

Exploring Scenarios for the Future of ACP-EU Cooperation:

An analytical tool for informed choices



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Introduction

Exploring scenarios for the future of ACP-EU Cooperation: An analytical tool for making informed choices

The debate on the future of the ACP-EU partnership is gaining prominence as key actors reflect on past experiences with the Cotonou Agreement (CPA)¹ and explore options for a future arrangement beyond 2020. It is a complex review process considering the drastic changes in international relations as well as in the European Union and the ACP countries and regions. Furthermore, several institutional and political factors may constrain an open, well informed and result-oriented discussion. These relate to:

- ✓ the weakened political status of the partnership in both the EU and ACP countries
- ✓ the limited knowledge of and interest in the CPA (beyond the Brussels arena) leading to the exclusion or under-representation of the voices of many stakeholders, particularly in the ACP
- ✓ the scant evidence on the actual performance of the ACP-EU partnership.

In 2015, ECDPM conducted a ‘political economy analysis’ (PEA) of the ACP-EU partnership.² As an independent, non-partisan broker, the Centre has a longstanding involvement in ACP-EU cooperation, both at the policy and operational levels. Building on this experience, the PEA study sought to inject a dose of realism and evidence into the review process of the ACP-EU partnership.

Consistent with the Centre’s mandate, our main motivation is to promote **a truly open, inclusive and evidence-based driven debate on the future of this important partnership**. This is in line with official declarations by the EU and the ACP that stress the need to go beyond ‘*business as usual*’. The current migration and refugee crisis is transforming EU development cooperation and the ‘*Brexit process*’ will inevitably impact on ACP-EU relations in ways that are not easy to predict. All this confirms that recipes of the past will be of little use beyond 2020. The June 2016 EU Global Strategy provides another reality-check. The EU now clearly opts for a pragmatic, interest-driven approach to international cooperation, focused on specific regions. There is no mention of the ACP configuration.

This scenario paper complements the PEA study. It seeks to provide **additional food for thought for policy stakeholders so as to allow them to make their own informed choices**. It introduces, explores and critically interrogates four possible scenarios for the future of the ACP-EU partnership. Each of these options is examined according to a single analytical grid aimed at confronting policy-makers with the implications of the scenario they may opt for. The focus is first on the main *assumptions* and the *interests* that can potentially be pursued through each scenario. Then a reality check looks at how solid these assumptions/interests are in light of the actual practice of the CPA, followed by a set of thorny questions proponents of each scenario will need to address. Finally, we draw up a balance sheet that spells out major advantages and disadvantages of each of the scenarios.

As a non-partisan Centre we believe such a tool can help actors across the board (in the EU and in the ACP) to make their own assessment of the relevance and feasibility of the various scenarios in light of the new world of international cooperation that is unfolding before our eyes. Yet this paper also shows that there are **no simple recipes for revitalising EU-ACP relations**. Whatever scenario policy-makers choose, difficult political choices will have to be made in order to ensure that future cooperation arrangements result in “win-win” situations for the various state and non-state actors involved.

¹ As a party to the CPA, the EU recently concluded its own assessment of the CPA in the form of a staff working paper called *Evaluation of the Cotonou Partnership Agreement*, Joint Staff Working Document. SWD (2016) 250 final. Though it does not represent an independent evaluation of the CPA performance it provides interesting insights on how the EU looks at the strengths and weaknesses of the CPA.

² Bossuyt, J., Keijzer, N., Medinilla, A. and De Tollenaere, M. 2016. *The future of ACP-EU relations: A political economy analysis*. (ECDPM Policy Management Report 21) Maastricht. ECDPM. www.ecdpm.org/pmr21

The Future of ACP-EU Relations

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Why is the ACP-EU partnership important?

79
countries



It ties the EU to 79 countries from Africa, the Caribbean and the Pacific - most of them former colonies - making it one of the largest global partnerships



It builds on 40 years of partnership



It is underpinned by a legally binding contract, the Cotonou Partnership Agreement (CPA) covering three pillars: aid, trade & political cooperation. This expires in 2020



It mobilises a large budget dedicated to development (€30.5 billion for the 11th European Development Fund for 2014-2020)

Yet its relevance and effectiveness is questioned...



Because the trade and political cooperation pillars have moved to regional forums - largely reducing the CPA to a development cooperation tool

5 disruptors have eroded the ACP-EU partnership



New geopolitical realities



Globalisation & regionalisation

ACP

Growing heterogeneity within the ACP



Enlargement of the EU & diversification of EU partnerships

**2030
AGENDA**

The new 2030 Agenda with its focus on global challenges

As a result of these disruptors:

1 The interest of both parties in the partnership (beyond aid) has dwindled

2 The political capacity of the CPA in international fora is limited

3 The CPA as a North-South partnership is not fit for purpose to deal with the 2030 Agenda

So people have to look in the mirror and ask themselves a number of 'existential questions'



Should we continue to treat EU development policy differently for the ACP and those outside the ACP?



Does the Cotonou Partnership deliver value for money?

**ACP EU
ACP EU EU
ACP**

Does it respond adequately to the growing heterogeneity and interests of the ACP and the EU?



Does the ACP Group have an added value compared to regional frameworks such as that between Europe and Africa (African Union)?

**ACP + EU = 2030
AGENDA**

Can the CPA be rewired to effectively deal with the UN Agenda 2030?

Four Scenarios for the Future of ACP-EU Relations

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01

REVISED

COTONOU PARTNERSHIP AGREEMENT
BEYOND 2020



- CPA remains the main framework for cooperation with the EU
- Weaknesses are addressed through a review and revision of the current text
- Overarching CPA as a legally binding treaty is maintained

02

UMBRELLA AGREEMENT

WITH THE ACP LINKED TO REGIONAL
AGREEMENTS WITH AFRICA, THE CARIBBEAN
AND THE PACIFIC



- Legally binding regional agreements facilitated by an all-ACP umbrella agreement
- Answer to regionalisation and the rise of alternative institutional frameworks but within the CPA
- Task division between the ACP and the regions (subsidiarity and complementarity)

03

REGIONALISATION

OF ACP-EU RELATIONS



- Flexible and non-legally binding cooperation arrangements between the EU and African, Caribbean and Pacific regional and sub-regional organisations
- Regionalisation as the driving force behind foreign policy of both the EU and the ACP regions
- Facilitates pursuit of interest-driven forms of international cooperation in proximate settings

04

MIXED

REGIONAL AND THEMATIC
MULTI-ACTOR PARTNERSHIPS

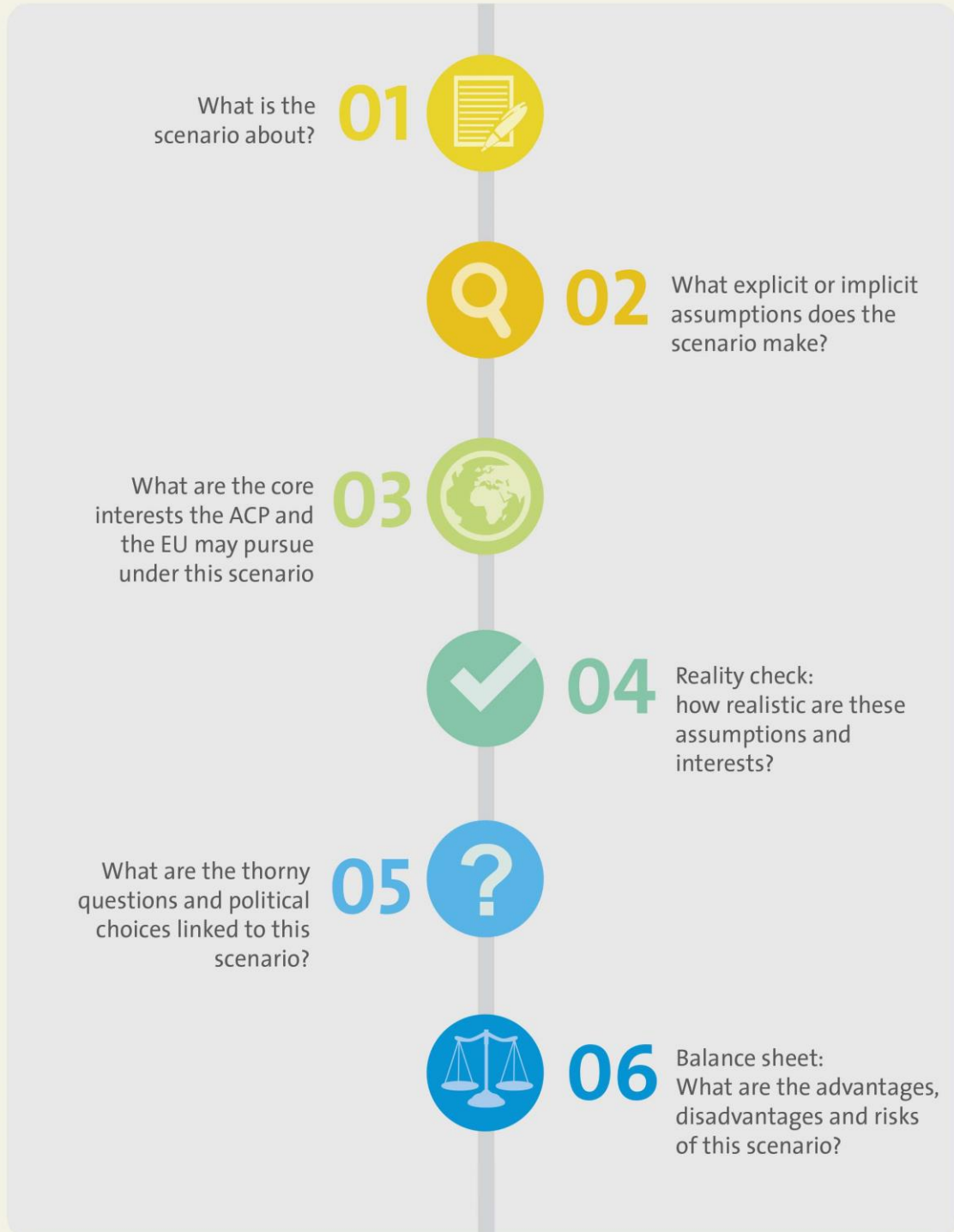


- Allows EU and ACP regions/states to engage on the basis of shared interest and cooperation potential
- Cooperation on global challenges informed by functional logic (portfolio of partnerships)
- Allows for continuing and deepening geographic partnerships

An Analytic Tool for Policy Makers

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SIX STEPS FOR ANALYSING THE FEASIBILITY OF FUTURE SCENARIOS



Graphic design: Yaseena Chiu-van't Hoff, ECDPM



Scenario 1: A revised Cotonou Partnership Agreement beyond 2020

1 What does this scenario entail?

This scenario calls for negotiating a follow-up agreement that would adapt the existing ACP-EU framework to new realities and demands, but without changing the overall format and the basic principles of the current architecture. Such a scenario emphasises continuity and seeks to safeguard the overarching nature of the current Cotonou Partnership Agreement (CPA), based on a legally binding treaty and a set of joint institutions between the EU and the ACP (as a tri-continental structure, possibly expanded with other members³).

2 What (explicit or implicit) assumptions⁴ underpin this scenario?

Actors in favour of this scenario base their preference on the following (implicit or explicit) assumptions:

- ✓ The ACP-EU partnership remains the best framework for organising mutually beneficial external relations between the countries and regions of Africa, the Caribbean, the Pacific, and the EU in 2020 and beyond
- ✓ The ACP Group has sufficient internal coherence to transform itself into an effective global player, reform its institutional set-up (including financial autonomy) and reinvigorate a political partnership with the EU
- ✓ The currently observed (implementation) weaknesses of the ACP-EU framework (e.g. in terms of political dialogue, joint action at international level, intra-ACP cooperation, co-management, etc.) can be fixed by refining the existing text and *modus operandi* of the CPA
- ✓ The current ACP-EU framework can be made fit for purpose to effectively deliver on the new universal 2030 Agenda for sustainable development
- ✓ The current international climate and state of affairs in the EU is not conducive to making new deals, so it is better to play safe and maintain the *acquis* of the CPA
- ✓ The fallout of the British Leave Vote on the EU and ACP is best managed by retaining a CPA type of arrangement.

3 What are the core interests that both parties may seek to secure by opting for this scenario?

Proponents of this scenario may seek to secure the following (professed or implicit) core interests:

Perceived interests of the ACP Group	Perceived interests of EU policy makers supporting this scenario
1. Maintaining a substantial and predictable level of ODA for the entire Group that can be channelled through the existing architecture (formally controlled from Brussels by the ACP Ambassadors supported	1. Maintaining a substantial level of ODA for the ACP (particularly for Africa) through a separate financial instrument like the EDF 2. Safeguarding the <i>acquis</i> of the CPA, including its

³ Two options have been floated in the debate: (1) extending the ACP Group to include Northern-Africa, and (2) extending the membership to include all Least-Developed Countries.

⁴ Advocates for any given scenario base their views and beliefs on a number of assumptions relating to the ACP, the EU and the general climate of international relations. This analytical tool seeks to put these assumptions openly on the table so as to check later how solid they are in reality.

<p>by the permanent Secretariat)</p> <p>2. Safeguarding the lead position of the all-ACP institutions in the partnership – while creating some additional space to accommodate regional dynamics from the A, C and P within a revised CPA</p> <p>3. Enhancing the legitimacy of the ACP Group as a credible tri-continental structure playing a key role in the delivery of the 2030 Agenda, particularly global public goods (e.g. migration, climate change)</p> <p>4. Keeping the ACP and the joint institutions largely intact (e.g. ACP Secretariat co-funded by EU; joint ACP-EU institutions; continued access to funding by partner organisations such as UN agencies, etc.)</p>	<p>legal status, the established channels for bilateral political dialogue (Articles 8 and 96) and the provisions regarding the EPAs</p> <p>3. Using the legal framework of a revised CPA to make progress on values (e.g. ICC, LGBT) or on core EU interests (e.g. migration and readmission)</p> <p>4. Limiting transaction costs by keeping a single interlocutor for dealing with 79 countries from Africa, the Caribbean and the Pacific</p>
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4. How realistic are the assumptions and interests underlying this scenario?

Three key criteria can help with an evidence-based reality check of the strategic and operational adequacy of this scenario beyond 2020, taking into account actual cooperation practices under the CPA:

- I. the **political value** both parties would obtain from continuing the CPA format beyond 2020
- II. the ability of a revised CPA to deal effectively with the **universal 2030 Agenda**
- III. the extent to which an extension of the ACP-EU framework would bring more **coherence** into the external action of the EU and that of the various regions/countries of the ACP.⁵

Criteria for Reality Check	Evidence related to the actual practice of ACP-EU cooperation ⁶
1 Political value	<ul style="list-style-type: none"> ✓ Over the past decade, the three-pillar structure of the CPA has eroded through the regionalisation of the trade and political components.⁷ As a result, the CPA is <i>de facto</i> largely reduced to a development cooperation tool ✓ The existence of a legally binding agreement has not guaranteed effective political action under CPA⁸ ✓ Competing alternative frameworks (e.g. African Union, RECs, etc.) now challenge the lead position of the ACP from within and in relation to the EU ✓ The track record of the ACP-EU partnership in terms of joining forces in international fora has been limited (beyond generic declarations) in past decade⁹
2 Ability to deliver on global public goods (Agenda 2030)	<ul style="list-style-type: none"> ✓ In the past decade, the CPA has generated limited collective action on global public goods by the ACP Group and the EU – amongst others due to the huge and growing heterogeneity of its members on both sides

⁵ Many ACP countries are also confronted with the challenge of prioritising and rationalising their expanding set of external relations and memberships to international organisations. They are trying to see “*when to invest in which structure and for what return*”. Inevitably, the question may also arise on the added value of the membership of the ACP Group and related benefits to be obtained from the EU beyond 2020 (at times of differentiated approaches to international cooperation).

⁶ Including evidence from various independent evaluations as well as the recently concluded ECDPM study on *The Future of ACP-EU relations: A Political Economy Analysis*. January 2016. See also the above-mentioned EU assessment on the CPA.

⁷ Through the EPA processes and the rise of the African Union as primary political interlocutor of the EU.

⁸ See limited CPA track record in terms of (i) political dialogue; (ii) effective use of Article 13 (on migration) or (iii) non-state actor participation as extensively documented in the ECDPM political economy study on the future of ACP-EU relations.

⁹ In theory, 28 Member States and 79 ACP countries could act as a majority coalition in multilateral negotiations. Yet such coalitions have seldom materialised. In a recent interview, the former Director-General of DEVCO pointed out that this calls into question the ‘political value’ of the partnership. He also stressed that it is “*mainly up to the ACP to demonstrate that the Group has value that goes beyond Brussels, that exists beyond the secretariat and the ACP institutions*” (EEAS. 2015. Conversation with F. Frutuoso de Melo, DG DEVCO, *Newsletter on EU-African Affairs*, No 1, April 2015, p. 26).

	<ul style="list-style-type: none"> ✓ The CPA is essentially an aid-driven North-South partnership while the implementation of the universal 2030 Agenda requires radically different partnership modalities (based on negotiating common interests, sharing responsibilities, attracting alternative sources of funding, mobilising multi-actor partnerships, etc.) ✓ The EU and the ACP regions/countries increasingly look for other regional/bilateral channels (than the ACP-EU framework) to effectively address (specific) global challenges¹⁰
3 Coherence external action	<ul style="list-style-type: none"> ✓ An extension of the CPA fits uneasily with the new priorities of the EU (see June 2016 EU Global Strategy, which makes no mention of the ACP) and with fragile yet growing regionalisation dynamics as well as with the rise of thematic groupings in EU external action and among the A, the C and the P ✓ Maintaining the ACP as the principal intermediary for relations with the EU may not be in the long term interest of ACP member states that seek to reinforce regional integration and their own foreign policy agenda ✓ Maintaining the ACP-EU framework will not contribute to greater coherence in EU external action but further ‘<i>compartmentalise</i>’ relations in overlapping policy frameworks beyond 2020 ✓ Maintaining the ACP-EU framework and related funding to the ACP as a Group will not help in revitalising the political partnership between the EU and Africa (as exemplified in the limited progress achieved with the JAES)¹¹

Reality check: All this suggests that this ***scenario rests on rather fragile foundations***. Considering the *de facto* reduction of the CPA to a development cooperation tool and the prevailing trend towards preferring regional/bilateral approaches on both sides, it is highly unlikely that even an adapted ACP-EU framework will occupy the centre stage of the international/EU cooperation system in 2020 and beyond. Hence, it is also doubtful that both parties will be able to secure several of their declared core interests through this scenario.

The only added value left may be the management of a considerable amount of EU aid through established structures and processes. But even this picture may change in 2020, as differentiation is increasingly applied to the ACP countries (in terms of access to EDF grants, political as well as trade relations) and alternative sources of funding further gain importance (including domestic resource mobilisation and private sector funding). It could also be argued that ‘Brexit’ weakens the case for maintaining the existing partnership with the ACP as the accession of the UK to the European Community in 1973 was one of the foundational factors of the special ‘post-colonial’ relationship with the ACP. In a post-Brexit context, voices to adopt a ‘global’ approach to EU external relations may gain ascendancy.

5. What thorny questions and political choices confront proponents of this scenario?

Proponents of this scenario tend to recognise the above-mentioned (structural) weaknesses of ACP-EU cooperation, yet argue that these limitations can be addressed by reforming elements of the current CPA.



¹⁰ This is particularly evidenced in the field of migration, where the EU follows an internal security driven agenda of external action, as reflected in the EU Communication on *Establishing a new partnership framework with third countries under the European Agenda on Migration*. COM (2016) 385 final. Also here there is no mention of the CPA as a framework to deal with these issues, despite the existence of a legal provision (Article 13 of the CPA).

¹¹ The co-existence of an ACP-EU framework and the JAES is a key factor that hampers the deepening of a genuine political partnership between the EU and Africa. The widespread perception is that the JAES is too loose a framework and too much of a ‘talking shop’, lacking sufficient resources to implement stated ambitions. In contrast, the ACP-EU framework is seen as the place where things can also be implemented – as the EU funds are mainly lodged there.

Yet in order to make a real case for this scenario, proponents will have to address the following core challenges:

- 1) How solid is the assumption that the ACP Group can reinvent itself as a global political player and an effective (self-financed) institution? The ACP Group has put forward a set of ambitious reform proposals aimed at becoming a truly global player that adds clear value to its members and citizens. This includes major institutional reforms, amongst others greater capacity to finance its own structures. These seem preconditions for the Group to become a recognised voice in the global arena and to revitalise its political partnership with the EU. Yet it is unclear at this stage how these ambitions will be translated into practice. In the past, similar reforms were announced, yet they had no follow-up.
- 2) Does it make sense to have a new major treaty to deal primarily with development cooperation? Considering the erosion of two of the three pillars of the CPA (i.e. the political dimension and trade) and the emergence of competing regional and thematic groupings, proponents will have to indicate where the ACP-EU framework is still uniquely placed to add value on other matters than managing development cooperation resources. In which concrete policy areas will actors still make effective use of the ACP-EU framework to broker political deals?
- 3) How will a future ACP-EU framework deal with increasing regionalisation and thematic dynamics (in the EU and the ACP)? The ACP Group will have to be quite explicit on how far it wants to go in operationalising the principles of subsidiarity and complementarity with regional/thematic bodies. At EU level, concrete answers will be required on the real added value of a revised CPA beyond 2020.
- 4) What concrete added value will the ACP-EU framework have in dealing with the 2030 Agenda? Both the EU and the regions of the ACP already look elsewhere to conclude deals on global challenges and this trend is likely to accelerate in coming years. What, if any, role will the ACP-EU partnership be able to play in delivering on global public goods? Proponents will argue that the 2030 Agenda could be fully integrated in a new CPA. Yet the real question will be when and how the ACP-EU framework would be used to effectively deliver on the 2030 Agenda. What type of issues would still be handled through the ACP-EU framework? Current evidence does not augur well for the capacity of the ACP-EU partnership to be the most suitable 'vehicle' to conclude political deals on the global goals.

6. Overall balance sheet of this scenario

Advantages	Disadvantages and risks
 <ol style="list-style-type: none"> 1. Keeps a framework and systems in place for managing development cooperation with 79 countries 2. Provides guarantees to the ACP that cooperation will continue, most probably in the form of a legally binding treaty 3. The <i>status quo</i> and arrangement between EU Member States may seem the more desirable option for risk averse policy makers, especially in view of the turbulent times the EU is currently going through 	 <ol style="list-style-type: none"> 1. Maintains the artificial split between ACP and non-ACP countries in EU external action/development policy 2. Difficult negotiations about politically sensitive issues (ICC, LGBT, migration) and major ratification challenges in several Member States, particularly in the EU 3. Preserves a costly and rather ineffective system of joint institutions that often overlaps with EPA institutions and are difficult to reconcile with wider EU strategies 4. Largely ignores whether the ACP as a Group can transform itself as an effective global player and political interlocutor to EU 5. The risk of being bound beyond 2020 to an increasingly 'empty' ACP-EU framework providing limited added value to regional and thematic groupings where EU and the ACP regions/states conclude deals around the Agenda 2030



Scenario 2: An umbrella agreement with the ACP linked to regional agreements with Africa, the Caribbean and the Pacific¹²

1. What does this scenario entail?

This scenario recognises the rise of alternative frameworks for political cooperation at the continental, regional and sub-regional level between the EU and the African, Caribbean and Pacific countries. As a result, the institutional landscape of the ACP-EU partnership has been altered fundamentally. Two of the three cooperation pillars of the CPA (i.e. political dialogue and trade) are now largely implemented *outside* the ACP-EU framework. Cooperation on global public goods also increasingly takes place in more proximate regional and bilateral settings. This option seeks to safeguard the *acquis* of the CPA (through an all-ACP-EU umbrella agreement with a legal status) while deepening regional partnerships (through separate agreements with regional bodies linked to the A, the C and the P).¹³

2. What (explicit or implicit) assumptions¹⁴ underpin this scenario?

Actors in favor of this scenario base their preference on the following (implicit or explicit) assumptions:

- ✓ The currently observed weaknesses related to the implementation of the ACP-EU framework (e.g. in terms of political dialogue, joint action at international level, intra-ACP cooperation, co-management, etc.) can be addressed through a new umbrella agreement and related set of regional partnership agreements
- ✓ Retaining a (legally binding) umbrella agreement between the ACP Group and the EU remains relevant beyond 2020 – including to facilitate political dialogue (Article 8 of the CPA) or address sensitive issues (e.g. ICC, LGTBI, readmission of migrants)
- ✓ The regional strategies between the EU and respectively Africa (Joint Africa Europe Strategy), the Caribbean (Joint Caribbean EU Strategy), and the Pacific (EU Strategy for the Pacific) can be consolidated and deepened¹⁵
- ✓ A diversified set of (possibly legally binding) regional agreements can be negotiated with African countries to accommodate the continental agenda (i.e. the partnership with the AU); to extend cooperation with regional bodies; or to respond to sub-regional dynamics (e.g. North Africa, Sahel, Horn of Africa)
- ✓ The continental/regional integration processes in the A, C and P provide opportunities for deepening cooperation and effectively ensuring ownership and participation by national governments¹⁶
- ✓ The AU and the various regional bodies involved can be credible and effective interlocutors of the EU
- ✓ A functional division of labour can be agreed upon between the ACP and the various continental and regional bodies that accommodate national interests of participating Member States
- ✓ The British Leave Vote and ensuing EU political developments will have no major impact on continuing relations with ACP as a Group and on possible future regional partnerships.

¹² The combination of three regional agreements under an umbrella agreement would mean that a possible enlargement of the ACP to all LDCs would be difficult to achieve.

¹³ Views differ on the extent to which these regional agreements, complementing the umbrella framework, should also have legal status.

¹⁴ Advocates for any given scenario base their views and beliefs on a number of assumptions relating to the ACP, the EU and the general climate of international relations. This analytical tool seeks to put these assumptions openly on the table so as to check later how solid they are in reality.

¹⁵ While the political economy conditions seem conducive for deepening the political partnership between Europe and Africa, it is much less clear whether that traction also exists to strengthen the ties with the Caribbean and the Pacific as self-standing regions – a situation which may be aggravated by Brexit.

¹⁶ The Joint Africa Europe Strategy (JAES) supported continental and regional initiatives. Yet it proved difficult to also ensure the 'buy-in' of African countries at bilateral level.

3. *What are the core interests that both parties may seek to secure by opting for this scenario?*

Proponents of this scenario may seek to secure the following (professed or implicit) core interests:

Perceived interests of the ACP Group and the regions	Perceived interests of EU policy makers supporting this scenario
<ol style="list-style-type: none"> 1. Continuing existence of an all-ACP structure linked to the EU through a legally binding agreement 2. Sorting out a functional task division between the all-ACP level and the regions – based on the principles of subsidiarity and complementarity 3. Increasing the policy space for the continental/ regional structures to further develop their own external policy towards Europe while benefitting from being part of a wider tri-continental Group and promoting South-South cooperation 4. Addressing global public goods through the ACP-EU framework in close cooperation with regions 5. Keeping the ACP and the joint institutions largely intact (e.g. ACP Secretariat co-funded by EU; joint ACP-EU institutions; continued access by partner organisations such as UN agencies- to intra-ACP funding, etc.) 	<ol style="list-style-type: none"> 1. Maintaining the <i>acquis</i> of the CPA, including its legal status, the established channels for bilateral political dialogue (Articles 8 and 96) and the provisions regarding migration or EPAs in the umbrella agreement 2. Deepening and widening the political partnership with Africa (as a whole) 3. Using ODA to tackle core EU interests (e.g. security, migration, etc.) through a targeted set of regional and sub-regional strategies and structures (e.g. EU-Sahel, EU-Horn of Africa) 4. Continuing to dispose of an EDF that allows to flexibly fund EU priorities (without lengthy internal negotiations)¹⁷ 5. Having credible regional partners to jointly deliver on the Agenda 2030 for Sustainable Development

4. *How realistic are the assumptions and interests underlying this scenario?*

Three key criteria can inform an evidence-based reality check of the strategic and operational adequacy of this scenario beyond 2020, taking into account actual cooperation practices:

- I. The **political value** both parties would obtain from combining an umbrella agreement with a set of specific regional frameworks for cooperation with Europe
- II. The **ability** of such a combined approach to deal effectively with the **global development agenda**
- III. The extent to which this option would bring more **coherence into the external action** of the EU and that of the various regions/countries of the ACP.

Criteria for Reality Check	Key facts to be considered (related to the actual practice of ACP-EU cooperation)
1. Political value	<ul style="list-style-type: none"> ✓ Though regional integration dynamics and related structures remain fragile in many parts of the ACP, the trend to 'go regional' and 'bilateral' in external action (on all sides) will intensify beyond 2020. This, in turn, makes it unclear what the added value would be of maintaining an overarching all ACP structure ✓ Though confronted with challenges, the political partnership between the EU and the AU will continue to be of primary importance for addressing specific common interests ✓ Despite a mixed track record, regional integration and co-operation will remain a

¹⁷ This was the case with the EDF financed Africa Peace Facility. Also through the intra-ACP envelope, the EU manages to channel funding to priority areas in a rather flexible way.

	<p>political priority for the EU</p> <ul style="list-style-type: none"> ✓ Concerns on whether both the EU and ACP Group/regions can manage simultaneous and interrelated negotiation processes of legally binding texts ✓ The EU Global Strategy (2016) does not refer to the ACP-EU partnership. References to the Caribbean and the Pacific are scarce and framed in a much wider geographic context (e.g. Caribbean and Latin America or the wider Asia-Pacific region). Even for Africa, the focus is on specific geographic sub-groups of African states that are central to the EU's strategic interests
2. Ability to deliver on global public goods (2030 Agenda)	<ul style="list-style-type: none"> ✓ Unclear role and limited track record of the all-ACP Group (and by extension the Group's performance under a future umbrella agreement with Europe) to undertake collective action on global public goods due to their growing heterogeneity ✓ The EU and the ACP regions increasingly look for other institutional channels (than the ACP-EU framework) to deal with global challenges¹⁸ ✓ Most regional bodies face major challenges of legitimacy, autonomy, capacity and funding, which affects their ability to deliver on global public goods
3. Coherence external action	<ul style="list-style-type: none"> ✓ Strengthening the regional dimension is coherent with regionalisation dynamics both in the EU and the A, the C and the P ✓ The possibility of ensuring a more differentiated approach tailored to the needs of each region and the EU's priorities at stake ✓ There are doubts about the capacity from the side of the EU and the ACP to rationalise the 'patchwork' of regional cooperation frameworks ✓ Maintaining an all-ACP umbrella structure may reduce coherence and lead to higher institutional costs (e.g. complex structures and lengthy debates on who does what)

Reality check: This scenario may sound attractive to several categories of policy-makers, including those who are not in the mood to '*shake things up*' too much. It seeks to modernise the ACP-EU partnership by putting 'regionalisation first'. This is consistent with the evolution of international politics, the 2030 Agenda, and dynamics within the EU and the ACP. Yet it also caters for those who are keen to preserve the all-ACP approach and related legally binding deal with the EU.

However, applying a political economy perspective, the assumptions and interests that underpin this scenario do not appear to be that solid. Deepening regionalisation is clearly the way forward, but to what extent are the various regional structures 'ready' to play a lead role in the relations with the EU and in delivering on the 2030 Agenda? Who will be the regional partners of the EU in Africa and how to manage a diversified web of political and cooperation frameworks? Both the Caribbean and the Pacific may lose out in such a scenario, as shared interests (particularly after the British Leave Vote) may be too limited for a qualitative jump forward. The 'Achilles heel' of this scenario seems to be the role of the umbrella structure and related application of the principles regarding subsidiarity and complementarity. The more regionalisation deepens beyond 2020, the more difficult it will be to provide a genuine and critical mandate to the all-ACP level structure.

¹⁸ See Valetta process (2015) with African leaders on migration; peace and security with AU; food security with UN related bodies as well as continental and regional structures; climate change through thematic groupings (e.g. SIDS).

5. *What thorny questions and political choices confront proponents of this scenario?*

Proponents of this scenario will need to address a set of thorny questions that will determine the credibility and feasibility of this scenario. Avoiding clear answers on these issues is risky, as it may imply that the future cooperation framework will not deliver on expectations on both sides:

1) How far do the various parties want to go in putting 'regionalisation first' in a future agreement?

This first and foremost raises an important question on process. Who will set the agenda for regionalising the ACP-EU partnership? Will this be done by the ACP Group or will the countries of the various regions first determine their own (regional) external action priorities towards the EU and then decide what they still want to do at an all-ACP level? To what extent will the ACP Group accept further *devolution* to regional structures? While Caribbean and Pacific policy makers may see an interest to stay under an all-ACP umbrella agreement, they will also carefully check what is still concretely on offer for them. For the EU, a key question will be to determine how best to channel resources to the ACP regions and states in the future. Will funds continue to pass through the ACP system or will a more direct route be followed?



2) What do the various parties want to put under an umbrella agreement?

The ACP Group has defined a new vision for its future functioning, but there is not yet an explicit strategy to effectively apply the principles of subsidiarity and complementarity. So the question "*who will be in the lead to do what?*" on the ACP side is still unclear. There is a practical dimension too: the limited time between now and February 2020 likely means that regional and all-ACP agreement negotiations would likely partly or fully overlap, creating a risk of duplication and drift. A related question is who should be the negotiating teams at the regional levels?

3) How to effectively and efficiently manage such a complex set of structures at two levels?

The dual structure risks being a source of conflict (on roles and mandates) and could increase transaction costs. It requires the proponents of this option to be crystal clear on the specific responsibilities, power and added value of the overall umbrella structure.

6. *Overall balance sheet of this scenario*

Advantages		Disadvantages and risks	
	1. Potential for clear distinction between principles (in umbrella agreement) and specific regional arrangements (in the related implementation agreements with the A, the C and the P)		1. Complicated and simultaneous negotiating processes at ACP-EU and regional-EU levels
	2. Continuity of (most of) current ACP-EU institutional structures		2. Unclear complementarity between possible umbrella agreement and specific EU deals with the various regions
	3. A more differentiated approach according to the needs of each region and the EU's priorities in that region		3. Possible risk of increased asymmetry in cooperation between EU and A, C and P
			4. Unclear added value of ACP-EU umbrella structure to deliver on global public goods



Scenario 3: Regionalisation of ACP-EU relations

1. What does this scenario entail?

This scenario starts from the observation that the external action of both the EU and within the ACP increasingly takes place in more proximate, regional settings¹⁹ or through bilateral and tri-lateral forms of cooperation. The same holds true for cooperation on global public goods. These regional frameworks are often still fragile and confronted with major challenges. Yet they offer an alternative to the tri-continental ACP-EU partnership.

The expiration of the CPA in 2020 therefore provides an opportunity to update the relations with the A, the C and the P by organising them *directly* around these regional dynamics and related bilateral relations, without the intermediation of an all-ACP structure. A regionalisation scenario implies the discontinuation of the ACP-EU framework in favour of deepening existing regional/bilateral arrangements. It will require the review of existing EU relations with the Regional Economic Communities (RECs) in Africa and regional bodies in the C and the P. It will most probably lead to an extension of the number of partnerships linked to relevant sub-regional dynamics. This scenario aims to cater to the more *interest-driven forms of international cooperation* that are likely to dominate beyond 2020 on both sides of the partnership.

2. What (explicit or implicit) assumptions²⁰ underpin this scenario?

Actors in favour of this scenario base their preference on the following (implicit or explicit) assumptions:

- ✓ The regionalisation dynamics can no longer be ‘contained’ within and managed through the ACP-EU framework. They have outgrown the all-ACP ‘home’ associated with the CPA, whereby the regions are seen as building blocks of the ACP²¹
- ✓ There is no added value in retaining an all-ACP-EU umbrella arrangement as the core elements of the CPA *acquis* that are worth preserving can be incorporated into future regional partnership agreements
- ✓ A diverse set of (potentially legally binding) regional agreements can be negotiated with African countries to accommodate the continental agenda (i.e. the partnership with the AU); to extend cooperation with regional bodies; or respond to sub-regional dynamics (e.g. North Africa, Sahel, Horn of Africa)
- ✓ The continental/regional integration processes in the A, C and P provide opportunities for deepening cooperation and effectively ensuring ownership and participation by national governments²²
- ✓ The regional bodies involved can be a credible, capable and effective interlocutor of the EU, amongst others in the political dialogue and to deliver global public goods
- ✓ The AU and the various regional bodies involved can be a credible and effective interlocutor of the EU, including on shared values and sensitive issues
- ✓ The EU has the political clout, creativity and capacity to transform its own external action architecture, processes and tools and to engage with these various regional frameworks effectively

¹⁹ These regional frameworks go beyond the traditional ‘Regional Economic Communities’ (RECs) with whom the EU has longstanding relations through the ACP-EU framework.

²⁰ Advocates for any given scenario base their views and beliefs on a number of assumptions relating to the ACP, the EU and the general climate of international relations. This analytical tool seeks to put these assumptions openly on the table so as to check later how solid they are in reality.

²¹ The lack of ownership of the ACP construct is also demonstrated by the limited engagement of member states in ACP institutions and processes as well as in the reluctance to ensure adequate funding for the organisation.

²² The Joint Africa-Europe Strategy (JAES) mainly supported continental and regional initiatives. Yet it proved difficult to also ensure the ‘buy-in’ of African countries and EU Member States at bilateral level

- ✓ The British Leave Vote and ensuing EU political developments will have no structural negative impact on this scenario.

What are the core interests that both parties may seek to secure by opting for this scenario?

Proponents of this scenario may seek to secure the following (professed or implicit) core interests:

Perceived interests of the regions of A, C and P	Perceived interests of EU policy makers supporting this scenario
<ol style="list-style-type: none"> 1. Deepening of the political partnership of Africa (mainly through the AU), the Caribbean and the Pacific with the EU 2. Increasing the policy space for the various regions and sub-regional groupings in the ACP to further develop their own external action towards Europe 3. The interest of the Caribbean and the Pacific in this scenario largely depends on the 'offer' the EU can make in terms of an alternative deal to the CPA. In the absence of sufficient guarantees, both regions may stick to the 'safe haven' of the CPA 4. The Caribbean region may be reluctant to be fully subsumed under EU relations with Latin America as the same holds true for Pacific ACP countries in a wider geopolitical Asian partnership 	<ol style="list-style-type: none"> 1. Deepening and widening the political partnership with Africa (as a whole) and to a lesser extent with the Caribbean and Pacific 2. Consolidating the EU's position as a key international partner for regional bodies in Africa, the Caribbean and Pacific in the light of growing competition from other global players (US, China, and emerging powers) 3. Using ODA and other external action tools to tackle core EU interests (e.g. security, migration, trade) through a targeted set of regional structures 4. Having credible regional partners to jointly deliver on the 2030 Agenda for Sustainable development 5. Ensuring coherence with the geographic focus of the EU Global Strategy (2016) which moves closer to core EU priorities and largely ignores the distinction between the ACP and Neighbourhood policies

4. How realistic are the assumptions and interests underlying this scenario?

Three key criteria can inform an evidence-based reality check of the strategic and operational adequacy of this scenario beyond 2020:

1. **The political value** both parties would obtain from further 'regionalising' cooperation outside any ACP-EU framework
2. The ability of future regional partnerships to deal effectively with the **global development agenda**
3. The extent to which regionalisation would bring more **coherence into the external action** of the EU and that of the various regions/countries of the ACP.

Criteria for Reality Check	Key facts to be considered (based on actual practices between the EU and the regions)
1. Political value	<ul style="list-style-type: none"> ✓ There is abundant evidence that the political value of the CPA has eroded over time, particularly since two core pillars (political dialogue, trade) were largely regionalised ✓ Though regional integration dynamics and related structures remain fragile in many parts of the ACP, the trend to 'go regional' and 'bilateral' with a view to conclude political deals in external action is likely to intensify beyond 2020 (as evidenced in the June 2016 Global Strategy of the EU) ✓ Though confronted with challenges and diverging interests (in key areas such as

	<p>migration) the political partnership between the EU and the AU will continue to be of primary importance to jointly address common interests</p> <ul style="list-style-type: none"> ✓ Despite a mixed track record, regional integration and co-operation will remain a political priority for the EU ✓ The political dialogue with African continental and regional bodies on sensitive issues (e.g. ICC, LGTBI) will remain difficult, partly because of declining EU leverage and a greater influence of 'real politics' ✓ Concerns on whether both the EU and the regions can manage simultaneous and interrelated negotiation processes ✓ Doubts about the feasibility of deepening EU cooperation with the regions of the Caribbean and the Pacific and the political value that this would bring beyond 2020 (the EU Global Strategy 2016 hardly mentions either region and the British Leave Vote may further reduce the scope for a meaningful partnership with the EU)
<p>2. Ability to deliver on global public goods (2030 Agenda)</p>	<ul style="list-style-type: none"> ✓ The EU and the ACP regions increasingly look for other institutional fora (than the ACP-EU framework) to deal with global challenges ✓ Collective action on global public goods between the EU and the regional bodies is still emerging – so there is no guarantee that results will be spectacularly better in this type of set-up than under the ACP-EU framework ✓ Most regional bodies face major challenges of legitimacy, mission overload, autonomy, absorption capacity and self-financing - which also affects their ability to deliver on global public goods ✓ A regional approach may also create 'gaps' if pursued primarily on the basis of EU interests
<p>3. Coherence external action</p>	<ul style="list-style-type: none"> ✓ Strengthening the regional dimension is coherent with regionalisation dynamics both in the EU and the A, the C and the P ✓ Doing so may also enable easier cross-regional cooperation on a needs basis, e.g. between neighbouring non-ACP regions or with overseas countries and territories and outermost regions ✓ Potential for ensuring a more differentiated approach tailored to the needs of each region and the EU's priorities at stake (in conformity with EU Global Strategy) ✓ Doubts about the capacity from the side of the EU and the ACP to rationalise the 'patchwork' of regional cooperation frameworks

Reality check: This scenario is consistent with the evolution of international politics, the 2030 Agenda and the dynamics within the EU and the ACP. Moving from the CPA to regional agreements and cooperation frameworks is both a break with the past and a way to accommodate the unfolding regional reality in the ACP. It would allow the EU to play into real continental and regional dynamics and articulate more targeted regional agreements, based on clearly differentiated interests between the EU, Africa, the Caribbean and the Pacific. It offers the opportunity to move beyond the post-colonial heritage of the ACP-EU construction. This, in turn, may help to consolidate and transform existing regional and sub-regional partnerships into more suitable and effective frameworks for the international cooperation processes beyond 2020. However, this option will face major implementation challenges linked to the slow progress made in several regional integration processes, the existence of many overlapping regional schemes, the institutional bottlenecks encountered in most regional bodies and the lack of a coherent EU approach towards regionalisation (as reflected in the overlapping policy frameworks for dealing with Africa).

5. ***What thorny questions and political choices confront proponents of this scenario?***

Proponents of this scenario will have to deepen their reflection with regard to the following core questions:

1) Is the EU looking for strategic partners at regional level or implementing bodies for development cooperation?

In policy discourse, the EU is vocal on its desire to build genuine strategic partnerships, adapted to the new requirements of international cooperation. Yet the practical implications of such a move (in terms of power balance, political dialogue, cooperation approaches and instruments) have received much less attention. Clarity will need to be provided on both the substance and modalities of workable strategic partnerships, that go beyond development cooperation. This will also require a focus on the relations between regional and national actors (rather than merely looking at the regional level as an organising principle in itself). Whether this option delivers will depend on the quality of the interactions between these two levels.

2) Is a regionalisation scenario possible without the marginalisation of the C and P regions?

This will require a specific interest analysis between the various parties involved (*"where can we work together in a mutually beneficial way?"*). The political implications of the British Leave Vote may very well reduce the EU's interest in keeping cooperation with the two regions at a similar level compared to today. In the case of the Caribbean, for instance, it means considering the extent to which the EU wants to keep a specific strategy with the Caribbean or whether (most of) future cooperation will take place in the framework of the CELAC.

3) How can regional agreements balance legitimacy, efficiency and subsidiarity and what type of relations would be pursued with the different sub-regional entities (particularly in Africa)?

Policy-makers' 'appetite' for this scenario will depend on the presentation of credible roadmaps to evolve towards functional regional partnerships - starting from a rather weak baseline in terms of collective action capacity and performance.



4) What will be status of the regional agreements that replace the ACP-EU framework? Is it politically desirable/feasible to negotiate a comprehensive and legally binding agreement (like the CPA) with specific regions?

The question here is whether it makes sense to conclude legally binding agreements with the Caribbean and the Pacific in view of relatively focused cooperation agendas as well as the limited scope for bilateral cooperation in view of the concerned states' country income groupings. There could be scope for concluding a legal agreement with Africa but this would require an early-level commitment to follow this path, preferably at the 2017 Africa-EU Summit.

5) What relation will be maintained with the ACP Group?

The ACP Group has expressed a vision for its future beyond 2020. Opting for a regionalisation scenario – without direct intermediation of an all ACP-EU structure - raises the question of how the EU and the ACP Group will still relate to each other.

6. *Balance sheet of this scenario*

Advantages	Disadvantages
 <ol style="list-style-type: none"> 1 The adoption of a more regional approach is coherent with evolution of international relations and major changes in the external action of both the EU and ACP regions/states 2 Opportunity to differentiate and customise EU and A, C, P external action according to interests and with a view to achieving better results 3 Coherence with the logic of the universal 2030 Agenda for Sustainable Development and the different means of implementation required to deliver global goals 4 Negotiations on a follow-up treaty to the CPA – which are likely to be difficult – could be avoided 	 <ol style="list-style-type: none"> 1. Complexity of implementing such a differentiated regional approach in practice 2. Fear that the <i>acquis</i> of the CPA as such would be lost, especially without a legally binding treaty 3. Risk that the C and the P are marginalised in EU external action 4. Need for major adjustments in the institutional set-up and (financial) instruments



Scenario 4: Mixed regional and thematic multi-actor partnerships

1. What does this scenario entail?

This scenario can apply to both the EU and the ACP/regions²³ and goes a step further in the logic of diversifying partnership agreements along functional lines. It starts from the premise that international cooperation in the 21st century is no longer about ‘North-South partnerships’ (like the CPA), but primarily concerned with ensuring global governance in a multipolar world. It is about defending and negotiating core interests through adequate institutional frameworks (with the required legitimacy, political traction and capacity for collective action). Rather than putting all eggs in one basket with a comprehensive framework like the CPA (bringing together a huge number of countries with increasingly divergent interests), this option believes it is in the interest of all parties to focus on strategic prioritisation, pragmatism and efficiency in future partnerships. In practice, it means that the EU, as well as the countries of Africa, the Caribbean and the Pacific (through regional bodies or other arrangements), could decide unilaterally on core external action priorities for the period beyond 2020. A second step is then to identify the most suitable partners and coalitions of actors to work with in order to achieve results that respond to mutual interests in a given policy domain. This leads to a ‘portfolio’ of strategic partnerships along both regional and thematic lines.

This may at first appear to be a relatively theoretical option – since it is premised on the basis of moving away from the treaty-based geographically oriented cooperation model as currently promoted through the CPA. However, it is important to emphasise that this scenario is *de facto* already largely reflected in current cooperation practices. Examples include, amongst others, the alliance on global public goods through SIDS members during the climate change negotiations, or the Valletta Summit to discuss migration management with a select group of members of the African Union. It is illustrated by the introduction of EU policy frameworks that no longer differentiate between ACP and non-ACP countries or by the recent establishment of EU Trust Funds cutting across geographic areas. Also the 2016 EU Global Strategy is based on this interest-driven, portfolio logic (bypassing existing cooperation frameworks).

2. What (explicit or implicit) assumptions²⁴ underpin this scenario?

Actors in favour of this scenario base their preference on the following (implicit or explicit) assumptions:

- ✓ The current approach to ACP-EU cooperation is no longer adequate as it rests upon a historically motivated geographical logic framed along North-South lines - as opposed to international cooperation driven by a functional logic and based on shared values and interests
- ✓ Today’s multipolar world and the effective implementation of the universal 2030 Agenda require a menu of strategic partnerships where political deals can be concluded on global public goods²⁵
- ✓ An *open-ended* and *interest-driven* approach to partnership is coherent with the evolving nature of the external action as conducted by both the EU and the regions of the A, C and P

²³ The ACP as a Group has in the past expressed its intention to diversify its partnerships beyond Europe (Malabo Declaration, ACP Summit, 2012). This ambition has been reaffirmed in the 2016 Report of the Eminent Persons Group to the Summit in Papua New Guinea. Yet at regional and sub-regional level in the ACP, different political dynamics can be observed which suggest ACP regions and states might also be interested in an interest-driven portfolio approach beyond 2020.

²⁴ Advocates for any given scenario base their views and beliefs on a number of assumptions relating to the ACP, the EU and the general climate of international relations. This analytical tool seeks to put these assumptions openly on the table so as to check later how solid they are in reality.

²⁵ For some global public goods, like peace and security, the EU’s contributions to the Africa Peace Facility are made for legal reasons through the EDF, though not because the ACP-EU framework is considered to have a clear added value.

- ✓ The EU has the political and institutional capacity to conceive and implement a transition towards a portfolio approach, in particular in its relation with the ACP regions and countries
- ✓ The regions of the ACP Group also have an interest and the political capacity to define such own agendas and related portfolios for international cooperation, including with the EU
- ✓ The possible fallout of the British Leave Vote may further erode the legitimacy of the ACP-EU as a postcolonial construction, ill-adapted to the multi-polar world of today and the universal 2030 Agenda.

3. What are the core interests that both parties may seek to secure by opting for this scenario?

Proponents of this scenario may seek to secure the following (professed or implicit) core interests:

Perceived interests of the ACP Group and of the regions of A, C and P	Perceived interests of EU policy makers supporting this scenario
<ol style="list-style-type: none"> 1. The ACP Group has formulated the ambition to become a global player with a diversified set of strategic partners, including the EU 2. The AU has diversified its strategic partnerships beyond the EU (e.g. China, India, Latin America, Turkey, etc.) and will continue to have a major interest in developing more flexible and diverse forms of political/economic cooperation with the EU beyond 2020 3. Though still facing major challenges, several RECs may be open to deepen partnership relations with the EU, particularly to address shared priorities. 4. While professing support to unity and solidarity with the ACP, the Caribbean and the Pacific are increasingly 'going regional' by linking up with countries in their direct neighbourhood (South America, Asia) or seek to defend their interests through specific thematic (global) groupings 5. Cooperation along regional/thematic lines is likely to concentrate on a limited set of policy issues (e.g. vulnerability in the Caribbean and the Pacific or security issues in the Pacific), as part of wider institutional settings (e.g. the CELAC for the Caribbean) 6. Beyond 2020, the application of the differentiation principle means that traditional cooperation benefits (based on aid) will further diminish. It may therefore be in the interest of the regions and countries of the A, the C and the P to determine the most suitable frameworks to engage in the wider 2030 Agenda and with the EU 	<ol style="list-style-type: none"> 1. Deepening and widening the political partnership with Africa (as a whole) and with different sub-regions and groups of countries 2. Using ODA to address core EU interests (e.g. migration, security) through a targeted set of regional structures, thematic groupings and bilateral relations 3. Having credible regional partners and thematic groupings to jointly deliver on the 2030 Agenda for Sustainable Development 4. Ensuring coherence with the EU Global Strategy by focusing cooperation efforts on strategic regions in the proximity of Europe, such as North Africa, the Sahel and the Horn of Africa, as well as by deepening cooperation with countries that the EU has a strategic partnership with (Egypt, Nigeria, Ethiopia, South-Africa) 5. Reducing transaction costs by dealing directly with the regional bodies and issue-driven thematic groupings

4. *How realistic are the assumptions and interests underlying this scenario?*

Three key criteria can inform an evidence-based reality check of the strategic and operational adequacy of this scenario beyond 2020:

- I. The **political value** both parties would obtain from moving towards a 'portfolio' of regional and thematic partnerships
- II. The ability of such a diversified set of strategic partnerships to deal effectively with the **global development agenda** and
- III. The extent to which regionalisation would bring more **coherence into the external action** of the EU and that of the various regions/countries of the ACP.

Criteria for Reality Check	Key facts to be considered (based on actual practices between the EU, the ACP Group and the regions)
1. Political value	<ul style="list-style-type: none"> ✓ A flexible portfolio approach may allow for 'leaner' forms of cooperation and a new approach to doing business, in line with the logic underpinning international relations in today's world as well as with the current political climate in the EU ✓ Possibility to further differentiate cooperation approaches as well as trilateral forms of cooperation (e.g. between the EU, Gulf states and the Horn of Africa) ✓ A portfolio approach is in line with the vision, strategic orientations and implementation modalities put forward in the EU Global Strategy, as well as consistent with preliminary ideas for revising the EU Consensus on Development ✓ Uncertain political value for the ACP Group as its own heterogeneity and the existence of competing regional/thematic frameworks may reduce the scope to conclude political deals with the EU ✓ The AU and the RECs currently draw limited political value from CPA. Much will depend on their capacity to develop a clear political agenda and organise their collective action towards the EU (beyond the prevailing JAES practice)
2. Ability to deliver on global public goods (2030 Agenda)	<ul style="list-style-type: none"> ✓ The EU and the ACP regions increasingly look for other institutional fora (than the ACP-EU framework) to deal with global challenges that are structured along functional rather than geographic lines ✓ Collective action on global public goods between the EU and regions is still emerging so a learning curve will be required ✓ Most regional bodies face major challenges of legitimacy, autonomy, capacity and funding, affecting their ability to deliver on global public goods
3. Coherence external action	<ul style="list-style-type: none"> ✓ A 'portfolio' approach is consistent with the EU Global Strategy's ambition to reform EU external action and development policies towards greater alignment with EU strategic interests and increased flexibility ✓ Would enable the EU to 'treat Africa as one' and revitalise the EU-Africa partnership ✓ Would be favourable to fulfil the EU's stated intention to incorporate the EDF into the budget and reduce the number of financial instruments for development cooperation.

Reality check: This scenario will not generate much enthusiasm among those in favour of maintaining the ACP-EU partnership beyond 2020 along the lines of the current CPA (scenario 1) or through an umbrella

agreement linked to regional frameworks (scenario 2). However, a reality check on actual cooperation practice shows that both parties have already shifted to a much more differentiated set of partnerships along regional and thematic lines. This scenario is, in other words, unfolding before our eyes. This option therefore merits the necessary attention (even from its opponents), as it may be the dominant *modus operandi* beyond 2020. In the years to come, the EU and the ACP countries and regions are likely to primarily invest in regional and issue-based groupings to conclude mutually beneficial deals – leading to increased competition for leadership and resources among a proliferating set of institutional frameworks. Migration perfectly illustrates this reality. A multi-level approach will be required to tackle the multi-dimensional challenges associated with migration, involving dialogue through global fora, continental frameworks (AU), regional channels (e.g. Khartoum and Rabat processes) as well as national and local dynamics. It is unclear if an extended ACP-EU partnership would add any value in this setting.

5. *What thorny questions and political choices confront proponents of this scenario?*

Proponents of this scenario will have to deepen their reflection on the following core questions if they want to make a case for this quite innovative option:

1) Are the anticipated benefits of this scenario sufficiently clear?

In policy discourse, the EU is vocal on its desire to build genuine strategic partnerships, adapted to the new requirements of international cooperation. Yet the practical implications of such a move (in terms of power balance, political dialogue, cooperation models and instruments) have received much less attention. Clarity will be needed on both the substance and modalities of workable strategic partnerships along regional and thematic lines.

2) What are the risks of such a 'portfolio' approach to future cooperation and how can they be mitigated?

The risk of asymmetric power relations (that currently exist in the ACP-EU partnership) is likely to also be a feature of future frameworks between the EU and the A, C and P. Other risks are inadequate geographic coverage (as some countries prefer not to engage with the EU) or the existence of possible thematic gaps (as certain core topics for ACP countries and regions may not attract the interest of the EU). Parties will also have to devise new ways of working together ('beyond aid') in order to make these strategic partnerships deliver.



3) Is the scenario possible without the marginalisation of the Caribbean and Pacific regions and how?

In view of their more open markets and small administrations countries in both regions would favour more pragmatic and interest-driven approaches to cooperation, yet in doing so they will also seek to obtain certain guarantees and binding commitments from the EU. In the real world, the countries of these regions may also be better served by building alliances around common challenges (e.g. SIDS on climate change and vulnerability) as this would increase their strategic value and bargaining power towards the EU and other partners.

4) Can the EU manage such a far-reaching reform of its partnerships and instruments?

In the current climate of uncertainty at EU level, it will be most challenging to implement such a rationalisation of existing policy frameworks and to design a new and coherent set of financial instruments in a context where possible alternatives (in terms of regional/thematic frameworks) are not necessarily consolidated. Finally, depending on the content of the cooperation frameworks there could be consequences for the institutional setup of the European Commission, e.g. the mandate and role of DEVCO, as well as a need for reorganising relevant Council Working Groups. The reform potential might not be evident at a moment that the EU is going through different types of crises. On the positive side, however, complex and lengthy negotiating and ratification processes for a Post-Cotonou successor arrangement could be avoided.

6. Overall balance sheet of this scenario

Advantages	Disadvantages and risks
 <ol style="list-style-type: none"> 1 Portfolio approach is coherent with evolution of international relations and major changes in the external action of both the EU and ACP regions/countries 2 Opportunity to differentiate and customise EU and A, C, P external action according to interests and with a view to achieving better results 3 Coherence with the logic of the universal 2030 Agenda for Sustainable Development and the different means of implementation required to deliver global goals 4 Negotiations on a follow-up treaty to the CPA – which are likely to be difficult – could be avoided 	 <ol style="list-style-type: none"> 1. Complexity of implementing such a differentiated approach in practice 2. Fear that the <i>acquis</i> of the CPA as such would be lost, especially without a legally binding treaty 3. Need for major adjustments in the institutional set-up and (financial) instruments of the EU 4. An interest-driven form of cooperation may lead the EU to adopt short-sighted policies that are not compatible with its development objectives 5. Shifting to a portfolio approach requires political leadership and institutional creativity which may not be readily available at EU level or in the constituent regions of the A, C and P

About ECDPM

ECDPM was established in 1986 as an independent foundation to improve European cooperation with the group of African, Caribbean and Pacific countries (ACP). Its main goal today is to broker effective partnerships between the European Union and the developing world, especially Africa. ECDPM promotes inclusive forms of development and cooperates with public and private sector organisations to better manage international relations. It also supports the reform of policies and institutions in both Europe and the developing world. One of ECDPM's key strengths is its extensive network of relations in developing countries, including emerging economies. Among its partners are multilateral institutions, international centres of excellence and a broad range of state and non-state organisations.

Thematic priorities

ECDPM organises its work around four themes:

- Reconciling values and interests in the external action of the EU and other international players
- Promoting economic governance and trade for inclusive and sustainable growth
- Supporting societal dynamics of change related to democracy and governance in developing countries, particularly Africa
- Addressing food security as a global public good through information and support to regional integration, markets and agriculture

Approach

ECDPM is a “think and do tank”. It links policies and practice using a mix of roles and methods. ECDPM organises and facilitates policy dialogues, provides tailor-made analysis and advice, participates in South-North networks and does policy-oriented research with partners from the South.

ECDPM also assists with the implementation of policies and has a strong track record in evaluating policy impact. ECDPM's activities are largely designed to support institutions in the developing world to define their own agendas. ECDPM brings a frank and independent perspective to its activities, entering partnerships with an open mind and a clear focus on results.

For more information please visit www.ecdpm.org

The logo for ECDPM, featuring the lowercase letters 'ecdpm' in a white, sans-serif font, set against a solid blue rectangular background.

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