

Compendium on co-operation strategies

PARTNERSHIP AGREEMENT BETWEEN THE MEMBERS OF THE
GROUP OF AFRICAN, CARIBBEAN AND PACIFIC STATES AND
THE EUROPEAN COMMUNITY AND ITS MEMBER STATES

[Signed at Cotonou, June 2000]

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INTRODUCTION

1. The present compendium of texts on co-operation strategies is intended to provide detailed reference texts as regards objectives, policy orientations and operational guidelines in specific areas or sectors of co-operation, as provided for in article 20(3) of the ACP-EC Partnership Agreement. These orientations and guidelines will be developed and applied within the framework of the integrated approach for co-operation strategies as set out in the Agreement and on the basis of the provisions on development finance co-operation.

2. The compendium will be updated according to the evolving requirements of co-operation. The reference texts below may be reviewed, completed and/or amended by the Council of Ministers on the basis of recommendation from the ACP-EC Development Finance Co-operation Committee.

3. This compendium does not aim at covering exhaustively all co-operation areas and the list of themes and sectors reflected in the present structure is only indicative. New areas which may prove of interest for co-operation strategies will be added.

4. The texts are based on evolving policy documents including communications of the European Commission and EU Council's resolutions, conclusions and decisions, as well as policy documents emanating from the ACP Council. Although the above policy documents are not the subject of specific references in this first edition of the compendium, they may be referred to and discussed as of need on a regular basis by the Council of Ministers.



ECONOMIC SECTOR DEVELOPMENT



2.1. Agricultural and Rural Development

2.1.1. Rural Development

5. Rural development is an overarching concept which encompasses most sectors of political, economic and social activity. The social and economic development of rural areas is at the heart of sustainable development and poverty eradication. Co-operation will, therefore, aim at improving rural well-being as a contribution to sustained poverty reduction. It shall promote sector policies and strategies to achieve economic growth and equitable social development based on sustainable natural resources management.

6. In order to stimulate the rural economy and to link it to the national development efforts, co-operation shall focus on the development of multisectoral rural strategies aimed at establishing a strategic framework for decentralised planning and resources allocation and management. Such strategies shall bring together the social, economic and environmental dimensions of rural development. To increase their relevance and impact, they shall be designed and implemented in a participatory way.

7. To ensure meaningful participation of civil society in the strategic process and enhance the role of women, attention in the design and implementation of strategies shall be paid to ensure that adequate measures are included to promote inter alia:

a) the organization, empowerment and capacity building of producers and local communities in order for them to become active partners in the planning and implementation processes;

b) the full participation of women and the recognition of the active role they play as full partners in the rural production and economic development processes;

c) the availability and equal access to social and economic services (including extension) in rural areas, for both men and women;

d) the development of capacity in local and central administration including the training of staff;

e) the sustainable participatory management of common natural resources; and

f) the decentralisation of planning and implementation of sectoral budgets and the enhancement of local capacity to improve the effectiveness and transparency of financial and human resource management.

2.1.2. Food Security

8. Food security is a concept which puts emphasis on the availability of and access to sufficient food of adequate nutritional quality by households and individuals at all times. Achieving food security is, therefore, a fundamental step in the fight against poverty. Co-operation shall aim at supporting policy and institutional reforms and the investment necessary

to promote national and regional food security including issues related to developing adequate crisis management capabilities.

9. The range of interventions shall therefore include:

▫ support to the formulation and implementation of national and regional food security strategies addressing availability, access and nutritional quality of food and aimed at increasing the capability of ACP States to respond to emergencies and improve forecasting of their food supplies;

▫ support for strengthening the enabling macro-economic and institutional environments for broad based and equitable growth of incomes;

▫ sector approaches to improve economic and social services accompanied by, where necessary, targeted programmes for the poor to reduce vulnerability; and

▫ support to water security, in particular efforts to improve access to safe water for sanitary, nutritional and productive purposes, in a sustainable and equitable way;

▫ support to ACP States' efforts to increase food availability by facilitating national, regional and inter-regional trade flows of food products and improving the co-ordination of policies and strategies among the countries concerned.

10. Co-operation shall focus on food security interventions which are economically, technically, financially and environmentally sustainable and which firmly integrate coherent sector policies and strategies.

11. Food aid operations shall be decided on the basis of the rules and criteria adopted by the Community for all recipients of this type of aid. Subject to those rules and to the Community's freedom of decision in this matter, food aid operations shall be governed by the following guidelines:



a) except in urgent cases, Community food aid which shall be a transitional measure, shall be integrated into the ACP States' development policies and strategies and be consistent with national food security strategies. This calls for consistency between food aid and other co-operation measures;

b) where the products supplied are distributed free of charge, they shall form part of nutrition programmes aimed in particular at vulnerable sections of the population or be delivered as remuneration for work and shall take account of trade flows of the ACP States concerned and within the region;

c) food aid operations that form part of development projects or programmes or nutrition programmes shall be planned on a multiannual basis;

d) as a matter of priority, the products supplied shall meet the needs of the recipients. In the selection of such products, account shall be taken in particular of the ratio of cost to specific nutritive value and of the effect the choice might have on consumer habits and on domestic and regional trade development;

e) where in a recipient ACP State, the trend of the food situation is such as to make it desirable for food aid to be replaced in whole or in part by operations designed to consolidate the current trend, alternative operations shall be implemented in the form of financial and technical assistance, in accordance with the relevant Community rules. These operations shall be decided upon at the request of the ACP State concerned; and

f) with a view to providing products suited to the habits of consumers, speeding up the supply of products for emergency operations or helping to improve food security, food aid purchases shall be made in the recipient country, in another ACP or other developing country, preferably in the same geographical region, or in the Community.

12. In implementing this Chapter, special attention shall be paid to assisting and enabling least-developed, landlocked and island ACP States to utilize fully the provisions of this Chapter.

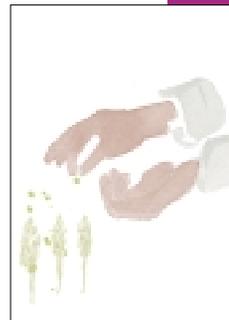
2.1.3. Agriculture

13. The development of agriculture remains an essential component of economic development as agriculture stimulates growth in other sectors and contributes substantially to poverty reduction both in rural and urban areas. Agriculture shall remain the backbone of strategies aimed at improving rural well-being provided its long term sustainability is addressed by adopting sustainable natural resource management practices.

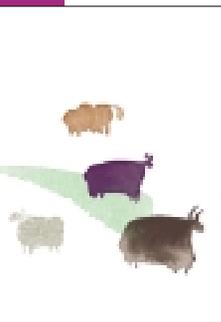
14. Development of the agricultural sector shall be addressed, wherever feasible, through sector programmes i.e. programmes based on a coherent policy and strategy owned by the ACP State and designed with the participation of all stakeholders. Such strategy shall provide a framework for co-ordination of government and donor financing. Support to the design and implementation of these programmes, shall put emphasis on decentralised planning and budgeting, financial management, policy formulation and planning, monitoring and evaluation systems. Where feasible according to the provisions of this Agreement, support shall be provided through the national budget.

15. Co-operation in the agricultural sector shall be aimed at supporting:

- the design and implementation of national policies and strategies which focus on, inter alia, improved access to production factors (land, water, credit, inputs, etc.)



in particular for women, improving the efficiency and responsiveness of services and diversify their provision through a greater involvement of the private sector, improving productivity and reducing losses in production and storage, facilitating the transfer of technology, facilitating partnerships and collaboration between the public and the non-public sector, supporting the development of national and regional markets;



- the reform, strengthening and decentralisation of institutions, contributing to the investment required to modernise them and increase their capacity, so as to make them more responsive to the needs of beneficiaries;
 - the active participation and involvement of the rural population and in particular its most disadvantaged sections, in the allocation and management of financial resources at local level, inter alia, by assisting civil society to develop local associations and professional organisations;
 - agricultural research through national, regional and international institutions based on their respective comparative advantage and complementarity aiming in particular at: improving natural resources management including water-use efficiency, sustainably increasing productivity and preserving biodiversity. At national level, particular attention shall be paid to improving national policies and building capacity;
 - participatory land reforms and the establishment of land tenure systems ensuring an equitable and efficient allocation of land and allowing access to land to the most disadvantaged groups of population while protecting their existing rights; and
 - participation of women, as producers, in the development process notably by improving their access to all factors of production, i.e. inputs, land, financial services, extension and training services.
- ## 2.1.4. Livestock
16. Livestock production is a crucial source of revenue and food for a great many families in the ACP States, especially the poorest amongst them. It is also a source of animal traction and of manure, which is indispensable for a sustained increase in agricultural output.
17. The increase in livestock production, especially in the number of head, is not keeping pace with demand, however. The resultant stepping-up of production could have adverse effects on the environment and provoke a reduction in the gene pool of domesticated species. This problem should be kept in sight by public authorities and be reflected in national strategies.
18. The above points shall be taken into account in cooperation, especially as regards women for whom livestock production is an essential source of alternative and supplementary income. The main policy planks of such cooperation shall be:
- support for the formulation and implementation of policies, strategies and sectoral programmes, with particular emphasis on the development of producer organisations, decentralisation, distribution and the identification of tasks and their attribution to the private and public sectors;
 - within such policies and strategies, optimising the integration of arable and livestock farming, the development of fodder production and the improvement of water supplies for animals and their management in a sustainable way;
 - support for improved animal health and campaigns to control zoonoses, including, where justified, the development of infrastructure for that purpose;
 - strengthening regional organisations and stepping up coordination with national structures;

- support for consideration to be given in domestic policies and strategies to environmental factors (including the preservation of biodiversity), including improvement of animal feeds thanks to more effective pasture management and integration of the role of women.

2.1.5. Forestry

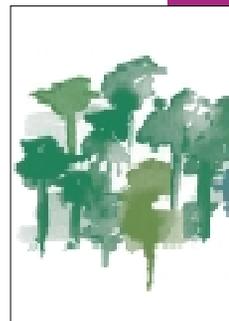
19. Forests play an important role in ensuring the environmental, social and economic sustainability in many developing countries. Addressing underlying causes of forest degradation and deforestation implies being active in other sectors indirectly having impacts on forests (good governance, land use planning, poverty, trade and marketing, environment, energy, macro-economic policies, etc.). This is an important way of achieving ACP-EC shared objectives for the forest sector. Co-operation shall pursue the following objectives:

- a) conservation of endangered tropical forests and their biodiversity and regeneration of the functions of tropical forests which have been damaged, through reduced uncontrolled deforestation and forest degradation, on the basis of a sharing of responsibilities between the various stakeholders having an interest in forests and taking into account in particular the views of those living in or from forests;
- b) increased extent of areas under sustainable forest management;
- c) increased equitable revenue from forest products;
- d) maintained genetic resources and biodiversity;
- e) expanded forest-related knowledge base.

20. Co-operation shall adapt to the evolving situation stemming from international policy discussions, as well as from national policies and field level needs of partner countries. To ensure that the requirements of international UN Conventions and non-legally binding recommendations are reflected into ACP-EC co-operation, priorities, rules and procedures shall regularly be reviewed. In this context national forest programmes will be at the center of the co-operation process in line with the International dialogue on forests. Flexibility is needed to adapt to forthcoming developments impacting on forestry.

21. Co-operation in this sector shall give priority to activities to:

- a) Support the development and implementation of a policy framework, on a participatory basis, favourable to the forest sector at national and international levels, in order to maintain the multifunctional roles of forests and reconcile conflicting demands placed on them, and aiming at sustainable utilization and preservation of tropical timber productive forests and their genetic resources as well as the maintenance of an ecological balance in the regions concerned;
- b) Improve, at field level, sustainability of interventions in forest conservation and management, promote agro-forestry and other sustainable and socially equitable forms of land use which have an impact on forests, and support locally adapted re-afforestation and forest management activities as well as restoration of the fertility of degraded forest lands;
- c) Improve the efficiency of utilisation and processing of wood and non-wood forest products, through equitable and comprehensive approaches, and support measures to increase the share of timber and non timber products from sustainable sources within the overall production of this sector;



d) Contribute to the development of research, information, capacity building and technology transfers related to the above.

2.1.6. Fisheries Development

22. The main fisheries priority in relations between the EC and the ACP States shall be the food security and income of local communities dependent on fishing for their livelihood, to be achieved by securing their access to fish stocks and providing opportunities for adding value.

23. The aim of cooperation shall be the optimal sustainable use of the ACP States' fishery resources. It shall promote their mutual interest in a natural resource that must be managed in accordance with prudential principles with a view to sustainable development. It shall enable the ACP States to take better advantage of their integration into the world economy for their fishery products, including farmed products.

24. In particular it shall aim to:

- help local communities dependent on fishing, especially the poorest communities engaged in non-industrial fishing, to express themselves and be taken into account;
- improve the ACP States' capacity to formulate and implement sectoral fisheries policies in line with the aims of poverty reduction (especially in the case of non-industrialised fishing communities), sustainable management of stocks and improving the ACP States' marketing of fishery products on the world market;

- improve knowledge of natural fishery resources at regional and subregional levels and promote the joint stock management.

25. The key operational components shall be:

- support for the setting-up and development of professional organisations within the partners' fisheries sectors, especially non-industrial sectors; aid to help communities dependent on fishing to organise; support for women's organisation involved in the processing and marketing of fishery products; support for the local authorities to enable them to play an active role in the sustainable development of coastal areas;
- support for the setting-up and functioning of international, regional and national organisations that facilitate exchanges between communities dependent on fishing; aid to carry out development operations of these networks;
- assistance for the formulation and implementation of sectoral fisheries policies that comply with the FAO Code of Conduct and have the following components:
 - a) improving scientific knowledge of and information about aquatic ecosystems and fishery resources; stepping-up scientific cooperation between research centres;
 - b) organisation of stock management systems that ensure that stocks are exploited sustainably, with priority to local non-industrial fishing; sustainable management policies, including those for water resources, should be implemented in liaison with the main actors involved: scientific, administrative, other users, fishermen, etc.
 - c) organisation and application of systems to monitor and keep under surveillance fishery activities and combat illicit activities;



- d) support for processing and presentation; support for microcredit bodies; creation of infrastructure; vocational training;
 - e) operations to enhance the position of their fishery products on the world market by improved compliance with health standards, product promotion and labelling.
- Support for the setting-up and development of regional and subregional organisations capable of managing operations that need to be carried out at that level, such as stock information and management, the monitoring and surveillance of fishery activities, and the fostering and development of regional fishery organisations.

2.2. Transport Development

26. The ACP States and the EC recognise that the overall objectives of poverty reduction, sustainable development and the greater integration of the ACP into the world economy require appropriate transport infrastructure and efficient transport services. Transport services must be widely available and safe in order to facilitate the access of populations, particularly the poorest groups, to social and other services, and markets. Transport networks must be responsive to the level of demand for transport services and must be organised to contribute optimally to economic development, both on a national and regional basis. Efficient inter-country transport networks are a prerequisite for increased regional integration and trade.



27. The Partners agree that the improvement of transport infrastructure and services shall require closer co-operation between the public and private sectors, based on the principle of stakeholder participation. This implies institutional reforms involving, for example, greater commercialisation of infrastructure operation (e.g. ports, airports, railways) and transport services, and a re-focussing of Governments' role towards regulation and supervision rather than service provision.

28. The partners also agree that progress shall require a coherent sectoral approach to the planning and organisation of transport systems, incorporating all modes of transport, both at the national and regional levels. The sectoral strategies evolving from this approach should be economically, financially and institutionally sustainable as well as environmentally sound, safe and socially aware.

29. The areas for co-operation shall include, inter alia, the:

- formulation of policies and strategies, at national and regional levels, to achieve sustainable improvements in transport systems and services (all modes);
- implementation of measures to encourage stakeholder participation, increased co-operation between the public and private sectors and enhanced opportunities for commercialisation and for cost recovery as appropriate;
- formulation and implementation of measures to restructure and strengthen public sector agencies involved in the sector and improve the legal and regulatory framework for promoting the sector's development;

- integration of strategies for environmental protection into transport plans and programmes;
- elaboration of sector plans and expenditure programmes designed to reduce poverty, and promote sustainable development and regional integration;
- formulation and implementation of measures to ensure the adequate maintenance of transport infrastructure;
- provision of support for transport sector programmes, with particular priority accorded to maintenance and the efficient utilisation of existing infrastructure;
- promotion of improved safety for transport operators and users; and
- development of private sector capacities (for example in road construction and maintenance) and training programmes to enhance the professional capabilities of personnel employed in the sector.

30. At the regional level, particular attention shall be given to:

- supporting regional transport corridors, including inter-modal connections, to improve regional transport services and enhance regional integration;
- providing support for regional organisations to advance regional co-operation in transport matters, for example, through measures to harmonise and enforce transport regulations, standards and procedures, and to facilitate transit traffic and cross-border operations; and

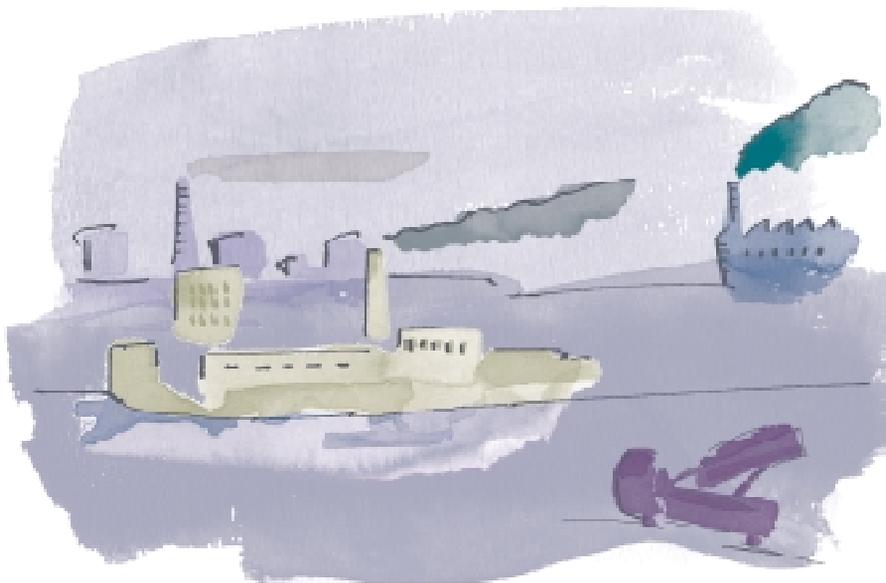
- provision of support for improving the reliability and safety of maritime and air transport, as well as contributing to a global navigation satellite system interoperable with the European Geostationary Navigation Overlay Service.

2.3. Industrial Development

31. In order to facilitate the attainment of the economic development objectives of the ACP States, it is important to ensure that an integrated and sustainable development strategy is evolved within the context of private sector development strategies.

32. To serve this purpose, the following areas shall be part of those strategies:

- the creation of the basis of and framework for effective co-operation between the Community and the ACP States in the fields of manufacturing and processing, mineral resources development, energy resources development, transport and communications;
- enhancement of competitiveness, increase in productivity, creation of more jobs, provision of technical assistance, the existence of an appropriate legal framework and a strategy for human resource development for industries;



- the promotion of conditions conducive to enterprise development, and local and external investment;
- improvement of capacity utilisation and rehabilitation of existing industrial undertakings which are potentially viable in order to restore the productive capacities of ACP economies;
- fostering the creation of and the participation in enterprises by ACP nationals, especially those of a micro, small and medium-size nature that produce and/or use local inputs; promotion of new and strengthening of existing enterprises;
- support for the establishment of new industries to supply the local market in a cost-effective manner and ensure the growth of the non-traditional export sector in order to increase foreign exchange earnings, provide employment opportunities and an increase in real incomes;
- the advancement of ACP States' industrial capabilities in processing, marketing, distribution and transport of products, thereby increasing their share of value added;
- promoting increasingly close relations in the industrial field between the Community and the ACP States, and in particular further encouraging the speedy establishment of ACP-EC industrial joint ventures;
- support for indigenous research and development efforts in this area;
- promoting business associations in ACP States as well as other institutions for industrial enterprise and business development;
- emphasis and guidance on transfer and adaptation of technologies.

2.4. Mineral Resources Development

33. Many ACP countries are significant mineral producers and exporters. For some countries of these mineral exports represent a significant proportion of the value of their total exports. Several additional countries bear a significant, yet mostly untapped, potential. To unleash this potential requires the further strengthening of the State (regulator, promoter, provider of geoscientific data at national and regional scales)/Private Sector (investor and entrepreneur) partnership.

34. Mineral resources include a wide range of commodities e.g metallic minerals (such as aluminium, copper, gold, iron, nickel, tin), industrial minerals (such as clay minerals, lime, feldspar, gypsum, magnesite, phosphate, salt), precious and semi-



precious minerals (such as agate, amethyst, diamond, emerald, tourmaline), ornamental and dimension stones (such as granite and marble) and construction materials (stone, crushed rock aggregates, sand and gravel).

35. The sector has potential to be an even more important contributor to sustained growth, through the development of the private sector since minerals are a key productive resource of many ACP countries. Its development lies within the objectives of the Partnership Agreement. The importance of the access to productive resources is a component of sustainable and equitable development and beyond, a factor for a stable and democratic political environment. The development of a competitive mining sector, while encouraging private sector involvement and development, is a component of the productive resources encompassed in the Agreement. The objective of the

parties is to develop the access to these resources and facilitate their sustainable exploitation.

36. The parties recognise that the sustainable development of this sector, for the social and economic benefit of the concerned countries, is dependent on a series of factors:

- clear definition of the policy of the State on the matter;
- existence of an enabling legal, regulatory and fiscal environment applicable to investments into the exploration and exploitation of mineral resources, inciting for the investors while guaranteeing the interests of the State;
- focusing of the State on its essential regulator and promoter functions, shifting away from the economic and technical risks as mining entrepreneur/operator;
- provision of the investors with reliable and sufficiently detailed geoscientific data, to lead potential investors towards promising target areas;
- mobilisation of the human, technical, technological and financial resources necessary to ensure an effective functioning of the sectorial institutions needed to:
 - promote and manage the mining sector (compliance of the private operators with the regulatory framework and/or their contractual commitments);
 - acquire, process and disseminate geoscientific data;
 - monitor and protect the environment.

37. In order to successfully manage these key factors of success, co-operation shall provide technical and financial assistance for the:



- development of sectoral policy documents;
- revision of mining codes (and their co-ordination with other regulatory texts such as environmental, fiscal, work, health and safety regulations;
- procedures and means necessary to allocate and manage exploration and mining securities;
- monitoring of the activities of exploration and mining companies, including their environmental performance;
- sustainable development of small and medium-sized mining enterprises;
- identification, drawing-up and implementation of new viable projects;
- acquisition, conservation, processing and dissemination of geoscientific (such as remotely sensed, topographic, geological, geochemical and other mineral exploration data);
- preparation, on this basis, of data subsets needed for natural resources exploration, prevention of natural hazards, environmental management and general development purposes;
- development of environmental regulatory frameworks and their enforcement;
- training and access to information related to these activities; and
- networking and matchmaking with European investors, sectoral institutions and providers of technology, equipment and specialised works.

38. Subject to the agreement reached between the parties when designing the strategies for private development, co-operation may also, in accordance with the principles set out in the Agreement on private sector development and on investments support, assist and/or contribute to the establishment, strengthening and operation of institutions providing information, promotion, and transfer of technology facilities and services in the mining sector.

2.5. Energy Development

39. Co-operation shall put particular emphasis on energy programming, operations for saving and making efficient use of energy, reconnaissance of energy potential and the economically and technically appropriate promotion of new and renewable sources of energy. Co-operation shall also support policies aimed at the development of the ACP States' conventional and non-conventional energy potential and their self-sufficiency.

40. Broad access to suitable energy constitutes a necessary condition for economic and social development, although currently a large, and in places growing, proportion of the population do not have access to adequate energy services.

41. Long-term sustainable development should be the guiding principle for future development co-operation programmes involving sustainable energy, with the concept of sustainability encompassing social, economic, environmental, functional and institutional considerations.



42. The priorities for development co-operation are to help improve the supply, distribution and use of energy in developing countries in order to help foster economic and social sustainable development and the elimination of poverty.

43. The adverse local, regional and global environmental effects of current and future energy systems should be minimised. Examples of important energy-related environmental issues are the balance between

the use and the growth of biomass used as fuel-wood, reduction of urban air pollution and climate change.

44. One objective of the parties is to diversify energy supplies and reduce relative dependence on imported fossil fuels by using domestic energy resources where appropriate socially, environmentally and economically. By limiting the growth in future use of fossil fuels, prospects for energy security for all parties shall be improved.

45. A broad objective is to improve the efficiency of production, distribution and use of energy in all its forms.

46. The parties recognise that sustainable energy is an important tool for achieving sustainable development, with energy being regarded not as a commodity but as a provider of services to improve livelihoods. They recognise the importance of decentralised, user-focussed activities, and place a particular emphasis on renewable sources of energy and end-use energy efficiency techniques, with large electricity generating plant now predominantly in the hands of the international financing institutions and the private sector.

47. As a cross-cutting issue, sustainable energy shall be integrated into wider development co-operation policies and projects (rural development, water, health, education, communications and information technology, transport etc).

48. One priority shall be to develop the internal capacity in ACP states to achieve policy objectives. Institutional capacity and skills shall be enhanced through development co-operation to allow energy analysis, planning and the development of appropriate policies and framework conditions to attract investment.

49. A competitive energy sector shall be encouraged through development of appropriate policies, framework conditions and capacities, with the private sector having an important role in providing finance for energy developments.

50. The parties recognise the importance of civil society for implementation of sustainable energy objectives. Development of partnerships between the various actors (public administrations, private sector, civil

society and donors) shall be important for achieving policy objectives.

51. The benefits of regional development shall be operationalised where appropriate. Potential benefits include the enhancement of economic stability, as well as the advantages of economies of scale.

52. Technical and financial assistance shall be provided to support priorities outlined in indicative programmes.

53. Capacities shall be developed to allow for the integration of sustainable energy into all levels of development co-operation.

54. Partnerships shall be encouraged between the various actors (public administrations, private sector, international financing institutions, civil society etc) in order to allow the financing and implementation of decentralised activities.

55. Co-ordination between donors shall be enhanced to improve the effectiveness of development co-operation in the field of energy. One possible mode of operation is for partnership agreements between EU and ACP country parties regarding institutional and policy support for the energy sector.

2.6. Trade and Business Development

2.6.1. Trade Development

56. All parties recognise the need to ensure that the ACP States derive the maximum benefit from the provisions of this Agreement and may participate under the most favourable conditions in the Community, domestic, sub-regional, regional and international markets by diversifying the range and increasing the value and the volume of ACP States' trade in goods and services.

57. To this end, special attention shall be given to ensure that sufficient weight is given to the need to include a

commercial analysis and trade development element within the context of instruments for private sector development support and, in particular, when addressing initiatives aimed at supporting small and medium-sized enterprises.

58. Within these programmes and subject to the results of such an analysis, the following specific operations shall be considered for support:

- export promotion or marketing techniques for the improvement of the export performance of the ACP States;
- ACP States in developing their internal capacities, information systems and awareness of the role and importance of trade in economic development;





- strengthening the infrastructure related to trade and in particular support for the ACP States' efforts to develop and improve supportive service infrastructure, in order to ensure their effective participation in the distribution of goods and services and in order to enhance the flow of exports from the ACP States;
 - development of human resources and professional skills in the field of trade and services;
 - the ACP States' efforts to develop and improve the quality of their products, adapt them to market requirements and diversify their outlets;
 - the ACP States' efforts to penetrate third country markets more effectively;
 - measures to ensure that ACP businesses are kept abreast with changing trends in commercial transactions (e-commerce);
 - market development measures including managerial exchanges and training increasing contacts and exchange of information between economic operators in ACP States, the Member States of the Community and in third countries; and
 - ACP States and ACP operators in the application of modern marketing techniques in production-oriented sectors and programmes, in particular in areas such as rural development and agriculture.
- develop capacity of local support structures to intervene at the microeconomic level (direct assistance to enterprises);
 - develop capacity of local structures to intervene at the meso level (strengthen and contribute to the rationalisation of the delivery system of intermediary structures aimed at supporting enterprise and private sector development); and
 - enhance policy dialogue in terms of process and specific content.

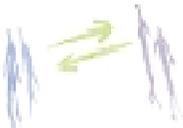
59. Moreover, the Parties confirm that the terms of the transition period for the current trade development programme established under Annex XX of the Lomé IV convention shall be based on the provision of the private sector development strategy referred to in the present Agreement. In this regard, capacities shall be built/ reinforced at the intermediate level in at least three directions:

2.6.2. Business Development

60. Both Parties recognise the need to support, through integrated and coherent initiatives, business development in the ACP countries with a view to improving substantially the macro as well as the micro-foundations of competitiveness. Business development shall include initiatives such as:

- improving the quality and availability of financial services to private enterprises, and to savers, in ACP countries. The objectives of such assistance should not only be to bring financing to specific projects and to provide grants for setting up special credit programmes but also to contribute to the sustainable strengthening of local financial sectors. Interventions could, therefore, include not only loans and equity in individual projects and "global loans" which are on-lent through local financial institutions but also participation in the development of innovative local financial and capital market services, underwriting of local bond and equity issues, and guarantees for local and external borrowing and for local financing.

- In the development of these services, it shall be necessary to pursue efficiency and sustainability of financial institutions and to avoid market distortions. Appropriate institution and capacity building activities shall have to be provided to ensure the achievement of these objectives;
- building capacity among local providers of professional, technical, management and commercial support services and to encourage enterprises to use these services. This shall include providing support to firms for project identification, appraisal, preparation and implementation, and to the solution of the process and marketing problems which they face. Support should also be given to actively promote local private and market-based providers of services and to make these more accessible to local enterprises. A demand driven and cost-sharing approach should represent the normal rule in the provisions of these services, donors and governments playing essentially a role of facilitators more than direct providers. An appropriate set of indicators shall have to be carefully looked at to ensure the best results. These indicators shall have to take into consideration the different objectives of outreach, cost-effectiveness, and impact at the enterprises and at socio-economic levels;
 - continued support to initiatives that contribute to develop and transfer technologies and know-how, and best practice on all aspects of business management. A support shall have to be guaranteed even to those export and investment promotion agencies able to play an important role in attracting foreign investment. The strengthening of their capabilities shall represent an important factor to allow a better integration of ACP countries into the world economy;
 - catalysing and leveraging flows of private savings, both domestic and foreign, into the financing of private enterprise in ACP countries. This shall be done by:
 - a) providing support local financial institutions and services which mobilise local savings and channel them into investment finance;
 - b) co-finance foreign investment and provide guarantees and other risk-sharing and risk mitigation devices for encouraging inflows of direct and portfolio investment;
 - c) assist ACP countries in promoting their attractiveness as hosts for inward investment; and
 - d) reinforce dialogue with the European private sector and improve information about EC-supported initiatives.
 - support microenterprises and informal sector producers. This objective should be essentially pursued by encouraging the development of a market for financial services and the provision of non-financial assistance tailored to the needs of poor people, and particularly of women. The aim should not be to provide directly finance to small and microenterprises, but to strengthen local micro-finance institutions to let them to get the necessary capabilities to serve the targeted market according to the principle of efficiency. Sustainability of microfinance institutions shall represent a crucial issue to look at in the implementation of these actions. The rating of microfinance institutions shall represent an essential area to work in. This shall ensure the possibility of identifying the right organisations with which to work.



2.6.3. Fair Trade

61. Fair trade is a development-based initiative built on trading relationships and improved commercial opportunities to bridge the gap between developed and developing countries, to enable disadvantaged producers in developing countries to take up and benefit from the opportunities offered through global trading and to facilitate the better integration of developing countries into the world economy.

62. Fair trade initiatives give consumers the opportunity to contribute towards sustainable economic and social development in developing countries through purchasing preferences and thus contribute to poverty reduction.

63. The objective of fair trade is to ensure that producers receive a fair price and a fair share of any profits. Fair trade aims to contribute to establishing the conditions that can foster a higher level of social and environmental protection in developing countries. In particular, fair trade refers to direct buying, fair price, advance payment, long term and stable relations with producers, conditions of production which respect labour rights as laid down in ILO Conventions and respect of the environment, including sustainable methods of production. A mechanism should be established to allow producers to be involved and participatory in price determination whenever feasible. Cooperation shall encourage ACP States to develop marketing strategies that shall increase export of their goods and services. Participation in any fair trade scheme is, however, voluntary and all routes between producers and the market are private initiatives.

64. Co-operation shall provide support to both producer groups in developing countries and NGOs within the EU through budget headings and EDF resources. This support shall be used to finance the launching of new product lines, consumer awareness campaigns, educational activity and capacity building.



2.7. Development of services

2.7.1. Maritime Transport

65. Measures to develop and promote cost-effective and efficient maritime transport services in the ACP shall be encouraged and supported within the development strategies agreed between the Parties, including:

- encouraging the private sector in ACP States to invest in the Maritime Transport sector with a view to increasing participation of the local private sector in maritime activities;
- supporting the development of Coastal Shipping Networks to enhance inter- and intra-regional as well as international shipping services with a view to facilitating trade;
- promoting efficient port development and facilitation with particular reference to achieving a cost-effective and faster turn-around times;
- promoting the efficient shipment of cargo at economically and commercially meaningful rates;
- supporting the implementation of good policies and competition rules;
- encouraging regional programmes of maritime transport and trade development, including the support to regional and sub-regional integration, and
- the Contracting Parties undertake to promote shipping safety, security of crews and the prevention of pollution.

2.7.2. Air Transport

66. The ACP and the EU recognise the importance of a strong, safe and efficient air transport for economic and social development and for the development of trade in goods and services between them.

67. They, therefore, shall reinforce co-operation between them in this area so as to ensure regular improvement and growth in air traffic, promote trade, tourism and the export of agricultural products with high economic value to the EU market.



68. To this end, they shall promote sustained participation by ACP countries in international air transport. They further, shall examine all means of reforming and modernising the ACP air transport industries, to promote commercial viability and competitiveness, to encourage higher levels of private sector investment and participation, a greater exchange of knowledge and good business practice and to provide passengers and exporters in all countries with access to global air transport networks.

69. They shall emphasise the importance of ensuring safety in the air transport sector and the need to introduce and implement relevant international standards. To that end, the EU shall assist the ACP, in accordance with the provisions set out in this Agreement, to implement air navigation safety systems, including the CNS/ATM system, airport security, strengthening the capacity of civil aviation authorities to manage all aspects of operational security placed under their control and to develop infrastructures and human resources, taking care that any measures taken in this field are based on advice from the relevant international organisations and that they shall be effective and sustainable in the long-term.

70. The ACP and the EU recognise the need to ensure that proper attention is paid to minimising the environmental impact of air transport. They shall work together towards this objective.

71. In many aspects of air transport, the ACP and the EU recognise that regional solutions shall offer scope for greater cost effectiveness and economies of scale. To this end, the EU shall support and encourage actions on a regional level, where appropriate.

2.7.3. Tourism Development

72. Both parties agree that the development of the tourism sector, given its importance in international trade and in the exportation of services, shall make a major contribution to integrating the developing countries into the world economy.

73. Tourism's contribution to sustainable development is contingent on:

- the ability of local authorities to plan and manage the development of tourism taking account of all the economic, social, cultural and environmental aspects and the potential drawbacks; and
- the industry's commitment to adhere to the principles and practices of sustainable development in an open and competitive market.

74. With a view to fulfilling its development objectives, the co-operation shall help create the conditions for maximising the contribution of tourism to the economic and social development of the host country and minimising any actual or potential deleterious effects. Programmes relating to tourism shall, therefore help to ensure that initiatives in that sphere address the following issues:

- fostering the sustainable development of tourism, including sustainable environmental practices;
- helping public authorities in their planning, management and follow-up (supporting the development of the legal and institutional framework, human resource development, safeguarding the public heritage and infrastructure, and information and commercial organisation);



- infrastructure development and expansion;
- product diversification and improvement;
- consolidating the tourist industry in an open and competitive market economy (encouraging co-operation in the private sector and direct support for small and medium sized enterprises – SMEs); and
- the complex and dynamic nature of tourism, coupled with the different degrees of maturity achieved in the sector by different developing countries, mean that there are no typical problems or solutions. Thus, the kind and scale of support shall vary according to the level of tourism development the country has already achieved and specific local needs.

75. The Parties recognise that sustaining the social and cultural fabric as well as the natural and built environment, and promoting competitiveness and open markets, are the guiding principles for developing a viable sector with quality tourism products. In this view, the co-operation shall include support :

- for the private sector in this area will aim at improving the partnership between firms and branches of activity connected with tourism and through cross-disciplinary measures for SMEs in general; and
- to authorities and to governments will focus on establishing a legal and institutional framework, developing human resources and public infrastructure, protecting and developing the natural and cultural heritage and modernising methods and instruments for marketing the destination country.

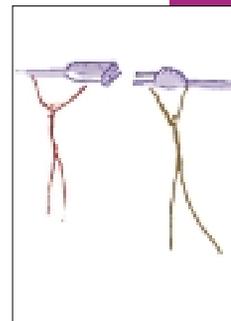
76. The Parties consider that close consultations shall be promoted between existing public and private sector organisations in the development of policies and strategies.

2.7.4. Telecommunications and Information Society

77. Co-operation shall, inter-alia, extend to the following areas :

- promote consultations between ACP and EU appropriate telecommunications bodies with a view to encouraging development of a competitive telecommunication environment bringing rates closer to costs;
- establishment of a dialogue on the different aspects of information society, including regulatory aspects and communications policy;
- information exchanges and possible technical assistance on regulation, standardisation, conformity testing and certification of information and communications technologies and the use of frequencies;
- dissemination of new information and communication technologies, and in the development of new facilities, particularly in relation to interconnection of networks and interoperability of applications;
- promotion and implementation of joint research in the field of new technologies related to the information society; and
- design and implementation of programmes and policies to raise the awareness of the economic and social benefits deriving from the Information Society.

78. The Contracting Parties recognise the role that information and communication technology-ICT shall play to promote the effective integration of ACP countries into the world economy and to achieve their objectives of social and economic development.



Their objective shall be to facilitate ACP ability to participate actively in the mastery of the new technologies. To achieve lasting results, effective public-private partnerships are important.

79. The principles that the contracting Parties shall adopt in assisting ACP overcome the challenges posed by ICTs shall include:

- a combination of regulation, competition and privatisation in order to clearly delineate the respective competence of the public and private sectors;
- a proactive public action to address inequalities and potential negative outcomes;
- a participatory approach to policy making; and
- a demand-driven approach to the development of the sector.

80. The priority areas of co-operation in the field of information society shall be to:

- favour the creation of national plans and ICT-friendly regulatory environments, defined in a participatory way among all stakeholders concerned, in order to increase private investment, the development of infrastructure, a better quality of services and to promote universal access through such formulae as community access;
- help ACP countries to improve their effectiveness and transparency with the use of new technologies in the delivery of public services in the field of education, health, environment, knowledge for development, etc, as well as for increased citizen information and participation in public life;
- support regional co-operation among ACP countries to raise their awareness of and response to global

technological trends, to promote the adoption of international standards in order to secure interconnectivity and interoperability;

- increase awareness among key civil society actors of the opportunities offered by the new technologies in addressing economic and social objectives, including exchange of experience and dissemination of best practices, for the dissemination of ICT applications;
- strongly support an education agenda in ICT skills to help ACP countries address emerging issues in the regulatory, technical and content areas;
- foster proactive public action to promote ICT as enabling technologies for decentralised co-operation actors, including those catering for the poor, women and ethnic minorities; and
- facilitate ACP active participation in international negotiations and processes in the field of ICTs.

2.8. Commodities Development

81. This area of co-operation is mentioned for the record; specific texts will be elaborated according to the evolving needs of co-operation as requested by the Council of ministers.





SOCIAL AND HUMAN DEVELOPMENT



3.1. Education and Training

82. The vital role of practical and effective education and training policies in the development process is clear. A well educated and skilled workforce contributes directly to raising overall productivity, enhancing economic growth, eradicating poverty and ultimately improving the living standard of the population of ACP countries. Properly designed, targeted and executed education and training projects and programmes can also be effective in removing impediments in the way of people living useful and productive lives in their own communities .

83. In order to meet immediate and foreseeable education and training needs, co-operation shall, therefore, support the ACP States' efforts to:

- a) set up and expand training and educational establishments, particularly those of a regional nature;
- b) restructure their educational establishments and systems, update curricula, methods and technology employed and reform their basic educational institutions and systems, in particular by providing overall primary education coverage and adjusting imported systems as well as incorporating them into development strategies;
- c) encourage educational and training operations proper, notably literacy programmes and programmes of non-traditional forms of training, for functional and vocational purposes as well as components of programmes that enhance the potential and status of illiterate people;

d) exchange ACP's experience with the Community in the field of literacy education and promote and support the participation and integration of women into education and training and give less advantaged sections of the population in rural areas access to education and training;

e) stimulate training of instructors, educational planners and specialists in educational technology, including the provision of relevant educational materials; and

f) initiate associations, twinning, exchanges and transfers of teachers, students and information and technology between universities and institutions of higher education in the ACP States and in the Community.

84. The Community and the Member States shall allocate more resources to support for education and training in absolute and in relative terms.

85. The problems of the education sector shall be analysed correctly only on a country-by-country basis.

86. Aid from the Community and the Member States for education and training in the ACP countries shall be designed to support those countries' own efforts and not replace local initiative.

87. The sustainability of schemes in this field shall be a long-term concern.

88. The programmes financed under macro-economic reforms shall be coherent with the long-term priorities of education in the ACP countries and not a substitute for them.

89. Priority shall be given to a sectoral approach wherever it can substitute the "traditional" project.

90. The quality of education shall be improved as much as the quantity.

91. Priority shall be given to improving educational opportunities for disadvantaged groups, in particular women and girls.

92. Support for the programming and management of education under the sectoral approach shall be considered as a priority (institutional development).

93. The actors in education shall be involved in the programming and implementation process.

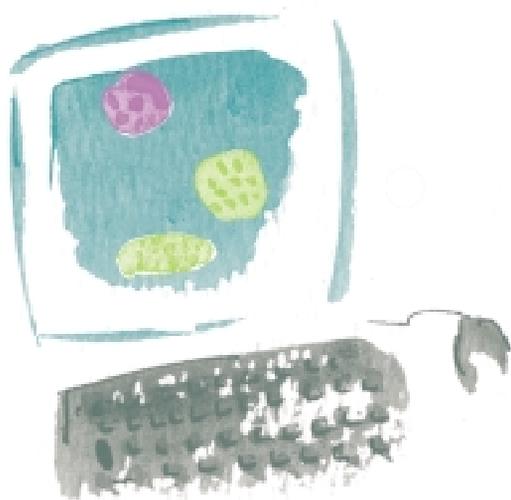
94. Support shall foster innovation and reform in education; training of teachers shall be a priority.

95. Support from the Community and the Member States shall be afforded with an eye to co-ordination and complementarity, together with the other main donors in the framework of an appropriate programme for the recipient country.

96. Education and training operations shall, as a matter of priority, be undertaken in the recipient ACP State or region. Where necessary, they shall be undertaken in another ACP State or in a Member State of the Community. In the case of specialized training particularly suited to the ACP States' needs, training schemes shall by way of exception, be carried out in another developing country other than an ACP State.

3.2. Scientific, Technological and Research Co-operation

97. The aim of scientific and technical co-operation shall be to provide support for the ACP States' efforts to acquire their own scientific and technical skills; master the technology they require for their development and participate actively in modern scientific, environmental and technological developments; target research to find solutions to economic and social problems; and improve the quality of life and well-being of the people.



98. The recognition of the role of knowledge for resolving local development issues and to enhance the competitiveness of economies is being accepted increasingly by all societies and governments. It requires enhanced capacities at all levels to generate, assimilate, disseminate and apply knowledge.

99. Progress has been made in the past years in developing strategies to enhance the effectiveness of government intervention in the field of research and technology development. These strategies concentrate on creating policy environments that :

- stimulate co-ordination of research efforts;
- create agenda setting platforms that include policy makers, research community, private sector and civil society;
- stimulate public-private partnerships; and
- contribute to the reform of education systems.

100. Central in the texts adopted by the various EC and ACP entities is furthermore the mainstreaming of research and other knowledge-related efforts within the various programmes, sectoral, regional or thematic.

101. Finally, international endeavours as the global knowledge partnership emphasise the urgent need to stimulate the conservation and use of indigenous and local knowledge in a world with increasing exogenous information overload.

102. To this end, co-operation shall contribute to the:

- a) drawing-up and implementation of research and development projects and programmes established by the ACP States, integrated into other development operations and in line with the needs and living conditions of the people concerned;

b) establishment and promotion of activities aimed at the consolidation of appropriate indigenous technology and the acquisition and adaptation of relevant foreign technology, in particular that of other developing countries, compatible with the specific needs of the ACP States;

c) promotion of scientific and technological co-operation between ACP States themselves, between ACP States and other developing countries and between ACP States and the European Community and its Member States, including support to research and development units particularly at regional level in order to make the best use of any appropriate scientific and technical facilities and services they may process; and

d) assistance to the ACP States' design and development policies, incentive structures and institutions that support the development of domestic innovative capability and transform firms into dynamic competitors.

103. To allow building on on-going efforts and to improve synergy between efforts of different partners, ACP/EC collaboration shall continue to stimulate partnerships between all sectors of society, both users and "generators" of knowledge, based on a step by step refined analysis of existing research capacities and needs. It shall emphasise the elaboration of widely shared strategies and policies that allow each of the partners to play its respective roles.

104. Programmes within the partnership shall build, where possible, on the collaborative efforts of the research framework programmes managed by DG RTD.

105. The application of science and technology is essential in today's global market place for sustainable economic and social development and for protecting and conserving the environment and natural resources. Skilled management of science and technology is

essential for development. In order to help ACP States increase their capability and expertise in these areas, co-operation shall support the efforts of the ACP States to:

a) create and develop the scientific and technological infrastructure, skill and knowledge base necessary for the acquisition, adaptation and generation of environmentally sound technologies and for strengthening entrepreneurship;

b) build-up information technology and telematics capacity, particularly for the support of efforts to acquire and instal information technology systems and for the development of efficient telematic networks, including international financial information; and

c) promote technological innovation and Research and Development (R & D) capacity-building

3.3. Health and Nutrition

106. The aim of co-operation in health and nutrition shall be to facilitate the right of access of all people to adequate, appropriate and affordable health care and nutrition, thus promoting equity and social justice, alleviating suffering, reducing the economic burden of disease and mortality and promoting the effective participation of the community in operations to improve health and well-being.

107. To this end, co-operation in this sector shall seek to support functional and sustainable health and nutrition services which are financially affordable, culturally acceptable, geographically accessible and technically feasible. It shall seek to promote an integrated approach to the creation and maintenance of health and nutrition services based on the extension of preventive care, the improvement of curative care,



access to safe water and adequate sanitation, balanced diet in terms of nutrients and the promotion of complementarity between hospital-based and basic-level services in accordance with primary health care and nutrition policies.

108. Co-operation in the health sector shall provide support for:

- a) health-sector planning and management, including the strengthening of statistical and information systems and the formulation of health financing strategies at national, regional and district levels;
- b) establishment and promotion of schemes to integrate traditional medicine into modern health care;
- c) implementation of essential drug programmes and strategies.;

d) carrying out of training of staff in the context of an overall programme, ranging from public health planners, administrators, management staff and specialists down to the personnel in the field;

e) setting up, execution and enhancement of schemes aimed at integrating nutrition policy into the overall health care policy, as well as support for nutrition programmes and projects;

f) increasing security of household water with a sustainable and equitable access to water of sufficient quantity and quality, at an affordable cost;

g) promotion of training and information programmes and campaigns aimed at stamping out endemic diseases, improving environmental hygiene, combatting the use of narcotic drugs, the spread of sexually transmitted diseases and other health scourges in the framework of integrated health systems; and

h) the building-up and maintenance of research institutes, university departments and specialist schools in ACP countries, notably in the field of public health and nutrition.

109. The priorities of co-operation, with a view to reducing poverty, are :

- facilitating the adaptation of national policies and strategies;
- contributing to creating an environment conducive to health;
- supporting reform of care systems by remedying structural imbalances in care systems through a better share of responsibilities between the different players and notably between the public and private sectors and by fostering public-private partnerships;

- developing financial systems enabling mobilisation of resources conducive to ensuring better equity; and
- developing, as a priority, schemes aimed at improving the quality of care in an urban environment and in outlying areas.

110. Support shall be given chiefly as part of the sectoral approach, encouraging ownership by the ACP countries, institutional support, dialogue on all facets of health policy and trans-sectoral approach, involvement of all the players, priority to the extension and quality of basic services, co-ordination and complementarity with other donors.

- access to essential medicines remains a priority;
- targeting the support at the poorest sections of the population is a priority; and
- increased investment in the generation of knowledge and support for institutional development will be encouraged at the national and regional levels.

3.4. HIV/AIDS

111. Co-operation's strategic objectives and priorities in the fight against Aids are:

- To eliminate as far as possible the propagation of the epidemic by avoiding discrimination and exclusion of persons running the risk of infection, infected persons and those already ill by:
 - implementing measures relating to sexual education and health and the availability of means of protection;
 - paying greater attention to disadvantaged groups and regions.
- Helping health systems incorporate the additional burden represented by Aids;



- Reducing the consequences of the epidemic on social and economic development;
- Increasing scientific knowledge on Aids – and its dissemination – and widening possible action and its application at the level of implementation and follow-up; and
- Increase the coherence, co-ordination and complementarity with the Member States and other major donors, in particular UNAIDS, the World Bank and bilateral donors. Co-ordination takes place on the basis of the following principles:
 - action must be geared to risk behaviours but also to the socio-economic factors underlying them which create environments with specific risks;
 - it should be specific and gender-sensitive;
 - it should be based on a strategy of social learning that is not coercive and fosters respect for human rights and human dignity;
 - it should not be administered from on high but based on the empowerment of individuals and communities to take charge and assume responsibilities;
 - it should be incorporated into a wider framework geared to the stage of the epidemic and reaction must be swiftly mobilised; and
 - it should enable governments, communities and individuals to minimise the propagation of the epidemic, while preventing discrimination and exclusion of persons at risk, infected persons and those already ill by treating Aids as a multi-sectoral problem and an issue requiring a specific form of action.

112. Co-operation shall examine the possibility of creating new solidarity mechanisms and consider several alternative solutions; financing care, including anti-retroviruses, in the developing countries while examining aspects of technical uncertainty, relative priorities, prices and the general interest. Co-operation shall support ongoing efforts to developing vaccines and microbicides. The possibility of creating a fund for purchases of these products is being discussed.

113. Consideration shall also be given to possibilities of an additional special contribution by the European Community to help certain countries purchase essential products; and encourage the private sector to continue investing in research on vaccines and microbicides and then provide funds for the purchase of these products.

3.5. Population and Family Planning

114. The main objective of co-operation in the area of population and family planning shall, inter alia, be the support of policies and strategies aimed at improving primary health care services, reproductive health and family planning as well as the prevention of female genital mutilation. The adoption of effective and practical policies and strategies in these areas are critical to ACP States if they are to break out of the vicious circle of poverty and ultimately to its eradication.

115. To this end, co-operation shall aimed at:

- a) improving access to safe, effective, affordable and culturally acceptable methods of fertility regulation;



b) preventing diseases and deaths related to pregnancy and childbirth;

c) promoting and protecting the mother and child in the overall population;

d) strengthening access to appropriate primary health care services and counselling that allow women to go through pregnancy and childbirth safely and with the best chance of a healthy infant;

e) improving access to and choice in family planning, including the control and prevention of sexually transmitted diseases;

f) incorporating family planning services into maternal and child health services;

g) strengthening and improving the knowledge base of ACP States as well as promoting and applying best practices;

h) enhancing the ability of local communities to participate actively in the management of their own health and strengthening operational health systems; and

i) eliminating traditional practices that are harmful to health such as female genital mutilation.

116. Measures to achieve the objectives referred to above shall be made part of training programmes and projects, health and/or land-use planning strategies and shall include the:

a) creation of statistical and demographic services in the ACP States and/or expansion of their capacity with a view to collecting reliable data for the formulation of population and family planning policies and strategies;

b) dissemination of public information about population issues and policies;

c) preparation, implementation and evaluation of relevant projects and/or programmes;

d) formulation and implementation of voluntary family planning policies; and

e) training and retraining of personnel in the ACP States to prepare and implement population policies and strategies in various sectors.

117. Such measures shall take into account local, cultural and social practices and local economies. They shall be drawn up and carried out in accordance with the policies, projects and programmes of ACP States and in conformity with fundamental human rights and the freely made choices of individuals concerning family size, the planning of births and the means and ways to be used for family planning.

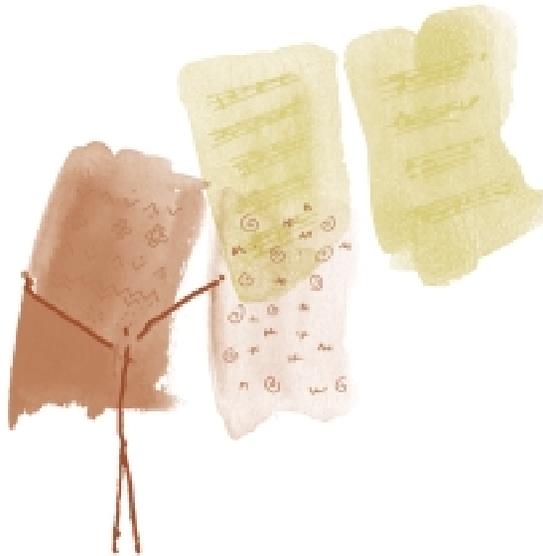
118. The implementation of such measures shall take particular account of the interface and interaction between demographic and other relevant policies. The role of women and youth in these different social and development areas shall be considered essential.

119. The following objectives are being pursued by co-operation:

- fostering the definition and implementation of national population policies integrated with health policies;
- fostering the development of systems, methods and means enabling wide dissemination of information; and
- supporting the development of services disseminating the methods and means of family planning.

120. Co-operation shall create an environment (political, legal, institutional) conducive to the development of family planning and free choice of the number of children. It shall in particular:

- call for the development of family planning in the policy dialogue conducted with aid recipients;
- provide technical assistance to help the countries frame sustainable policies on family planning and strengthen institutional and local management capacity in this field;
- strengthen research and training of ACP nationals on family planning. To guarantee the implementation of family planning under ideal conditions with a view to efficacy and efficiency, priority should go to:
 - developing research in this field, particularly operational research;
 - strengthening, through a major training and education drive, the capital of specialised human resources in this field available both in Europe and in the recipient countries;
 - speeding up the development of services offered in the way of family planning and reproductive health by facilitating their incorporation into existing health policies;
 - offering more appropriate and better targeted financial support and technical assistance;
 - focusing efforts: Given the limitations on means, spreading the schemes too thinly harms efficiency. It is, therefore, important to agree on focusing means both on geographical areas and on certain types of family planning programme;



- the aid will be granted as a priority to countries with a high population growth rate which have expressed a clear desire to implement population policies; and
- improving co-ordination and complementarity with EU Member States and other major donors.

3.6. Cultural Development

121. Cultural co-operation shall seek to preserve the cultural heritage and promote the cultural identities of the ACP States' peoples with a view to fostering their self-advancement, stimulating their creativity and encouraging inter-cultural dialogue. Cultural co-operation shall also encourage communities to blossom and is a very important way of securing economic and social development. Such co-operation shall aim at promoting, in the interests of dialogue, exchange and mutual enrichment and on a basis of equality, a better understanding and greater solidarity between ACP governments and peoples on the one hand, and between ACP and EU governments and peoples on the other.

122. ACP – EU cultural co-operation shall take account of the following dimensions:

- the need to take account of the cultural dimension (that is to say all the values, representations, ways of thinking and acting) at the different levels of development co-operation. Here, culture means all the values, ways of thinking and acting which form the more or less visible structure of a human society. "Taking into account" is a complex and difficult task even if the know-how exists (for example, taking account of the role of women). In those countries torn apart by conflict we see that some of these initial initiatives of reconciliation are taken into account;
- recognition and promotion of mutual cultural identities between African, Caribbean and Pacific countries and EU countries in an inter-cultural dialogue; mutual enrichment of ACP peoples and Community peoples shall be fostered by stimulating an awareness of the interdependence of peoples of different cultures;
- safeguarding and developing cultural heritage and the development of capacity in this sector; cultural heritage is at the very heart of people's identity;
- access to the market for ACP cultural products in particular for the culture industries.

123. The economic importance of culture for the ACP countries shall be stressed. The major role already occupied by this tertiary sector in Western economies presages what shall happen a few years from now in the economies of the South. At global level, the music sector and the picture industry shall be among the top ten industrial sectors.

124. For the ACP countries, culture is every bit as much a job-creating sector for local development as a factor for integrating their economy into global economic networks.

In those countries an active economy has grown around the culture industries, above all music and the applied arts (notably stylism). It shall develop further through professionalisation of networks and a minimum of legal security in dealing with piracy. A similar economic challenge, albeit on a smaller scale, shall be found in the plastic arts, the cinema or live shows.

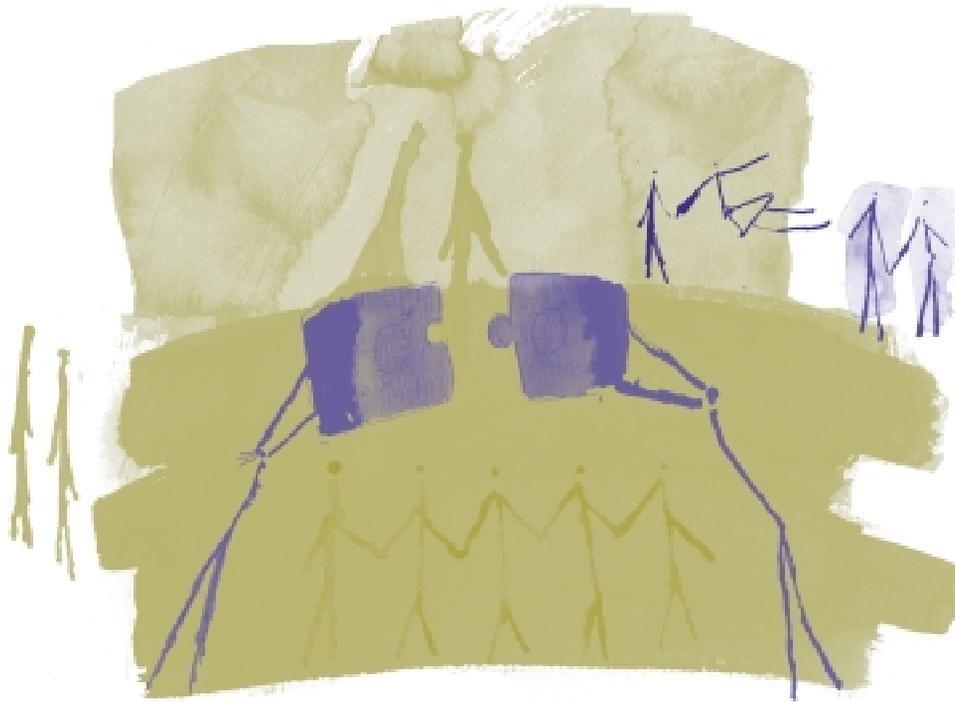
125. The economic openings are indirect. This is especially the case of heritage, where restoration requires an economy led by the craft sector and tourism. It is, therefore, necessary to broach the issue of a cultural economy in a sectoral approach branch by branch.

126. In respect of cultural co-operation, activities undertaken to this end shall, therefore, cover the following areas:

- a) studies, research and measures concerning the cultural aspects of taking into account the cultural dimension of co-operation; and
- b) studies, research and measures to promote the cultural identities of the ACP peoples and all initiatives likely to contribute to inter-cultural dialogue.
- c) Promotion of cultural exchanges, people to people contacts, and exposure of ACP culture, e.g. music, dance, film and food.



THEMATIC AND CROSS-CUTTING ISSUES



4.1. Gender

127. Gender means the different and interrelated roles, responsibilities and opportunities of women and men, which are culturally specific and socially constructed, and can change over time, inter alia as a result of policy interventions. Gender has crucial implications for the achievement of all development objectives.

128. The principles which shall guide co-operation are:

- Gender analysis at macro-, meso- and micro-levels must be mainstreamed in the conception, design and implementation of all development policies and interventions, as well as in monitoring and evaluation;
- Women and men should both participate in and benefit from the development process on an equal basis;
- Reducing gender disparities is a priority for society as a whole;
- Analysis of differences and disparities between women and men must be a key criterion for

assessing the goals and results of development policies and interventions; and

- Co-operation must encourage and support changes in attitudes, structures and mechanisms at political, legal community and household levels in order to reduce gender inequalities and in particular:
 - political power-sharing and full and equal participation in decision-making must be promoted at all levels;
 - economic empowerment and equal access to and control over economic resources, such as income-generating activities, credit, land and labour, must be strengthened;
 - equal access to and control over social development opportunities must be fostered.
 - contribution of women to the development of a culture of peace by, inter alia, deepening and broadening their participation in conflict resolution and decision-making, will be promoted.
- Production and dissemination of information on gender issues is essential to facilitate planning and evaluation of the action to be taken.

129. The formulation of all development policies shall explicitly take into account the general principles for gender-sensitive development co-operation. In particular, macro-economic policies such as structural adjustment shall properly take into account the indications coming from micro- and meso-level analysis, and the interdependence between women's and men's roles both in production and in the reproduction and maintenance of human resources.

130. The general principles shall be a constant feature in all policy dialogue and negotiation with partner countries. In particular, external assistance shall encourage and support the revision of existing policy, legal and administrative frameworks in a gender-sensitive way.

131. At project, programme and country strategy levels, external assistance shall ensure that gender analysis orients all development interventions from the planning to the evaluation phase (mainstreaming). In addition, special attention shall be given to positive actions addressing major gender disparities.

132. Both mainstreaming and positive actions shall be considered as complementary strategies aimed at enabling the full release of women's and men's development potential and their equal access to economic, political and social development opportunities, including education and health.

133. When special interventions, such as specific projects and programmes to empower women in ACP States, are provided to reduce major disparities between women and men, they shall be structurally linked to major sectors of activity, supported with adequate financial, technical and human resources, limited in time and with a clear perspective of linking up with mainstreaming activities.

134. In non-project forms of development aid, efforts shall be made to establish the necessary links between the micro-, meso- and macro-analysis, paying specific attention to gender issues.

4.2. Environment

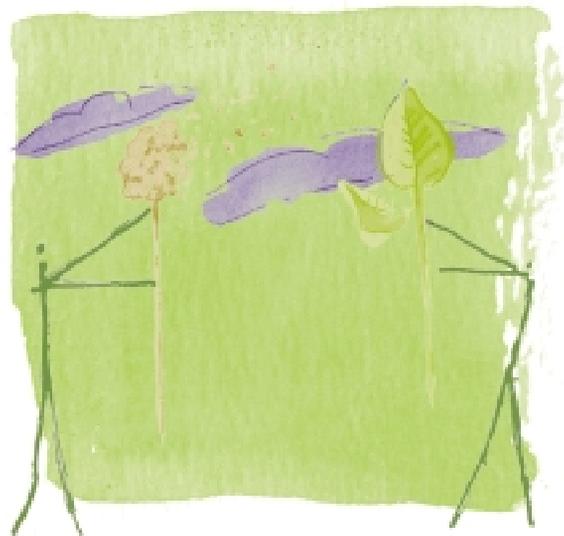
135. In the framework of this Agreement, the protection and the enhancement of the environment and natural resources, the halting of the deterioration of land, forests and aquatic ecosystems, the restoration of ecological balances, the preservation of natural resources and their sustainable use are basic objectives that the ACP States concerned shall strive to achieve with Community support with a view to bringing an immediate improvement in the living conditions of their populations and to safeguarding those of future generations.

136. The ACP States and the Community recognize that the existence of some ACP States is under threat as a result of a rapid deterioration of the environment that hinders any development efforts, in particular those aimed at achieving the priority objectives of poverty reduction and the integration into the world economy. For many ACP States efforts to halt this deterioration of the environment and conserve natural resources are imperative and call for the preparation and implementation of national strategies for sustainable development that have due regard for ecological balances.

137. The dimension of the environmental problem and of the means to be deployed mean that ACP-EC co-operation shall have to be carried out in the context of overall, long-term policies for sustainable development, drawn up and implemented by the ACP States at national, regional and international level with international support.

138. To this end, co-operation shall give priority in their activities to:

- a systematic approach that will ensure environmental sustainability at all stages, from strategy formulation, programming identification, implementation and



evaluation and in every sphere, including trade, regional co-operation, macro-economic and sectoral adjustment and support programmes, as well as projects implemented by the various actors;

- a preventive approach on the basis of the precautionary principle aimed at avoiding harmful effects on the environment as a result of any programme or operation;
- a pro-active approach searching and incorporating opportunities from the improvement of the environment in any programme or operation;
- a cross-sectoral approach that takes into account not only the direct but also the indirect consequences of the operations undertaken; and

- a cost-efficient approach promoting appropriate regulatory and market-based policy instruments placing emphasis on the polluter pays principle.

139. Effective mainstreaming of the environment into every sphere of the ACP-EU co-operation shall require the significant enhancement of the existing capacities in ACP countries. Where necessary, appropriate measures shall be identified assisting in the implementation of multi-lateral environmental agreements, supporting the formulation and enforcement of environmental policies, strengthening the relevant institutions, and building the capacity of public and private sector, and of civil society in ACP countries to effectively address environmental issues. During the formulation of country strategies and indicative programmes particular attention shall be paid to the international commitments to multi-lateral environmental agreements, such as the Convention on Combat Desertification, the Convention on Biological Diversity, and the Framework Convention on Climate Change, to the domestic environmental policies and the relevant institutional framework of ACP Countries.

140. The protection of the environment and natural resources requires a comprehensive approach embracing the social and cultural dimensions. In order to ensure that this specific dimension shall be taken into account, attention shall be given to incorporating suitable educational, training, information and research schemes into projects and programmes.

141. Co-operation instruments appropriate to environmental needs shall, as and when necessary, be designed and implemented.

142. For the proper integration of environmental considerations, physical inventories, where possible translated into accounting terms, shall be drawn up.

143. Where necessary, both qualitative and quantitative

criteria shall be used. Jointly approved check-lists shall be used to help estimate the environmental viability of proposed operations, whatever their scale. Strategic environmental assessments or environmental impact assessment shall be carried out as appropriate.

144. The implementation of these instruments shall to ensure that:

- should an adverse environmental impact be foreseen, the necessary corrective measures are formulated; and
- opportunities for environmental improvements are taken into consideration, in the early stage of the preparation of the proposed project or programme so that it can go ahead in accordance with the planned timetable though improved in terms of the sustainable management of environmental and natural resources.

145. The Parties, desirous of bringing real protection and effective management to the environment and natural resources, consider that all the areas of ACP-EC co-operation covered in this Agreement shall be systematically examined and appraised in this light.

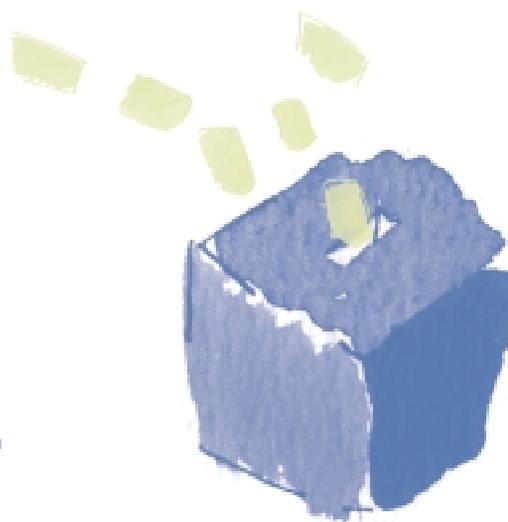
146. In this spirit the Community shall support efforts made by the ACP States at national, regional and international level and also operations mounted by intergovernmental and non-governmental organisations in furtherance of national and intergovernmental policies and priorities. Recognising that many environmental and natural resource management (i.e. water) problems have regional aspects that cannot be dealt with effectively at country level, special emphasis shall be given to environmental protection programmes in the context of regional programming. Complementarity between national and regional indicative programmes is important to address cross-border environmental effects of development projects and programmes.

147. The Parties recognize the value of exchanging views, using existing consultation mechanisms under this Agreement, on major ecological hazards, whether on a global scale (such as the greenhouse effect, the deterioration of the ozone layer, tropical deforestation, misuse of water resources, etc.), or of a more specific scope resulting from the application of industrial technology (pollution, health risks, industrial hazards, etc.). Such consultations shall be requested by either Party, insofar as these hazards shall in practice affect the Contracting Parties, and shall be aimed at assessing the scope for joint action to be undertaken within the terms of this Agreement. If necessary, the consultations shall also provide for an exchange of views prior to discussions conducted on these subjects in the appropriate international fora.

4.3. Institutional Development and Capacity Building

148. Co-operation in the area of institutional development and capacity building concerns support for the efforts by the ACP countries related to four areas in which assistance shall be provided by the Community:

- the promotion and strengthening of the respect for human rights, democratic principles, rule of law and of transparent and accountable governance and administration in all public institutions (including fight against corruption): support for the development and strengthening of structures, institutions and procedures;



- the strengthening of the capacities of public institutions and public sector effectiveness as positive force of development and growth and of the efficiency of government services: support for reforms of the judiciary and the public sector, including its rationalisation and modernisation; decentralisation;
 - the restoration or enhancement of critical public sector capacity and of institutions required for the proper functioning of market-economy based societies; and
 - the development of the capacities of (emerging) non-state actors and the strengthening of structures and mechanisms of information, dialogue and of consultation between non-state-actors and the national authorities.
149. Support and assistance for establishing/reforming or improving structures, institutions and mechanisms relevant for the effectiveness of respect for human rights, rule of law, democratic principles and good governance include:
- support for the establishment and strengthening of clear-cut rules reflected by appropriate constitutional, legislative and regulatory systems including transparent mechanisms of application and monitoring;
 - support for reforms and the proper functioning of electoral systems, the election administration and of electoral processes at national and local levels; support for setting-up institutionalised mechanisms of consultation of the people (e.g. referenda);
 - strengthening the capacities (= institutional and personal know-how and skills, organisational, planning, implementation and monitoring capacities) of emerging and existing relevant public and non-governmental institutions and organisations through technical assistance, training and information provision - with a special focus on international agreements and standards of human rights, on democratic systems and decision-making procedures and on transparent and accountable management of public resources, respectful of the rule of law;
 - support for strengthening monitoring-related statistical information-gathering capacities of institutions and related mechanisms according to internationally comparable standards;
 - support for the multiplier-function of relevant training institutions (Public Administration Academy, Police Academy, Bar Associations etc.);
 - support for improved access to justice through assistance for 'Ombudsperson'-like institutions and publicly accessible relevant information;
 - support for strengthening the role and capacities of independent media and professional skills of journalists through training;
 - support for institutional reforms and codes of conduct within public administration to improve transparency and accountability in public resource management; and
 - strengthen institutions (Public Prosecutor, Anti-Corruption Commissions etc.) and mechanisms providing public monitoring of and regular reporting on government performance at national and local levels with a view to fighting and prosecuting corruption and bribery.
150. Results-based support for strengthening the capacities of public institutions and the efficiency in public service delivery:

- through support for organisational and functional reforms of the civil service to modernise and improve their efficiency;
 - through support for legal and judicial reforms and for the modernisation of the justice system, including modernisation of administration and professional training of judges;
 - strengthening the public finance management through support for the introduction of a transparent organisational system setting out the responsibilities, rules and mechanisms of checks and balances including the provision of the relevant skills at all levels of responsibilities;
 - support and technical assistance for accelerating reforms of the banking and financial sector;
 - through assistance (reforms, skills) for improving the management of public assets and reform of public procurement procedures; and
 - through assistance for implementing political, administrative, economic and financial decentralisation.
- for modernising, strengthening and reforming financial and monetary institutions and improving procedures;
 - for building at local and municipal levels the capacity required for the effective implementation of decentralisation policy and to increase the participation of the population in the development process; and
 - for developing capacity in critical areas such as international negotiations and management and co-ordination of external aid.

152. Support (through technical assistance, training etc.) for the development of the capacities of non-state actors and the strengthening of structures for information, dialogue and consultation between them and the national authorities related to all areas, sectors and levels.

153. In its assistance efforts the Community shall increase the use of local expertise.

151. Restoration or enhancement of critical public sector capacity and of institutions required for the proper functioning of market-economy based societies, especially through assistance (Technical assistance, training) for:

- developing legal and regulatory capabilities that are needed to cope with the operation of a market economy, including competition policy and consumer policy;
- improving capacities to analyse, plan, formulate and implement policies, particularly in the economic, social, environmental, research, science and technology and innovation fields;

5

TRADE RELATED ISSUES

154. The following areas are mentioned for the record; specific texts will be elaborated according to the evolving needs of co-operation as requested by the Council of ministers.

5.1. Competition Policy

155. For the record

5.2. Protection and Intellectual Property Rights

156. For the record

5.3. Standardisation and Certification

157. For the record

5.4. Sanitary and Phytosanitary Measures

158. For the record

5.5. Trade and Environment

159. For the record

5.6. Trade and Labour Standards

160. For the record

5.7. Consumer Policy and Protection of Consumer Health

161. For the record





ACTORS OF THE PARTNERSHIP



162. Co-operation shall promote participatory approaches which recognise the complementary role and contributions of state and non-state actors to co-operation strategies. Best practices on participation of non-state actors and decentralised co-operation shall be collected and subject to regular updating for the purpose of the present compendium.

- consultation and democracy are interrelated;
- ownership of development strategies by the countries and population concerned;
- greater participation of an active and organised civil society and the private sector in the development process, especially in areas that concern or directly affect these actors or where they have specific competencies; and
- initiative to be taken by non-state actors.

6.1. Information and Consultation of Non-State Actors

163. Within the framework of ACP-EU co-operation strategies non-state actors are informed and consulted according to provisions of the Agreement. Co-operation in this area shall be guided by the following principles:

164. For the purpose of taking full advantage of the partnership Agreement co-operation shall encourage and facilitate efforts of non-state actors at both national and regional level in assessing their needs and elaborating proposals for capacity-building programmes in order to:

a) develop their capacity to organise and structure themselves through:

- inventory/assessment of existing mechanisms and structures;
- the development of appropriate information and communication networks at national and regional levels; and
- exchange of experiences.

b) develop specific competencies in order to be able to analyse economic and social issues and to propose recommendations for policy guidelines, with particular emphasis on capacity to:

- identify the constraints on business development, on competitiveness, employment creation, social needs, reforms needed in the regulatory and administrative framework;
- draft a proposal for a project/programme;
- develop negotiating skills;
- develop human resources capacity and competencies at the level of representative organisations and at the level of their members.

165. In the area of information, co-operation shall cover the following aspects:

- informing non-state actors on the overall partnership agreement, on the programming dialogue with the government, on the country support strategies and on the modalities of access to financial resources;
- facilitating the dialogue between non-state actors in and among ACP countries and between ACP and EU/EC representatives;

- encouraging the activities of existing facilitator structures such as the ACP-EC follow-up committee of the European Economic and Social Committee, the ACP Association of Chambers of Commerce, Industry and other economic operators, the ACP business forum, the ACP civil society forum and the ACP Local Government forum, and support in this context to co-operation with international organisations and agencies such as ILO, UNICEF, and between ACP-EU NGO partners; and

- clarifying and strengthening the role of EU delegations in particular by designating a contact point responsible for the relations with non-state actors including access to information, technical advice and dialogue facilitation.

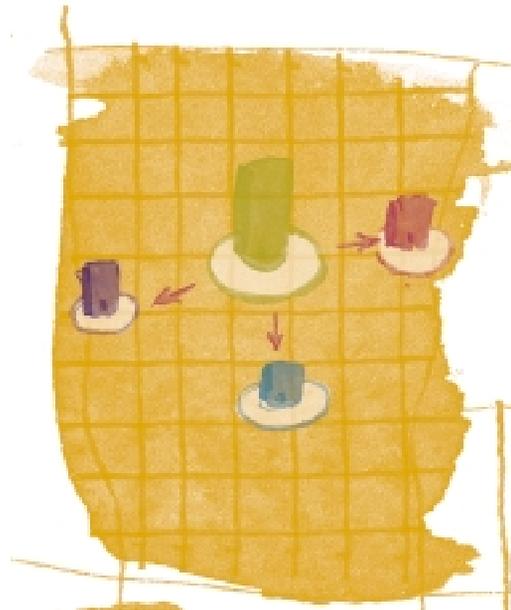
166. In the area of consultation, distinction should be made between:

- consultation in respect of democratic principles on the one hand (to be addressed through the institutional procedures set out in the Agreement/through the political dialogue/role of the Council of Ministers and of the Joint Parliamentary Assembly); and

- consultation within the framework of the country development strategies, to be addressed through the review mechanism foreseen in the programming process defined in the Agreement (Country Support Strategies) and through reports of ACP representatives to members of the ACP/EU Follow-up Committee.

167. Concerning consultation on development strategies, co-operation shall facilitate the elaboration of adequate and flexible mechanisms of dialogue between the government and non-state actors with a view to:

- disseminating information on country development strategy, country support strategy and sectoral strategies;
- establishing a structured dialogue on development policies including trade policy, macro-economic policy, economic and social regulations and sectoral policies; and
- ensuring that non-state actors are adequately involved in the process leading to the definition of ACP-EU country strategies and sectoral priorities, according to each country's individual circumstances.



6.2. Decentralised Co-operation

168. Decentralisation cooperation is above all another way of going about cooperation, one that places the actors themselves (in all their diversity) at the heart of the cooperation process.

169. The actors of decentralisation cooperation shall include local government authorities, local associations and groups, public service structures, development support structures, and federations and networks of private operators. The range of possible actors has voluntarily been left open with a view to welcoming initiatives from different sectors of a pluralist civil society.

170. Decentralised cooperation shall be based on five key components:

- the active participation of all classes of actors (assumption of responsibility);
- collaboration between and complementarity of the different actors (ensuring the consistency of the initiatives of different actors within a programmed approach);

- decentralised management (principle of subsidiarity);
- the adoption of a "process-approach" where duration is an essential element;
- priority to capacity and institution building.

171. Decentralised cooperation programmes shall have three main intervention planks:

- support for the decentralisation process, namely the emergence of legitimate and efficient systems of local government;
- support for local development initiatives and trends;
- support for political and social dialogue aimed at ensuring the involvement upstream of local actors in the formulation of policies and programmes.

