

Questions and answers: New ACP-EU Partnership after 2020

What is the Cotonou Partnership Agreement between the EU and African, Caribbean and Pacific countries?

The Cotonou Partnership Agreement is the legal framework ruling relations between the EU and 79 countries in Africa, the Caribbean and the Pacific (ACP). It is one of the oldest and most comprehensive frameworks of cooperation between the EU and third countries. Signed in 2000 for a period of 20 years, the Agreement unites more than one hundred countries (EU member states + 79 ACP countries) and represents over 1.5 billion people.

The EU-ACP partnership focuses on the eradication of poverty and inclusive sustainable development for ACP and EU countries. It is divided into three key action areas: development co-operation, political dialogue and trade.

[Cotonou Agreement](#) (available in all 24 EU languages)

Why does it need to be modernised and why is this important?

The world has changed considerably since the Cotonou Agreement was adopted almost two decades ago. Global and regional contexts (in Europe, Africa, the Caribbean and the Pacific) have evolved significantly – and so have the common global challenges to be addressed and opportunities to be grasped. Thus, the core objectives of the partnership have to be reviewed to adapt to the new realities. The EU is therefore seeking a comprehensive political agreement, setting a modern agenda framed by the internationally agreed sustainable development roadmaps (the UN 2030 Agenda – SDGs, the Addis Ababa Action Agenda, the Paris Agreement, the New EU Consensus on Development, the Global Strategy on EU Foreign and Security Policy, etc.). The coming months will be crucial, as we are about to enter a new era in our relationship with ACP countries. The negotiations will pave the way for new dynamics and cooperation going beyond the traditional development dimension.

What are the potential benefits? What kind of change will a new era of EU-ACP relations bring for people?

Building on the lessons learned during our 44 years of cooperation and making the most of the new context, the future agreement can bring unprecedented opportunities. By setting up a powerful political alliance, the EU and its partners will be in a position to develop solutions to the challenges faced in each region. These include growth and job creation, human development and peace, migration and security issues. Many of today's challenges of a global dimension require a concerted, multilateral approach, in order to achieve tangible results. In 2015 we set up a successful coalition that ultimately led to the conclusion of the Paris Agreement on climate change. This shows that the ACP-EU partnership has the power to provide valuable responses to global challenges. If we join forces, we can form a majority worldwide, as

the EU and ACP countries represent more than half of the UN membership. Together, we can make a difference and set a global agenda in international forums. Under the negotiating directives, the EU's strategic priorities include:

- speeding up progress towards meeting the goals of UN 2030 Agenda for Sustainable Development and eradicating poverty in all its dimensions;
- moving inclusive, sustainable and economic development forward;
- building stronger states and societies (through peace, security, justice and fighting against terrorism);
- supporting private sector development and enhancing regional integration;
- promoting and upholding human rights, fundamental freedoms, democracy, the rule of law and good governance;
- managing mobility and migration issues;
- supporting the transition to low greenhouse gas emissions and developing climate resilient economies;
- ensuring environmental sustainability and sustainable management of natural resources.

How do EU and ACP countries intend to achieve these objectives?

Through a new structure better adapted to each region's needs. Our new partnership can act as a powerful tool to strengthen our relations with the countries as a group, as well as with each "region" (namely Africa, the Caribbean and the Pacific), and to focus on key tailored priorities. This will also allow for the further development of our "continent-to-continent" relationship with Africa.

The proposed new structure consists of a combination of:

- a common foundation agreement (containing values & principles common to the EU and Africa, the Caribbean, and the Pacific, and the overarching objectives) at EU-ACP level;
- three strengthened regional partnerships (EU-Africa, EU-Caribbean, EU-Pacific), in the form of specific protocols. These three strong, action-oriented pillars will enable the relevant actors to participate in the negotiation, governance and implementation of the future partnership while respecting the subsidiarity principle.

These three "regions" will manage the flexible regional partnerships themselves, providing for a greater role for the relevant regional organisations in the establishment and management of the future regional partnerships.

What are the specific priorities proposed towards the African region?

The priorities proposed by the European Union for the EU Africa partnership are to focus on achieving peace and stability, managing migration and mobility, consolidating democracy and good governance, unleashing economic opportunities, reaching human development standards, and addressing climate change. The proposal is fully in line with the outcome of the [African Union-European Union Summit](#) held in November 2017 in Abidjan.

What is the link between the future ACP-EU Partnership and the new Africa-Europe Alliance for Sustainable Investment and Jobs announced by President Juncker?

The new [Africa-Europe Alliance for Sustainable Investment and Jobs](#) aims to bring our continents closer together by promoting a substantial increase in private investment from both Europeans and Africans, helping improve the business environment, boosting trade and job creation, while supporting education and skills that will benefit European and African people alike.

It will therefore contribute to the economic agenda of the African regional pillar of the future ACP-EU Partnership will be developed.

Increasing responsible investment in Africa, especially in sectors where the European Union has a value added, is among the EU's key priorities. The new Africa-Europe Alliance for Sustainable Investment and Jobs is not a stand-alone initiative. It is part of the wider set of strategic frameworks and a crucial element to deliver on the AU-EU Abidjan Summit Declaration.

What are the specific priorities proposed for the Caribbean region?

The key areas of cooperation for the regional partnership with the Caribbean include addressing climate change, vulnerability, citizen security, good governance, human rights, human development and social cohesion. In the same way, fostering inclusive growth, deepening regional integration and ocean governance as well as reducing natural disasters effects are also high on the agenda.

What are the specific priorities proposed for the Pacific region?

The large number of island nations and their huge maritime territories make the Pacific countries an important player for the EU in tackling global challenges, particularly with respect to their vulnerability to natural disasters and climate change. Other priorities should focus on maritime security, sustainable management of natural resources, good governance, human rights, especially gender equality, and inclusive sustainable growth.

Will regional organisations have a role in the post-2020 partnership?

The growth of regional bodies has been a significant trend since the 1990s. Across the ACP countries, numerous regional organisations have emerged. Some have become key actors in international relations. The African Union, the Pacific Islands Forum and Cariforum especially have strengthened their respective roles, as have sub-regional organisations in Africa, including ECOWAS and SADC. The EU and the ACP countries will continue to rely on a multi-level system of governance that allows taking action at the most

appropriate level (national, regional, continental or ACP), in line with the principles of subsidiarity and complementarity.

Will non-state actors have a role in the agreement?

The EU values structured dialogue and is in favour of a multi-stakeholder approach that includes non-state actors – the private sector, civil society, and local authorities. These partners should be able to work in an enabling environment and have the opportunity to make a meaningful contribution to national, regional and global decision making.

Observer status

The Agreement should include a provision establishing that third parties that subscribe to the values and principles underpinning the Agreement and have an added value in fostering the specific objectives and priorities of the Partnership may be granted observer status.

Who is the EU's chief negotiator?

The EU chief negotiator is Commissioner for International Cooperation and Development, Neven Mimica. Negotiations are carried out in close collaboration with the High Representative of the Union for Foreign Affairs and Security Policy, Federica Mogherini.

Who is negotiating on behalf of the ACP group of states?

The central negotiating group is composed of representatives from the three regions (Africa, the Caribbean and the Pacific) and is led by the Hon. Robert Dussey, Minister for Foreign Affairs, Cooperation and African Integration of Togo.

Where are the negotiations taking place?

In the EU and ACP countries.

How long should the negotiations last?

The Cotonou Agreement is due to expire on 29 February 2020. Therefore, the new agreement would need to be both finalised and approved by then.

How long will the new agreement last?

It will be proposed that the future EU-ACP partnership would be concluded for an initial period of 20 years. Three years before its expiry, a process should be initiated to re-examine what provisions should govern future relations. Unless a decision on terminating or extending the agreement is taken by the Parties, the agreement will be tacitly renewed for a maximum period of 5 years, until new provisions or adaptations have been agreed upon by all Parties. The agreement should also include a "rendez-vous" clause for a comprehensive revision of the strategic priorities, after the expiration of the UN 2030 Agenda.

Are the negotiating directives public?

Yes. The EU negotiation directives are available [here](#).

For more information

[Press release – New ACP-EU Partnership: Chief negotiators agree on economic priorities for future agreement](#)

[Press release – New ACP-EU Partnership: Chief negotiators conclude successful series of regional consultations, culminating with African leaders' meeting](#)

[Press release – New ACP-EU partnership: EU discusses future EU-Caribbean relations](#)

[Press release – New ACP-EU Partnership: EU and ACP Leaders intensify the regional talks in Samoa](#)

Main topics and media events 1 – 14 October 2018

Overview of the main subjects to be discussed at meetings of the Council of the EU over the next two weeks.

Economic and Financial Affairs Council, Tuesday 2 October 2018

Ministers will receive a presentation by the Commission on its proposal for supervision of anti-money laundering threats and will discuss indirect taxation matters.

Environment Council, Tuesday 9 October 2018

Environment ministers will aim to reach a general approach on CO2 standards for cars and vans, and will hold a policy debate on CO2 standards for heavy-duty vehicles. The Council is due to adopt conclusions on climate change and on biodiversity.

Justice and Home Affairs Council (Justice), Thursday 11 October 2018

The Council is expected to adopt a general approach on the directive on insolvency, restructuring and second chance. It will also discuss the e-evidence package, as well as the issue of mutual recognition in criminal matters and the implementation of the EPP0 regulation.

Justice and Home Affairs Council (Home), Friday 12 October 2018

Home affairs ministers are expected to discuss Commission proposals on the European Border and Coast Guard Agency and on return. They will also exchange views on the Multiannual Financial Framework in the field of home affairs. The Presidency is expected to report on progress on asylum reform.

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[ESMA updates the Q&As on ESMA's temporary product intervention measures](#)

The updated Q&As provide clarification on the application of the temporary product intervention measures in relation to rolling spot forex.

The purpose of this Q&A is to promote common supervisory approaches and practices in the application of ESMA's temporary product intervention measures in relation to the marketing, distribution or sale of CFDs and Binary options to retail clients. It aims at market participants.

Next steps

ESMA will continue to monitor this Q&A on ESMA's temporary product intervention measures on the marketing, distribution or sale of CFDs and Binary options to retail clients in the coming months and will review and update them where required.

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ESMA to renew restriction on CFDs for a further three months

ESMA has carefully considered the need to extend the intervention measure currently in effect. ESMA considers that a significant investor protection concern related to the offer of CFDs to retail clients continues to exist. It has therefore agreed to renew the restriction from 1 November.

Renewal of restriction on CFDs

The renewal was agreed by ESMA's Board of Supervisors on 26 September 2018 and includes renewing the following:

1. Leverage limits on the opening of a position by a retail client from 30:1 to 2:1, which vary according to the volatility of the underlying:
 - 30:1 for major currency pairs;
 - 20:1 for non-major currency pairs, gold and major indices;
 - 10:1 for commodities other than gold and non-major equity indices;
 - 5:1 for individual equities and other reference values;
 - 2:1 for cryptocurrencies;
2. A margin close out rule on a per account basis. This will standardise the percentage of margin (at 50% of minimum required margin) at which providers are required to close out one or more retail client's open CFDs;
3. Negative balance protection on a per account basis. This will provide an overall guaranteed limit on retail client losses;
4. A restriction on the incentives offered to trade CFDs; and
5. A standardised risk warning, including the percentage of losses on a CFD provider's retail investor accounts.

During its review of the intervention measure, ESMA obtained information that, in certain cases, CFD providers experienced technical difficulties in

using the risk warnings due to the character limitations imposed by third party marketing providers. Therefore, ESMA has agreed to introduce in the renewal an additional reduced character risk warning:

- [*insert percentage per provider*] % of retail CFD accounts lose money.

The new warning will be allowed only in cases where the standard terms of a third party marketing provider have a character limit which is lower than the number of characters comprising the full or the abbreviated risk warning, provided that the advertisement also links to a webpage of the provider on which the full risk warning is disclosed.

Next steps

ESMA intends to adopt the renewal measure in the official languages of the EU in the coming weeks, following which ESMA will publish an official notice on its website. The measure will then be published in the Official Journal of the EU and will start to apply from 1 November 2018 for a period of three months.