examined as soon as possible.

6.3 Sources of funding Technical attachments, internships and short-term personnel on specific assignments as complementary income streams should be explored; and

6.4 Consideration should be given to the establishment of a Resource Mobilisation Programme with various avenues for extra-budgetary financing from agencies, organisations and foundations.

In regard to the above recommendations **Council is invited to:**

- i. **mandate** the Committee of Ambassadors to propose TOR and composition of an **Implementation Task Force (ITF)** as a follow up mechanism to this Report of the Ambassadorial Working Group;
- ii. **approve** recruitment of a Senior Expert for Development Policy Analysis, Programming and Resource Mobilisation; and a post of Communications and Media Relations Expert;
- iii. **approve** further study of the establishment of a Trust Fund Facility and Endowments in support of a Long Term Development Fund related to the proposed Trade Finance and Investment Facility.

## **I. INTRODUCTION**

1. This report presents the results of comprehensive, multi-stakeholder reflections by the Ambassadorial Working Group on Future Perspectives (WGFP) of the African, Caribbean and Pacific Group of States (ACP) on the critical process of transformation currently being pursued by the ACP.
2. Several geo-political developments warranted this serious rethinking of the relevance and effectiveness of the ACP in an increasingly turbulent multi-polar global order. Today's world is fundamentally different from the era of the 1970s in which the ACP was born. Quite evident are shifting patterns in global demand, the rise of the emerging economies, as well as the growing consciousness on the part of ACP member states for new trade and investment relations to support the structural transformation of their economies.
3. Moreover, on the part of the European Union (EU), the ACP's major trading partner and source of development assistance, serious revisions in the institutional architecture and global priorities were introduced in the wake of the 2009 Lisbon Treaty. In addition, the move towards budgetisation of the European Development Fund (EDF), the increased role of the European Parliament in decision making, as well as domestic concerns of EU Member States, have altered the political dynamics in the ACP-EU relationship. Of significant impact have been the protracted negotiations of the ACP-EU Economic Partnership Agreements (EPAs) and now their complex implementation processes. The five-yearly reviews of the ACP-EU Cotonou Partnership Agreement (CPA) in 2010 and 2015 (now deferred), also served as preludes to its scheduled revision in 2020. More recently, the rise of the populist and right extremist parties in the May 2014 European parliamentary elections is regarded as a significant factor not to be ignored.
4. Within such a context, the WGFP has articulated a clear and revitalized outlook for the ACP Group to be "fit for purpose" in the pursuit of poverty eradication, sustainable development, and equitable integration of member states into the world economy.
5. To achieve these goals effectively, viable political and institutional structures are necessary. In this regard, the WGFP has proposed five strategic policy domains and introduced supporting systems, as well as fundamental reforms of current organisational structures. Finally, the report addresses the critical and urgent issue of financial sustainability. Central to this is the primary responsibility of member states to meet their assessed contributions. In addition, innovative financing methods will include management of remittances and co-financing programmes through enhanced relations with like-minded organizations and Groups in the Global South.

## 2.0 TERMS OF REFERENCE

6. The mandate of the Working Group was developed with the view to re-positioning of the ACP to be a more effective global player as “catalyst and advocate” of innovative thinking and modalities aimed at overcoming poverty among the 900 million of its peoples.
7. More Information related to the Group’s terms of reference, objectives and modalities can be found in (Annex 1).

## 3.0 BACKGROUND INFORMATION AND METHODOLOGY

### *3.1 Council Decision of November 2010*

8. The Council of Ministers at their 92nd Session in November 2010 reiterating the need to maintain and strengthen the unity and solidarity within the ACP Group approved by Decision No. 4/XC11/10 the setting up of the Ambassadorial Working Group on Future Perspectives (WGFP). The Working Group is required also to take into account findings of previous Working Groups. In addition, it is mandated to identify the objective basis on which the ACP Group can collectively address common development challenges being faced in the evolving global context to 2020 and beyond (See Annex 2)

### *3.2 Composition of the Working Group*

9. The WGFP comprised Ambassadors from each of the six (6) ACP sub-regions and two representatives of the ACP Secretariat’s Staff Association. Each region had an alternate member and deliberations were open to representatives of all regions (see Annex 3). Senior Management staff of the ACP Secretariat attended meetings when available, to provide advice on specific issues. The WGFP was required to report to each Session of the Council until its mandate expires in 2014. In this regard, reports were submitted from the 93<sup>rd</sup> to the 99<sup>th</sup> Sessions of Council from June 2011 to June 2014 respectively.

### *3.3 Major Activities*

10. The WGFP convened 37 regular meetings as at September 2014, and has benefitted from robust discussions and consultations in and outside of Brussels, often supported by specific analytical work conducted by consultants. Some of these activities include:-
  - i. **Participation at the special seminar marking the 25<sup>th</sup> anniversary of the European Centre for Development Policy Management (ECDPM)** on the theme “Global changes, emerging players and evolving ACP-EU relations: towards a common agenda for action?” in Maastricht, Netherlands in June 2011;
  - ii. **Study commissioned on the Future Perspectives of the ACP**, funded by the United Nations Development Programme (UNDP) and conducted by Professor Mirjiam van Reisen in December 2011. The final report, entitled “ACP: 3D”, was submitted to the Committee of Ambassadors, and presented for discussion at a special stakeholder workshop in Brussels in April 2012;



- iii. **Special retreat for members of the WGFP and ACP Secretariat Management** held in March 2012 to discuss issues related to the future of the ACP Group;
- iv. **Consultations and brainstorming session co-hosted with the Commonwealth Secretariat** held in London, UK in April 2012;
- v. **Presentation and exchange of views with members of the ACP-EU Joint Parliamentary Assembly** in Suriname in July 2012;
- vi. **Review of the Feasibility and Scope for Deepening Commercial Linkages among ACP Members and Expanding Intra-ACP Trade & Economic Cooperation** by Professor Chris Milner with funding from the Commonwealth Secretariat, July 2012.
- vii. **Participation at a policy research seminar on the theme “The African, Caribbean and Pacific Group and the European Union”**, hosted by the Centre for Conflict Resolution in Cape Town, South Africa in October 2012;
- viii. **Participation at the main meetings of the ACP Eminent Persons Group (EPG)** in Brussels in March and September 2013, as well as all the **regional consultations** conducted by the EPG in Apia, Samoa (October 2013); St. Georges, Grenada (November 2013); Cotonou, Benin (January 2014); Addis Ababa, Ethiopia (February 2014), Malabo, Equatorial Guinea (June, 2014) and Luanda, Angola (September 2014);
- ix. **Deepening intra-ACP Cooperation on Agro-food Sector Trade Issues** funded by CTA, April 2014.
- x. **Study on the role of the ACP Group in South-South and Triangular Cooperation; Promoting Effective Development Cooperation: The role of the ACP Group in South-South & Triangular Cooperation; Intra-ACP South-South and Triangular Cooperation - a Mapping Paper**; commissioned by the ACP Secretariat with support from Germany’s Federal Ministry for Economic Cooperation and Development (BMZ), and conducted by Dr Carine Nsoudou; May 2014.
- xi. **Study on the Prospects for an All ACP Development Cooperation Framework**, funded by Intra ACP resources and the EU and authored by Dr. Ruth Kaeppler and Mr. Alexei Jones conducted 2014.
- xii. The ACP Secretariat Task Force that was established to identify resources for a new ACP Headquarters Building successfully concluded discussions with the EC Services for the allocation of € 18mn from the Intra-ACP 10th EDF.

## 4.0 OVERVIEW OF THE CURRENT ACP GROUP

11. The African, Caribbean and Pacific Group of States (ACP) is the largest intergovernmental association of developing countries with a permanent secretariat. The Group comprises 48 Sub Saharan states and Mauritania, 15 Pacific states and 16 Caribbean states. The ACP Group's main objectives are poverty eradication and the promotion of sustainable development through the structural transformation of the economies of their member states, and their fair and equitable integration into the global economy. As an international alliance, the ACP can be seen to operate on three main levels: amongst member states (Intra-ACP); with its main partner, the European Union (EU); and with other international bodies, "emerging economies" such as the BRICS [Brazil, Russia, India, China and South Africa which is also an ACP member] as well as countries with likeminded interests as the ACP.
12. ACP Group membership has expanded from 46 in 1975 to 79 in 2014, South Sudan's expected accession to the ACP-EU Partnership Agreement will bring the number to 80. While all members are classified as "developing countries", GDP levels put 27 of them as "Low-Income" countries, 22 as "Lower-Middle Income", 21 as "Upper-Middle Income; and 7 as "High Income" economies according to World Bank definitions. Under the United Nations (UN) categorization 40 are classified as Least Developing Countries, 37 as Small Island Developing States, and 15 as Land-locked Developing Countries.

### 4.1 *From Georgetown to Sipopo: Unity and solidarity as principles of intra-ACP relations*

13. Since its inception in 1975, no single member has exited the ACP Group. In the 1975 Georgetown Agreement (GA), the ACP Group expressed the firm conviction that, as a Group of developing countries, unity and solidarity are the enduring foundation on which it engages in relations with the developed countries. Trade as an instrument of development was a central element in the founding of the ACP Group.
14. In addition to those principles on "unity and solidarity", the Georgetown Agreement makes reference to "understanding between ACP peoples" and "greater and closer economic, political, social and cultural relations among developing countries and cooperation between the ACP States." The multi-dimensional aspect of "all-ACP cooperation" is explicitly stated (Art. 2) and underpins the cohesive character of the ACP Group as a self-determining intergovernmental entity.
15. The diversity and heterogeneity within the ACP Group represent both a challenge and a golden opportunity for enhanced cooperation among its Member States to contribute to their development. The Group's ability to identify common needs and exploit its numerical weight in the international arena has proven to be quite effective in specific circumstances. This has been evident, for example, in the negotiations of the ACP-EEC Lomé Conventions, which gave ACP countries duty free access to EU markets as well as substantial development assistance. It was further realised in the Cotonou agreement 2000-2020 and the negotiations of the World Trade Organisation (WTO). Former Director General of the WTO, Mr

Pascal Lamy, referred to the ACP Group as “one of the more powerful and influential advocacy and negotiating arms in the WTO.”<sup>5</sup>At the most recent WTO Ministerial Meeting in Bali in 2013, the ACP Group was credited with aiding the successful completion of the Conference, working effectively to bridge differences between Members’ positions, and crafting an innovative, more development-oriented approach to Trade Facilitation.

16. However, notwithstanding these achievements, it is evident that the ACP Group has not taken full advantage of its large membership, especially in fostering strong Intra-ACP links amongst its members. The regional approach for negotiating EPAs with the EU fragmented the Group. In addition, a study on the feasibility of an ACP Free Trade Area found a “limited incentive to pursue an intra-ACP FTA in advance of existing commitments to deeper [regional] integration”<sup>6</sup>. Moreover, the Group has not been able to fully share and replicate the success of certain members such as Mauritius and Kenya in moving their commodity production up the value chain.
17. At their 7<sup>th</sup> Summit, the ACP Heads of State and Government re-emphasised, in the Sipopo Declaration the need for a unified approach, resolutely stating the need to “stay united as a Group grounded in the values of peace and solidarity, unified action and the identity that characterises t he ACP Group”. The question arises on how to build on previous achievements in order to fortify the ACP Group as championing the aspirations of its peoples for peace and solidarity.

#### **4.2 ACP-EU relations: From Lomé to Cotonou**

18. Historically, the ACP Group’s main counterpart has been the EU due mainly to the traditional links which ACP countries have had with the EU member states. From the first Lomé Conventions (1975- 2000) up to Cotonou (2000 to date), trade and economic cooperation as well as development finance and political dialogue were the main pillars of cooperation. Preferential trade has been the driving force for economic development and aid, an ancillary factor for economic growth.
19. As regards to trade and economic cooperation, the core mandate and activities of the ACP Group have been centered on the ACP-EU economic cooperation governed by protocols. The preferential, non-reciprocal market access by the ACP to the world’s largest trading bloc since the Lomé Conventions is often regarded as a major benefit of the ACP-EU Partnership. Gross revenue earned from merchandise trade of agricultural exports from ACP countries to Europe, initially 46% at the time of Lomé I in 1975 reached 77% by Lomé IV in 2000. This major source of foreign exchange also created jobs in the rural economy and enabled a multiplier effect with the services sector, including transport, retail and wholesale distribution.
20. Considerable success was derived from STABEX of Lomé I as a compensatory financial scheme for losses in export earnings due to fluctuation in prices or the supply of agricultural commodities. With Lomé II, SYSMIN was introduced to

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<sup>5</sup> WTO News, 24 Oct 2012. Lamy cites ACP’s “instrumental role” in moving trade agenda forward [http://www.wto.org/english/news\\_e/sppl\\_e/sppl256\\_e.htm](http://www.wto.org/english/news_e/sppl_e/sppl256_e.htm)

<sup>6</sup>2012. Milner, Chris. *Review of the Feasibility and Scope for Deepening Commercial Linkages among ACP Members and Expanding Intra-ACP Trade and Economic Cooperation*. Interim report distributed with Cover Note ACP/61/035/12.

assist the mining industries of the heavily mineral dependent ACP economies. This was the first clear policy aimed at supporting the diversification of the economic base of ACP's mineral-dependent economies.

21. The ACP - EU financing instruments support various programmes in the areas of Private Sector Development, Regional Integration and Infrastructure Facilities in ACP member states. Through the €2 billion Investment Facility, managed by the European Investment Bank (EIB) and other programmes, the ACP-EU Development Cooperation has funded investment programmes in member countries and regions.
22. However, increased preference erosion combined with demands for developing countries to undergo "structural adjustment" promoted by the IMF and World Bank, started the reversal of the benefits of Lomé IV bis (1995-2000). This reversal was increased by stringent public sector management requirements and human rights obligations under the current Cotonou Agreement and the demand for WTO compatibility through Economic Partnership Agreements (EPAs).
23. Tensions in ACP EU relations were significantly heightened with the EPA negotiations. The demands by Europe for excessive liberalization of ACP's trade by up to 80% over 10-20 years, removal of export duties, no infant industry protection, a non-execution clause that enforces penalties and a Most Favoured Nation (MFN) provision gave rise to concerted resistance on the part of the ACP.
24. The above areas became the major contentious issues that made the negotiations protracted, tedious and tense and continue as obstacles in implementation. Compounding this, the regional basis on which the negotiations were conducted had a fragmentary effect both on the ACP as a whole and contributed to undermining the regional integration process across the ACP.
25. Overall, the history of ACP's trade sectors shows limited impact on structural transformation of ACP economies. However, exceptions occur for products with high tariff preference (above 5%) and when the policy context is favourable and dynamic private sector engagement is mobilized. The Mauritius' cane sugar industry, the Namibian beef sector and Kenyan horticulture sector, are cases of value addition taking place in ways that structurally developed those industries.
26. On the pillar of development finance cooperation (DFC) through the EDF National Indicative Programmes (NIPs) and Regional Indicative Programmes (RIPs), several gains can be cited also at Intra-ACP level. In this regard, account is mainly taken of the Intra-ACP level of the EDF, since achievements and challenges of national and regional EDF programmes are rightly for the purview of individual Member States and RECs or RIOs.
27. The amount of development assistance made available to the ACP Group from the EDF in 1975 to the 11<sup>th</sup> EDF (2014-2020) is estimated to be over €100 billion comprising of approximately €13.5 billion for the 9<sup>th</sup> EDF, €21.966 billion for the 10<sup>th</sup> EDF and €29.089 billion for the 11<sup>th</sup> EDF. For the Intra-ACP cooperation, however, the 9<sup>th</sup> EDF which ran from 2002 to 2007 and the 10<sup>th</sup> EDF from 2008 to 2013, assistance amounted to €2.8 billion and €2.7 billion respectively, while €3.590 billion has been allocated to the 11<sup>th</sup> EDF.

28. On average, approximately €300 million of those funds are managed by the ACP Secretariat annually. These funds are allocated for Intra ACP programmes, some of which are implemented by various international and multilateral agencies. In the all-ACP initiatives, funding has been available mainly for Trade, Climate Change, Infrastructure Development, Science and Research, Energy, Water, Peace and Security, Migration, Education and Culture.
29. Through these funds, the ACP has managed to support public health initiatives, biodiversity and the fight against desertification, as well as trade-related support and private sector development. Other initiatives include the African Peace Facility as well as conflict prevention programmes. The resources have also supported various institutions such as the Joint Parliamentary Assembly, the Centre for the Development of Enterprise (CDE) as well as the Technical Centre for Agricultural and Rural Cooperation (CTA).
30. Through co-management with the European Commission (EC) extensive work on the conceptualization, design and supervision of development assistance is exercised by the ACP Secretariat and oversight of the Committee of Ambassadors. This has no doubt endowed the ACP Group with an accumulation of knowledge and experience that can significantly serve South-South and Triangular Cooperation. In this regard, the ACP Secretariat will be expected to fully play its role in the co-management of the EDF resources.
31. There continues, however, to be inadequate evidence of the extent to which tangible benefits are achieved by ACP member states when substantial funds are managed under the “framework contracts” or “direct contribution agreements” with multilateral institutions. In this regard, an appropriate structure and trained personnel at the ACP Secretariat will be required to address this challenge.
32. The widely dispersed and highly complex areas/sectors to which funding is provided also reduce the likelihood of serious impact in a sufficiently targeted manner.
33. This fragmentary approach has persisted mainly due to the absence of an All - ACP development cooperation policy framework. As a result, little or no cumulative impact has been derived or is aimed towards achieving strategically defined objectives. To address these deficiencies, the establishment of a dedicated development policy analysis and programme unit warrants consideration.
34. In terms of political dialogue, the ACP-EU relationship has been driven by various protocols in Lomé and Cotonou Agreements. In this context, the ACP has held discussions with the EU at Intra ACP, regional as well as national levels. At Intra ACP level, the two parties have had regular meetings through the Joint Parliamentary Assembly where social, economic and political issues effecting ACP and the EU member states are discussed and resolutions adopted.
35. The relationship between the ACP and the EU is also based on Article 96 of the Cotonou Agreement as regards human rights, democratic principles and the rule of law. The violation of these can give rise to sanctions when the prospects of fruitful dialogue are exhausted. In a preventative manner, to avoid sanctions arising, on a regular basis the ACP member states and the EU address political issues affecting their relationship.

36. It should be noted that political issues are more and more affecting the relationship between the ACP and the EU. One notes the intensity of negotiations preceding the first 5-year revision of the Cotonou Agreement where political overtones arose from debates about good governance. More recently, the EU's reluctance to link the EPA trade liberalization process to substantial adjustment assistance for ACP countries became a source of protracted unease.
37. As criteria for eligibility and access to development cooperation, these elements were determined by political circumstances, to the extent that "aid" could be restricted or withdrawn by political authority of the European Commission. This type of administrative procedure for aid was regarded as incoherent, if not contradictory, to the fundamental principle of equality and ownership of strategies contained in Cotonou. This also diminishes the principle of co-management/ownership of the EDF which made ACP-EU development cooperation a progressive hall-mark and envy of North-South aid relations.
38. With the policy document, An Agenda for Change (2011), the EU presented new challenges which required new responses from the ACP member states.

### **4.3 *The ACP, Emerging Economies, and other partners***

39. In the Georgetown Agreement, "unity and solidarity" drive the Group's commitment to "contribute towards the realization of a new, fairer and equitable world order". By this commitment, the ACP supported the demands for a "New International Economic Order (NIEO)". Intrinsic therefore to the Group's existence is a global role by which the ACP is expected to join forces with the Global South in the fight for justice and an equitable world order. An adequate understanding of today's multi-polar 21<sup>st</sup> century and the changing character of ACP's relations with the "emerging economies" of the Global South are essential for an effective global role by the ACP.
40. Notably, some key favourable conditions for the ACP Group have arisen due to the geopolitical context. Increasing interest for trade, investment and development cooperation are appearing, mainly for Africa, from the "emerging economies" of the South. Many of these, particularly Brazil, China and India have experienced a "staggering rise" in economic growth rates of 7-10%. They have accumulated enormous foreign reserves and are also anxious to secure raw materials and primary commodities from ACP countries to fuel their growth.<sup>7</sup>
41. The emerging economies have evidently pursued indigenous growth strategies which succeeded in achieving poverty reduction and phenomenal economic growth. This has stimulated a growing disposition to engage with other developing countries to share development experience and explore new investment opportunities. It has also made "emerging economies" of the South attractive as alternative partners for development policy, trade and investment. However, investment from and re-orienting trade with these new partners, to

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<sup>7</sup> A very useful analysis of relations between the economies of the South and the advanced economies is Yilmaz Akyuz, **The Staggering Rise of the South?** *South Centre*, Geneva, Research Papers #44, March 2012; see also a sound critique by Padraig Carmody, **The Rise of the BRICS in Africa – Geopolitics of South-South Relations**, Zed Book, London 2013..

effectively support the structural transformation of ACP economies entails serious challenges that cannot be taken for granted. To avoid new forms of “aid dependency” or seek comfort in wishful thinking requires vigilance and critical assessments of what is offered by prospect partnerships.

42. Moreover, the serious questioning of “aid effectiveness” and “aid fatigue” among traditional donors and a shift in Europe’s development cooperation policy is in no way surprising.<sup>8</sup> Indeed, a growing perception exists that EU taxpayers are providing “blank cheques” for the so-called poor countries of the South that invariably “wasted aid”. They are also seen as having questionable public financial management systems or are not strictly promoting human rights in ways that Europe considers desirable.
43. This new policy orientation is evident in a series of documents<sup>9</sup> which emphasize reduced resources, the need for greater impact and a more concentrated approach in terms of sectors and countries as beneficiaries. An interpretation of “differentiation” in the Cotonou Agreement by the EC attempted to fragment the membership of ACP countries on the basis of per capita income differentials and hereby exclude some countries from grant assistance. Perhaps with the historical reliance on “aid” as so essential for development, a major dispute has arisen over the guidelines for programming the 11<sup>th</sup> EDF at national and regional levels.
44. The objective achievements of the “emerging economies” and the growth of a maturing regionalism in the Global South together reinforce the need for the ACP as a group to more vigorously assess its options for multiple partner relationships. Some of this is seen in interregional avenues such as Africa’s engagement in the biennial China-Africa Forum and the 5-year Tokyo International Conference on African Development (TICAD). But a firm foundation of the ACP Group with the emerging South still remains embryonic. This needs to be systematically pursued.
45. A useful initiative had been formulated in the ACP’s Symposium on South-South Cooperation on January 31, 2011 in which two of the BRICS participated. Brazil has subsequently signed an MOU on Cooperation with the ACP. Also the existing ties of most ACP countries with India’s “technical cooperation” are examples of the potential scope for “diversified partnerships” beyond ACP-EU relations. Moreover, significant potential for the ACP Group has been identified in a study carried out by Dr Carine Nsoudou. The study has proposed that, given the long and rich experience in the area of development cooperation, harnessing the ACP’s capacity to be a “global hub” for South-South and Triangular Cooperation is a useful basis for further action.

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<sup>8</sup> It is important to note that the EU has remained the largest provider of Official Donor Assistance (ODA) accounting for more than half of global aid in 2010 at a level of € 53.8 billion. Budgetary constraints of 2009 made several EU member states reduce aid which was € 49 bn or 0.42% of GNI and below the commitment of 0.7% that is supposed to be reached by 2015.

<sup>9</sup> Increasing the Impact of EU Development Policy : An Agenda for Change (2011); A Decent Life for All (2012); Beyond 2025: Towards a comprehensive and integrated approach to financing poverty eradication and sustainable development (2013).

## 5.0 TRANSFORMING THE ACP GROUP

### 5.1 *Options for Reform*

46. The preceding discussion identified the need to reorient the organisation into one that is more relevant to the needs of its populations and to the world at large in the 21<sup>st</sup> century. In the study by Prof. Van Reisen on the future perspectives of the Group<sup>10</sup>, options for their positioning of the ACP amounted to five proposals:
- **Maintaining the status quo**, that is, the exclusive partnership framework and working relations with the European Union (no support was expressed amongst the consulted parties);
  - **Closing down** (this option entails the exercise of legal provisions in the Georgetown Agreement as distinct from termination of the CPA subject to its provision in Art. 99);
  - **Regionalisation** (this acknowledges that regional integration and cooperation processes have assumed an enlarged role in a number of geographical and political groupings of countries that need to be addressed through synergies and complementarity on global issues. A strengthened regionalization does not contradict the ACP Group as a unified entity in a transcontinental space but requires conscious actions to prevent ACP fragmentation or dilution of All-ACP and Intra-ACP development ambitions in Regional Trade Agreements (RTAs), for example);
  - **Reducing the membership to LDCs** (this implies that the ACP Group would become an EU “aid partner” and primarily be a technical administrative vehicle for dispensing EU’s “aid” principally among “the poorest of the poor”; and
  - **An “independent” ACP Group** with multiple sets of relations and partnerships engaged with regional, continental and multilateral processes.<sup>11</sup>
47. The option of being an independent, self-financing ACP Group with “deepened and diversified” partnerships is the most favoured. There is a strong desire from stakeholders for the ACP to remain in existence after 2020, when the Cotonou Agreement will be reviewed. As such, it is necessary for the ACP Group to explicitly redefine its specific ambitions as an organisation with the aim of enhancing its “essence” or “brand”. To address this, the WGFP embarked on a focused and thorough exercise to redefine the role of ACP, restate the Vision, Mission and Core Values of the Group as well as identify its main policy domains. Furthermore, the Working Group reviewed the institutional architecture and developed the supporting structure with the aim of outlining a road map and

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<sup>10</sup>These sentiments were similarly expressed in all the regional consultations held by the ACP Eminent Persons Group (Details found on <http://www.epg.acp.int>)

<sup>11</sup>This option seen in dynamic terms emerged from the van Reisen survey among ACP missions in Brussels, with Ministers and political officials and was corroborated in focus group discussions, stakeholder consultations beyond Brussels and visits of the EPG process in all six regions. Cf VanReisen, ACP: 3D, 2012; COMSEC Report, 2012; Centre for Conflict Resolution, 2012.



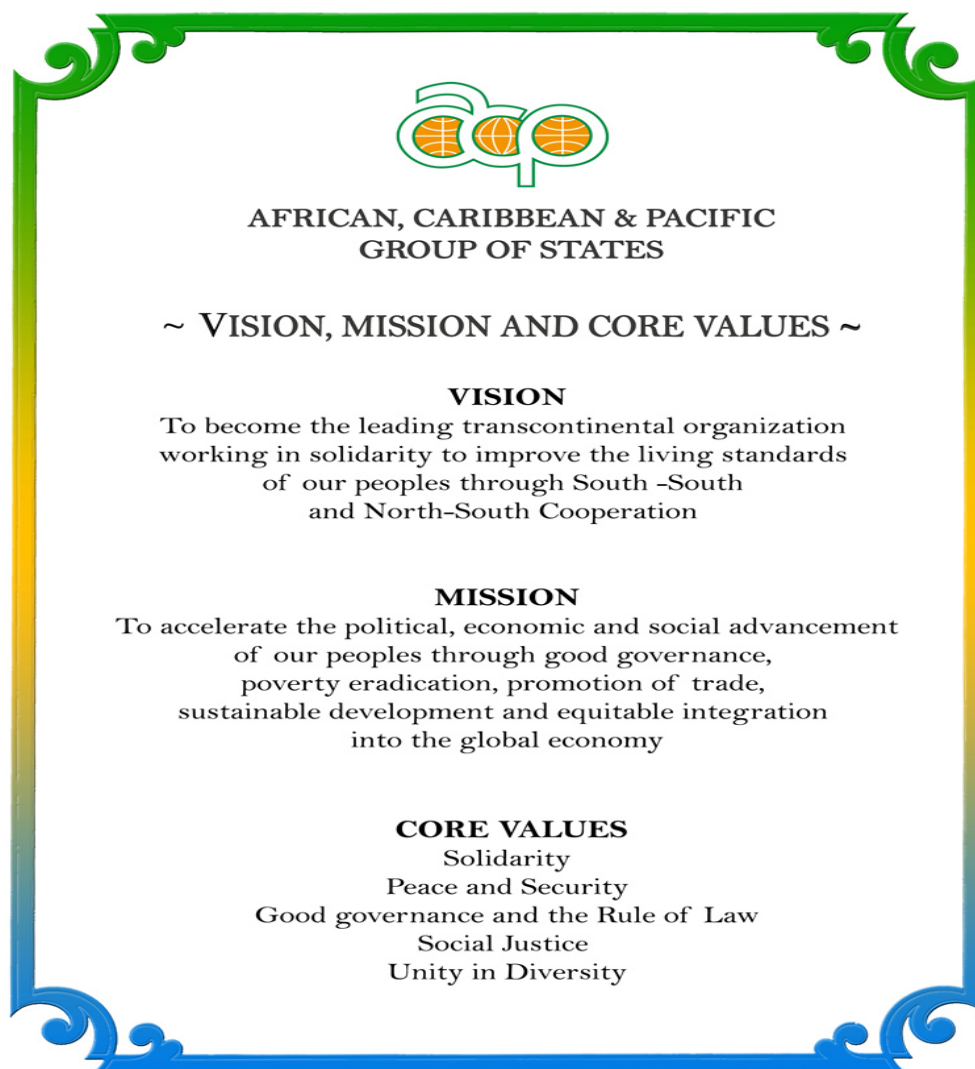
action plans as prospects for comprehensive reforms and programmed interventions..

## **5.2 The Redefined Role of the ACP Group**

48. Based on the option of an independent ACP Group and its experience and expertise in championing and managing elements of development cooperation as well as supporting the efforts of Member States in their aspiration for sustainable development, the Group therefore agreed that the new role of the transformed ACP Group should be to promote partnership for sustainable development in ACP countries.

### **5.2.1 The “New ACP”: Vision, Mission and Core Values**

49. The restatement of the ACP Vision, Mission and Core Values was agreed and subsequently adopted by the 97th Council in Brussels in June 2013, following an inclusive, participatory engagement led by the Committee of Ambassadors, which also benefitted from deliberations of Sessions of the Council of Ministers, as indicated above.
50. The restated Vision, Mission and Core Values are expressed as:

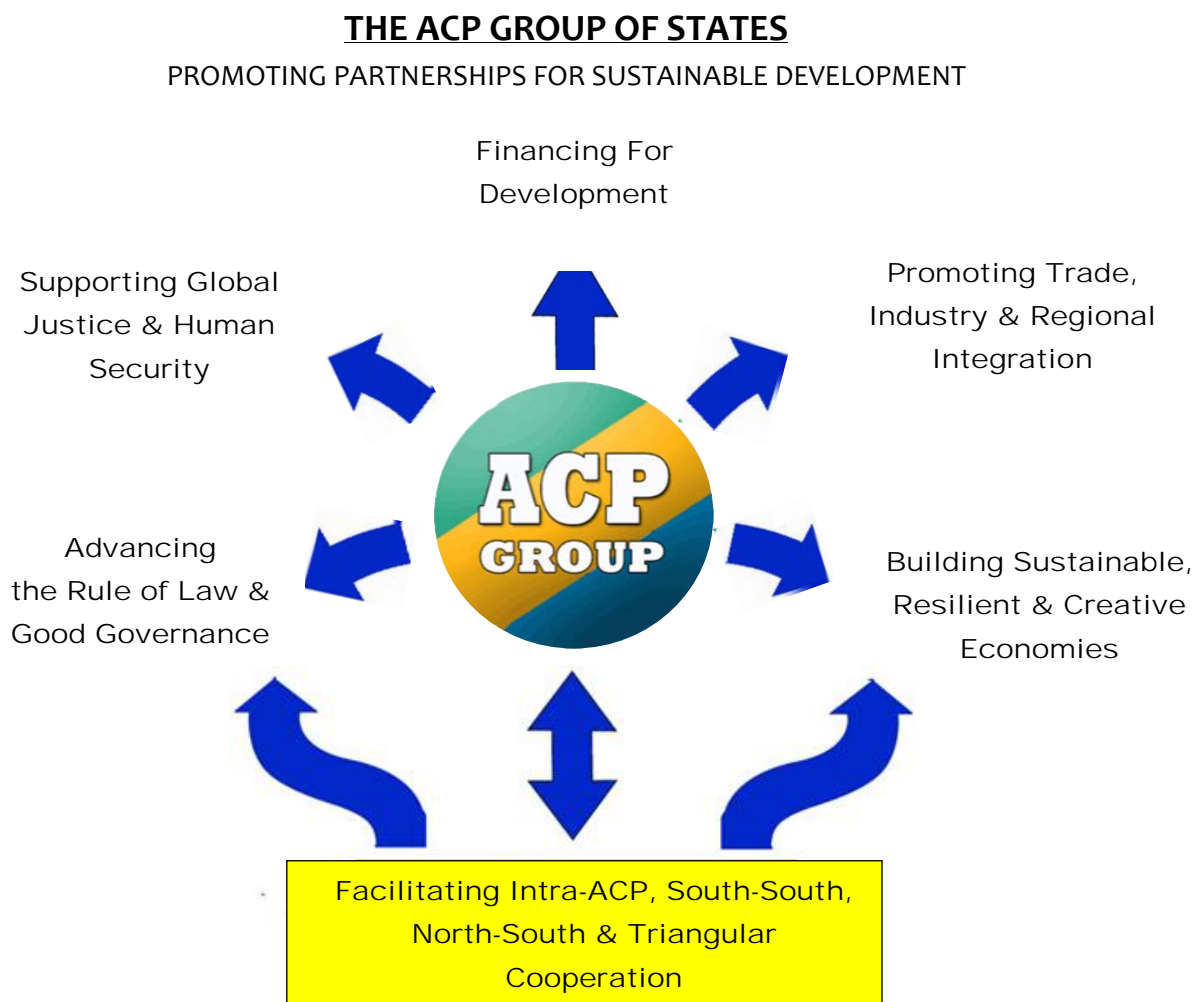


### 5.3 Strategic domains

51. A transformed ACP Group will entail strategic re-focusing of the Group's core agenda to realize the Group's mission and vision. In this context, five policy domains have been identified that seek to address both the common and unique challenges and opportunities of ACP Members and are anchored in the internationally agreed development agenda. These five domains are distinct but mutually reinforcing. This allows for cross cutting issues to be effectively addressed in an integrated manner and for engagement with multiple sets of partners. These domains are:

- a) Promoting Trade, Industry and Regional Integration
- b) Financing for development
- c) Supporting Global Justice and Human Security
- d) Advancing the Rule of Law and Good Governance
- e) Building Sustainable Resilient and Creative Economies.

**Figure 2.1. Strategic Policy Domains and Intervention Modalities of the ACP Group in the Global Arena**



### 5.3.1a Promoting Trade, Industry and Regional Integration

52. In addition to industrialization and promoting trade, the work of the ACP Group will be premised on the Framework of the Post 2015 Development Agenda that will acknowledge the nexus between sustainable development and poverty eradication through a comprehensive and coherent approach. In this regard, the ACP Group should aim to combine economic growth, environmental sustainability and long term social capacity development through the recognition and promotion of creativity as a defining characteristic of development in the 21st Century.
53. The principal objective of this domain in this regard is to optimize the value of primary commodity trade by industrial production and processing and to structurally transform the basis of ACP engagement with national, regional and global value chains. Specific objectives include:
  - a) Increasing the share of trade and value added manufacturing in which ACP countries participate and thereby move away from commodity based trade;
  - b) Promoting decent job creation and entrepreneurship among the youth of ACP countries;
  - c) Identifying commonality of interests and areas for value added action at the ACP level to increase value addition in ACP agro-food sectors, prior to engagement with global value chains, so as to maximize the benefits accruing to ACP economies and peoples;
  - d) Reducing and managing vulnerabilities faced by natural resource and services sectors of ACP economies while enhancing value from sectors of the “green” and “blue/marine” economy.
  - e) Advancing intra-ACP Trade through commercial linkages as well as enterprise-based development.
54. As such the New ACP’s core functions in relation to Trade, Industry and Regional integration may be:
  - i. Private sector development through knowledge sharing, transfer of technologies and common research and development of products;
  - ii. Promotion of an enabling environment for the development of the private sector (of ACP states) and the use/transformation of local resources;
  - iii. Promotion and Facilitation of Market Access;
  - iv. Advising, strategizing and facilitating Trade Negotiations;
  - v. Promoting Tourism through effective marketing, planning and training programmes;

### **Box 1. Areas for Collective Value Added ACP Initiatives in the Agro-Food Sector: An Illustrative Example**

In the agro-food sector, scope for value-added collective ACP action lies primarily in:

- Establishing effective institutional mechanisms for dialogue around the design and implementation of SPS, food safety, and private standards (including sustainability standards), to minimize the adverse effects on ACP agro-food sector production and trade with all current and potential partners;
- Acting collectively to maintain the policy space for agro-food sector development, particularly with regard to the use of traditional agricultural trade policy tools in support of sector specific development programmes;
- Promoting export diversification in support of the structural transformation of the basis of engagement of ACP agro-food sectors with global supply chains, through coordination on a sector specific basis, the securing of SPS approvals for market access and initial market identification initiatives;
- Exploring the scope for more effective ACP actions around the WTO in addressing issues of common concern to the ACP, in support of the structural transformation of engagement with global supply chains.

#### **5.3.1b Building Sustainable, Resilient and Creative Economies**

55. The principal objective of this domain is **to improve institutional mechanisms for the implementation of sustainable development goals in ACP societies in the framework of the Post-2015 Development Agenda**. Specific objectives are to:
- a) Establish long-term strategies for increased contributions from cultural and creative services for the sustainable development of ACP economies;
  - b) Ensure the existential threats and major economic adjustments challenges for ACP countries from climate change are recognized and effectively addressed;
  - c) Assist in mobilizing finance to address climate change challenges;
  - d) Ensure that policy responses in non-ACP states to climate change concerns do not undermine ACP efforts to promote the structural transformation of ACP engagement with the global economy.
56. In this regard, the core functions of the New ACP programmes under Building Sustainable, Resilient and Creative Economies aim to promote:
- i. Cultural and creative industries as a source of youth entrepreneurship;
  - ii. Adaptation to Climate Change and Disaster Prevention;
  - iii. Research and innovation;
  - iv. Strengthening health systems;
  - v. Science and Education;
  - vi. Sustainable Development and Food Security;

- vii. Environmental Protection and Reduction of Environmental Damage.

### **5.3.1c Advancing the Rule of Law and Democratic Governance**

57. Sustainable economies can only thrive in societies that are democratic, just, transparent, and free of corruption. The principal objective of this domain is **to strengthen policies and mechanisms for the functioning of legal and regulatory institutions in ACP societies**. Specific objectives are to:
- a) Increase participation of ACP citizens in democratic processes in ACP societies”;
  - b) Enable the practice of peer review or other indigenous consultative mechanisms to support inclusive and participatory patterns of governance at all levels in ACP societies; and
  - c) Improve the capacity of regulatory institutions for transparent and accountable decision-making in the mobilization of domestic financial resources.
58. This should seek to build on existing ACP mechanisms for peer review and peer support, and where appropriate, on broader South–South (G77, BRICS) and Triangular Cooperation in addressing major emerging issues of concern. As such, the New ACP may undertake selected interventions in:
- i. Intra – ACP Political Dialogue;
  - ii. Peer Review and Peer Support Mechanism;
  - iii. Promotion of codes of political conduct at National Level;
  - iv. Inclusive and participatory patterns of governance at all levels

### **5.3.1d Support of Global Justice, Peace and Human Security**

59. Justice, peace and security are pre-requisites for development. ACP States face a number of security threats, the underlying causes of which must be addressed. The security of more than 900 million ACP citizens around the world is fundamental to fostering an enabling environment for achieving sustainable development. The principal objective of this domain is thus to enable the views and voice of the ACP Group to resonate in selected multilateral fora on global issues that impact on the social, economic, political and cultural conditions in ACP societies. Specific issues to be addressed include:
- a) Preparation of economic and political responses to address extremist ideologies and advocate measures to prevent and combat terrorism, in keeping with the ACP’s recent Resolution of the 98th Session of the Council of Ministers in December 2013;

- b) Analysis of human migration in terms of its causes and consequences on sending and receiving societies, with particular reference to protecting the rights of migrants; and
  - c) Promotion of a critical understanding of the relationship between migration and development to facilitate the incorporation of migration issues into development policies of ACP member states, including the role of the Diaspora in development, regional integration and the fight against organized crime networks and Trafficking in Human Persons.
60. The ACP has a comparative advantage through existing institutional structures in the ACP-EU Dialogue on Migration to promote a distinctly value-adding perspective, with focus on promoting operationally effective initiatives to address specific ACP concerns. In this domain, a future ACP Work Programme can undertake the up-scaling and mainstreaming of outputs and results achieved by the Intra-ACP Migration Facility and the ACP's participation in the Global Forum on Migration.
61. An existing productive relationship on which to deepen the role of the ACP is with the Geneva-based International Organisation for Migration (IOM).
62. The following are some focus areas for ACP programmes that could advance policy initiatives in Global Justice and Human Security:
- i. The analysis of measures to overcome Terrorism, while promoting Peace and Security for Sustainable Development;
  - ii. Overcoming the threats of Piracy;
  - iii. Trafficking in Human Persons and related transnational crimes;
  - iv. Good Governance and reforms in multilateral institutions.

### **5.3.1e Financing for Development**

63. Development Financing will play a critical role in supporting the New ACP. In this regard the principal objective is to strengthen relationships with other stakeholders with the aim of speeding up development of ACP States. The role of Financing for Development includes:-
- a) Establishment of contacts and relations with other states and Group of states;
  - b) Coordinating the activities of the ACP Group in the implementation of intra-ACP Development programs;
  - c) Contributing to the development of closer cooperation through technical assistance as well as knowledge sharing;
  - d) Assessment of and proposals to counter the illicit financial flows from ACP Member States.

64. The policy domains described above are meant to enable the ACP to identify areas of added value and collective action in its engagement with international partners. These will include bilateral partners (China, Brazil, EU, USA) international groupings (BRICS) or multilateral bodies (WTO, FAO) in pursuit of underlying common policy objectives. Programming of financial resources through EDF Intra-ACP-Cooperation should have a sustained impact rather than being dispersed in an ad hoc manner. Hence, the policy domains allow strategic choices that are results-oriented and contribute to the role of ACP as a catalyst and advocate in the global arena while observing complementarity and subsidiarity at regional and national levels.
65. In this regard, activities in this domain could include:
- i. Resource Mobilization and Management;
  - ii. Participating in the Global Partnership for Effective Development ;
  - iii. Designing Programme and Project Management Processes;
  - iv. Examining and increasing the effective use of remittances and the role of the Diaspora in national and regional development;
  - v. Curbing illicit Financial Flows from ACP member states;
  - vi. Creating blending mechanisms as an alternative source of development finance and
  - vii. Collaborating in establishment of Trust Funds and Endowments.

## **6.0 THE RENEWED INSTITUTIONAL ARCHITECTURE**

66. In order for the ACP Group to achieve its ambitious new mandate, solid, high-performing systems must be put in place in order to generate visible and sustainable results in the specific domain areas.

### ***6.1 The ACP Group: a Knowledge Management Institution***

67. This will have four elements, namely:-

#### **6.1.1 The knowledge repository and clearing hub.**

68. From over 30 years of structured engagement with the EU, mainly through planning and programming of EDF resources, the ACP Secretariat has acquired longstanding negotiating and project formulation capacity. The Group possesses specialized knowledge and development management experience to draw on for the benefit of Member States and developing countries as a whole. This human and organizational capital should be effectively invested to challenge the dependency of traditional donor-recipient approaches and build partner relations.
69. The ACP has reinforced current engagements with multilateral organisations such as the OIF, the Commonwealth Secretariat (Trade.com), UNDP and the FAO. The signing of Memoranda of Understanding (MoU) with United Nations Industrial Development Organisation (UNIDO) and Brazil in 2011 illustrates this recognition.

70. More than a mere information “clearing house”, the ACP is to play a bridging role by becoming a conduit. As a facilitator, the role of the ACP will ideally be as follows:
- Identifying South-South Cooperation (SSC) and Triangular Cooperation (TrC) with pivotal and beneficiary countries;
  - Connecting/matching demand and supply for development finance ;
  - Ensuring replicability of the knowledge and technologies transferred so that the cooperation established yields the expected results for the beneficiaries.<sup>12</sup>; and
  - Assisting stakeholders in the diagnosis and development of triangular strategies
71. This role can be particularly beneficial for ACP Middle Income Countries (MICs) such as South Africa, Nigeria and Kenya which already are pivotal countries in some TrC arrangement. These countries could utilise access to other SSC providers and DAC donors’ experience to establish themselves or consolidate their position as regional and/or continental development players<sup>13</sup>.

### 6.1.2. Platform for knowledge sharing.

72. The *2011—2014 Secretariat Strategy for Renewal and Transformation*, commits the ACP Secretariat to becoming a knowledge institution; an organisation that brokers knowledge capital as a critical deliverable in its mandate and activities. The ACP has been organising seminars and conferences on key themes surrounding trade, sustainable development, climate change and the digital divide in a manner intended to disseminate best practices to member states.
73. A recent major initiative relates to the preparation of the ACP Development Report, with support from the EDF Technical Cooperation Facility. This year’s theme is **“Sustainable Energy for All”**. The study has been completed and a 250-page report is being edited for publication. Based on a survey of energy needs of our 79 member countries and regional communities, progress in implementation of sustainable energy systems in our members is assessed and case studies are provided on successful examples of energy projects undertaken with the EU and other international development partners.
74. A first-rate knowledge facility would also aim at collecting, storing, archiving as well as generating and disseminating relevant ACP knowledge and information. This includes building a database on ACP economies, historical information, relevant official documents, original research, and studies or outputs produced by commissioned consultants or Programme Management Units. Access to this information will be available not only to ACP populations and stakeholders, but also to global audiences, via an online database and an upgraded library housed at the ACP Secretariat.

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<sup>12</sup>**Study on the Prospects for an All ACP Development Cooperation Framework** funded by Intra ACP resources and the EU and authored by Dr. Ruth Kaeppeler and Mr. Alexei Jones conducted 2014.

<sup>13</sup>South African and German governments established a Trilateral Cooperation Fund to assist South Africa in carrying out coordinated activities contributing to regional and continental development and thereby strengthening South Africa as a provider of development cooperation.



### **6.1.3. Facility for research, innovation, creative and cultural services**

75. The development of creative industries and services opens new frontiers of learning and knowledge for economic transformation as demonstrated in recent project activities undertaken through the Intra-ACP EDF resources of the 9<sup>th</sup> and 10<sup>th</sup> EDF. These provide a sound platform to enhance the “knowledge economy” in ACP societies.
76. The commitment of Euro 65 million from 2006 supported a range of partnerships in higher education and enabled the promotion of Science, Technology and Innovation as key factors of human capacity development. The programmes covered 210 academic institutions in more than 50 ACP member states. In addition to partnerships formed in educational institutions about Euro 45 million was spent on Science and Technology programmes for energy, food security, water and sanitation.
77. Lessons learned indicate the scope for institutional linkages of the public and private sectors for the promotion of e-Government strategies and tele-medicine applications for health services. The enormous repertoire of cultural talent within ACP countries in music, drama, painting, sculpture, cinema and audiovisual arts is being harnessed for entrepreneurial development and meaningful jobs, especially among youth.
78. Activities of the ACP Cultures+ Programme included an award at international film festivals and provided opportunities for cultural operators in ACP societies to deepen their cooperation in building creative industries. The proposed 2<sup>nd</sup> ACP Cultural Festival in Cape Verde will be an important occasion to show case the diversity of cultural talent in the ACP Group that is available for commercial investment in various economic sectors, such as tourism, handicraft and film making.

### **6.1.4 Research for Development Cooperation**

79. Considering the fact that the ACP will be a catalyst for development cooperation for all ACP countries, it is expected that the ACP will research and submit reports on policies that ACP countries may adapt and adopt to develop their countries further.

## ***6.2 The ACP Group: An Inter-regional Organisations Coordinating Hub***

80. The ACP is expected to play a crucial role of coordinating operations of the Regional Organisations (ROs). This role was initiated through the IROCC but has not been enhanced. The ACP is therefore encouraged to formally set up a mechanism that will increase interactions with the Regional Economic Communities (RECs)/Regional Integration Organisations (RIOs) and provide a structure for dialogue as a forum for policy discussions. This will aim to enhance cooperation at regional and Intra-ACP levels and promote complementarity between REC/RIOs.

81. Regional integration is often the most comprehensive framework of cooperation among neighbouring developing countries. However, the scope, depth and modalities of cooperation and integration vary among regional Groupings, including in terms of their economic, political, security, technical, cultural, social and development dimensions.
82. The formulation of an all-ACP Development Cooperation policy framework, without taking into consideration the development cooperation objectives and already existing regional cooperation activities and partnerships, will run the risk of duplicating activities and responsibilities. The involvement of the African Union, CARIFORUM and PIF in all phases of all-ACP Development Cooperation will give significant advantages and limit these risks, while demonstrating subsidiarity and complementarity.
83. In particular, it is expected that the involvement of regional organisations will:
  - Ensure the coherence and coordination with the regional development priorities;
  - Allow for an easier decision and/or opinion building process
  - Facilitate implementation and monitoring of activities.

### ***6.3 The ACP Group: a Facilitator for International and Development Cooperation<sup>14</sup>***

84. A dramatic shift is occurring in development finance cooperation notably due to the surge of South-South cooperation over the last two decades. The Global South has become a full-fledged actor in the global development scene and the emerging economies have ushered in a promising era in this regard.
85. The current enthusiasm within the international development community for South South Cooperation (SSC) and Triangular Cooperation (TrC), a “partnership between DAC-donors<sup>15</sup> and providers of SSC<sup>16</sup> to implement development cooperation projects in beneficiary countries”<sup>17</sup>, may be an indicator signaling the way development cooperation is heading: a more collaborative approach, based on funds, expertise and knowledge sharing.
86. The ACP Group because of its history, the size and diversity of membership as well as its vast experience in development cooperation can become a key player in SSC and TrC. But the question must be asked as to how can the ACP Group and its Member States most actively and effectively engage in these modalities.

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<sup>14</sup>These remarks rely on the Draft Position paper of a Consultancy by Dr. Carine Nsoudou. The study is being undertaken with assistance of the German Federal Ministry for Economic Cooperation & Development. The draft text has not been cleared by the sponsors and only provided here for reference. Cf **The ACP Group on Development Financing for Poverty Eradication - The role of South-South and Triangular Cooperation**, Brussels, May 2014.

<sup>15</sup>Multilateral organisations can also partner with providers of SSC

<sup>16</sup>Also called “pivotal countries”

<sup>17</sup>Langendorf J., Piefer N., Knodt M., Müller U., Lazaro L. (2012): Triangular Cooperation, A guideline for working in practice, pp.25-26. This definition is a narrow understanding of the term. A broader understanding can encompass as diverse activities as regional programmes, dialogue platforms or horizontal learning networks as indicated in this book.

87. South-South & Triangular Cooperation will help to strengthen the voice of the ACP in major international fora. This will thus be a catalyst in making the ACP a global player and taking its voice beyond Brussels.

#### **6.4 An ACP Trade Finance and Investment Facility (ACP/81/016/14)**

88. Council on previous occasions noted the progress made on an ACP “financing vehicle” for development, after the preparation of a Concept Note and successful completion of an in-depth market study. The study found that such a venture is not only viable, but could also spur sustainable growth by helping local ACP firms secure financing in key areas such as infrastructure, trade, development of small, medium and micro- enterprises (SMMEs), and large industrial projects. The study presented three options: the establishment of a fully-fledged ACP Bank; an ACP Investment Company, and a capacity-building scheme for existing bodies in the regions. The size of the project will depend on political support and the mobilization of initial capital.
89. Delegations were requested to transmit the study to relevant ministries and departments for comment. Copies were also sent to Central Bank Governors. When feedback is received the Secretariat will convene a consultative meeting with Ministers of Finance and Governors of Central Banks so as to have the benefit of their wisdom.
90. The project has attracted interest by global financial institutions, including the Development Bank of Brazil and from bankers in London and Dubai. Attention will be given to related intra-regional initiatives to ensure synergies in addressing the gaps for MSME financing.

### **7.0 THE ACP ORGANISATIONAL STRUCTURES**

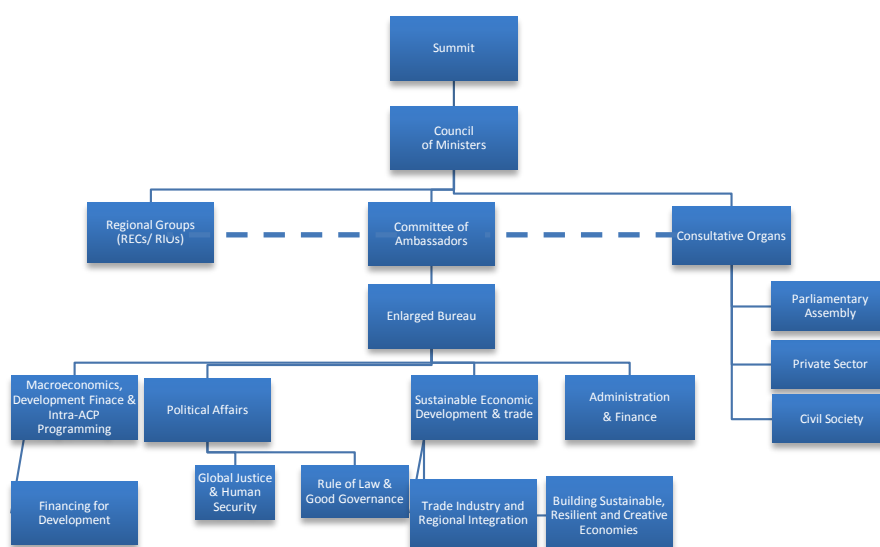
91. The current ACP organizational structures as indicated in the Georgetown Agreement Chapter 2 (see Annex) has been in place for almost 40 years. It only identifies the Summit, the Council of Ministers and the Committee of Ambassadors as the organs of the ACP Group. The WGFP is of the view that this will benefit from updating its framework in order to better address 21<sup>st</sup> century global development issues in a resourceful, results-oriented, and inclusive way.
92. The Working Group also noted the limited role of the continental and regional intergovernmental organisations as stakeholders in the ongoing work of the ACP Group of States. Furthermore, there is limited participation of consultative Groups such as civil societies and the private sector.
93. The role of the ACP Parliamentary Assembly, as elected representatives of citizens of ACP member states, is expected to enhance accountability and transparency of the decision making organs of the ACP Group. Currently, the Parliamentary Assembly focuses on political, social and environment affairs as well as economic development, finance and trade issues. There is therefore the need to expand the scope and role of the Assembly as a consultative organ. An

explicit link need to be made between ACP operations and the outcome of deliberations by the Parliamentary Assembly and an implementation mechanism be established within the appropriate strategic domain.

94. The Working Group has therefore identified new issues as elaborated in the strategic domains and proposes new and viable organisational structures to demonstrate the Group’s ability to change in order to remain relevant. The changes are in line with the social-economic and political dynamics in the ACP member states and regions as well as the global arena.
95. The following proposals focus on empowering the ACP Group to be more proactive and robust in coordinating its agenda and implementing programmes while pursuing areas of complementarity with regional Groupings and non-government bodies, including civil society.

## 7.1 Reshaping the Group for Impact

Figure 2: Aligning the Structures to the Strategic Domains



### 7.1.1 The Summit

96. As stipulated in the Georgetown Agreement, the role of the Summit is to “lay down the general policy of the ACP Group and issue the Council of Ministers with directives relative to its implementation” (Article 9).
97. It is proposed that the Summit meets at least once in three years. The position of the President of the Summit should be enhanced to include speaking at the United Nations General Assembly and other major international fora with a view to highlighting and emphasizing issue of importance to the Group. The President should also hold consultations with the President of the European Commission and Council and other Heads of States and world leaders to address issues of mutual interest.

### **7.1.2 Council of Ministers**

98. As provided for in the Georgetown Agreement, the Council of Ministers shall determine the modalities of implementation of the general policy established by the Summit (Art. 9) and shall periodically evaluate its state of execution (Art. 11).
99. During the term of office of the President of Council, appropriate global occasions should be identified for his/her participation and to convey a major address on ACP matters.
100. In the interest of promoting closer working relations with the regional organisations, the President of Council is encouraged to attend regional meetings.

### **7.1.3 The Committee of Ambassadors**

101. In considering the mandate of the Committee of Ambassadors under Article 19 of the Georgetown Agreement, the WG is of the view that it did not sufficiently identify the role and function of the Committee in the light of the objectives of the Georgetown Agreement, and the role that the Committee ought to play as an organ of an international organisation.
102. It is thus recommended that the mandate of the Committee of Ambassadors in the Georgetown Agreement should be broadened to include:
  - i. Acting as an advisory body to the Council of Ministers on issues relating to strategic domains and making policy recommendations as appropriate;
  - ii. Forging structured relations with RECs and RIOs and linkages with new and emerging partners and encouraging South-South & Triangular Cooperation;
  - iii. Monitoring the implementation of the ACP-EC Partnership Agreement and other Agreements as well as preparing appropriate documentation for the launching negotiations of the Revised Cotonou Agreement;
  - iv. Providing strategic direction and review of the ACP Secretariat's programme of work and implementation of mandates; and
  - v. Overseeing budget and audit functions of the Secretariat.
103. Furthermore, the need for streamlining inclusive decision making and effective implementation of recommendations made by subcommittees to Committee of Ambassadors can be addressed by reviewing the composition of the subcommittees.

### **7.1.4 The Bureau**

104. As provided for in the Georgetown Agreement, the Bureau of the Committee of Ambassadors shall coordinate the work of said committee. In the current practice, the Bureau mainly functions to consider the agenda of the Committee of Ambassadors and the mechanism of the Enlarged Bureau is used as necessary to review the progress of the work programme of the subcommittees and departments of the Secretariat
105. With the functions of the Bureau mainly restricted to the proposed agenda, all considerations of critical issues brought to the attention of the Secretariat and Chair of the Committee of Ambassadors (COA) and limited strategic analysis of the work of the subcommittees are not undertaken. As a result, when matters

reach the Committee of Ambassadors, depending on the quality of the report of the Subcommittees, extensive debate takes place on less important items. The Working Group proposes **an Enlarged Bureau that could meet at least every quarter** to ensure that key issues are given policy attention. Six additional Chairs of the subcommittees will be incorporated in the Bureau. In this way, regional representations as well as substantive matters are given adequate attention.

### 7.1.5 The Subcommittees

106. The WGFP reconsiders it essential to align the work programmes of the subcommittees with actions envisaged in the cross-cutting aspects of the post-2015 Development Agenda and SDGs through the proposed strategic policy domains.
107. Membership of the sub-committees should be reviewed so that responsibility is placed on core members for attendance at appropriate level at meetings and better communication of information to other members of their respective regions. Considerations should also be given to the expansion of the core members of the subcommittees.

### 7.1.6 The Regional Economic Communities and Integration Organisations

108. An increasing pace of globalization brought with it an integrated and interdependent economy and interconnected political, economic and ideological expressions. In response to this apparent overwhelming dynamic, one aspect has been a growth in regionalism. This has become particularly evident in the regional character of emerging markets with a growth of economic, trade and investment influence as in the BRICS and other formations.
109. This also appears in the ACP's economic and political space and the growing concerns of region-building and strengthening regional institutions to address more than economic issues but also such matters as crime, peace and security. A systematic response by the ACP as it pursues a transformational role will be for the IROCC to assume a role beyond development finance cooperation on an ad-hoc basis and address areas such as implementation processes of the EPAs and a supportive role to link private sector organizations on sector specific and regional issues, sharing lessons and best practices.



### **7.1.7 The ACP Parliament Assembly**

110. Established by Charter in 2005, the ACP Parliamentary Assembly is an important institution for elected representatives of ACP member states to convey issues affecting “living standards of our peoples” to the national representatives on the ACP Council. In turn, ACP programmes of benefit to the society will be better known and areas needing great attention identified. A stronger role of the ACP Parliamentary Assembly will also be expected in monitoring legislative implications of the EPAs<sup>18</sup>.

### **7.1.8 The Consultative Groups**

111. In the Georgetown Agreement, Articles 5 and 6 make reference to an ACP Parliamentary Assembly and “the creation of other consultative organs whenever necessary.” (Article 6) The Working Group is of the view that consideration should have an appropriate forum to allow for non-state actors and private sector organisations to have a structured engagement with Member States. The EPA’s have already assumed comparable structured relationships as for example in the Joint Parliamentary Committee and the Joint Consultative Committee.

#### **7.1.8a The Non State Actors**

112. The scope may be explored for appropriate mechanisms to engage various ACP Non State Actors including civil society organisations, academia, research institutes and think tanks of ACP Member States. This will contribute to a “bottom up approach” to advance inclusive democracy and participatory planning of programmes in the strategic policy domains. Insights, concerns, research papers of such entities can be taken into account in annual ACP work programmes.

#### **7.1.8b The Private Sector Organisations**

113. Strengthening private sector development support is at the heart of the priorities vital for the ACP Group to attain its development goals. As envisaged in the Strategic Framework for ACP Private Sector Development a network of ACP private sector stakeholders will be established to build consensus among ACP businesses and to engage the EU. The Working Group is of the view that this process can be a basis for building a structured engagement with the private sector in ACP member states on broader issues. The transition of the CDE into a “light” coordinating agency and recommendations of the November 2014 ACP Private Sector Consultation will provide relevant guidelines.

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<sup>18</sup>2010 Revision of the CPA makes a provision under Eligibility for Financing (Part 4, Article 58)

## 7.2 The ACP Secretariat: Reformed for Renewal and Transformation

### 7.2.1 The ACP Secretariat <sup>19</sup>

114. The preceding discussions on the Vision and Mission of a re-invented ACP Group and the identification of four strategic policy domains as the pillars or focal areas in which the transformed ACP will undertake programmes to realise its vision and mission will have little or no lasting impact without a fundamental reshaping of the ACP Secretariat. There is a strong consensus on this basic need for serious changes.

### 7.2.2 Current structural aspects: strengths and weaknesses

115. Proposals for improved working methods in the short, medium and long term will need to be supported by more team-oriented tasks, results-driven and cost-effective operations. For instance, the accumulated experience utilised in appraisal and subsequent supervision of service contracts and contribution agreements from the EDF, for example, constitute a rich source of project management know-how in international development cooperation. But an important organisational deficiency is the **absence of a dedicated Development Policy and Programme Management Office or Unit**.
116. The WGFP proposes that such a Unit be tasked with ongoing analysis of development finance policies and impact assessments of Intra-ACP funded programmes as a permanent function. The Unit should suitably staffed and equipped to assess lessons learned from projects financed for intra-ACP Cooperation, as well as from other partnerships and experiences of member countries. This will provide the accumulated knowledge capital on the relative impact of development finance that can be a major ingredient of **the ACP's role as a "Hub and Facilitator" of South-South and Triangular Cooperation**.
117. The present staff complement provides a basis on which to build a consistently high-performing, results-oriented, financially viable and cost-conscious Secretariat. However, a review of the role and functions of the **Recruitment Advisory Committee** should be undertaken to elaborate the nature of performance-contracts of employment.
118. Moreover, systematic and coherent implementation of priority activities demand a central coordination and liaison function for timely and cost-effective implementation of decisions of the governance organs.
119. The structural weaknesses in the internal processes for agenda-setting, decision-making and implementation "follow-through" between management and staff and across Departments require that the middle supervisory level function not in a "compartmentalised" manner but as coherent knowledge pools. This demands

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<sup>19</sup>This section summarises the submission made to the CoA on 27-28 May 2014, as was considered at the 99<sup>th</sup> Session of Council in Nairobi, Kenya 17-18 June 2014 as in ACP/27/022/14 of 26 May 2014 and further considered at CoA on 18 September 2014.



a strong, consistent execution of the functions of the Chef de Cabinet.<sup>20</sup> The norm should be more multi-disciplinary and matrix-oriented tasks. Specifically, **this entails redefining the duties and responsibilities of professional staff on the basis of the Desk Audit and aligning expertise to the strategic policy domains.**

120. To be more proactive in policy analysis, offering critiques and crafting insightful and well-informed policy options on development issues is essential. By its very nature the impact of a globalised world has necessitated that “poverty eradication” can only be addressed in both structural and agency dimensions.
121. On ACP-EU relations it is generally observed that a prevailing attitude on the part of the technical expertise of the Secretariat is too often reactive, rather than proactive. Secretariat Policy Papers should provide critical assessments, alternative views and options to guide political and economic decision-making.
122. On the other hand, many useful products from external consultancies from the Intra-ACP Technical Cooperation Facility (TCF) have been undertaken to inform policies on trade and commodity issues, climate change and higher education, that add to the repertoire of knowledge within the Secretariat. Moreover, the expertise of the Secretariat has often provided very well-crafted Declarations and Statements on crisis situations, internationally or directly affecting ACP member states.
123. The issue of **low visibility**, despite several achievements, as for example, in “trade and development cooperation projects”, reinforces the imperative for a policy and organisational restructuring of the Secretariat. A media and public communications function is discharged as the main responsibility of a “Press Attaché” on a fixed-term contractual basis as part of the Secretary-General’s administration that is terminated in the 5-year cycle.
124. In addition a *Corporate Communications Strategy* does not exist.<sup>21</sup> This is urgently needed and should be accorded priority attention in the immediate follow-up Actions from this report. The permanent post of a **Communications & Media Relations Officer** is a priority need but enhanced “visibility” is far more than a “post”. Indeed, absence of a clearly recognised ACP voice in specific global fora, as an advocate of policy changes in “niche areas”, where the ACP has a comparative advantage of numerical strength and common interests remains a serious deficiency. Issues of vital concern to our member states require that “visibility” be grounded in and backed up by **strongly researched views and a clear voice as a catalyst** for innovative thinking on issues affecting member states.
125. But the **cost implications** to be visible in international fora, produce research policy papers and promote their contents in several avenues, present severe challenges on limited financial resources for proper functioning of a re-shaped Secretariat. The question therefore on how to optimise current resources should

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<sup>20</sup>Discussions of the recent Incoming & Outgoing Bureau of the CoA addressed this issue and noted: “need for a coordination mechanism to ensure that decisions made by the Committee of Ambassadors are effectively implemented. The Outgoing and Incoming Bureau felt that the Chef de Cabinet was the ideal person to take on this coordination role”, 24 July 2014.

<sup>21</sup>See Concept Note and Terms of Reference for Consultant –ACP Communications Strategy, February 2012. Furthermore, the document ACP/29/012/04 Rev.2 of October 2005 titled “Proposal to enhance the Role and Visibility of the ACP Group on the international scene” can also be reviewed and reconsidered.

be seen in relation to fundamental changes in the organisational structure, processes and methods of work.

126. In addition to acutely limited financial resources, other constraints include the following; insufficient guidance, mentoring and cohesive working relations between supervisory-managerial levels and personnel at service delivery points; unrealistic time-frames in which tasks are to be performed; combined with unclear priorities and goals or purposes for which tasks are being undertaken; technical equipment and available technological resources may be outdated, in poor condition and/or needed to be replaced but most efficient use has not been made of these resources or even limited financial provisions have not been put to optimum use, although inadequate.<sup>22</sup> The economic and financial costs and benefits of functions are not systematically determined; nor are non-material incentives provided to enhance all-round motivation.

### **7.2.3 A Secretariat that is better focused, results-oriented and cost-conscious**

127. These changes must be reflected in the working culture, methods of service delivery and monitoring mechanisms as key aspects of a fundamental restructuring.<sup>23</sup>
128. Moreover, the **accountability for performance of functions** at the various levels of the governance architecture from the Council, through the Committee of Ambassadors, various Sub-committees and Working Groups to managerial, technical and administrative responsibilities of the Secretariat need to be clearly demarcated and understood. Additionally, an effective division of labour and strong complementarity of functions within the organisation will facilitate cohesive and coherent policy formulation and implementation.
129. While proposals made in this Report will be subject to the findings of the Desk Audit, useful insights were received from previous studies, members of the Secretariat and observations of standard operational practices by the Secretariat.<sup>24</sup> An observation, frequently made, is that the wide range of activities undertaken by the Secretariat does not point to their cumulative impact; also rarely are processes for follow up systematically monitored across and between Units and Departments to derive lessons learned as catalysts for policy changes.

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<sup>22</sup> In the 2014 Budget a provision for all departments is EUR 35,000 for Office furniture and ICT equipment; and a Training allocation is EUR 20,000 but it could not be ascertained how training needs are assessed and what is undertaken as a normal corporate upgrading of skills and professional updating.

<sup>23</sup>The Geneva Office is a Unit of the Secretariat, and has not been engaged so far with regard to discussions on its functions and performance, due to limited time and resources. However, since it falls under the management of the Department of Sustainable Economic Development and Trade (SED) general aspects of the need for change will apply. The Geneva Office was included in the Job Classification exercise of 2010 and will be included in the proposed Desk Audit.

<sup>24</sup>See Final Report of the Working Group on Decision No.4 of the First ACP Summit in November 1999 along with the Libreville Declaration. Major attention was given to "Institutional and Organisational Arrangements of the ACP Group" which addressed «creation of a dynamic, flexible and efficient Secretariat with the capacity to initiate proposals for consideration and action by the Group's inter-governmental organs», and "the need to keep to a minimum the basic budgetary costs of the Group's operations".

130. Such a body of knowledge, if systematised can be shared across regions and with Member states to improve policy formulation in areas of common concern on trade, development finance or political issues. To be a knowledge management institution will assist in overcoming this organisational and operational limitation.<sup>25</sup>
131. Of critical importance is a comprehensive multi-faceted approach that identifies systems for improved organisational efficiency in decision-making and performance processes to ensure “value-for-money”, to the maximum level possible, in the achievement of “key result areas” by management and staff.

### 7.2.3a Options for Organisational restructuring

132. In Chapter III of the Georgetown Agreement (GT), the functions of the Secretariat are described as follows:
- a) carry out all tasks as may be assigned to it by the Summit of Heads of State and Government, the Council of Ministers, the Committee of Ambassadors and the ACP Parliamentary Assembly;
  - b) contribute to the implementation of the decisions of these organs;
  - c) monitor the implementation of the ACP-EC Partnership agreement; and
  - d) service the organs of the ACP Group and, as appropriate, the joint institutions established under the ACP-EC Partnership Agreement (Art.23).
133. The organisational structure is not explicitly prescribed in the Georgetown Agreement (GA) or the Staff Regulations but has evolved in response to the exigencies of prevailing circumstances, at times political rather than for organisational effectiveness. Changes to the organisational structure must take account of cost factors and are too balanced against the needs for a re-invented and self-financing organisation in the short and longer term. Account must also be taken of natural attrition to examine how the available resources may be best utilised for desired changes.
134. In the proposed changes, the findings of the **1999 Ambassadorial Working Group** proved to be very instructive.<sup>26</sup> Key issues needing attention are: a) capacity to undertake **Development Policy Research, Analysis and Design of Strategies**. The importance of analysis and strategic policy formulation are of acute importance at this stage of preparation for the 2020 Cotonou revision; b) a structured collaborative mechanism with *the NAOs and RAOs as well as with other non-ACP regions*. The engagement and dialogue to be undertaken by the ACP through structured contact with NAOs and RAOs is also to be extended to “non-ACP regions” The ties with regions, as now through RECs and RIOs, in today’s circumstances have added importance given **the significant devolution**

<sup>25</sup>The role of the ACP Group as a Knowledge Repository & Hub for South-South and Triangular Cooperation has been discussed in a preceding section.

<sup>26</sup>Cf Final Report of the Working Group on Decision No.4 of the First ACP Summit (Libreville, Gabon 1997).

**by, and strengthening of, regionalisation.** This is critical with the coming into being of EPAs as regional trade agreements that are WTO plus; c) the functions under the ASG for Administration & Finance should be performed as the Chief Financial Officer of the Group and be closely allied with resource mobilisation.

### **7.2.3b Strengthened Policy Coordination & Service Delivery**

135. According to the Staff Regulations, "Executive management shall comprise of the Secretary-General and Assistant Secretaries-General" (Art 4 (2) as well as posts of Chef de Cabinet and of Chief Legal Counsel.
136. Since the post of Chef de Cabinet is considered as part of executive management the understanding and performance of its coordinating role has to be consistently performed to ensure timely implementation of decisions from the Committee of Ambassadors and substantive deliberations of management. This responsibility also requires liaising with ASGs so that decisions to be implemented in their portfolios are also followed through in a cost-effective and efficient manner to strengthen the overall coherence of activities by the ACP Group as a whole.
137. This central coordination role by the Chef de Cabinet virtually makes him/her a critical link for coherent realisation of the guiding vision of the executive management. A view worth consideration is the permanence of the post to provide an important element in the institutional memory of the organisation and serve as a "bridging human resource mechanism" when a new Executive Management team enters office.

Details of the duties and responsibilities of new functions will be formulated in light of the results of the Desk Audit.

### **7.2.3c Performance and Accountability of Executive Management**

138. The introduction and operation of these changes cannot be effectively done without a precise determination of the role and functions of the Secretary-General and Assistant Secretaries-General. A limitation at this level is the absence of a systematic appraisal of contractual responsibilities by the ASGs as part of the Personnel Performance & Management System (PPMS) to enable it to be used as a management and team-building mechanism.
139. As fixed-term posts, this should not exclude a mechanism for mid-term review and assessment since by adoption of the International Civil Service Classification (ICSC) scheme there are steps to which incumbents are elevated but in other agencies at mid-point these are not automatic. Moreover a mid-term review in consultation between the SG and Coordinator of the region from which the ASG was nominated can allow for refocusing of emphasis and an incentive for career development. The purpose of this review will allow the identification of areas in which to strengthen the "continuous improvement" of the Group.

140. Similarly for the Secretary-General, a mid-term review with the Ministerial Bureau of Council should be undertaken. These features are essential elements of an accountability structure to enable a high-performing Secretariat to be an enabling environment to realise the best of the human potential at the disposal of the organization. It also allows the ACP Group to be increasingly recognised as a dynamic and admired entity as "*advocate and catalyst*" on behalf of the peoples and governments of the Member States.

### 7.2.3d Changing the work culture

141. The restructured Secretariat will need to function with a working culture characterised by "continuous improvement" as described by the Japanese "kaizen". This has been found to be a useful tool to enable high-performing, complex organisations to achieve improved productivity with a staff strongly motivated and functioning as a cohesive unit.

### 7.2.4 Amending the present structure

#### a) Rationalising the Cost and Demand for Services

142. The question has been posed in the deliberations of the WG as to **whether the legal services required of the organisation on an ongoing basis necessitate two legal officers**. The WGFP was not able to arrive at a definitive position since an objective assessment of the work load and areas in which legal services are provided were not available. Findings of the Desk Audit will need to be taken into account. In addition, the introduction of the enlarged management of "service contracts" by the Secretariat could give rise to a demand for timely legal vetting of contracts, observance of reporting procedures and deadlines with legal consequences. However, on a retainer basis, legal advice in the respective judicial system of British common law or other jurisprudence and specialised areas of Belgian labour laws and contract law can be obtained as required.

#### b) A permanent post of Communications & Media Relations Officer

143. The recruitment of a **Communications & Media Relations Officer as a permanent post** should be considered to avoid a vacuum with the termination of the present management. The substantive functions should be designed within a structured "corporate communications strategy".<sup>27</sup>
144. The need to have the **Inter-Regional Organisations Coordinating Committee (IROCC)** become operational is very important as links with the RECs/RIOs are now essential if synergies on EPAs and use of Intra-ACP funds are to be complementary to the Regional Indicative Programmes (RIPs) and at the same time facilitate activities across all the regions.

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<sup>27</sup>A Concept Note on a Corporate Communications Strategy of the ACP Group needs to be prepared on the basis of which the rationale and functions of this post will be defined. A short study to assess what is being done presently by the "media officer" and how to consolidate the improvements being experienced should be the main outcome of such a study, along with the desirable profile for an incumbent of this "upgraded" post. The kind of facilities required in order to have the ACP serve as a Facilitator & Hub for SS & TrC would also need to be determined by the study.

**c) The establishment of a Unit for “Development Policy & Programme Management”**

145. This will have duties such as operationalising the ACP Development Cooperation Policy Framework; prepare policy papers on the rationale and criteria of Intra-ACP development programming; negotiate, supervise, monitor and assess project funded activities. This must be done in a coherent and complimentary function with respective departments/experts.
146. The Unit could be under the present Department for Development Finance but will perform a close liaising role with all departments in which project support is provided for thematic areas.
147. For this to function effectively and efficiently a matrix-type, task oriented approach will be required with middle management officers across departments sharing information on a regular basis and meeting to coordinate programmed activities.

**d) The establishment of a Unit for “Resource Mobilisation”**

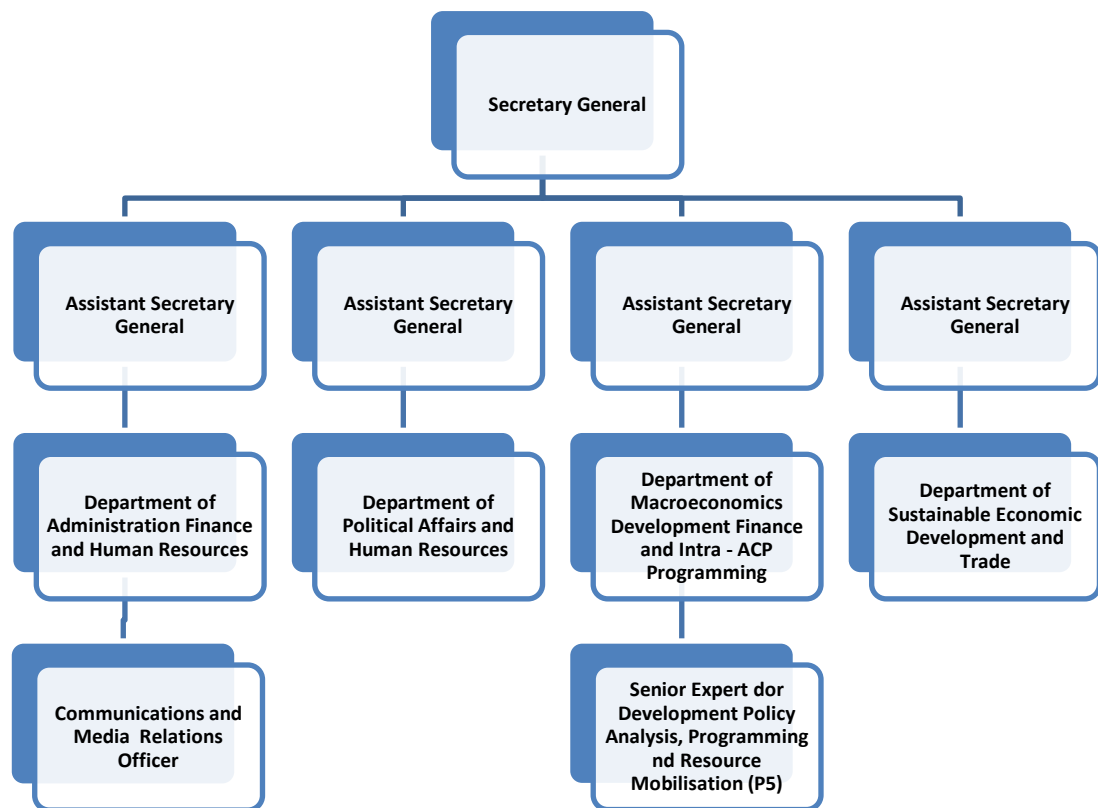
148. The priority concern to address financial sustainability of the ACP Group places renewed emphasis on an appropriate organisational structure to undertake resource mobilisation from various income streams. In this regard, the establishment of a unit for resource mobilisation should be given attention in the short to medium term drawing on available Intra ACP resources for possible co-financing with prospective donors and agencies.

## **7.2.5 Recommendations**

149. Subject to the results of the Desk Audit, where necessary, the following are proposed:
- i. An appropriate "accountability system" should be designed for an assessment of the extent to which "key performance indicators" have been achieved by the incumbents of the posts of SG, ASGs, General Counsel and Chef de Cabinet. The Planning and Performance Management System (PPMS) now used for other categories of staff will need to be reviewed. Key Result Areas for all posts will be not only a compliance mechanism to satisfy the EDF Contribution Agreement but also as a management tool to determine strengths and weaknesses at individual, department and organisational levels;
  - ii. Necessary amendments to the Georgetown Agreement and Staff Regulations (2011) should be made in regard to the designation and responsibilities of any posts affected by the changes proposed in this report;

- iii. A precise coordinating and liaison function should be explicitly indicated in the duties and responsibilities undertaken of the Chef de Cabinet.. Flexible "task-oriented" activities with stated outputs and outcomes should become a norm to ensure tangible impact of activities undertaken and reduce compartmentalised operations; and
  - iv. Enhanced visibility, effective communication and identity of the Group should be supported by replacing the present "Press Attaché" by a permanent post of "Communications & Media Relations Officer". An adequately designed job profile will include **a primary task to implement the ACP's Corporate Communications Strategy.**
150. The financial implications of all recommendations are to be ascertained relative to the variance with present budgetary allocations.

### The Proposed Organizational Chart of the Secretariat of the ACP Group of States



## 8.0. FINANCING THE ACP GROUP AND ITS ACTIVITIES

### *8.1 Mechanisms for Financial Sustainability and Resource Mobilisation*

151. The Sipopo Declaration explicitly emphasized the need for the ACP to “address the necessity to foster financial sustainability” (para. 68). This necessity must be seen as an intrinsic responsibility and obligation of member states. It is also consistent with the option chosen for the ACP’s future thrust as an autonomous self-determining organization, realizing the objectives of the Georgetown Agreement by consolidating achievements and pursuing mutual interests within multiple partnerships.
152. The attainment of this financial self-reliance will enable the ACP to be systematically disposed and equipped, on principle, to be an advocate of the common interests of the member states. The Group also will be better disposed to act jointly, in common causes with longstanding and new partnerships, and in our own right, to defend and protect the interest of the organisation.
153. The WGFP proposes for consideration various prospects for a phased process by which essential administrative and operational costs of the “restructured Secretariat” are expected to be provided by the member states.
154. The annual 2014 Secretariat budget includes fixed costs for administrative and operational expenses that are estimated at € 15, 339,842. Of the annual TOTAL consolidated budget, € 332,871,842 is all directly funded for activities from the EDF under the CPA (ACP/45/012/13 Rev.8),<sup>28</sup> It is the Secretariat’s core budgetary requirements that are the focus of attention.
155. That amount is expected to be derived from three sources: (i) Member States (€ 7,774,416 or 51%); (ii) the EDF (€ 5,600,000 or 37%); and internal taxes on staff salaries (€1,300,333 or 8.6%). The budget also included an expected “clearing of arrears” that comprise € 665,093.
156. The stark reality is that the EDF’s contribution agreement that annually varies but cannot exceed the limit of 50% of the Secretariat’s “total effective operating expenditure” is invariably relied upon to provide *at that level of 50%, the actual expenditure incurred in any given year*<sup>29</sup>. This also implies that if there were to be no Intra-ACP envelope or similar mechanism after 2020, the ACP Group will be reduced to an almost insignificant actor in “development cooperation”.
157. Pre-emptive action and forward planning by resource mobilisation on the scope and modalities for a “budgetised” instrument of the EU’s Multiannual Financial Framework (MFF) on “development cooperation” deserve critical preparatory work for subsequent negotiations of the post-2020 review of Cotonou.

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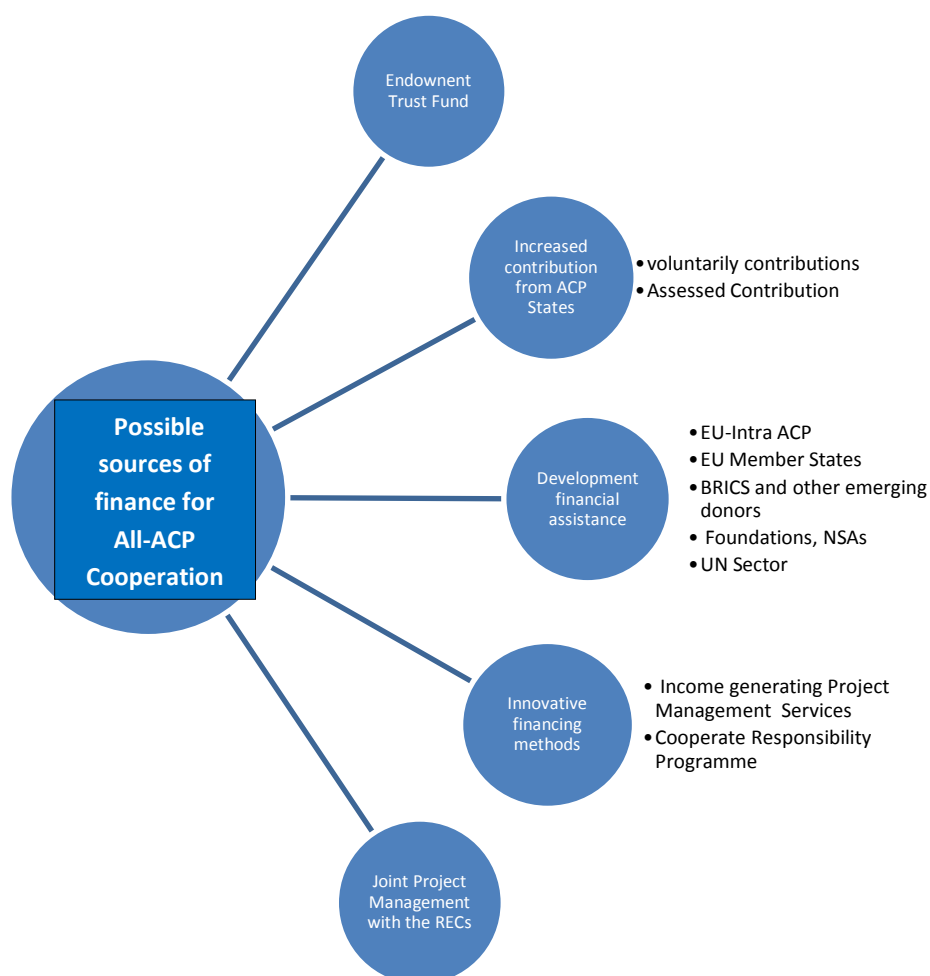
<sup>28</sup>The consolidated budget for 2014 is approximately €348 mn.

<sup>29</sup>See Financial Controller's Report on the Implementation of the ACP Secretariat's Budget in the Second quarter of 2014 (1st April to 30th June 2014) ACP/45/022/14 of 1 July 2014.



158. In this context, one of the primary challenges over the ensuing five years ought to be to demonstrate the value of the kind of services from the Secretariat that make a compelling case to encourage member states to be forthcoming with consistent and reasonable funding to cover the core administrative and operational costs.

### 8.1.1 Income Streams for Financial Self-reliance



159. Under the EDF Intra-ACP envelope, a number of “service contracts” are supervised by different Departments of the Secretariat. The supervision of these contracts is undertaken as part of the normal functions of Secretariat’s experts.
160. The Contracts are subject of the “4 pillars” assessment (accounting system, external audit, internal control system and transparent procurement) is now receiving urgent attention by a team in the Secretariat coordinated by ASG/MDFIP. Once compliant, the Secretariat will be able to undertake project management services as a means of generating income. This in turn will require a suitable unit as included in the recommendations for the “Restructured Secretariat” in the preceding section of this Report. The administration fees for such services are usually in the area of 7% of the contract value.

161. With the Annual Action Programme for Intra-ACP Cooperation at an average covers between €200-300million, the Intra-ACP envelop is subjected to commitments agreed by the EDF Committee, approval of the Commissioner for Development Cooperation and joint agreement of the Chairman of the Committee of Ambassadors and the Director-General of EuropeAid Devco.
162. Project management services may, therefore, only be a stable source of income depending on the size of the project that allows a large enough fee to make it worthwhile after deducting expenses for staff and operations. But the larger the project and depending on its complexity it may entail the recruitment of high-cost skills. These factors strongly confirm the need for very sound financial risk analysis prior to embarking on which projects should be entertained for “joint” or “indirect” management.
163. Project management services on the basis of an administrative fee cannot be readily regarded as a particularly stable source of income. While it offers good prospects, a rigorous approach and building on success, the ACP will have to acquire a reputation of high quality project management, utilizing the best available in-house capacity and pursue opportunities for engaging highly accomplished consulting services in ACP countries. The formation of a consortium of companies of such renown may be worth exploring.

### **8.1.2 An ACP Endowment Trust Fund**

164. Member states so disposed may be encouraged to consider to voluntary contribute, over a long period of time, an endowment that will be set up for a specific purposes that the contributors will determine.
165. The underlying advantage of an Endowment is the basis it provides for stability and prevents or reduces the preoccupation on an annual basis of whether contributions expected, based on the Budget, will be realized. This depends primarily on how large and suitably invested is the Endowment at the outset. The identification and commitment of an initial benefactor is the critical starting point.
166. In addition, the promotion of the Fund and demonstrating the kind of activities undertaken as responsive to needs or wishes of beneficiaries and benefactors, with a record of impeccable accountability and transparency are necessary to attract additional contributions.
167. A very significant factor will be the confidence of those who contribute to the Endowment that the governance arrangements for managing the Endowment are completely transparent and full accountability is guaranteed. Moreover the use to which the income is to be put also plays an important part in encouraging benefactors.
168. To seek voluntary contributions requires a clear and convincing case stating the goal and purpose of the organization to which the Endowment is being established. In this case the “transformed/re-invented ACP” with its Vision, Mission and Core Values, the track record of its achievements in advancing the sustainable development of the 79 member countries in their fight to eradicate poverty and participate equitably in the global economy must be conveyed with appropriate documentation.

169. Extensive technical and financial asset management expertise will be required for an adequate elaboration of this notion. Such competence is beyond the competence and the TOR of the WG. This certainly deserves to feature in the follow-up implementation mechanism of the WG.

### **8.1.3 Cooperate Social Responsibility**

170. This was proposed as an additional source of income. Requests for voluntary contributions for a Corporate Social Responsibility (CSR) programme with private sector entities that are recipients of Intra-ACP grants or loan financing from the EDF Investment Facility can be considered. This will require however discussions with the EIB that manages the Investment Facility.
171. Moreover, an appeal to the corporate sector of the multinational corporations in those areas where significant commodity based funding has been obtained as in sugar, cotton, cocoa, beef or mineral industries is worth exploration and will be strongly recommended for follow-up action in the Road Map to 2030.

### **8.1.4 Technical attachment and short-term assignments**

172. Complementary income streams will be closely examined in this area as scope for funding technical attachments, internships and short-term personnel on specific assignments has not been systematically addressed, although collaboration with the Commonwealth Fund for Technical Cooperation (CFTC) previously resulted in the provision of an expert to the Department for Sustainable Development and Trade. Member states may have an interest in the secondment of staff to fill a vacant post or to provide technical expertise in a programme managed by the Secretariat. Suitable arrangements can be made for which shared costs of specific expertise, especially if such is provided at a high level and would serve to boost the capacity of the Secretariat.

### **8.1.5 Resource mobilisation from diversified sources.**

173. A further unexplored avenue for extra-budgetary financing consists of agencies, organisations, foundations, participating in “development assistance “in one form or another but are not necessarily members of the OECD/DAC system. An interesting example is the OPEC Fund for International development (OFID). While primarily a provider of loan financing on concessionary terms with assets from OPEC members, OFID is increasingly demonstrating support to non-OPEC countries and international organisations on a grant basis. This is mostly favoured in areas of common interest to OFID and with countries having loan financing or support from agencies like IFAD (International Fund for Agricultural Development). Here the opportunity exists on such cross-cutting issues as “energy efficiency “or a nexus of energy-food-water integrated needs that can be examined to leverage funds for co-financing projects in member states. This will have considerable scope for the ACP in areas of concentration identified for South-South and Triangular Cooperation (SSTrC).
174. In addition, approaches for development finance can be undertaken with countries, developed or developing in relations to issues of mutual interest.
175. It is expected that the complementary sources of extra-budgetary income identified will support ACP’s core operating costs in a progressively increasing level of not less than five percent annually from 2016.

## 9.0 PROPOSED AREAS OF STRATEGIC INTERVENTIONS

176. The Roadmap is meant to offer an outline of prospective areas aimed at sequencing the operationalisation of the principles and domains discussed previously over a period of up to 2030, in two phases to 2020 and thereafter with actions addressed immediately, in the short (12-24 months) and medium term (3-5 years). **An Implementation Task Force (ITF) should be established by Council** with appropriate terms of reference, working methods and reporting procedures.

### 9.1 Identifying Indicative Areas for strategic interventions

177. On the basis of indicative areas proposed in the strategic policy domains, Intra ACP Cooperation will need to be programmed to address three main areas, namely: Global Initiatives, All ACP Initiatives as well as Intra ACP Initiatives.

### 9.2 Updating the ACP Strategy Plan for 2015 -2020

178. An assessment must be made on what has been implemented from 2011 to 2014, the results of which will be the basis for incorporating proposed interventions of the strategic policy domains with a view to formulating a revised Strategy for the period 2015 - 2020.

### 9.3 Reinforcing intra and inter ACP cooperation through South - South Triangular cooperation

179. The untapped potential with regard to intra and inter ACP cooperation on issues of common concern (e.g. climate change, food security, rural development, and energy sustainability) can be realised through exchange of best practices between ACP countries and regions. There is indeed broad recognition that intra-ACP cooperation has produced tangible results, but considerable potential remains to be realized. So far, internal cooperation within the ACP Group has tended to be *ad hoc* and almost exclusively focused outward on EU policies and global issues, instead of inward to enhance intra-ACP cooperation<sup>30</sup>.
180. In this regard, the definition of an all-ACP cooperation framework, recently undertaken, could serve as a means to encourage and increase cooperation between and among the ACP Group<sup>31</sup>. In particular, there is scope to further promote the exchange knowledge, technology and experience between and/or amongst ACP States, with the aim of ensuring structural transformation of ACP economies. Furthermore, the Group can undertake joint policy research activities as well as capacity building programmes for institutional strengthening.
181. The ACP Group will formalize the role of RECs/RIOs in consultative and implementation processes as well as review policy papers and identify cross-cutting issues of common concern.

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<sup>30</sup> ECDPM/DIE, 2013

<sup>31</sup> Study on the Prospects for an All ACP Development Cooperation Framework, funded by Intra ACP resources and the EU and authored by Dr. Ruth Kaepler and Mr. Alexei Jones conducted 2014

## **9.4 Building diversified partnerships**

182. The Group has clearly proposed relations beyond the present ACP – EU partnership to effectively address global, continental and regional issues in the best interest of the Group. This entails a collective strategy of multi-pronged alliances and strategic relations<sup>32</sup>.
183. Partnerships with third countries should be developed around thematic issues and on bases that advance ACP's interests. It is important that ACP member countries identify their critical priorities as a basis on which future engagement with third countries can be undertaken.
184. In this regard, ACP Missions in BRICS countries, for example, could undertake to promote all ACP interests and priorities within those countries through an informal mechanism such as a caucus or chapter.
185. During recent years, the traditional form of development cooperation provided mainly by OECD/DAC countries and the UN System changed, BRICS countries and other development partners (i.e. Chile, Malaysia, Turkey) have intensified their relationship with ACP member states), on an individual basis, investing in many different sectors (i.e. mining, infrastructure, telecommunications and agriculture).
186. The ACP Group will undertake to organise events, symposia and round tables to engage as well as formalise relations and develop common positions in multilateral fora with prospective partners. The Group will also design and implement joint research and development projects. Furthermore, the ACP Group will serve as a broker of partnerships through intra ACP cooperation and South–South and Triangular Cooperation.

## **9.5 Resource mobilisation for financial sustainability**

187. Resource mobilisation will be expected to assume greater prominence in the reshaped Secretariat. In this context, an annual plan on prospective sources of additional income generating streams will be identified.
188. Each of the areas identified as prospective source of financial sustainability will need to be examined and appropriate strategic engagements undertaken.

## **9.6 Enhancing ACP's visibility and promoting its interests in international fora**

189. While notable contributions have been made by the ACP in the areas of trade, development finance and political dialogue, it is commonly observed that these are not well known. Moreover, the ACP Group has not yet used fully its potential to have a strong voice in international fora and institutions. With a better defined policy framework, consistent activities in the strategic policy domains and reinforced intra-ACP cooperation, there will be considerable scope to improve the Group's visibility in the international arena.

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<sup>32</sup>[www.acp.int/fileadmin/user\\_upload/REPORT-ACP\\_Commonwealth\\_Secretariat.pdf](http://www.acp.int/fileadmin/user_upload/REPORT-ACP_Commonwealth_Secretariat.pdf)

190. Enhancing the influence of the ACP Group in international relations and strengthening its political clout in international fora, implies that the ACP Group serves as a forum for developing and advancing joint proposals and resolutions in order to participate and influence the formulation of policies and paradigms of sustainable development.
191. Of particular importance will be the systematic engagement in the post-2015 development agenda, implementation of the Global partnership for Effective Development Cooperation, the Istanbul Programme of Action for LDCs, establishing an ACP SIDS Forum to implement the Samoa Pathway as well as preparations for the third UN Conference on Financing for Development, Addis Ababa, July 2015.

## 10.0 Guidelines for the Way Forward

192. As proposed an Implementation Task Force will operationalize the Report and elaborate appropriate areas for action to address the following:

THEMATIC AREAS	EXPECTED OUTPUT	LEAD ACTORS	TIMELINE
<b>Programming for strategic interventions</b>	Agreed Development Cooperation Policy and Framework	The ACP Group	Short Term
	Amended Georgetown Agreement	The ACP Group	Medium Term
<b>Updating the ACP Strategic Plan 2015 - 2020</b>	Updated Strategic Plan	The ACP Secretariat	Short Term
<b>Reinforcing intra and inter ACP cooperation through South -South Triangular cooperation</b>	Thematic areas identified	The ACP Secretariat	Short Term
	Intra ACP projected mapped and lessons identified	The ACP Secretariat	Short Term
	platform for knowledge sharing, skills, technology and experiences developed	The ACP Secretariat	Short to medium term
<b>Building diversified partnerships</b>	thematic issues and potential partners identified	The ACP Group	Short Term
	strategic plan developed to promote ACP as hub for sustainable development cooperation in ACP countries and with third parties.	The ACP Secretariat and the ACP Committee of Ambassadors	Short Term
<b>Resource Mobilisation</b>	Strategic plan and framework for resource mobilisation developed	The ACP Secretariat and CoA	Short Term

THEMATIC AREAS	EXPECTED OUTPUT	LEAD ACTORS	TIMELINE
	terms of reference and mechanisms to operationalize an ACP Endowment Trust Fund put in place	The ACP Secretariat and the ACP Committee of Ambassadors	Short Term
	Six Pillar Assessment completed and approved	The ACP Secretariat	Short Term
<b>Visibility</b>	Corporate communication Strategy developed	The ACP Secretariat	Short Term
	caucus/chapters of representatives of ACP missions in multilateral fora operational	The ACP Group	Short to Medium Term
	events identified for the President in Office to advocate ACP's position on international issues	The ACP Group	Short Term
<b>Renewed Institutional Architecture</b>	Structured Relations established with RECS and RIOs for active participation in consultations and implementation processes	The ACP Group	ongoing
	Decision 1 of the Nairobi Council of Ministers on short to medium term changes implemented	The ACP Secretariat and the ACP Committee of Ambassadors	Short term
	Functions of the Bureau to enlarged Bureau reviewed	The ACP Committee of Ambassadors	Short Term
	Role of the ACP Parliamentary Assembly strengthened as a consultative Organ on policy formulation and implementation	The ACP Group	Short to Medium Term
	Mechanisms explored for the involvement of privates sector and non state actor organisations	The ACP Group	Medium to Long Term
<b>Reform of the ACP Secretariat</b>	Desk Audit and its financial implications assessed to implement change in roles and functions	The ACP Group and Secretariat	Short Term
	Accountability systems for assessment of key performance indicators for all posts in place	The ACP Secretariat and ACP Committee of Ambassadors	Short Term
	Staff regulations (2011) reviewed for required changes	The ACP Secretariat and the ACP Committee of Ambassadors	Short to Medium Term

## 11.0 Recommendations

*The Council of Ministers is invited to consider the Report and:*

- iv. **mandate** the Committee of Ambassadors to propose TOR and composition of an **Implementation Task Force (ITF)** as a follow up mechanism to this Report of the Ambassadorial Working Group;
- v. **approve** recruitment of a Senior Expert for Development Policy Analysis, Programming and Resource Mobilisation; and a post of Communications and Media Relations Expert;
- vi. **approve** further study of the establishment of a Trust Fund Facility and Endowments in support of a Long Term Development Fund related to the proposed Trade Finance and Investment Facility.



## **ANNEXES**

- 1. Terms of Reference of the Ambassadorial Working Group On Future Perspectives of the ACP Group ACP/27/008/10/EOA/mgf Rev.1***
- 2. Decision No. 4/XCII/10 of 92<sup>nd</sup> Session, November 2010***
- 3. Composition of the Working Group***