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XIV
CICLO DEL DOTTORATO DI RICERCA IN

POLITICHE TRANSFRONTALIERE PER LA VITA QUOTIDIANA
TRANSBORDER POLICIES FOR DAILY LIFE

African Caribbean Pacific and European Union Collaboration on Trans-border Policies

Settore scientifico-disciplinare SPS/06 - STORIA DELLE RELAZIONI INTERNAZIONALI

DOTTORANDA
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ANNO ACCADEMICO 2010 / 2011
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Last but not least I thank David Martinez de Prins, from the European Union Delegation to Lesotho, who was a source of inspiration and support throughout my field research. He and his family, welcomed me to Lesotho, helped me to understand the local culture. His help was also invaluable in enabling me to visit and observe some of the trans-border projects between Lesotho and South Africa.
Introduction

“I dream of the realization of the unity of Africa, whereby its leaders combine in their efforts to solve the problems of this continent. I dream of our vast deserts, of our forests, of all our great wildernesses.” (Nelson Mandela)

1. General Presentation of the Research

The study presents the collaboration between the European Union and the African, Pacific and Caribbean States focusing on Lesotho and South Africa. Both countries are very rich in natural resources. The motivation of this paper comes from discrepancy between this richness and the quality of life of the people living there. The social, political and economic development has its challenges, but if addressed in a suitable manner, the risks and negative effects could be reduced. The racial oppression in South Africa should definitely not have been a model for development in the African nations.

Nowadays almost all the states across the African, Pacific and Caribbean states, have achieved political independence. While aiming to increase the development reforms, special attention should be paid to the protection of human rights. Unfortunately, instability, insecurity and violence are still encountered.

The research performs a local level of investigation of the daily life in the countries mentioned. The Cotonou agreement represents the international level. Its impact on the trans-border policies between Lesotho and South Africa represents the trans-national level. The individual or local level is represented by the daily life context in these countries.

The theoretical and the practical approaches towards international cooperation are often different. Even though several commitments exist, there is always a gap between theory and
practice. The objectives of the research will be summarized in the beginning and also some reasons why the objectives are worthwhile.

The research thesis includes an Introduction, five chapters, the conclusions and the recommendations. The research study is framed by:

- The Collaboration between the European Union and the African, Caribbean and Pacific (ACP) states;
- The Cotonou Partnership Agreement and its revision in 2010 as well as new agreements;
- The Country strategy papers and the national and regional development programmes;
- The European Partnership Agreements (EPAs);
- The Millennium Development Goals;
- The actual socio-economic situation of the countries as well as the international situation at a moment of financial crisis;
- The European Union Delegations and other national or supranational organizations, like African Union;
- European Neighbourhood Policy;
- The Lisbon Treaty;
- The European Development Fund (EDF);
- The Budget support;
- The International aid donors and other trade actors;
- The EU-ACP strategic partnership;
- EU rules, procedures, financial regulations;
- The Caribbean and the Pacific;
- The regional and geo-political realities of Lesotho and South Africa (Lesotho being landlocked in South Africa).
2. Hypothesis

The research forms two hypotheses:

I. The signing of the Cotonou Partnership Agreement by Lesotho and South Africa eased the trans-border cooperation for daily life in the two countries;

II. The recent socio-economic and political development is due to the collaboration between the EU and the ACP states.

In order to see if the hypotheses are confirmed, the paper starts by presenting the history of the collaboration between the European Union and the African, Caribbean and Pacific countries. Knowledge of the partnership agreements, of the current socio-economic situation of the countries, as well as the supra-national organizations is needed. Firstly, the hypotheses are based on the Signing of the Cotonou Agreement. Secondly, we have to analyse both the socio-economic situation and the cross-border cooperation at the states level.

The questions asked before starting the research were:

- How does the Cotonou Agreement improve the policies for daily life in Lesotho and South Africa?
- What is the future of Cotonou Partnership Agreement and the EU-ACP collaboration?
- What is the difference between Cotonou Agreement and Lome Convention?
- Could countries like Lesotho and South Africa establish a sustainable development along their borders?
- How will the future Country Strategy Paper ensure development?
- What are the common objectives of the International agreements regarding the ACP countries?
- What level of resources will be made available to ensure development in Lesotho and South Africa?
- What steps are to be done or strategies to be raised in building cross border cooperation?
- What partnerships should be formed in order to face the challenges towards sustainable development?
- Will the Country Strategy Paper strongly promote development?
- Which are the issues related to HIV/AIDS in Lesotho and South Africa?
- How is done the fight against HIV/AIDS and other communicable diseases done in Lesotho and South Africa?
- What mechanisms will be put in place to ensure that the aid contributes to the reaching of the Millennium Development Goals?
- How is the distribution of wealth between provinces and countries?
- What amount of money was committed until now under the 10th EDF?
- What policy should be raised in making a corridor of social integration and economic growth between Lesotho and South Africa?
- Which is the impact of the EU-ACP collaboration on the trans-border policies between Lesotho and South Africa?

3. Objective

The objectives of the research are strongly linked with the questions asked. Nevertheless one of the goals is to find out whether the EU is helping the collaboration between the ACP states and especially between Lesotho and South Africa. The major objective is to decide if the signing of the Cotonou Partnership Agreement by Lesotho and South Africa has a positive impact on the trans-border policies between the two countries. Another aim is to determine the general the impact of the EU-ACP collaboration on the ACP countries.

In order to see if the hypotheses are confirmed, the paper starts with the history of the collaboration between the European Union and the African, Caribbean and Pacific countries and comes to the present situation. Knowledge of the partnership agreements, as well as the supra-national organizations is needed.

The sub-objectives in order to be able to answer the questions of the research are:

- To analyse the history of the EU-ACP collaboration;
- Analyse the structure of the Cotonou Partnership Agreement and other agreements between EU and ACP countries;
- Observe, analyse and describe the ACP states socio-economic situation;
- Present and compare Country Strategy Papers;
- Calculate, compare and analyse Millennium Development Goals Indicators;
- Make a forecast of the EU-ACP collaboration.

4. Methodology

The study research consists in combining the theoretical, the analytical and the empirical approach. The most important part of the research was the time spent in Lesotho and South Africa, observing, talking to people, analysing the local situation. The research on the field consists of documents analysis, on observation of people’s life, of the European Union’s delegation in Lesotho and activities and of non-official interviews.

The research starts with a historical comparison of the EU-ACP Partnership Agreements. It continues with a SWOT analysis of the countries and a detailed presentation of the aid granting procedures and the country strategy papers. The projects co-financed by the European Union are presented as well. There are two main sources of the financing of the projects: the general budget of the European Union and the European Development Fund. Both sources and other donors are presented.

One of the purposes of the on field research was to determine the visibility of the European Union and if people were aware about the changes brought by the EU-ACP collaboration. In the end, this will help in assessing the impact of the EU-ACP collaboration, on the cross border cooperation between ACP countries, with a focus on Lesotho and South Africa.

An ample part of the research consisted of data collection and comparisons through graphics as regard the economic and social information about South Africa, Lesotho and the African, Caribbean and Pacific Countries in general.

In order to better expose and analyse all the concepts related to the topic of my thesis, I chose to structure it into five parts, starting from a more general framework that analyses the historical aspects, continuing with a more specific approach towards the main concepts, and ending with a detailed study of the countries situation.
The following data gathering and studying approaches have been used:

- literature review;
- document analysis;
- physical collection of data: direct inspection or observation of people, property and events;
- documentary collection of data: review of documents, reports, manuals, magazines, literature, internet, postal or web based surveys;
- oral collection of data: enquiries and interviews;
- analysis through reasoning, reclassification, and comparison;
- historical reviews;
- interviews to EU personnel and other experts;
- field research;
- statistical data collection corresponding to the evolution of EU projects in South Africa and Lesotho;
- comparatives studies and reviews;
- direct and on line communication with experts, policy makers and stakeholders in the area of EU-ACP collaboration;
  - David Martinez de Prins, expert in Finance, ‘Finance and Contracts’ at the European Union Delegation to Lesotho;
  - Carlo Eich, Head of Unit, ‘Finance, Contracts and Audits’ in African Caribbean and Pacific directorate, EuropeAid Cooperation Office (DG DEVCO), European Commission, Brussels;
  - Jean-François Miche, assistant of the director in ‘Sustainable Growth and Development’, EuropeAid Cooperation Office (DG DEVCO), of the European Commission, Brussels;
  - Jana Vladislav, Planning and Programming officer, responsible with Budget procedure for DEVCO Budget, part of the EU Development Budget, European Commission, Brussels;
  - Marianna Cosco, Finance and Contract assistant, expert in Global commitments, financing agreement, amendments to financing agreements, derogations, EuropeAid Cooperation Office (DG DEVCO), European Commission, Brussels;
Françoise Louveau, working at DEVCO, expert in Finance and Contracts for EDF (European Development Fund) EuropeAid, European Commission, Brussels;

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Ndye Khady Diongue, legal and financial officer, expert in contract issues, EuropeAid Cooperation Office (DG DEVCO), European Commission, Brussels;

Annie Caoudron, EuropeAid Cooperation Office (DG DEVCO), European Commission, Brussels;

Marie Viejo, EuropeAid Cooperation Office (DG DEVCO), European Commission, Brussels;

Doreen Williams, Finance and Contracts, European Union Delegation to Mozambique.

- personal inside view upon the EU-ACP collaboration from Europe Aid Cooperation Office (AIDCO) from 2008 to 2011, European Commission, Brussels;
- participation at Info Point Europa conferences in 41 Rue de la Loi, Brussels, Belgium;
- communicating with travellers in Lesotho and South Africa;
- participation to the EU-Africa seminar, together with all the staff members of the EU Delegations, held in Brussels, Belgium in 2010.

The main literature reviews are based on the European Union studies, agreements, treaties, internal regulations, publications, legislation and indicators. The criteria used to choose the documentation was to be linked to: legislation, regulation, standards, international organizations. The evidence to be used was: facts, numerical evidence, experiences, perceptions, opinions.

From the data analysis methods, the following have been used: quantitative evidence, qualitative evidence, graphic analysis, comparisons and case studies. Official statistics are used in the references from the European Union, World Bank, OECD etc. The evidence
sources are: the European Union's Delegations in Lesotho and South Africa, other public entities, public research, beneficiaries, suppliers and different interest groups.

5. Contribution and Limitations

The contribution of this research to the literature is very important, mainly because it has a new approach and nothing similar has been done previously. On the one hand it presents the revision of the Cotonou Partnership Agreement and its future. On the other hand it points out several issues that might improve cross-border policies.

Regarding the restrictions of the study, some of the information and especially the insider view cannot be made public. The non-structured interviews may get to loosing of information. The two hypotheses will be verified with primary and secondary information, but the evolution is unpredictable until the basic living standards indicators do not improve.

6. Structure

The first chapter is divided in five subchapters and will present the history of the collaboration between the EU and the ACP states, from the Yaounde and Lomé Conventions to the Cotonou Partnership Agreement. As far as Cotonou Agreement is concerned, a huge amount of literature has been consulted as well as the text of the treaty. The end of the first chapter focuses on the actual status of the European Union Delegations after the signing of Lisbon Treaty and Cotonou Partnership Agreement revision in 2010.

In the second chapter, a literature survey and the significance of the study will be presented. Every ACP country is portrait in order to build the general ACP context. Here will be presented different partnerships and agreements between the European Union and each geographical area of the ACP countries: a parallel between the EU and the African Union, the Pacific Agreements and the collaboration between the EU and the Caribbean. An overview of
the situation in the mentioned countries will be done at this level and the limitations of the study will be mentioned. The research will follow the principles of change implemented by the Cotonou Agreement and its impact on the trans-border policies for daily life in Lesotho and South Africa.

In the third chapter, the field research will start with the purpose of the partnership agreement. Based on the second chapter, the thesis explains how the relation between the legislation and the real situation in the country, in the international context. The importance of this research comes from the fact that there are not similar projects done in this area. The sources of financing projects will be mentioned as well as the evolution of the projects. A parallel will be done between different partnership agreements and the European Development Fund will be presented.

The forth chapter, the analytical part, will analyse the trans-border projects between Lesotho and South Africa, making the transition from the international level to the local one, in the trans-border policies for daily life. The analysis of the past 10 years of the projects will place the evolution of the trans-border policies, since the Cotonou Agreement entered into force. The socio-economic development cannot be isolated; therefore it has a regional impact. In addition to this, specific topics related to the case study are further exposed and analysed. The visibility of the European Union is observed on the field of the projects.

Chapter five will include the local projects and the issues related to those projects and an analysis of the impact of these in the area. The impact of the Partnership Agreement will be transferred to the future type of EU-ACP collaboration. Consequently there were some risks and effects of its revision.

To conclude, a sustainable approach was be chosen for the recommendations, and also integration in the development plan for the trans-border policies. The conclusions resume the results of the study, the challenges and the next steps to be taken once the best practices framework is set.
Chapter 1. History of the Collaboration between the European Union and the African, Caribbean and Pacific States

The 25th of May\(^1\) is recognized as Africa Liberation Day, being the day on which, since 1963, the world-wide Pan African Movement reaffirms its commitment to the liberation and unification of Africa in an environment of justice, peace and prosperity. 50 years ago Africa’s founding fathers understood that the expropriation of landed resources has to come to an end and the right to deploy these resources is the key of development. The Europeans understood that the best way to live together is to cooperate, not to fight and they extended this approach\(^2\).

1.1. The Beginnings. The Need of the Yaoundé Agreement

After the Second World War, Europeans were determined to prevent another conflict. Instead of competing against one another, the governments of Belgium, Netherlands, Luxembourg, The Federal republic of Germany, France and Italy decided to cooperate on coal and steel markets, trade and other economic matters.

Soon after the creation of the European Economic Community, the participant countries wanted to expand their market and international relations to other states and continents. In the same year when Martin Luther King delivered the speech with “I have a dream”, president Kennedy was shot and Kenya achieved independence, the first Yaoundé Convention was signed. This was the big step, Lomé and Cotonou agreements were just, the natural way to follow the cooperation process. Therefore the official way to show solidarity with the colonies and overseas countries and territories started in 1963.

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\(^1\) On the 25th of May 1963 the Organization of African Unity was formed, composed of 32 independent African states.

\(^2\) Kyeretwie Opoku, Interational Conference on Forest Tenure, Governance and Enterprise – New Opportunities for Central and west Africa, May 29, 2009
Six European countries signed the Treaty of Rome establishing the European Economic Community and Euratom, in 1957. It also decided the status of the overseas collectivities and territories (OCTs). The 31 OCTs or still colonies by that time will benefit during the first Yaoundé agreement of the European Development Fund (EDF).

By the time of the first conventions there was the need of cooperation with the new created countries of the ex-colonies. The signature implied lots of preparations. A good move was the fact that the meeting was held in Cameroon, and the documents took the name of the city. There were two series of Yaoundé Conventions, the first one lasted between 1964 and 1969 and the second one between 1971 and 1975.

On the 20th of July 1963 the first association agreement was signed between the European Economic Community (6 European countries) and 18 African ex-colonies that had recently gained independence, and entered into force on 1 June 1964. The African states signing the Agreement were: Burundi, Cameroun, Congo (Brazzaville), Congo (Kinshasa), Ivory Coast, Dahomey, Gabon, High - Volta, Madagascar, Mali, Mauritania, Niger, Central African Republic, Ruanda, Senegal, Somalia, Chad, Togo. This agreement was mainly based on the previous treaty between the European countries and its overseas territories and had a validity period of 5 years.

In 1968 a customs Union³ was created in the European Economic Community and a second one was created after the first treaty expired. A new Yaoundé Convention was signed on 29th of July 1969. It entered into force on the 1st of January 1971, with Madagascar and Mauritius to take part in the Convention.

There was a tight link between the African States, Mauritius and Madagascar (ASMM), the first 18 countries and the East African countries of Kenya, Uganda and Tanzania. The Arusha Agreements and the second Yaoundé formed the Lomé Convention later on and extended to 46 states from Africa, Caribbean and Pacific regions. The Arusha Agreement was a treaty signed on the 24th of September 1969 in Arusha, Tanzania, between the European Community and Kenya, Uganda and Tanzania. The agreement entered into force only on the first of January 1971, in the same time as the second Yaoundé Convention⁴.

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⁴ [http://en.euabc.com/word/59](http://en.euabc.com/word/59)
The European countries which started the model of International Cooperation with the treaty of Rome in 1957 and continued with Yaoundé Convention in 1963

| Belgium | France | Italy | The Federal Republic of Germany | Luxembourg | Netherlands |

Way before the signing of the official agreement, the European Developing Fund was created in the view of voluntary donations by EEC member states for the development cooperation in African states and overseas countries and territories. The Yaoundé Convention was linked to the second cycle of the European Development Fund, which is renewed every 6 years. This subject is described in more detail in Chapter 3.

The main reason of the creation of Yaoundé Agreement was to support the new created states or developing countries. But all the countries were recognized national sovereignty. Preferential trade arrangements were granted to some goods to be imported in the ECC space.

The Convention facilitated industrial goods man-made in the African states to be exported into the European Economic Community. For the agricultural products, it was a little bit more difficult to have imports from third countries, because the European farmers had to be protected as well through the Common Agricultural Policy (CAP). If the import of agricultural products would have been supported, the price had increased.

The acceptance of imports from the thirds countries was of course based on the principle of reciprocity. A lot of European products were exported to African countries and this way the economic market extended.

1.2. The Lomé Conventions

In February 1975 most of the ex-colonies achieved independence. There were plenty of partnership agreements signed, like Arusha and the second Yaoundé, therefore there was a need of instrument unification. This is how the new Convention was signed in Lomé, Togo.

In the same year, the African, Caribbean and Pacific Group of States (ACP) was shaped with the objectives of sustainable development and poverty reduction among its members. It was
composed of African, Caribbean and Pacific States signatories to the Georgetown Agreement. Nowadays the ACP Group consists of 79 Member-States, signatories to the Cotonou Agreement: 48 countries from Sub-Saharan Africa, 16 from the Caribbean and 15 from the Pacific\(^5\).

According to the Article 2 of the George Town Agreement on the Organisation of the African, Caribbean and Pacific Group of states in 1975, the purposes of the ACP Group at the moment of its creation were:

- to ensure the realization of the objectives of the Lomé Convention,
- to coordinate the activities of the ACP States in the application of the Lomé Convention,
- to determine ACP-EEC collaboration,
- to promote and strengthen the existing solidarity of the ACP Group,
- to contribute to the development of trade, economic and cultural relations amongst the ACP States and amongst developing countries,
- to develop the exchange of information amongst the ACP States in the fields of trade, technology, industry and human resources,
- to contribute to the promotion of effective regional and inter-regional co-operation amongst the ACP States and amongst developing countries in general,
- to strengthen the links between the regional organizations.

Lots of important changes emerged in Europe during this 25 years. There was the monetary unification and the creation of Euro. The European Economic Community became the European Community and later on will become the European Union. A system called STABEX\(^6\) was introduced against the loss of import revenues of the ACP countries. The Berlin Wall fell. The EDF arrived to the eighth cycle and the EC had 12 members, after further enlargements.

\(^{5}\) http://www.caricom.org/jsp/secretariat/legal_instruments/georgetownagreementonacp.jsp?menu=secretariat

\(^{6}\) STABEX was a system to compensate loss for the ACP due to exports to EU, if greater than 2% of average earnings over the previous four years of cooperation (for major products). It is similar to SYSMIN for minerals.
The European countries which signed the first Lomé convention in 1975:

<table>
<thead>
<tr>
<th>Belgium</th>
<th>The Federal Republic of Germany</th>
<th>Denmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>Luxembourg</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Italy</td>
<td>Netherlands</td>
<td>Ireland</td>
</tr>
</tbody>
</table>

Yaoundé Conventions created a formal institutional framework for their participation. But as Great Britain was joining the EEC, British African territories had to be included even if they had different preferential arrangements. The creation of an innovative special trade agreement instead of maintaining the old one was provoked by both substandard outcomes of the previous accord as well as changes in the European and in ACP states political framework.

The Lomé Convention was a challenge to remedy the gaps of Yaoundé Convention and to deal with a variety of points. As a result of the global development and of the EC external relations policy, nevertheless the colonial ties with Europe remained to be a crucial aspect. From a European point of view, the development plan acknowledged a shift from a regional to a more global approach. From the developing countries perspective, the call for new negotiations was encouraged by the unsatisfactory economic results Yaoundé Agreement has produced.

Lomé Conventions covered 25 years of cooperation, from 1975 to 2000 and were divided in 5 parts: Lomé I, Lomé II, Lomé III, Lomé IV and Lomé IV revised. In 1975, within the first Lomé there were 46 ACP countries and by the time of the last Lomé convention, their number almost doubled.

What is to be observed here is that some of the countries changed their name and their political statute since the signing of the Convention. Lesotho was part of the collaboration agreements since the beginning. Out of these 46 countries, only 34 were considered as least developed, landlocked or islands and Lesotho was one of them. South Africa was still under the apartheid system until 1994, therefore the EEC could not sign any kind of convention with a country where the principles of the United Nations Charter were not respected. The agreement was established on the basis of complete equality between partners and in the spirit of international solidarity.

7 Greece joined in 1981, Spain and Portugal joined in 1986, Austria, Finland and Sweden joined in 1995.
The 46 countries which signed the convention in 1975 from the ACP part are the following:

<table>
<thead>
<tr>
<th>Bahamas</th>
<th>Ethiopia</th>
<th>Guyana</th>
<th>Mauritius</th>
<th>Swaziland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbados</td>
<td>Fiji</td>
<td>Upper Volta</td>
<td>Mauritania</td>
<td>Tanzania</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Burkina Faso)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Botswana</td>
<td>Gabon</td>
<td>Jamaica</td>
<td>Niger</td>
<td>Chad</td>
</tr>
<tr>
<td>Burundi</td>
<td>Gambia</td>
<td>Kenya</td>
<td>Nigeria</td>
<td>Togo</td>
</tr>
<tr>
<td>Cameroon</td>
<td>Ghana</td>
<td>Lesotho</td>
<td>Rwanda</td>
<td>Tonga</td>
</tr>
<tr>
<td>Central African Republic</td>
<td>Grenada</td>
<td>Liberia</td>
<td>Senegal</td>
<td>Trinidad and Tobago</td>
</tr>
<tr>
<td>Congo</td>
<td>Guinea</td>
<td>Malawi</td>
<td>Sierra Leone</td>
<td>Uganda</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>Guinea Bissau</td>
<td>Malagasy Republic (Madagascar)</td>
<td>Somalia</td>
<td>Western Samoa</td>
</tr>
<tr>
<td>Dahomey</td>
<td>Equatorial Guinea</td>
<td>Mali</td>
<td>Sudan</td>
<td>Zaire</td>
</tr>
<tr>
<td>(Benin)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Extracted from ACP-EEC Convention signed at Lomé on 28 February 1975, The parties

The Lomé Convention was divided in seven titles, seven Protocols and 94 Articles, stipulating the chapters of cooperation as follows:

Title I: Trade cooperation

The trade cooperation focuses on trade arrangements and on trade promotion. It clarifies the notion of products originating in the ACP states helped by the first Protocol. In the Annex II of the Agreement there is a long list with all the products the Convention refers to.

Title II: Export earnings from commodities

The second title may be linked with all the protocols. The products for which the stabilization system is applied are: groundout products, cocoa products, coffee products, cotton products, coconut products, palm products, raw leather, wood products but not further prepared, fresh bananas, tea, raw sisal and iron ore.

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8 ACP-EEC Convention signed at Lomé on 28 February 1975, The parties
9 ACP-EEC Convention signed at Lomé on 28 February 1975, Contents
Title III: Industrial Cooperation

Going to industrial cooperation the Community and the ACP States had as objectives\(^{10}\):
- to promote the development and diversification of industry in the ACP States,
- to help a better distribution of industry both within those States and between them (one of the first signs of facilitating the trans-border cooperation between ACP states),
- to promote new relations in the industrial field between the Community, its Member States and the ACP States,
- to promote the establishment of new industrial and trade links between the industries of the Member States and those of the ACP States,
- to increase the links between industry and the other sectors of the economy;
- to facilitate the transfer of technology to the ACP States,
- to promote the adaptation of such technology to their specific conditions and needs,
- to expand the capacity of the ACP States for research,
- to adapt to technology,
- to train in industrial skills,
- to promote the marketing of industrial products of the ACP States in foreign markets in order to increase their share of international trade in those products,
- to encourage the participation of nationals of ACP States, in the industrial development of those States,
- to encourage Community firms to participate in the industrial development of the ACP States, where those States so desire and in accordance with their economic and social objectives.

Title IV: Financial and technical cooperation

The purpose of economic, financial and technical cooperation is to balance various sectors of ACP states economies. ACP states may obtain different types of financing for developing projects.

Title V: Provisions relating to establishment, services, payments and capital movements

Under this title it is presented how the national companies should be treated on a non-discriminatory basis.

\(^{10}\) ACP-EEC Convention signed at Lomé on 28 February 1975, Title III, Industrial co-operation
Title VI: Institutions

The institutions of the convention are The Council of Ministers of the EEC, the Commission of the EEC and one member of the Government of each of the ACP states.

Title VII: General and final provisions

The different protocols are divided in seven parts as well and they concern the products and specific methods of funds administration. The Protocol 1 deals with the definition of the concept of "originating products" and methods of administrative cooperation. As during the Yaoundé conventions, due to CAP, the import of agricultural products at smaller prices is not permitted, in order to protect the European farmers.

The first protocol contains information and explanations about the originating goods. The second protocol is on financial and technical cooperation. Protocol no. three regards sugar from ACP states. The fourth Protocol deals with the operating expenditure of the Institutions. The fifth Protocol speaks of privileges and immunities. The sixth Protocol deals with how dealing with the export of bananas. And Protocol no. 7 regards rum. There is also an Annex: Joint declaration on fishing activities.

1.3. The Cotonou Partnership Agreement

After the completion of the Single Market Programme in 1992 and due to the end of the Cold War, the EU had turned towards development. The association between the European Union (EU) and the ACP group changed significantly during the 1990s. Although the relationship between the EU and the ACP countries was continued with the various partnership agreements signed, it was distinct due to the changing political situation and democratization.

The ACP-EU partnership was renewed in 2000 with the signing of the Cotonou Agreement, in a context of missing the economic expectations from Lomé conventions. The Cotonou Partnership Agreement was signed on the 23rd of June 2000, by 78 states from Europe, Africa, Pacific and the Caribbean and was revised in 2005 and in 2010. The structure is based on three main pillars of cooperation: development, economic and political. The main purpose
of this Partnership Agreement was to set an international agenda of cooperation with a deadline of Millennium Development Goals in 2015.

The main objective of Cotonou Partnership Agreement is reducing and eventually eradicating poverty consistent with the objectives of sustainable development and the gradual integration of the ACP countries into the world economy (Art. 1 of Cotonou Agreement).

The basic principle of the agreement is equality of the partners and ownership of the development strategies. In this view, the central governments are the main partners, but the partnership is opened to different types of actors and the participation is not compulsory, but one in, there is a must of fulfilment of mutual obligations.

In order to differentiate the different types of programmes per country or region, a strong analysis is done for each country and, together with the EU representatives a Country Strategy Paper is drafted. Regarding the regionalisation, the ACP countries are grouped in: the Caribbean group, the East and South Africa group, the Pacific group, the West African group, the Southern African group, the Central African group, the East Africa group.

The actors of the Partnership are involved in a joint set up between ACP states and EC Institutions. In such ample collaboration non-state actors are involved as well, from the private sector, economic and social partners, trade union organisations, civil society in all its forms according to national characteristics.

Despite of the obligations and regionalisation, Cotonou Agreement introduced some important innovations, like the suspension of financial aid in case of violation of human rights, democracy and the rule of law. Provisions were included in Cotonou to ensure the input of non-state actors in ACP countries in the policy process as it was the acknowledged that the civil society and especially the private sector as an essential element to promote economic development. The most essential adjustment which the Cotonou Agreement implied was the organization of the Economic Partnership Agreements (EPA's) which took effect in 2008.

The EPAs are instruments of development and cooperation. They contribute in a straight line to the development of the ACP states while helping them to enlarge their markets, creating proper conditions for investment. To this purpose, the EPAs should take account of the economic, social, and environmental situation of each country itself.
In Africa there are 5 major EPAs:

- ECOWAS, for the West of Africa,
- CEMAC, for Central Africa,
- SADC, for Southern Part of Africa, including South Africa and Lesotho,
- EAC, for East Africa and
- COMESA, for South East.

Through the instruments of cooperation actually common ACP-EU objectives were built. The European Development Fund (EDF) is the main instrument for providing assistance for development cooperation under the Cotonou Agreement.

The EDF is funded by the EU Member State on the basis of specific contribution keys. Each EDF is concluded for a multi-annual period. The funding for each EDF was established between the EU Member States by Internal Agreement. Now, since 2008 and until 2013 there is the 10th EDF amounting 22.7 billion euro.

The cooperation with the ACP States funded from the EDF is complemented by development cooperation funded from the EC budget, notably through the Development Cooperation Instrument, the Instrument for Stability, the European Instrument for Democracy and Human Rights and the European Humanitarian Aid Instrument.

The objectives of the Cotonou Agreement were very clear stated at the beginning of the agreement in the UN Millennium Development Goals (MDGs). There are 18 targets and key areas of work hidden in the millennium goals like: poverty, hunger, primary education, gender equality, maternal health etc. The purpose of the EU’s battle is to work in company with the ACP nations to support peace and prosperity.

The eight Millennium Development Goals are\(^\text{11}\):

i. Eradicate extreme poverty and hunger,

 ii. Achieve universal primary education,

 iii. Promote gender equality and empower women,

\(^{11}\) http://www.beta.undp.org/content/undp/en/home/mdgoverview.html
iv. Reduce child mortality,
v. Improve maternal health,
vi. Combat HIV / AIDS, malaria and other diseases,
vii. Ensure environmental sustainability,
viii. Develop a global partnership for development.

The Cotonou Agreement is divided into a more structured form than the Lomé Convention which was more of a Trade Convention. The first part names the actors, the principles and the political dimension. The cooperation will be focused on the Millennium Development Goals such as reducing and eradicating poverty dependent with the objectives of sustainable development and the gradual integration of the ACP countries into the world economy. Being such a complex area and touching practically all the parts of the society ACP and EU hope to make a significant contribution to the economic, social and cultural development.

The second part includes the Institutional Provisions. The institutions of this Agreement are the Council of Ministers, the Committee of Ambassadors and the Joint Parliamentary Assembly. The objectives of ACP-EC development cooperation shall provide a framework of maintain the ACP's own development strategies, focusing on:

- achieving fast and continued job-creating,
- achieving economic growth, developing the private sector,
- increasing employment,
- improving access to productive economic activities and resource,
- fostering regional cooperation and integration,
- promoting human and social development,
- helping to ensure that growth is widely and equitably shared,
- promoting gender equality,
- promoting cultural values of communities and specific interactions with economic, political and social components,
- promoting institutional reforms and development,
- strengthening the institutions necessary for the consolidation of democracy, good governance and for efficient and competitive market economies,
- building capacity for development and partnership,

12 Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part and the European Community and its member states, of the other part, signed in Cotonou, Benin on 23 June 2000, p. 6
- promoting environmental sustainability,
- regenerating best practices, and the preservation of natural resources\textsuperscript{13}.

The third part of the Cotonou Agreement is a more practical part suggesting the Cooperation Strategies into: development strategies on economic, social and human development, on regional cooperation and integration, new trading arrangements and cooperation in other areas. Regarding the investment and private sector development, the cooperation shall support the necessary economic and institutional reforms and policies at national and regional level, aiming at creating a favourable environment for private investment, and the development of a dynamic, viable and competitive private sector.

Cooperation shall provide effective assistance to achieve the objectives and priorities which the ACP States have set them in the context of regional and sub-regional cooperation and integration, including inter-regional and intra-ACP cooperation. Regional Cooperation can also involve Overseas Countries and Territories (OCTs) and outermost regions. In this context, cooperation support shall aim to:

a. foster the gradual integration of the ACP States into the world economy;

b. accelerate economic cooperation and development both within and between the regions of the ACP States;

c. promote the free movement of persons, goods, services, capital, labour and technology among ACP countries;

d. accelerate diversification of the economies of the ACP States; and coordination and harmonisation of regional and sub-regional cooperation policies; and

e. promote and expand inter and intra-ACP trade and with third countries\textsuperscript{14}.

The fourth parts deals with the practical and the legal description of how the cooperation development can be financed. Under the first title there are: the principles, guidelines and

\textsuperscript{13} Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part and the European Community and its members states, of the other part, signed in Cotonou, Benin on 23 June 2000, Article 14 to Article 20

\textsuperscript{14} Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part and the European Community and its members states, of the other part, signed in Cotonou, Benin on 23 June 2000, Article 21 to Article 54
eligibility as well as the scope and nature of financing. Whereas the second title focuses more on the types of the projects, on the financial cooperation regarding: the financial resources, the debt and structural adjustment support, the support in case of short-term fluctuations in export earnings, the support for sectorial policies, micro projects and decentralised cooperation, humanitarian and emergency assistance and the investment and private sector development support. Under the third title the technical cooperation procedures. And title IV presents the procedures and management systems.

The fifth part identifies already some fragile group of actors naming the provisions for the Least-Developed, landlocked and islands ACP states. Cooperation shall help promote and develop a regional political dialogue in areas of conflict prevention and resolution; human rights and democratisation; exchange, networking, and promotion of mobility between the different actors of development, in particular in civil society.

Part six includes the final provisions. As Lomé Conventions there is a series of Annexes and Protocols aiming to support the body of the Agreement. There is a financial protocol, the terms and conditions for financing to be clear who can apply for financial aid, the implementation and management procedures, general trade arrangements etc.

In the line with Lomé, a list of working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain originating status is included. One thing which is new is the Annex XI to Protocol 1 dealing with “Products for which the accumulation provisions with South Africa referred to in Article 6(3) apply after 3 years from the provisional application of the Agreement on Trade, Development and Cooperation between the European Community and the Republic of South Africa”. There is a series of Articles and protocols explaining the cooperation with South Africa and the application of the Agreement on Trade, Development and Cooperation between the European Community and the Republic of South Africa.

In order to sustain and put in practice the Cotonou Agreement, negotiations between the ACP countries and the EU were launched in Brussels in 2002, two years after the signing of the Agreement. The primary principles of the EPAs are defined by the Cotonou Agreement:

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15 Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part and the European Community and iti members states, of the other part, signed in Cotonou, Benin on 23 June 2000
sustainable development of the ACP countries, their integration in the international market, and eradication of poverty.

Regarding the regional integration, the EPAs should sustain the existing regional integration initiatives in the ACP states and not to compromise them. They should therefore be based on the integration objectives of the ACP regions concerned. They should also contribute to the reinforcement of regional integration while promoting, among other things, the harmonization of the regulations at regional level. In this perspective, the EPAs should first of all help to consolidate the ACP markets before promoting commercial integration with the European Commission system.

Cooperation shall support ACP efforts to implement macroeconomic and structural reforms and policies. Macroeconomic growth and stabilization through disciplined fiscal and monetary policies that result in the reduction of inflation, and improve external and fiscal balances, by strengthening fiscal discipline, enhancing budgetary transparency and efficiency, improving the quality, the equity and composition of fiscal policy; and structural policies designed to reinforce the role of the different actors, especially the private sector and improve the environment for increases in business, investment and employment. Some other objectives are to: liberalize trade and foreign exchange regimes, strengthen labour and product-market reforms, encourage financial systems reforms which help to develop viable banking and non-banking systems, capital markets and financial services, including micro-finance, improve the quality of private and public services and encourage regional cooperation and progressive integration of macroeconomic and monetary policies.

The two sides agreed that the EPAs maintain and improve upon the current level of preferential access of ACP exports to the European market. As regards the commodity protocols, the two sides agreed to re-examine them in the context of the new trade agreements especially from the viewpoint of their compatibility with the WTO rules, in order to safeguard the advantages accruing thereto in the light of the special legal status of the sugar protocol. As regards the non-LDC ACP states which will not be in a position to conclude EPAs, both sides have agreed that the EC assess the situation of such countries and explore all the possible avenues in order to provide them with a new framework equal to their existing situation and compatible with the WTO rules.
African countries and date when they have adhered to the ACP group

<table>
<thead>
<tr>
<th>Date</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 May 1963</td>
<td>Algeria, Burundi, Cameroon, Central African Republic, Chad, Congo (Brazzaville), Congo (Leopoldville) Dahomey, Egypt, Ethiopia, Gabon, Ghana, Guinea, Ivory Coast, Liberia, Libya, Madagascar, Mali, Mauritania, Morocco, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, Sudan, Tanganyika, Togo, Tunisia, Uganda, Upper Volta, Zanzibar</td>
</tr>
<tr>
<td>13 December 1963</td>
<td>Kenya</td>
</tr>
<tr>
<td>13 July 1964</td>
<td>Malawi</td>
</tr>
<tr>
<td>16 December 1964</td>
<td>Zambia</td>
</tr>
<tr>
<td>1 October 1965</td>
<td>The Gambia</td>
</tr>
<tr>
<td>31 October 1966</td>
<td>Botswana, <strong>Lesotho</strong></td>
</tr>
<tr>
<td>1 August 1968</td>
<td>Mauritius</td>
</tr>
<tr>
<td>24 September 1968</td>
<td>Swaziland</td>
</tr>
<tr>
<td>12 October 1968</td>
<td>Equatorial Guinea</td>
</tr>
<tr>
<td>19 November 1973</td>
<td>Guinea-Bissau</td>
</tr>
<tr>
<td>11 February 1975</td>
<td>Angola</td>
</tr>
<tr>
<td>18 July 1975</td>
<td>Cape Verde, Comoros, Mozambique, São Tomé and Príncipe</td>
</tr>
<tr>
<td>29 June 1976</td>
<td>Seychelles</td>
</tr>
<tr>
<td>27 June 1977</td>
<td>Djibouti</td>
</tr>
<tr>
<td>1 June 1980</td>
<td>Zimbabwe</td>
</tr>
<tr>
<td>22 February 1982</td>
<td>Saharan Arab Democratic Republic (Western Sahara)</td>
</tr>
<tr>
<td>1 June 1990</td>
<td>Namibia</td>
</tr>
<tr>
<td>24 May 1993</td>
<td>Eritrea</td>
</tr>
<tr>
<td>6 June 1994</td>
<td><strong>South Africa</strong></td>
</tr>
</tbody>
</table>

Development aid is financed directly by the EU budget (70%) as part of the financial instruments for external action and also by the European Development Fund (EDF) (30%). The EU's external action financing is divided into 'geographic' and 'thematic' instruments. The 'geographic' instruments provide aid through the Development Cooperation Instrument (DCI, €16.9 billion, 2007–2013), which must spend 95% of its budget on overseas development assistance (ODA), and from the European Neighbourhood and Partnership Instrument (ENPI), which contains some relevant programmes. The EDF (€22.7 bn, 2008–2013) is made up of voluntary contributions by EU Member States.
1.4. Changes in the European Union Delegations, Resulting from the Lisbon Treaty

Signed on the 13th of December 2007, the treaty of Lisbon sets out to the political, economic and social perspectives in order to cope with: globalisation, demographic evolution, climate change, the need for sustainable energy sources and security risks. The treaty was ratified by all the EU members and entered into force on 1 December 2009. The Treaty of Lisbon defines what the EU can and cannot do, and what means it can use, in the 21st century.

The Lisbon Treaty is divided into:

- The Treaty on European Union, which sets out:
  - the general governing provisions and
  - the general provisions of the EU’s external relation.

- The Treaty on the Functioning of the European Union, which includes:
  - the specific objectives of the European Union and
  - the rules governing the external actions and the development cooperation.

The Lisbon Treaty brings amendments to the treaty on European Union and to the treaty establishing the European Community. Some protocols have been added, regarding:

- the role of the national parliaments;
- the subsidiarity and the proportionality principles;
- the euro group;
- the accession of the Union to the European Convention on the Protection of Human Rights and Fundamental Freedoms; and others.

As far as humanitarian aid is concerned the Title III of Part Five of the Treaty of Lisbon is dealing with the cooperation with third countries and humanitarian aid. Chapter 1 of Title III

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17 Article 18 - High Representative of the Union for Foreign Affairs and Security Policy
   Article 21 - External actions (including development cooperation)
   Article 27 - European External Action Service
includes the articles on the EU's development cooperation policy. Humanitarian assistance is covered in the third Chapter.

The European Union Cooperation with Third Countries and Humanitarian Aid

Chapter 3, art 214 of the Lisbon Treaty mentions\(^\text{19}\) that:

- *The European Union's operations in the field of humanitarian aid shall be conducted within the framework of the principles and objectives of the external action of the Union.*

In 2010 the European Union External Action Service was created\(^\text{20}\). The Humanitarian Aid and Civil Protection is managed by ECHO\(^\text{21}\). The basic principles foundations of humanitarian aid are: humanity, independence, neutrality and impartiality. Unfortunately, some links between humanitarian workers and the military are indispensable as military logistics are necessary for humanitarian interventions.

The European Parliament and the Council of the European Union, acting in accordance with the ordinary legislative procedure, shall establish the measures defining the framework within which the Union’s humanitarian aid operations shall be implemented\(^\text{22}\).

The European Parliament and the Council of the European Union work together to establish the measures and the policies, but it is the European Commission putting in place everything.

- *The Member States have the competence to negotiate in international bodies and to conclude agreements.*

- *In order to establish a framework for joint contributions from young Europeans to the humanitarian aid operations of the Union, a European Voluntary Humanitarian Aid Corps shall be set up.*

The European Parliament and the Council, acting by means of regulations in accordance with the ordinary legislative procedure, shall determine the rules and procedures for the operation of the Corps.

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22 http://europedia.moussis.eu/books/Book_2/7/24/01/?all=1
• The European Commission may take any useful initiative to promote coordination between actions of the Union and those of the Member States, in order to enhance the efficiency and complementarily of Union and national humanitarian aid measures.

• The European Union shall ensure that its humanitarian aid operations are coordinated and consistent with those of international organisations and bodies, in particular those forming part of the United Nations system.

With the Treaty of Lisbon, the European Union reformed its external relations system, which previously was composed of:

- DG RELEX and the European Union Delegations in other states,
- ECHO – Humanitarian Aid,
- AIDCO Europe Aid Cooperation Office – Management of Financial Aid,
- DG DEVELOPMENT - DEV,
- DG ENLARGEMENT.

The European External Action Service (EEAS) was created in order to involve more the member states who may work directly in the EU Delegations now. AIDCO and DEV fusioned and formed DEVCO as from the 1st of January 2011. DG DevCo, ex-EuropeAid, will handle the project cycle in its total, sharing the capacity of policy-making for the EU external action with the EEAS.

The EEAS has its Headquarters in Brussels, is made up of the European Union Delegations and Representations in international organisations. It is headed by the High Representative of the Union for Foreign Affairs and Security Policy, who is also Vice-President of the European Commission. It is a functionally autonomous body separate from the General Secretariat of the Council and from the Commission.

Humanitarian aid operations shall be conducted according to the principles of international law. Humanitarian aid policy is considered as a European Union policy and it is subject to the normal legislative procedure. Institutional structures, such as the High Representative for Union Foreign Affairs and Security Policy should, therefore, respect the clear position of accountability required for humanitarian aid23.

23 The law setting up the European Voluntary Humanitarian Aid Corps for example should ensure that humanitarian actions from young volunteers do not lead to dangerous situations undermining the EU's overall efforts in humanitarian aid.
Many people contest the justification of humanitarian aid spending. However, they realise how important it is to preserve human lives. In order to be transparent, ECHO created a spherical Humanitarian Aid Eurobarometer²⁴.

The Lisbon Treaty is the first legal basis in the European Union concerning humanitarian aid. The national humanitarian aid policies and the EU policy should not only complement each other, they also have to reinforce each other. The national humanitarian actions and those undertaken by the EU should not only complement each other, they also have to reinforce each other according to this article. This will help to harmonise he policies of the 27 Member States with EU standards.

In the field of defending and promoting human rights, the diversity of official donors and their role in international humanitarian action is increasing. The international actors are seen as the single source of stability, but they have to be transparent and accountable. An increasing number of organizations are becoming involved in humanitarian work. These include: governmental departments, local public authorities, multilateral agencies, the Red Cross movement, national and international NGOs, grassroots organizations, civil defence forces, military contingents and private for-profit companies.

The purpose of the creation of the European Union Delegations was to be closer to the field of action and working with local and international organisations. The European Union may conclude with third countries and international organisations any agreement helping to achieve the objectives regarding humanitarian aid.

1.5. Revision of the Cotonou Partnership Agreement in 2010

The revision of the Cotonou Agreement arrived at a moment when new ideas were needed in order to foster the cooperation with the developing countries, when everybody realised that progress was done in eradicating poverty, but the way ahead is long and the Millennium Development Goals will not be attained by 2015.

The African, Caribbean and Pacific group was originally created with the aim of coordinating cooperation between its members and the European Union. Its main objective was to negotiate and implement, together, cooperation agreements with the European Community.

Over the years, the Group extended its range of activities. Since then, cooperation among its members has gone beyond development cooperation with the European Union and covers a variety of fields spanning trade, economics, politics and culture, in diverse international fora such as the World Trade Organisation (WTO).

**The ACP countries**


The purposes of the creation of the ACP group is to put in practice the cooperation strategy decided by the Agreements signed with the European Community and coordinating the activities of the ACP group. Their integration in the market economy has to take into account the sustainable development. Nevertheless the major role of this formula is the eradication of poverty.

From a political point of view, the creation of an ACP group leads to the consolidation among ACP states and the creation of African Union for example, as a model after the European Union.

AIDCO (*EuropeAid Cooperation Office*) had been founded on 1 January 2001 with the mission of implementing the EU external aid programmes around the world. At that time, DG
DEV and the *Directorate General for External Relations* (RELEX) were responsible for policy and programming. Following the merger of the *EuropeAid Cooperation Office* (AIDCO) with the *Directorate General for Development and Relations with ACP States* (DEV), the Development and Cooperation - EuropeAid was formed on 1 January 2011.

Following the restructuration of EuropeAid in 2011, Director-General Fokion Fotiadis is responsible for the overall realization of the directorate mission, which consists in the programming and implementation of the European Commission's external aid instruments financed by the European Union budget and the European Development Fund.

Effective implementation and delivery of aid also helps the Commission and the EU as a whole to maintain the world’s largest aid donor. EuropeAid, now DEVCO focuses on maximizing the value and impact of aid funding by EU development objectives and the United Nations' Millennium Development Goals. DEVCO formulates the European Union's development policy. Its mission is to help reduce and ultimately eradicate poverty in developing countries through the promotion of sustainable development, democracy, peace and security.

The main intervention areas covered by DEVCO are:

- Trade and regional integration,
- Environment and the sustainable management of natural resources,
- Infrastructure, communications and transport,
- Water and energy,
- Rural development,
- Governance, democracy and human rights,
- Peace and security,
- Human development,
- Social cohesion and employment.

EU development action is based on the European Consensus on Development, which was endorsed on 20 December 2005 by EU Member States, the Council, the European Parliament and the Commission. In 2011, trying to increase the impact of EU Development Policy on Agenda for a Change, the European Commission wrote a Communication to the European Parliament, the Council, the European Economic and Social Committee. The contents of this
communication were based on the revision of the Cotonou Agreement and on how is it possible to reduce poverty in a rapidly changing world, touching subjects like: human rights, democracy, good governance, sustainable growth for human development, social protection, health, education, jobs, environment, energy etc.

Fig. 1: Partnership Agreements Summary

<table>
<thead>
<tr>
<th>Agreement</th>
<th>Yaoundé</th>
<th>Lome</th>
<th>Cotonou</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country where the agreement was signed</td>
<td>Cameroon</td>
<td>Togo</td>
<td>Benin</td>
</tr>
<tr>
<td>Actors</td>
<td>18 African states and Madagascar for the 1st one and Mauritius joined for the 2nd</td>
<td>Lome I: 46 ACP and 9 EEC Lome IV (1990): 68 ACP and 12 EC</td>
<td>78 states from EU and ACP</td>
</tr>
<tr>
<td>Most important principles</td>
<td>- sovereignty over natural resources</td>
<td>model of international relations</td>
<td>- equality</td>
</tr>
<tr>
<td>Purpose</td>
<td>- sustain ex colonies and developing countries</td>
<td>- trade</td>
<td>- promote the economic, social and cultural development of ACP states - establish close cooperation</td>
</tr>
<tr>
<td>Agenda</td>
<td>- lower discrepancies between developed and developing countries</td>
<td>- MDG</td>
<td></td>
</tr>
</tbody>
</table>

Source: Created by the author after document analysis

When implementing projects, DEVCO puts in practice and develops new ways of delivering aid, such as budget support and through sectorial approaches. It is responsible for the proper management of funds and must use clear and transparent tendering and contracting procedures and it is also responsible for all the steps of an aid delivery project: after identifying needs, it carries out feasibility studies and prepares all the necessary financial decisions and controls. It then moves on to drawing up the required tendering, monitoring
and evaluation procedures\textsuperscript{25}. DEVCO often publishes these evaluations in its website, aiming to improve management, in particular by taking into account the lessons of past public actions and to reinforce capacity to account for, and to ensure, better transparency. Nevertheless, most of the preparatory and implementation work is done through the EU Delegations in the beneficiary countries. DEVCO consists of more than 45 units divided into nine directorates attached to the Director General. DG DEVCO’s works overall aim is to make external aid more effective.

\textsuperscript{25} Manuel de gestion financière pour les bénéficiaires de fonds Européens destinés aux actions extérieures, European Commission, 15 November 2010
Chapter 2. The Need for Development

The need for development was noticed way before the agreements were signed and after their signature a formal way of development has been created. It was clear that the first EU objective in the 50’s and 60’s was to expand trade, but afterwards there was like an obligation to help the third countries. Furthermore the creation of the European Union, not necessary being the first organism of its kind, inspired for the creation of similar ones like the African Union. The World Trade Organization (WTO) took the trade responsibility and the EU remained with the financial aid and the Millennium Goals. According to Article 177 of the Treaty Establishing the European Community the development cooperation policy has to strengthen: the gradual integration of the developing countries into the world economy, the sustainable socio-economic development of the disadvantaged countries and to reduce poverty.

2.1. African Union, a Parallel to European Union

Africa was counting billion inhabitants in 2010 which represent approximately 14% of the world population. But it occupies a small position in global economy with 1% direct foreign investment, 1% global gross domestic product (GDP) and approximately 2% of world trade. Europe has a population of 733 million people who represent 11% of the world's population. Whereas the European Union is only 502 million people from the total.

On the one hand Africa is home to the greatest number of least developed countries (LDCs). On the other hand, almost half Sub-Saharan population live below the international poverty threshold of US$1 per day per capita.

Is it possible to draw a parallel between the Europe of Regions and a possible Africa of Regions? It is not easy achieving the economic, social and territorial cohesion. African countries are obliged to regionally cooperate due to demography, climate, social and economic situation. The long-term purpose of regionalization is to strengthen regional development and competitiveness. Just like Europe, the political map of Africa is divided into six big regions.
Some of the internal objectives of the European Union are to promote economic, social and territorial cohesion and solidarity among Member States. The economic cohesion across Europe is under the current programming period 2007-2013. The social cohesion is a multidimensional phenomenon. The European Union made huge efforts for social cohesion.

The notion of social cohesion appears when the social policy is engaged in homogenizing the citizenship regimes like in Schengen area for example, but not only that. The Schengen enlargement was a challenge for the social and regional cohesion of the EU. Cases of child migration draw the attention of the wider public to severe problems of segregation, disintegration, exclusion and prejudices, particularly in the new member states.

Regional policy in the European Union is worth 347 billion EURO between 2007 and 2013. The money is targeted towards economic growth and creating jobs, by improving transport links to remote regions, boosting small and medium-sized enterprises in disadvantaged areas, investing in a cleaner environment and improving education and skills. It is not just about transferring wealth from well-off regions to poorer ones.

The common regional policy deals mainly with economic and territorial cohesion, whereas the common social policy tries to strengthen social cohesion. The member States of the European Union have as objectives the promotion of human rights, employment, improved living and working conditions etc. When all these are harmonized, proper social protection, dialogue between management and labour and the development of human resources may be implemented.

Making a parallel with the African countries, this cannot be implemented due to huge disparities between regions or countries into conflict. Nevertheless, other objectives may be put into practice like education or training policies. The collaboration between the African, Caribbean and Pacific countries through Cotonou Agreement made them trying to follow the Millennium Development Goals. In Africa social cohesion is a relatively concept due to the huge class differences.

29 A. Stein, Conflict and Cohesion, Conflict resolution review, 1976, pag. 142
The objectives of social progress and cohesion should ensure harmonization of social systems, but also from the procedures provided for in the Treaties and from the provisions laid down by law, regulation or administrative action. The measures taken by the European Union and the Member States to attain the social policy objectives must take account the diverse forms of national practices, trans-border relations, contractual relations, and the need to maintain the competitiveness of the European Union economy.\(^{30}\)

To accomplish social cohesion in the European Union minimum social standards are needed. The establishment of a framework of basic values guarantees social security conditions. Across Europe, territorial cohesion across is represented by:

- Local and regional authorities in the EU,
- The Committee of the Regions,
- EGTC (European Grouping of Territorial Cooperation).

There are other institutions or international organizations which fight for social and economic cohesion, like IMF, World Bank, WTO or OECD.\(^{31}\) World Trade Organization (WTO) for example promotes non-discriminatory trading policies. The World Health Organization (WHO) works in Africa regions, dealing with health issues. It is a specialized United Nations Agency and consists of the WHO Regional Committee for Africa, a Secretariat for the African region, three Inter-country Support Teams (ISTs) and WHO Country and Liaison Offices. The regional Committee for Africa is the Organization's governing body in the African Region. There are currently 46 African Member States in the region. The Regional Committee's main functions are formulating regional policies which directly or indirectly affect social and economic cohesion.\(^{32}\)

Regional development can only be sustainable if it respects the environment. EU regional policy contributes to sustainability technologies, sustainable transport, energy and infrastructure initiatives, as well as measures targeted at the nature protection. Ecotourism is becoming a big draw. All regions all over Europe or Africa will be increasingly confronted with the impacts of climate change, and new challenges in terms of energy provision and efficiency. These challenges will depend on the region. Cohesion policy can play an

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30 Article 151 of the Consolidated Version of the Treaty on the Functioning of the European Union, Official Journal of the European Union, 09.05.2008, pag. 75
32 http://www.afro.who.int/
important role in supporting efforts to adapt a region to future climate change. For example, over 9 billion EUR is used to support energy efficiency and renewable energies in the European Union. Some institutions use 100% of their activity renewable energy.

There are more types of trans-border cooperation followed in Europe, like: cross-border Cooperation, transnational Cooperation, interregional Cooperation or cooperation outside the European Union. Cross-border co-operation programmes are essentially in filling the inconsistencies or differences at the border level between two or more countries. It does so through agreed cross-border strategies. It deals with a wide range of issues, which include:

- Supporting links between urban and rural areas (train lines, buses),
- Encouraging investment and entrepreneurship (development of small or medium sized enterprises in tourism or culture),
- Cross-border trade,
- Improving joint management of natural resources,
- Developing joint use of infrastructure (schools, hypermarkets, universities, gas stops, train stations),
- Administrative, employment and working opportunities,
- Infrastructure (bridges),
- Services (common tariffs),
- Education (linking universities) etc.

The African Union was the first institution which promoted the socio-economic integration of all countries and people of Africa. As in the case of the European Union, the African Union is based on the united African countries and on the need to build cohesion and collaboration.

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33 Between 2007 and 2013, the total amount of Structural and Cohesion Funds allocated to environmental programmes has doubled since the previous period to around €100 billion – 30% of the total.
34 http://ec.europa.eu/regional_policy/archive/themes/environment/index_en.htm
36 The African Union is based In Addis Ababa, Ethiopia, P. O. Box 3243, Telephone 517 700, Fax: 517844
The purpose of a regional policy is to reduce the significant economic, social and territorial disparities that still exist between regions, but these disparities include the bordering area as well, therefore in the European Union, a Neighbouring Policy was created.

The regional policy means the expression of solidarity with the less-favoured countries and regions, bringing out the best in every region and making all regions more competitive. A partnership between governments and all segments of civil society would be needed for that.

The African Union focuses on the promotion of peace, security and stability and is looking to develop a border region co-operation programme similar to INTERREG for African Union Member States. But in the same time it is looking after the most exposed groups of the society are in particular women, youth and the private sector. The areas supported by INTERREG are innovation and the knowledge economy, environment and risk prevention. Thus, the programme aims to contribute to the economic modernization and competitiveness in a globalization framework.

African Union has expressed a particular interest as well in the European Grouping of Territorial Co-operation concept, and how a similar instrument could potentially be developed for Africa. The impact of globalization and increased trade liberalization made the African Union willing to a better cooperation between the countries, despite the political difficulties.

The importance of education for the capacity of a region to profit of opportunities is huge. A solution was found of separate trainings. Another possibility is to support certain declining industries to ensure the preservation of activities and know-how. The vulnerable sectors, according to the international trade, are those related to basic needs products. The impact of trade on economic growth is not manifested only at the national level, but at the regional and interregional level, and as the latest crisis showed, at globalised level.

In 1963 the Organization of African Unity (OAU) was created to fight for the African territories under colonialism and apartheid. The African Union consists now in 54 African states. With the adoption of the Constitutive Act and the Vision of the African Union (AU),

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37 The Impact of globalization and increased trade liberalisation on European region, Study for DG Regio, Final report, Politecnico di Milano, December 2008, pag. 6
the African leaders set the path towards Africa’s integration and sustainable development on the 9th of July 2002 and created the African Union\textsuperscript{38}.

The African Union Commission (AUC) developed its first Strategic Plan which covered the period 2004 - 2007. That Plan was both a major instrument and a roadmap that served as a basis for the formulation and implementation of the various programmes, projects and activities of the Commission. Taking into account AUC’s comparative advantage, the lessons learnt from implementation and evaluation of the Strategic Plan 2004-2007, and an assessment of the operating environment including the expectations of AU stakeholders, the present Plan defines the priorities for the period 2009-2012 and spells out the human and financial resources required to manage them.

This Strategic Plan was created during a period of global economic and financial markets instability. Taking into account the changing realities in the global economy it should respond more effectively to the challenges of poverty in Africa. An all-inclusive reform of the global financial and socio-economic systems is necessary. Africa also needs to map for the stakeholders of the African Union. The successful implementation of this Strategic Plan is linked primarily to the principles of subsidiarity and complementarily. The role of the AU Commission will, therefore, be that of coordination and monitoring.

The signing of the Cotonou Partnership Agreement in 2000 helped the collaboration between the African Union and the European Union. With the agreement, the Millennium Goals were introduced. Since the commitment to achieve the goals, all governments are committed to their achievement.

Economic and social cohesion go beyond national states to global level. The Organization for Economic Co-operation and Development (OECD) focuses on “Better policies for better lives”, developing policy dialogue activities at the regional level to foster the exchange of national experiences. The recent protests in the world suggest that a development model primarily focusing on growth and poverty reduction, risk to fail if it lacks social cohesion, wider participation and a minimum sharing of common goals. Rapid growth in Africa has is also associated with vulnerability and high social and economic discrepancies, putting social cohesion under threat\textsuperscript{39}.

\textsuperscript{38}http://www.africa-union.org/root/au/aboutau/au_in_a_nutshell_en.htm
\textsuperscript{39}http://www.oecd.org/home/0,2987,en_2649_201185_1_1_1_1_1_00.html
The European Commission (EC) and the African Union Commission (AUC) agreed on a European Union / Africa Strategic Partnership during the EU/ AU Summit in Lisbon in December 2007. Eight thematic partnerships were identified, the 8th of these being the partnership for Science, ICT, and Space. The projects have been identified and developed by the African Union Commission on the basis of Africa's development priorities and challenges. They are consistent with Africa's Science and Technology Consolidated Plan of Action developed by the AUC and the New Partnership for Africa’s Development (NEPAD) and published in 2005⁴⁰.

Similar European regional cooperation programmes may be introduced in the African Union as well. The sectorial structure is not sufficient to explain regional development, even though sectors do have an influence on regions' potentials. In support to economic and social cohesion, the following points may be underlined:

- The need of a regional policy,
- Monitoring of the developing programmes, in order to prologue their positive impact on the region,
- The need to enhance region's capacities of attracting investments,
- Investments in knowledge transfer, education,
- Development of more technological innovation,
- The education is vital for the capacity of a region to profit of opportunities (vocational training can support short-term development),
- A high level of education seems supportive to increasing the capacity of regions to adapt,
- The need to maintain territorial capital in regions in decline, including through public intervention⁴¹.

The European Union is working closely with the ACP (African, Caribbean and Pacific states) through the budget of the European Union, but mostly with the European Development Fund

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⁴⁰ [http://europafrica.net/2007/05/20/lisbon-summit/](http://europafrica.net/2007/05/20/lisbon-summit/)

⁴¹ The Impact of globalization and increased trade liberalisation on European region, Study for DG Regio, Final report, Politecnico di Milano, December 2008, pag. 32
in order to transfer the know-how and to help the collaboration between the states. Unfortunately the assets of the regions (nature or natural resources) make them fragile at the same time.

Accordingly with the Cotonou Agreement, the primary objective of the European Union for the period 2007-2013, in the collaboration with ACP states is the eradication of poverty, inequity and social imbalances. Better social cohesion needs to be achieved by reducing unemployment. Income generation and building up social security should be included as well.

In May 2004, realizing that the lack of authority, corruption and human rights abuses maintain conflicts, the African Union Commission built a vision for Africa. This vision, in order to be constructive was adapted into 7 missions related to 42:

- Conflicts in Africa;

The current political situation in Africa since the independence in several countries is branded by instability, fighting for power or undermining democratically elected Governments. Unfortunately Africa experienced almost 100 “coups d’État” in the 80s and 90s. Nowadays it portraits the image of a continent full with violence and with the highest number of refugees. At the source of conflicts are economic, social and religious differences. Africa has more than 40 years of inter-State or intra-State conflicts.

- The New Partnership for Africa’s Development (NEPAD);

The New Partnership for Africa's Development (NEPAD) is a programme of the African Union (AU) 43. NEPAD presents new priorities to the political and socio-economic transformation of Africa. NEPAD's objective is to enhance Africa's growth, development and participation in the global economy by focusing on sectorial priorities like: the infrastructure gap, the human resources development, agriculture, environment, culture. The partnership mentions that the conditions for sustainable development are: peace, security, democracy, political and economic initiative.

43 adopted in Lusaka, Zambia in 2001
• Progress of African Union;

The African Union develops more and more since its creation in 2002. The transformation from the Inter-Governmental Cooperation Organization to African Union needed time and the creation of some administrative and political bodies like the Executive Council, made up of foreign ministers, which prepares decisions for the Assembly; the Permanent Representatives Committee, made up of the ambassadors to Addis Ababa of AU member states; and the Economic, Social, and Cultural Council (ECOSOCC), a civil society consultative body.

Among the objectives of the AU institutions are: to accelerate the political and socio-economic integration, to promote and defend African common positions, to achieve peace and security in Africa and to promote democratic institutions, good governance and human rights.

• Peace and security management;

Africa is on the move, it is no longer sure of attaining the social and economic objectives it has set for itself of the “Millennium Declaration” adopted by the United Nations in September 2000. According to UNECA, Africa has to double its economic growth rates to at least 7% a year, if it is to attain the objective of halving extreme poverty in the Continent by the year 2015.

• Regional Economic Communities (RECs), inter-Governmental Organizations (IGOs) and other specialized Institutions.

International consciousness of the situation in Africa has significantly helped the countries to sustain their development. The birth of the African Union (AU) and NEPAD, the reinforced role of Africa’s Regional Economic Communities (RECs) and the appearance of a new generation of leaders. It is also changing the relationship between Africa and Europe44.

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African Union States


Source: http://www.africa-union.org

2.2. Country Strategy Papers as a Tool

The country strategy papers and the National Indicative Programmes help to identify and to react punctually and specifically on the focus points within the 2008-2013 financial framework. The Governments of the countries signing the Cotonou Partnership Agreement and the European Commission represented by the Heads of Delegations held discussions after the Revision of the Cotonou Agreement with a view to determine the general orientations for co-operation for the period 2008-2013.

The Country Strategy Papers and the National Indicative Programmes were drawn in accordance with the Annex IV to the ACP-EC Partnership Agreement signed in Cotonou which stipulates the Implementation and Management Procedures. Article 1 says that programming means\(^{45}\):

- a) The preparation and development of a Country Support Strategy (CSS)\(^{46}\) based on the country's own medium-term development objectives and strategies (by the Government of the country);

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\(^{45}\) Cotonou Partnership Agreement, Annex IV, Chapter I, Article 1, 2005, p. 18

\(^{46}\) Called as well Country Strategy Paper
b) an indication from the European Union of the indicative financial allocation from which the country may benefit during the five year period as well as any other relevant information;

c) The preparation and adoption of an indicative programme for implementing the Country Strategy Paper (CSS);

d) a review process covering the CSS, the indicative programme and the volume of resources allocated to it in the national indicative programme.

Therefore first there is the identification of the needs, objectives and strategies by the country, and then its Government has to build the Country Support Strategy. The needs shall be assessed on the basis of criteria per capita. All the indicators like income, social indicators, level of indebtedness, export earning losses and dependence on export earnings, in particular in the sectors of agriculture and mining should be reported to the population size. Special treatment shall be accorded to vulnerable and the least developed ACP States.

After that, the EU (in this case the negotiations were held in 2006-2007) gives an indicative financial allocation for the following financial framework (at the moment 2008-2013). The performance shall be assessed in objective following parameters\(^{47}\): progress in implementing institutional reforms, country performance in the use of resources, effective implementation of current operations, poverty alleviation or reduction, sustainable development measures and macroeconomic and sectorial policy performance.

The indicative amount shall facilitate the long term programming aid for the country concerned. A starting point should be the uncommitted balances of resources allocated to the country under previous EDF (see chapter 3) and budget resources.

When the structure is ready, an indicative programme should be created in order to implement the CSS. Each ACP State shall draw up and give in to the European Commission an indicative programme on the basis of and consistent with its development objectives and priorities as expressed in the CSS. According to the Article 4 the draft indicative programme shall contain:

- the focal sectors or areas on which support should be concentrated,

\(^{47}\) Cotonou Partnership Agreement, Annex IV, Chapter I, Article 3, 2005, p. 18
- appropriate measures and operations for attaining the objectives and targets in the focal sectors or areas,

- the resources reserved for programmes and projects outside the focal sectors, and an indication of the resources to be deployed for each of these elements,

- the types of non-State actors eligible for funding, in accordance with the criteria laid down by the Council of Ministers,

- the resources allocated for non-State actors and the type of activities to be supported, which must be not-profit,

- proposals for regional programmes and projects,

- a reserve for insurance against possible claims and to cover cost increases and contingencies,

- the resources reserved to reinforce human, material and institutional ACP capacity for preparing and implementing national and regional indicative programmes and for improving the management of the ACP States’ public investment projects cycle,

- specific and clearly identified operations,

- a timetable for implementation and review of the indicative programme, including commitments and disbursements of resources; and

- the parameters and criteria for the reviews48.

In the end a review process should be put in place to be sure that the information synchronizes. Financial cooperation should ensure that operations are kept in line with the objectives of the Agreement and to the priorities and objectives of the ACP State concerned.

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48 The CSS and the indicative programme must be part of a continuous process leading to the adoption of a single document. When an ACP State faces a crisis situation as the result of a war or other conflict the Commission may itself manage the resources allocated to the State in question in accordance with Article 3 and use it for special support. Special support may concern peace building policies, policies, conflict management and resolution, post-conflict support, including institution-building, economic and social development activities, taking particular account of the needs of the most vulnerable sections of the population.
The Country support strategy or the Country Strategy Paper shall be prepared by the ACP State adapted to the needs and respond to the specific circumstances concerned of each ACP State. The CSS shall be an instrument to priorities activities and should include:

- analysis of the political capacities,
- economic and social country context, constraints,
- capacities and prospects including an assessment of basic needs,
- population size and social indicators, vulnerability,
- country’s medium-term development strategy,
- priorities and expected financing requirements,
- plans and actions of other donors present in the country,
- in particular including those of the EU Member States in their capacity as bilateral donors,
- response strategies, detailing the specific contribution the EU can provide,
- Nature and scope of the most appropriate support mechanisms to be applied in implementing the strategies.

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49 Cotonou Partnership Agreement, Annex IV, Chapter I, Article 2, 2005, p. 18
50 such as income per capita
51 in particular including those of the EU Member States in their capacity as bilateral donors in order to analyze double financing.
2.2.1. Country Profile: Lesotho

Kingdom of Lesotho is a small, landlocked country surrounded by South Africa. The capital is Maseru with 220,000 inhabitants. The country is divided into 10 districts: Berea, Butha-Buthe, Leribe, Mafeteng, Maseru, Mohale’s Hoek, Mokhotlong, Qacha’s Nek, Quthing and Thaba-Tseka. It has an area of 30,355 square km and 909 km border with South Africa. The climate is temperate, cool to cold, dry winters and hot summers.

The geography consists mostly in highlands, hills and mountains. The lowest point is junction of the Orange and Makhaleng Rivers at 1,400 meters high and the highest point is Thabana Ntlenyana 3,482 meters altitude. More than 80% of the country is 1,800 m above sea level\(^2\). (See map of Lesotho in Annex II)

The natural resources of Lesotho are: water, agricultural land, diamonds, sand, clay and building stone. As natural hazards, there are periodic droughts and being a mountains area, the population is forced to settle in marginal areas. Highlands Water Project controls, stores, and redirects water to South Africa. Contrasting the variety of ethnic groups in South Africa, the ethnic groups in Lesotho are: Sotho 99.7%, Europeans, Asians, and other 0.3% and the languages they speak are: Sesotho and English as official languages, Zulu and Xhosa. There are 80% Christian and 20% have indigenous beliefs\(^3\).

The population counted 1,924,886 people in July 2011. The migration is -8.42 migrants/1,000 population, which means that there is a huge brain drain and migrating labour force. The population growth is 0.33, nevertheless there is an excess mortality due to AIDS. This can result in lower life expectancy, higher infant mortality, higher death rates, lower population growth rates, and changes in the distribution of population by age and sex than would otherwise be expected. The median age is almost 30 years and the population is distributed as in the chart below.

\(^2\) Lesotho, Mountain Kingdom, Lesotho Tourism Development Corporation, Lesotho,
\(^3\) https://www.cia.gov/library/publications/the-world-factbook/geos/lt.html
Lesotho took its independence from the UK on the 4th of October 1966. Since 1996, the head of state is King Letsie III, who formerly occupied the throne from November 1990 to February 1995 while his father was in exile. Constitutional government was restored in 1993 after seven years of military rule. The next elections are going to be held in 2012.

There is a bicameral Parliament consisting of the Senate (33 members - 22 principal chiefs and 11 other members appointed by the ruling party) and the Assembly (120 seats, 80 by popular vote and 40 by proportional vote, members elected by popular vote to serve five-year terms). In 1998, violent protests and a military rebellion followed a bloody intervention by South African and Botswana military forces. The head of government is Prime Minister Pakalitha Mosisili since 23 May 1998. The monarchy is hereditary.

There are a few issues that should be included in the national indicative programme like drinking water, fighting against poverty, fighting AIDS etc. The drinking water sources are improved as in the chart below. The HIV/AIDS - adult prevalence rate was 23.6% in 2009, being on the thirst place in the world as number of infected people. There were 290000

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people living with HIV/AIDS and approximately 14,000 deaths in 2009 in Lesotho. Another issue is the infrastructure. Out of the total of 7100 km of road, only 1500 are paved.

Fig. 4

![Drinking water sources in 2010](source: Adapted by the author after https://www.cia.gov/library/publications/the-world-factbook/geos/lt.html)

Lesotho's military policy is maintenance of its independent sovereignty and preservation of internal security. The external security is guaranteed by South Africa; restructuring of the Lesotho Defence Force (LDF) and Ministry of Defence and Public Service. Lesotho Defence Force (LDF) includes 270,184 men fit for military service and 275,734 females between 16 and 49 years old. The legal system is the mixed legal system of English common law and Dutch law, who previously occupied the country.

Lesotho’s economy is not one of the strongest. In 2008 the labour force was formed of 854,600 people, but unemployment rate was around 40%. From the people working 86% of the population was working in agriculture, producing corn, wheat, and the others in industry and services, like food, beverages, textiles, apparel assembly, handicrafts, construction, tourism. Around 35% of the active males were working in South Africa. Lesotho’s economic growth declined as the global economy.

Lesotho is strongly depending on South Africa, but as well on the European Union, USA and other countries. The damage caused by the financial crisis may last for a while. Lesotho relies on customs duties from the Southern Africa Customs Union (SACU), and export revenue for the majority of government revenue. Lesotho produces about 90% of its own electrical power needs through the hydroelectric. Despite Lesotho being so tied to its neighbour South Africa,

the US is an important trade partner because of the export sector's heavy dependence on apparel exports. The extreme inequality in the distribution of income remains a major drawback as in most of the LDCs.

The Government has taken measures, to reduce its current expenditure, which includes a freeze on government jobs and to reduce its budget deficit, but it has maintained infrastructure development as a priority. The country is not attracting investments and trade competitiveness. The mining and construction expended. Government is focusing on infrastructure development. In 2011 some mining activities, reopened, which previously were shut down due to the crisis. The development of manufacturing, services and the export of water resources are a priority. The textiles sector is now the largest employer in the manufacturing sector, being in competition with the Asian suppliers (See Table below).

Fig. 5 Exports and imports in Lesotho in 2011

<table>
<thead>
<tr>
<th>Exports from Lesotho</th>
<th>Imports in Lesotho</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufactures 75%</td>
<td>US 58.4%,</td>
</tr>
<tr>
<td>(clothing, footwear,</td>
<td>Belgium 34%,</td>
</tr>
<tr>
<td>road vehicles), wool</td>
<td>Canada 3.7%</td>
</tr>
<tr>
<td>and mohair, food</td>
<td>(2010)</td>
</tr>
<tr>
<td>and live animals</td>
<td>South Korea 6.9%,</td>
</tr>
<tr>
<td></td>
<td>China 23.1%,</td>
</tr>
<tr>
<td></td>
<td>Taiwan 22.1%,</td>
</tr>
<tr>
<td></td>
<td>Hong Kong 6.6%,</td>
</tr>
<tr>
<td></td>
<td>US 4.4% (2010)</td>
</tr>
<tr>
<td></td>
<td>Food; building</td>
</tr>
<tr>
<td></td>
<td>materials,</td>
</tr>
<tr>
<td></td>
<td>vehicles, machinery,</td>
</tr>
<tr>
<td></td>
<td>medicines, petroleum</td>
</tr>
<tr>
<td></td>
<td>products</td>
</tr>
</tbody>
</table>


Unfortunately, in 2000 there were a huge percentage of people living below poverty line, almost 50%. The budget deficit was -13.7% of GDP in 2011. The inflation rate was 7.2% in 2011 and 3.6% in 2010. Nevertheless the industrial production growth rate was 3% in 2010. (See GDP evolution in the chart below)
2.2.2. Country Profile: South Africa

“If there are dreams about a beautiful South Africa, there are also roads that lead to their goal. Two of these roads could be named Goodness and Forgiveness.” (Nelson Mandela)

South Africa is situated at the most southern point of Africa Continent with the administrative capital in Pretoria, the legislative capital in Cape Town and the judicial capital in Bloemfontein (see map in Annex II). It is divided in 9 provinces: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North-West and Western Cape.

It was discovered by Dutch traders in 1652 and established a visit point in Cape Town on the spice route between the Netherlands and the Far East. The British confiscated the Cape of
Good Hope area in 1806, many of the Dutch settlers went north to found their own republics. In 1867 diamonds were discovered in South Africa and gold in 1886, which changed completely the wealth and immigration of the country. The Boers were overpowered by the British in the Boer War (1899-1902), nevertheless, the British and the Afrikaners ruled together beginning in 1910 under the Union of South Africa.

Fig. 7: South Africa languages

![Diagram showing the percentage distribution of languages in South Africa](image)


The case of South Africa is a particular one. In 1948, the National Party was voted into power and instituted a policy of apartheid. The apartheid means the separate of races, which favoured the white minority at the expense of the black majority. South Africa became a republic on the 31st of May 1961 after a whites-only referendum. The opposition, such as Nelson Mandela spent many years in prisons. The first multi-racial elections were held in 1994 and brought an end to apartheid.

South Africa is situated at the Southern Africa, at the southern tip of the continent of Africa also includes Prince Edward Islands (Marion Island and Prince Edward Island). It occupies a total of 1,219,090 sq km with a population of 49 million people. The total land boundaries are 4,862 km and the neighbours are: Botswana 1,840 km, Lesotho 909 km, Mozambique 491 km, Namibia 967 km, Swaziland 430 km, Zimbabwe 225 km, while the coastline counts 2,798 km. The climate is semiarid, subtropical along east coast with sunny days and cool nights.
The lowest point is ocean level and the highest is Njesuthi Mountain of 3408 m high. The natural resources are gold, chromium, antimony, coal, iron ore, manganese, nickel, phosphates, tin, rare earth elements, uranium, gem diamonds, platinum, copper, vanadium, salt, natural gas. Regarding the environment, there is a lack of important rivers or lakes. This is why Lesotho has a crucial importance for South Africa. South Africa completely surrounds Lesotho and almost completely surrounds Swaziland.

![Population distribution in South Africa in 2011](image)


In comparison with Lesotho, South Africa has more ethnic groups and an important white minority: black African 79%, white 9.6%, coloured 8.9%, Indian/Asian 2.5%. The languages they speak are presented in the chart below, and the religions vary accordingly. Unfortunately, as in Lesotho, there is an excess mortality due to AIDS. The adult prevalence rate in 2009 was 17.8% and there are more than 5 million people, being on the first place in the world. The major infectious diseases are food or waterborne diseases: bacterial diarrhea, hepatitis A, and typhoid fever. Unemployment reaches 48.2% of the active population. There is a decrease in the population due to AIDS and the median age is 25 years old.

Another issue is the transport of drugs like heroin, hashish, and cocaine. South Africa is known as well as a major cultivator of marijuana in its own right world's largest market for illicit methaqualone, usually imported illegally from India.

Both South Africa and Lesotho are part of the SADC, one of the 5 Economic Partnership Agreement Groups of Africa. Together with the country strategy papers and indicative programmes, the Economic Partnership Agreement groups are signing as well a Regional

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African Caribbean Pacific and European Union Collaboration on Trans-border Policies

Strategy paper and a Regional Indicative Programme putting in practice a Regional Indicative Strategic Development Programme (RISDP). The RISDP takes into consideration the region profile, the international parameters, the African Union policies, NEPAD, WTO, Cotonou Agreement and the Millennium Goals.

Fig. 9: Exports and imports in South Africa in 2011

<table>
<thead>
<tr>
<th>Imports partners</th>
<th>Imports - commodities</th>
</tr>
</thead>
<tbody>
<tr>
<td>China 13.4%, Germany 11.2%, US 7%, Saudi Arabia 5.3%, Japan 4.7%, Iran 4.3%, UK 4.3% (2010)</td>
<td>machinery and equipment, chemicals, petroleum products, scientific instruments, foodstuffs</td>
</tr>
</tbody>
</table>


In 2011 South Africa had 17.67 million people economically active in agriculture: 9%, in industry: 26% and in services: 65%, but unemployment rate was 23.9% and people below poverty line was 50%. South Africa has a plentiful supply of natural resources, a well-developed financial, legal, communications, energy, and transport networks. The modern infrastructure supports the urban areas. Overwhelming economic problems remain from the apartheid era, such as poverty, disadvantaged groups, and a scarcity of public transportation. Along with the financial crisis South Africa is facing increasing to increase job growth. In 2011, the budget registered deficit of -5.2% of GDP.

2.3. Western and Central Africa

ECOWAS is representing the West Africa Economic Partnership Group. The member countries are: Benin, Burkina Faso, Cape Verde, Ivory Coast, Togo, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Niger, Nigeria, Senegal, Sierra Leone, Mali and Mauritania.

The Economic Community of West African States (ECOWAS) is a regional group of sixteen countries, founded in the same period of time as the ACP group formation. The treaty establishing the Economic Community of West African States was signed in Lagos on 28 May, 1975. Its goals are to support economic integration in economic activities, such as industry, transport, telecommunications, energy, agriculture, natural resources, trade, social and cultural issues.

The ECOWAS institutions are:
- ECOWAS Commission, designed to implement policies,
- ECOWAS Parliament,
- ECOWAS Court OF Justice, and
- ECOWAS Bank for Investment and Development (EBID), designed to follow programmes and carry out development projects.

According to the Article 4 of the ECOWAS founding treaty, its fundamental principles are the following:

a) Equality and inter-dependence of Member States,
b) Solidarity,
c) Inter-State co-operation, harmonization of policies and integration of programmes,
d) Non-aggression between Member States,
e) Maintenance of regional peace, stability and security,
f) Peaceful settlement of disputes among Member States, active Co-operation between neighbor countries and promotion of a peaceful environment as a prerequisite for economic development,
g) recognition promotion and protection of human rights in accordance with the provisions of the African Charter on Human and Peoples’ Rights,
h) Accountability, economic and social justice and popular participation in development,
i) Recognition and observance of the rules and principles of the Community,
j) Promotion and consolidation of a democratic system of governance in each Member State as envisaged by the Declaration of Political Principles adopted in Abuja on 6 July, 1991, and
k) equitable and just distribution of the costs and benefits of economic co-operation and integration.

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58 Treaty establishing the Economic Community of West African States, Lagos, 1975, Article 4
Benin is a country with poor human development where poverty is the major cause of population disparities. It had a weak growth in 2010 with impact on the Achievement of Millennium Development Goals. During the past years, Benin established new partnership agreement with India, Saudi Arabia, Kuwait and China. The partnership with China is the biggest in term of volume of trade and numbers of sectors of activity. Therefore European Union’s projects have to continuously check the double financing for its projects\(^{59}\).

For Burkina Faso the macroeconomic indicators have improved lately, but as in the case of most African States, poverty remains a concern. In any case, rising prices for cotton should consolidate the country’s international position and its economy for the next years. The largest trade partners are China, Thailand and Brazil. Several hundred thousand workers migrate every year to Côte d'Ivoire and Ghana in search of jobs\(^{60}\).

Cape Verde faces more economic and social challenges due to the lack of diversification and its economic structure. Support and financial ties are still dominated by the EU. Cape Verde is negotiating innovative business agreements including services, favourable rules of origin and quotas for fish exports. Co-operation with Brazil is in the fields of education and capacity building. Exchanges with China are linked to the construction of infrastructure. Cape Verde is reinforcing its relationship with the Economic Community of West African States (ECOWAS). Since 2010 it has been hosting the West African Institute (WEA) and the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE). Progress on poverty reduction is still being made, despite significant cant setbacks due to the 2008-2009 economic downturns\(^{61}\).

Ivory Coast is still an important member of the West African Economic and Monetary Union (WAEMU) despite its political problems from 2010 and blocked economic activity. It opens the gate towards China and other trade partners from Asia. The European Union has approximate 400 million euro of ongoing funding being delivered in the Ivory Coast during the financial framework 2008-2013. This supports the country in areas like debt relief, governance, agriculture and the justice sector with projects linked to: transport, professional training, health, financial and institutional support and the civil society, especially women.


\(^{60}\) http://ro.wikipedia.org/wiki/Burkina_Faso

and young people's groups. In particular the EU is supporting the upcoming elections to the
tune of €11 million through the Instrument for Stability⁶².

Gambia’s economy slowed down in 2010, but it is recovering. It is a country based on
agriculture where the World Bank, the International Monetary Fund and the African
Development Bank have crucial roles. China is the most important business partner as well,
but Kuwait and Venezuela’s importance increase⁶³.

Ghana is the third largest producer of cocoa in the world. Ghana and China signed an
economic agreement with China in 2009. India is as well one of the top five foreign direct
investors in Ghana. In 2010 Indian investments in Ghana included over 46 projects with an
estimated total value of USD 277 million. Furthermore, Ghana and India work together
within the health and agriculture sectors⁶⁴.

Guinea is a poor, fragile country, despite its economic potential. During the past years it has
experienced severe socio-political instability. The first free elections in Guinea were held on
27 June 2010. Apart from its traditional partners, Guinea relies upon the aid and presence of
emerging partners such as China, Russia, Saudi Arabia and Iran. The partnership with China
was established soon after Guinea gained its independence. China became Guinea's second
most important trade partner, after France, in 2003. Their relationship involves trade,
investment, aid and international affairs. It was the first sub-Saharan African country to
establish diplomatic relations with China, on 4 October 1959⁶⁵.

Guinea-Bissau is a member of the African Union, Economic Community of West African
States, Organisation of Islamic Cooperation and others. The country's per-capita gross
domestic product is one of the lowest in the world. Its economic partners are China, Brazil
and India. China has been involved in the country mainly through bilateral co-operation and
large infrastructure projects⁶⁶.

⁶² http://ec.europa.eu/europeaid/where/acp/country-cooperation/cote-d-ivoire/cote-d-ivoire_en.htm
⁶³ African Economic Outlook 2011, Special theme: Africa and its Emerging Partners, African Development
Bank, Organization for Economic Co-operation and Development, United Nations Development Programme,
⁶⁴ http://en.wikipedia.org/wiki/Ghana
⁶⁵ African Economic Outlook 2011, Special theme: Africa and its Emerging Partners, African Development
Bank, Organization for Economic Co-operation and Development, United Nations Development Programme,
⁶⁶ http://en.wikipedia.org/wiki/Guinea-Bissau
Liberia has to make the transition from a post conflict country to a sustainable development. The European Commission maintained representation in the country throughout the 14 year civil war, which ended in 2003 with the signing of the Comprehensive Peace Agreement. Today, the European Union remains an active and significant supporter. China provides about USD 20 million annually\(^67\).

Niger’s imports from the EU reached almost 29 %. Real gross domestic product (GDP) growth in 2010 was estimated at 5.5%. In 2012 production starts at the Imouraren uranium mine, the biggest in Africa. Inflation has been kept under control in Niger. Niger has long maintained diplomatic relations with the emerging powers and in particular with China, Iran and Pakistan\(^68\).

Nigeria is making progress with economic. Real GDP growth rose from 7.0% in 2009 to an estimated 8.1% in 2010. China-Nigeria relations date back to 1972. Nigeria’s other significant emerging economic relations are with Brazil. Nigeria is a major supplier of petroleum to Brazil\(^69\).

Senegal is a politically stable country, with a pluralist, presidential system. Though Senegal is one of the worlds’s least developed countries, with more than 50% of the population living below the poverty line, the main macroeconomic indicators point to generally healthy economy.

Sierra Leone has been affected long civil war, which destroyed the economy, caused the collapse of public services, destroyed the country’s infrastructure and incapacitated government institutions. Since the end of the armed conflict, the humanitarian situation in Sierra Leone has progressively improved. However, Sierra Leone remains one of the poorest countries in the world, where income inequality is relatively high. 70% of the population lives below the poverty line and 26% in extreme poverty\(^70\).


\(^70\) http://ec.europa.eu/europeaid/where/acp/country-cooperation/sierra-leone/sierraleone_en.htm
Mali’s emerging partners are China, India, Russia, Brazil, Venezuela, the United Arab Emirates, Pakistan, Turkey, Malaysia, South Korea and Indonesia. China is the biggest and is involved in nearly all aspects of the country’s economic, social and cultural life. Venezuela, Brazil, India, Russia, Malaysia and Libya have increased their trade and economic ties in recent years, especially in agro-industry, chemicals and construction. The post-election crisis in Côte d’Ivoire that began in December 2010 slowed Mali’s economy. The government is implementing the anti-poverty programme with the help of the Strategic Framework for Growth and Poverty Reduction (SFGPR)\textsuperscript{71}.

Mauritania is an ACP member state and has, since 2007, acceded to Euro-Med partnership (Union for the Mediterranean). Mauritania is member of the UMA (Maghreb Union) and became Member of the League of Arab States in 1973.

The country has undergone major social changes since independence in 1960, including moving from a predominantly nomadic population to one that is more settled. Mauritania’s economy relies heavily on exports of its iron ore and offshore oil reserves, although exploitation of oil has been hampered by technical difficulties and remains much lower than expected.

Most of the population still relies on a subsistence lifestyle and past economic mismanagement has induced relatively high levels of government debt. Following intense mediation efforts led by Senegal and the African Union a consensual agreement was signed on the 4th of June 2009\textsuperscript{72}. Togo is a low revenue country. It counts on the support and financial aid of EU in order to achieve its development goals. China and India play an important role in the country’s development.


\textsuperscript{72} http://ec.europa.eu/europeaid/where/acp/country-cooperation/mauritania/mauritania_en.htm
Fig. 10: Sectors of intervention of the Regional Indicative Programme for ECOWAS

| Regional integration and trade support | • The construction and consolidation of the ECOWAS and WAEMU Customs Union,  
| | • The elimination of barriers to the movement of goods within the common market,  
| | • The creation of the common market (progressive elimination of barriers to free movement of persons, services and capital),  
| | • The strengthening of economic stability by improving the convergence of macroeconomic policies,  
| | • Strengthening the institutional framework and the coordination mechanism of the WAEMU and ECOWAS,  
| | • Strengthening the involvement of communities and economic actors in the integration process,  
| | • Increasing the diversity and competitiveness of private sector,  
| | • The preparation of multilateral negotiations under the EPAs and the WTO,  
| | • The preparation of the implementation of agreements and conventions. |

| The facilitation of transport | • Removing barriers to the use of infrastructure,  
| | • Improving the maintenance of regional infrastructure priorities and the harmonization of technical standards and safety rules,  
| | • The completion and / or rehabilitation of priority regional physical infrastructure. |

| Non-focal Sectors | • Conflict prevention,  
| | • Good governance,  
| | • Human development,  
| | • Food security,  
| | • Promoting cooperation and cultural exchanges. |

Source: RIP for ECOWAS and Alassane D. Ouattara, Deputy Managing Director, International Monetary Fund, The West African Economic and Monetary Union (WAEMU), Facing the Challenges of the Future at the Meeting of the External Relations Branch of the Conseil Economique et Social, France, June 30, 1998

**CEMAC, Sao Tome and Principe and Democratic Republic of Congo or ECCAS** are representing the central Economic Partnership group. The member countries are: Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea, Gabon and Sao Tome and Principe.

Cameroon now enjoys growth and the country's GDP accounts for half that of the Central African Economic and Monetary Community (CEMAC), giving it an important place in the regional economy.

Central African Republic is a country where the priorities remain to improve governance and human development. It is still relying on the European Union and the other partners. China,
and more recently in 2010 India, are increasing the number of trade initiatives to develop economic partnerships with the Central African Republic.

Chad’s economic partnerships are mostly with China and India and focus on areas of the economy neglected by traditional partners as the European Union (EU), the United States and Japan. India has a long-term continental strategy and also seeks a market for its products. Though Chad produces oil, there are not so many foreign investments to take advantage of this business opportunity.

Republic of Congo’s (Congo Brazzaville) economy is mainly based on oil, agriculture and handicrafts. It is still a fragile country; even since a couple of years ago the country is politically relatively stable. Transport and social infrastructure is destroyed, which makes economic and social development even more difficult. The Government largely is basing on oil revenues in order to sustain the public expenditure, but the political institutions are still weak. The Delegation of the European Union (EC) in the Republic of Congo was based in Brazzaville since 1960 without interruption.

Equatorial Guinea is a country where 70% of the population lives under poverty line. Equatorial Guinea’s economy growth peak was in 2004, when real GDP growth peaked at 38%. The year 2010 experienced one of the lowest growth rates. However, the country remains relatively closed. Equatorial Guinea’s main emerging partner is China. There is a small presence of Chinese Taipei, Cuba, Argentina, Brazil and Russia.

Gabon is one of the world’s poorest countries. It has an uncompetitive economy not well integrated into global economy. However it has political and macroeconomic stability.

Sao Tome and Principe is one of the leased developed counties (LDC), with a per capita GDP among the lowest in the world. Cocoa represents almost 80% of agriculture. The economy is dependent on agriculture exports. On the positive side, the country is politically stable.

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As a conclusion after analysing the countries of ECOWAS and CEMAC, not only that most of them are under developed, but, even if the EU is supporting them, the major investor and trade partner is China. Nevertheless, the EU will continue with its programmes of development trying to extend its Millennium Development Goals agenda to other countries and international organisations.

2.4. Northern Africa

The geographical division of Northern Africa is composed of: Algeria, Egypt, Libya, Morocco, South Sudan, Sudan, Tunisia, and Western Sahara. With an area of 7.9 million square kilometres and a population of 195 million people it has the highest density of the African Regions. Among these countries Sudan is the only one signing the Cotonou Agreement. The others are cooperating among themselves and with the European Union through other Conventions or the Neighbouring Policy for example.

The distinction between Northern Africa and the rest of Africa is historically and ecologically significant because of the barrier created by the Sahara. The cultures of North Africa are more closely tied to South Western Asia and Europe than Sub-Saharan Africa. Algeria, Morocco, Tunisia, Mauritania, and Libya form the Maghreb. North Africa also includes a number of Spanish possessions, OCTs Ceuta and Melilla, Canary Islands and the Portuguese Madeira Islands.

Algeria still faces the challenge of unemployment. Even if is not one of the signatories of the Cotonou Agreement the country adhered to the Millennium Development Goals (MDGs). The oil and gas sector represents the principal source of growth.

Egypt is placed at the border between Africa and Asia. Egypt, apart from the latest political instability has issues with high unemployment and education disparities.

Since the beginning of 2011 Libya has encountered severe violence throughout the country. Before the conflicts, Libya’s most important economic partners were China and Turkey.
Morocco, having its economy so dependent to Europe has suffered a lot from the economic crisis. Nevertheless its major economic partners besides the European Union are: Saudi Arabia, United Arab Emirates, China, South Korea, Brazil, Mexico and Turkey, being one of the most developed countries from the African Continent. It is included in the European Neighbourhood Partnership.

South Sudan became an independent state on 9 July 2011. It is a United Nations member state, a member state of the African Union, and a member state of the Intergovernmental Authority on Development. The Second Sudanese Civil War lasted twenty-one years resulting in infrastructural problems and major destruction and displacement. More than 2.5 million people have been killed, and the double have become refugees as a result of the civil war. A referendum was held in January 2011 to determine if South Sudan should declare its independence from Sudan, with 98.83% of the population voting for independence. 80% of the oil in the nation is secured from South Sudan76.

Sudan is a Least Developed Country (LDC). Despite its natural resources, in particular petroleum, water and arable land, Sudan was facing a devastating civil war between the North and South Sudan. The civil war ended with the signature of the Comprehensive Peace Agreement in 2005 but the population continues to suffer. The country is facing a huge challenge of post-war reconstruction77.

Tunisia cooperates with the EU under the European Neighbourhood Policy. The current agenda focuses on democratic reform, economic modernization, and migration.

Western Sahara is a disputed territory in North Africa, bordered by Morocco, Algeria, Mauritania and the Atlantic Ocean. The Western Sahara has been on the United Nations list of non-self-governing territories since 1963. The European Union remains concerned about the humanitarian aspects of the Western Sahara conflict78.

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76 http://en.wikipedia.org/wiki/South_Sudan
77 http://ec.europa.eu/europeaid/where/acp/country-cooperation/sudan/sudan_en.htm
As seen in the chart above, the Northern African region received the most foreign investment compared with the other regions of Africa. Northern Africa has received more than one third of the Foreign Direct Investments in Africa between 2004-2008 and in 2010. By opening their economies to more foreign investment and having attracted oil resources Northern Africa benefited from the grown of the FDI on the continent. Nevertheless, due to the financial crisis, there was significant drop in foreign investments in all African regions in 2009 and 2010. The Northern Africa managed to recover after the financial crisis, but Southern Africa continues to go down to more than 50%.

2.5. The Common Market for Eastern and Southern Africa

EAC, COMESA and SADC are composing the Eastern and Southern Africa. **EAC** is the Eastern Partnership Agreement group formed by: Burundi, Rwanda, Kenya, Tanzania and Uganda.
Burundi, after 12 years of crisis, created new institutions in 2005, but it is still considered a fragile state. More than 90% of the country's population depends on agriculture and almost 70% live below the poverty line, being one of the poorest countries in the world and the poorest in the Eastern Partnership Agreement (see table below).

Fig. 12

<table>
<thead>
<tr>
<th></th>
<th>Population (thousands)</th>
<th>Land area (thousands of sqkm)</th>
<th>Population Density (pop / km²)</th>
<th>GDP based on PPP valuation (US $ Million)</th>
<th>GDP per Capita (PPP valuation, $)</th>
<th>Annual real GDP growth (average over 2001-2009)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burundi</td>
<td>8 303</td>
<td>28</td>
<td>298</td>
<td>2 853</td>
<td>344</td>
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</tr>
<tr>
<td>Rwanda</td>
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<td>26</td>
<td>380</td>
<td>9 526</td>
<td>953</td>
<td>6,5</td>
</tr>
<tr>
<td>Kenya</td>
<td>39 802</td>
<td>593</td>
<td>67</td>
<td>62 423</td>
<td>1 568</td>
<td>4,1</td>
</tr>
<tr>
<td>Tanzania</td>
<td>43 739</td>
<td>945</td>
<td>46</td>
<td>53 167</td>
<td>1 216</td>
<td>6,9</td>
</tr>
<tr>
<td>Uganda</td>
<td>32 710</td>
<td>241</td>
<td>136</td>
<td>46 632</td>
<td>1 426</td>
<td>7,7</td>
</tr>
<tr>
<td>EAC</td>
<td>134 552</td>
<td>1 833</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>1008 354</td>
<td>30 323</td>
<td>33</td>
<td>2 825 691</td>
<td>2 802</td>
<td>5,3</td>
</tr>
</tbody>
</table>


Rwanda has made progress in restoring peace and security and the country's macroeconomic situation has been developing. Rwanda is dominated by agriculture, which accounts for 43% of its activities. Progress in achieving in the field of education and equality between women and men within the Millennium Development Goals (MDGs).

Kenya was the first country to sign a National Indicative Programme for co-operation with the European Community under the first Lomé Convention in 1976. Kenya has a strategic economic position within East Africa. It prevents conflicts in the region and maintains developments. The European Union tries to support the Government on fighting against poverty and develop rural areas and transport within Poverty Reduction Strategy Paper. The Cotonou Agreement highlights the need for a comprehensive approach to sustainable development.

Tanzania is one of the few African countries which enjoyed a stable political environment. Since 1995, Tanzania has an annual growth of approximate 6 of its GDP (see chart below). However, despite government efforts 50% of Tanzania's population currently lives below the poverty line, being one of the poorest countries in the world and the poorest in the Eastern Partnership Agreement (see table below).
poverty line. However, the country has made progress in achieving certain objectives of the Millennium Development Goals, rates of infant and maternal mortality are still among the highest in the world. Another issue is the low literacy and malnutrition among children.

![Average GDP growth over 2001 - 2009](image)

Source: Created by the author

According to the chart above, Uganda has the highest growth among the Eastern Partnership Agreement countries. European Union is working together with Uganda in order to foster sustainable development and macroeconomic policies, transport infrastructure and agriculture. Agriculture gives 85% of export earnings and most of the jobs in the country. Sustained efforts are necessary to combine the results achieved until now in the fight against poverty.

**COMESA** is the Eastern and Southern African Economic Partnership group formed by: Malawi, Zambia, Zimbabwe, Seychelles, Comoros, Madagascar, Mauritius, Djibouti, Ethiopia, Eritrea and Sudan.

Comoros and Djibouti are the smallest COMESA countries with only 2000 square kilometres each. Sudan, even if geographically is part of Northern Africa, from the economic point of view is part of COMESA.

The political and macroeconomic environment remained stable in Malawi from 2010. Economic growth in 2010 was driven primarily by strong performance in mining, the
construction sector and public works, financial services and insurance sectors of the information and technology.

China is the largest emerging partner of Madagascar. It provides assistance to this country since the 70s, mainly for infrastructure projects. Nevertheless, its presence has recently evolved and is increasingly shape trade flows and direct investments.

Mauritius tries to diversify its economy, which rests on sugar, textiles, tourism and financial services. The 2010 budget gave priority to job creation, social development and environment. Britain and France are the main trade partners China and India’s influence is increasing81.

Fig. 14

<table>
<thead>
<tr>
<th>Country</th>
<th>Population (thousands)</th>
<th>Land area (thousands of sqkm)</th>
<th>Population Density (pop / km²)</th>
<th>GDP based on PPP valuation (US $ Million)</th>
<th>GDP per Capita (PPP valuation, $)</th>
<th>Annual real GDP growth (average over 2001-2009)</th>
</tr>
</thead>
<tbody>
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<td>821</td>
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<tr>
<td>Djibouti</td>
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<td>1 955</td>
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<tr>
<td>Eritrea</td>
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<td>118</td>
<td>43</td>
<td>3 813</td>
<td>752</td>
<td>0,8</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>82 825</td>
<td>1 104</td>
<td>75</td>
<td>3 72 196</td>
<td>872</td>
<td>8,0</td>
</tr>
<tr>
<td>Madagascar</td>
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<td>587</td>
<td>33</td>
<td>18 230</td>
<td>929</td>
<td>3,0</td>
</tr>
<tr>
<td>Malawi</td>
<td>15 263</td>
<td>118</td>
<td>129</td>
<td>8 395</td>
<td>550</td>
<td>4,9</td>
</tr>
<tr>
<td>Mauritius</td>
<td>1 288</td>
<td>2</td>
<td>631</td>
<td>9 17 489</td>
<td>13 576</td>
<td>3,7</td>
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<tr>
<td>Seychelles</td>
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<td>0,455</td>
<td>185</td>
<td>8 1480</td>
<td>17 563</td>
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<tr>
<td>Sudan</td>
<td>42 272</td>
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<td>17</td>
<td>95 466</td>
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<tr>
<td>Zambia</td>
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<td>753</td>
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<td>19 606</td>
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<tr>
<td>Zimbabwe</td>
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<td>391</td>
<td>32</td>
<td>2 193</td>
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<tr>
<td>COMESA</td>
<td>193 430</td>
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<tr>
<td>Africa</td>
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<td>30 323</td>
<td>33</td>
<td>2 825 691</td>
<td>2 802</td>
<td>5,3</td>
</tr>
</tbody>
</table>


**SADC** is the Southern Economic Partnership Agreement group formed by: South Africa, Swaziland, Lesotho, Mozambique, Namibia, Angola and Botswana.

The regional political cooperation implies development of democratic institutions and practices in view of the human rights, peace and security. There’s a need of a disaster management. Other focal area are: gender inequalities and HIV/AIDS.

Fig. 15: Intervention Framework for SADC 2008 - 2013

| Focal sector 1 – Regional Economic Integration (80% of allocation = 92,8 million EUR) |
| a. Support to Structural Reforms in the SADC EPA member states |
| b. SADC Economic Integration and Trade |
| c. Regional Infrastructure Development Programme |

| Focal sector 2 – Regional Political Cooperation (15% of allocation = 17,4 million EUR) |
| Regional Political Cooperation Programme |

| Non – focal sectors (5% of allocation = 5,8 million EUR) |
| Technical Cooperation Facility |
| Cooperation Support |

Source: Adapted after Annex 4 of the Regional Strategy Paper and Regional Indicative Programme 2008 – 2013, European Community - Southern African Region

The key actions of Southern Economic Partnership Agreement group involve:

- Trade integration (tariffs, duties),
- Non-tariff barriers,
- Establishment of the SADC Customs Union,
- Development of Common Trade Policies,
- Development and enforcement of Competition Policy,
- Investment policy,
- Macroeconomic convergence,
- Financial and Capital Market Development,
- Monetary integration,
- Infrastructure and services,
- Food Security,
- SADC statistical databases for all the products, trade, social and macroeconomic information,
- Support to structural reforms in SADC,
- Capacity development.
Fig. 16

<table>
<thead>
<tr>
<th></th>
<th>Population (thousands)</th>
<th>Land area (thousands of sqkm)</th>
<th>Population Density (pop / km²)</th>
<th>GDP based on PPP valuation (US $ Million)</th>
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<th>Annual real GDP growth (average over 2001-2009)</th>
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<td>100 459</td>
<td>5 431</td>
<td>11,6</td>
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<td>Botswana</td>
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<td>582</td>
<td>3</td>
<td>25 764</td>
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<tr>
<td>Lesotho</td>
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<td>68</td>
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<td>1 201</td>
<td>3,1</td>
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<tr>
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<td>802</td>
<td>29</td>
<td>21 746</td>
<td>950</td>
<td>8,0</td>
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<tr>
<td>Namibia</td>
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<td>824</td>
<td>3</td>
<td>13 737</td>
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<tr>
<td>South Africa</td>
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<td>487 107</td>
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</tr>
</tbody>
</table>


The SADC Regional Indicative Programme EDF 10 counts a total of 116 million EUR as grant aid. There are two main focal sectors as seen below and a non-focal sector using only 5% of the allocations. The regional economic integration aims to increase the economic growth and reduce poverty, by increasing regional trade.

2.6. Pacific Agreement on Closer Economic Relations

PACER is the Pacific Agreement on Closer Economic Relations between members of the Pacific Islands Forum, Australia and New Zealand. PACER provides a framework for development of trade cooperation. It was first signed at Nauru on 18 August, 2001 and entered into force on the 3rd October 2002. It is a framework agreement that sets an outline for the future development of trade and economic relations across region. PACER includes a Regional Trade Facilitation Programme to improve the trading capacity of Pacific Island countries.
The Pacific countries signing the Cotonou Agreement are:

- Cook Islands
- Timor-Leste,
- Fiji
- Kiribati
- Marshall Islands
- Federated States of Micronesia
- Nauru
- Niue
- Palau
- Papua New Guinée
- Samoa
- Solomon Islands
- Tonga
- Tuvalu
- Vanuatu

The PACER market population counts 35.9 million. The regional trade and economic agreement aims to provide new jobs, enhance private sector growth, raise standards of living, and boost economic growth in Forum Island Countries. There is also a trade agreement in goods among Pacific Island countries (PICTA – the Pacific Island Countries Trade Agreement).

2.7. Association of Caribbean States

The Association of Caribbean States (ACS), with the secretariat of the organization is located in Port of Spain, Trinidad and Tobago counts 25 members and 4 associate members. It was formed with the aim of offering consultation and support to all the countries of the Caribbean. The convention establishing the ACS was signed on July 24, 1994 in Cartagena de Indias, Colombia. The main focuses of the ACS are: trade, transport, sustainable tourism and natural disasters.82

The ACS contains a Special Committee on Transport which works to promote an Air transport, security of travellers and the drug trafficking. The ACS contains also a Special Committee on Sustainable Tourism which aims to promote sustainable tourism which is

82 http://www.acs-aec.org/
healthy for the environment, and at the same time economically beneficial to the Caribbean as a region. Last but not least, there is the ACS Special Committee Disaster Risk Reduction which aims to coordinate the anticipation and reaction to natural disasters in the Caribbean.

<table>
<thead>
<tr>
<th>Members</th>
<th>Associate member states</th>
<th>Observer states</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigua and Barbuda</td>
<td>Aruba</td>
<td>Argentina</td>
</tr>
<tr>
<td>Bahamas</td>
<td>Curaçao</td>
<td>Brazil</td>
</tr>
<tr>
<td>Barbados</td>
<td>France</td>
<td>Canada</td>
</tr>
<tr>
<td>Belize</td>
<td>Sint Maarten</td>
<td>Chile</td>
</tr>
<tr>
<td>Colombia</td>
<td>Turks and Caicos Islands</td>
<td>Ecuador</td>
</tr>
<tr>
<td>Costa Rica</td>
<td></td>
<td>Egypt</td>
</tr>
<tr>
<td>Cuba</td>
<td></td>
<td>Finland</td>
</tr>
<tr>
<td>Dominica</td>
<td></td>
<td>India</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td></td>
<td>Italy</td>
</tr>
<tr>
<td>El Salvador</td>
<td></td>
<td>Netherlands</td>
</tr>
<tr>
<td>Grenada</td>
<td></td>
<td>Morocco</td>
</tr>
<tr>
<td>Guatemala</td>
<td></td>
<td>Peru</td>
</tr>
<tr>
<td>Guyana</td>
<td></td>
<td>Russia</td>
</tr>
<tr>
<td>Haití</td>
<td></td>
<td>Spain</td>
</tr>
<tr>
<td>Honduras</td>
<td></td>
<td>Turkey</td>
</tr>
<tr>
<td>Jamaica</td>
<td></td>
<td>Ukraine</td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Nicaragua</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Panama</td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. Kitts and Nevis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. Lucia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. Vincent and the Grenadines</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suriname</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Venezuela</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: http://www.acs-aec.org

83 http://www.acs-aec.org/
The Association of Caribbean States goals are:
- to promote regionalism amongst the member states,
- to confirm the new concept of the Caribbean Basin,
- to eliminate barriers left over from its colonial past,
- to anticipate the marginalization of the Caribbean in the Global Economy,
- to rebuild the economics and politics of the Caribbean in the international arena,
- to create treaties and resolve issues dealing with the four areas of interests,
- to create and ratify regional policies for the Caribbean Basin.

Trade is one of the direct objectives and area of focus of the ACS. The Special Committee on Trade Development and External Economic Relations works to create big economic actions in the Caribbean by uniting its member states through integration and cooperation. The ACS tries to secure the label of the Caribbean Sea as a special zone in the context of sustainable development. One project was to form a coalition among member states to devise a United Nations General Assembly resolution to ban the transhipment of nuclear materials through the Panama Canal and the Caribbean Sea.
Chapter 3. The Purpose of a Partnership Agreement

The European Union is still the biggest donor of development aid from the world, with more than 50% of the total. The type of aid provided is tailored to the needs and context of each individual country. Most aid is given as non-repayable grants, especially to the poorest countries.

There are two major sources of external financial aid from the European Union side: one of them is the European Developing Fund and another one is the budget of the European Union. In any case, a signed and ratified Partnership Agreement is the minimum legal requirement for a development cooperation project funding.

The European Development Fund (EDF) was created by the treaty of Rome in 1957. The Articles 131 and 136 stipulate that the EDF will grant technical and financial assistance to the new created African countries, to the ex-colonies or countries linked to them. It is addressed to individual countries, to groups of countries and to regions (see chapter 2: ECOWAS, SADC, CEMAC, COMESA etc).

EDF is the main instrument for the implementation of European Union financial aid in the African, Caribbean, Pacific and overseas countries and territories (OTCs). The collection of funding is provided by voluntary donations by EU member states.

3.1. The Collaboration between the European Union and the Countries under the European Neighbourhood Policy

The European Neighbourhood Policy (ENP) was created in a moment when enlargement arrived to a limit point, from the Mediterranean Sea to the Caspian Sea, and the external borders of the EU had to be stable. This policy is implemented and financed through the European Neighbourhood and Partnership Instrument (ENPI). The European Neighbourhood and Partnership Instrument is a financial mechanism through which assistance is given to the
European Neighbourhood Policy (ENP) Partner Countries. It is the cooperation instrument, managed by DG EuropeAid (now DEVCO), through which decisions taken on a political level are turned into field actions.\(^8^4\)

The European Neighbourhood Policy partner countries with ENP Action Plan are: Armenia\(^8^5\), Azerbaijan, Egypt, Georgia, Israel, Jordan, Lebanon, Moldova, Morocco, Palestinian Authority, Tunisia and Ukraine. The other neighbours’ collaboration is covered by other policies like EEA/EFTA (Iceland, Liechtenstein, Norway and Switzerland).

The general framework of the ENP was firstly developed within the enlargement process. In June 2004 the European Commission endorsed the strategy paper on European Neighbourhood Policy with 7 member states. In 2005 the Action Plans were already prepared for Israel, Jordan, Moldova, Morocco, Palestinian Authority, Tunisia and Ukraine. In May 2011, the fifth European Neighbourhood Policy progress reports, on implementation of European Neighbourhood Policy were finished. In preparing these reports, the European Foreign External Action Service (EEAS) and the European Commission made use of contributions received from the civil society.\(^8^6\)

The neighbouring countries can benefit from economic stability, know how, reform experience, larger markets etc. During the 8 years of ENP experience, the collaboration with its neighbours changed significantly. Trade has increased. The political contacts have increased in quality and intensity. Mobility has been strengthened. EU assistance has increased by 32 % in the Financial Framework 2007-2013.

The policy promotes: working together, good governance, economic growth, social development and reform. The co-operation with the EU could be on issues like: justice, freedom, security, economic integration, reforms, safe borders, asylum and refugees, managing migration, poverty, education, public health, climate change, energy or transport.

From 1 January 2007 the European Neighbourhood Policy and Strategic Partnership with Russian Federation are financed through a single instrument, the European Neighbourhood and Partnership Instrument (ENPI). The European Neighbourhood and Partnership

\(^8^4\) http://www.enpi-info.eu/main.php?id=402&id_type=2
\(^8^5\) Relations EU-Armenia started with EU-Armenia Partnership Agreement in 1999. The European Union has offered 100 million EUR to facilitate Medzamor nuclear power.
\(^8^6\) Working together: The European Neighbourhood Policy, European Commission, Luxembourg, 2006, p. 5
Instrument (ENPI) could give technical help, political support and financial aid, and works on 3 major areas:
- Governance and political dialogue,
- Economic integration and trade,
- Social, cultural and human dimension.

The ENP should benefit from better consistency thanks to the creation of the European External Action Service which will support the High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission Baroness Catherine Ashton and the appointment of a Commissioner specifically dealing with the Enlargement and European Neighbourhood Policy, Štefan Füle. The ENP is a jointly owned initiative and its implementation requires accomplishment on both sides, by the neighbours and by the EU, as a well-designed co-operation policy.

The 12 billion EUR funding for the ENP are coming from the Financial Framework 2007-2013, with an increase of 32% compared to 2000-2006 Financial Framework. Until 31 December 2006, EU assistance to the countries of the ENP and to Russia was provided under various geographical programmes including:
- TACIS (for Eastern neighbours and Russia),
- MEDA (for Southern Mediterranean neighbours),
- Thematic programmes such as EIDHR (European Initiative for Democracy and Human Rights).

EU-Algeria cooperation is based on the EU-Algeria Association Agreement which entered into force in 2005. There are a few on-going projects with Algeria including: a project to help small and medium enterprises, supporting economic management, support capacity building and support of civil society.

As in the case of the collaboration with the ACP states, the funds allocated for ENP are directed to individual country programmes depend on their needs and absorption capacity as well as their implementation of agreed reforms. The ENPI supports cross-border co-operation (CBC) between local and regional actors and civil society. The ENPI cross-border cooperation (CBC) programmes, identified on the external borders of the EU, are receiving

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87 The targeted expert assistance is Technical Assistance and Information Exchange – TAIEX.
financial support of more than 1 billion EUR for the period 2007-2013. The Commission approach to CBC can be found in the ENPI Cross-Border Cooperation Strategy Paper.

The Neighbourhood Investment Facility was established at the end of 2007. The Facility will fund projects of common interest focusing primarily on energy, environment and transport. Technical assistance has been extended to ENP partners as well as legislative approximation, regulatory convergence and institution-building.

EU assistance priorities are identified, together with the countries concerned, in general Country Strategy Papers (CSPs) and specific National Indicative Programmes (NIPs) as in the case of the implementation of the collaboration with ACP states. The priorities identified in the Action Plans, agreed with the authorities of the country, are also useful in guiding the programming of assistance programmes.

3.2. Financial Project Sources in Lesotho and South Africa

The Cotonou Agreement provides the legal basis for EC cooperation with ACP countries. According to Article 3.2. of Annex IV of the Cotonou Agreement, the allocated resources to a third country shall comprise two elements:

- Envelope A - allocation to cover macroeconomic support, sectorial policies, programmes and projects in support of the focal or non-focal areas of European Union Community assistance and
- Envelope B - allocation to cover unforeseen needs such as emergency assistance where such support cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to reduce instability in export earnings.

Within the collaboration EU-ACP, once the money is committed from the funds, an indicative timetable is done and the negotiations for the projects begin. All these steps are

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89 10th EDF: A-Envelope for Lesotho for the financial framework 2008-2013 is 136 000 000 EUR; B-Envelope for Lesotho for the financial framework 2008-2013 is 2 000 000 EUR
included in the National Indicative Programme (NIP). However, the NIP is not the only financial instrument. Lesotho and South Africa make part of other regional programmes. The document presents: the financial instruments, the focal sectors of development, general budget support, non-focal areas, intervention framework, time tables of indicative commitments and disbursements and the chronogram of activities and projects evolution.

3.2.1. Lesotho

There are multiple aid donors in Lesotho, such as: EU, USA, UK, various NGOs, the Government of Lesotho and the Government of South Africa, China, United Nations, African Union, Kuwait, World Bank, Germany, Ireland, Japan and others. The Cotonou Partnership

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90 In July 2007, Lesotho signed a Millennium Challenge Account Compact with the USA, counting 362,5 million US dollars.
Agreement is the main accord but Lesotho is eligible for the EU initiative Everything but Arms as well.

In the financial framework 2008 – 2013 Lesotho has received 136 million EUR for A envelope, and 2 million EUR for emergencies, B envelope. The funds for unforeseen needs are not part of the National Indicative Programme from the beginning, but are reserved only for emergency issues.

Fig. 18  Donor Matrix in Lesotho

<table>
<thead>
<tr>
<th>Sector/area</th>
<th>Donor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Food Security</td>
<td>- African Development Bank (AfDB) Group,</td>
</tr>
<tr>
<td></td>
<td>- UN International Fund for Agricultural Development,</td>
</tr>
<tr>
<td></td>
<td>- Germany,</td>
</tr>
<tr>
<td></td>
<td>- Japan,</td>
</tr>
<tr>
<td></td>
<td>- UK</td>
</tr>
<tr>
<td>Education</td>
<td>- African Development Bank,</td>
</tr>
<tr>
<td></td>
<td>- Ireland,</td>
</tr>
<tr>
<td></td>
<td>- Japan,</td>
</tr>
<tr>
<td></td>
<td>- UN,</td>
</tr>
<tr>
<td></td>
<td>- World Bank (WB) / International Finance Corporation (IFC)</td>
</tr>
<tr>
<td>Health</td>
<td>- African Development Bank,</td>
</tr>
<tr>
<td></td>
<td>- Ireland,</td>
</tr>
<tr>
<td></td>
<td>- Japan,</td>
</tr>
<tr>
<td></td>
<td>- Global Funds to Fights Aids, Tuberculosis and Malaria,</td>
</tr>
<tr>
<td></td>
<td>- UN and WB / IFC</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>- African Development Bank,</td>
</tr>
<tr>
<td></td>
<td>- Ireland,</td>
</tr>
<tr>
<td></td>
<td>- Arab Bank for Development in Africa (BADEA),</td>
</tr>
<tr>
<td></td>
<td>- China,</td>
</tr>
<tr>
<td></td>
<td>- EU,</td>
</tr>
<tr>
<td></td>
<td>- Germany,</td>
</tr>
<tr>
<td></td>
<td>- Kuwait,</td>
</tr>
<tr>
<td></td>
<td>- UK,</td>
</tr>
<tr>
<td></td>
<td>- USA,</td>
</tr>
<tr>
<td></td>
<td>- UN and WB / IFC</td>
</tr>
<tr>
<td>Trade and Industry</td>
<td>- BADEA,</td>
</tr>
<tr>
<td></td>
<td>- Ireland,</td>
</tr>
<tr>
<td></td>
<td>- UN and WB / IFC</td>
</tr>
<tr>
<td>Governance</td>
<td>- China,</td>
</tr>
<tr>
<td></td>
<td>- EU,</td>
</tr>
<tr>
<td></td>
<td>- Germany,</td>
</tr>
<tr>
<td></td>
<td>- Ireland,</td>
</tr>
<tr>
<td></td>
<td>- UK,</td>
</tr>
<tr>
<td></td>
<td>- UN and WB / IFC</td>
</tr>
<tr>
<td>Environment</td>
<td>- Germany,</td>
</tr>
<tr>
<td></td>
<td>- UN and WB / IFC</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>- EU,</td>
</tr>
<tr>
<td></td>
<td>- Global Funds to Fights Aids, Tuberculosis and Malaria,</td>
</tr>
<tr>
<td></td>
<td>- Germany,</td>
</tr>
<tr>
<td></td>
<td>- Ireland,</td>
</tr>
<tr>
<td></td>
<td>- UN and the WB</td>
</tr>
</tbody>
</table>

As seen in the table before, the European Union in Lesotho in 2006 was supporting infrastructure, governance and HIV/AIDS funding. The infrastructure issues were divided into: water sanitation, transport infrastructure, management capacity building in transport sector and micro projects. This infrastructure is intended to link remote areas to markets and to enable new investments that would provide opportunities for value addition, especially in the agriculture sector.

Other financial instruments that can support specific activities for external actions are European Investments Bank’s funds. Another one is the Development Cooperation Instrument which finances programmes such as: private sector, human development, migration and asylum, food security etc.

Regarding governance, the EU supported decentralisation, public finance, planning, and budgeting, democracy and civil society. With the MDGs and the financial framework 2008-2013, new sectors have been introduced.

The A-envelope for Lesotho within the 10th European Development Fund is 136 million EUR. The money is reserved for long term programmable development operations under the strategy allocations and divided between the focal sectors, macroeconomic support and other programmes.

Fig. 19

<table>
<thead>
<tr>
<th>Total Commitments A - envelope for Lesotho 2008 – 2013 (million EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Development</td>
</tr>
<tr>
<td>Water and Sanitation</td>
</tr>
<tr>
<td>Transport</td>
</tr>
<tr>
<td>General Budget Support</td>
</tr>
<tr>
<td>Decentralization</td>
</tr>
<tr>
<td>Technical Cooperation</td>
</tr>
<tr>
<td>Governance</td>
</tr>
<tr>
<td>Non-state Actors</td>
</tr>
<tr>
<td>Trade</td>
</tr>
</tbody>
</table>

Source: Created by the author after the Lesotho National Indicative Programme
As seen in the Chart above, the EU focuses on the General Budget Support for Lesotho in 2008-2013 with 39.5% of the funds. Almost 29% of the financial aid goes to infrastructure, with a total of 38.8 million EUR. Other programmes (decentralisation, technical cooperation, governance, non-state actors and trade) have 12% and around 16 million EUR.

Economic growth in Lesotho dropped in 2009, due mostly to the effects of the global economic crisis. The demand for the country's exports declined and SACU income fell sharply when South Africa went into recession, but growth returned to 3.6% in 2010 and 5.2% in 2011. This shows how much does Lesotho depend on South Africa. (See Chapter 2, Figure 2.5.)

3.2.2. South Africa

The participation of South Africa to the Cotonou Partnership Agreement is subject to the qualifications set out in Protocol 3 to the agreement. TDCA is the bilateral Agreement on Trade, Development and Cooperation between the European Commission and South Africa signed in Pretoria in 1999.

In Article 4 of the Protocol it is mentioned that the Cotonou provisions on development do not apply to South Africa\textsuperscript{91}. Therefore the aid support to South Africa is different than the one in Lesotho. Nevertheless South Africa shall have the right to participate in the areas of ACP-EC development finance cooperation and adhered to the country strategy paper tool in 2008.

The EU strategy for Africa is governed by the Trade, Development and Co-operation Agreement. This creates gaps in the conflict and governance approach. Management of Official Development Assistance (ODA) in South Africa is reviewed and updated periodically, in line with the Paris Declaration, but possibility of fraud still exists, because

\textsuperscript{91} Not applying: Part 3, title II, Economic and Trade Cooperation; Part 4, Development Finance Cooperation; Annex I, Financial Protocol; Annex II, Terms and Conditions of Financing, Chapters 1 to 4; Annex IV, Articles 1 to 5 (national programming), Articles 15 to 19 (provisions relating to the project cycle), Article 27 (preference to ACP contractors) and Articles 34 to 38 (Executing agents); Annex V Trade regime during the preparatory period.
ODA is co-ordinated by South Africa under decentralised management. Despite a huge amount of financial aid, South Africa should work locally.

HIV/AIDS is one of the biggest problems in SA. Funding of HIV/AIDS interventions has been increasing. South Africa was amongst the top five countries that received the largest shares in total HIV and AIDS commitments. According to the OECD 2000 – 2002 report, the 8% for HIV and AIDS to South Africa formed 99% of health-related donor aid in the country.\(^{92}\)

### Fig. 20 SWOT Analysis for South Africa

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic growth.</td>
<td>Emerging infrastructure shortage, particularly in electricity and transport.</td>
</tr>
<tr>
<td>Steady policies, good governance and sound public financial management systems.</td>
<td>Delay in infrastructure investment. Inadequate investment, particularly in the area of electricity generation and transport.</td>
</tr>
<tr>
<td>Low fiscal deficit and public debt ratios. Solid resource base.</td>
<td>Shortage of savings and investment.</td>
</tr>
<tr>
<td>Diversified economy.</td>
<td>Investment in physical and human capital.</td>
</tr>
<tr>
<td>Moderately large domestic market and access to international markets.</td>
<td>Weak capacity and skill shortages in some areas in the context of a growing economy.</td>
</tr>
<tr>
<td>The largest market in Sub-Saharan Africa, in terms of purchasing power. Strong influence over the region.</td>
<td>Lots of unskilled workers (unemployment) and a shortage of skilled workers.</td>
</tr>
<tr>
<td>Attractive location for investment, consumer goods, producer goods.</td>
<td>High unemployment coexists with shortage of skilled workers, especially engineers, scientists and artisans.</td>
</tr>
<tr>
<td>Access to some expanding Africa markets in SADC and West Africa. Sophisticated financial sector.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats and Challenges</th>
</tr>
</thead>
</table>


\(^{92}\) UNAIDS/OECD. Analysis of Aid in Support of HIV/AIDS Control. July 2004
What is it to be done? The SA Government is trying to face the challenges of the second economy, including an expanded public works programme, provision of social housing, promoting the development of SMEs and land reform, which have the potential to achieve greater social cohesion, and contribute to reduction of poverty and inequality.

Spending resources for HIV and AIDS is slow compared to spending of government money. Looking at the Global Fund for AIDS, Tuberculosis and Malaria, of the total approved grants of 65 030 986 USD to South Africa, just 55%, representing 35 509 531, had been disbursed by the end of April 2005. Donor funding is made accessible for very specific purposes and objectives.

Fig. 21

<table>
<thead>
<tr>
<th>State spending</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>137000</td>
<td>2000</td>
</tr>
<tr>
<td>234000</td>
<td>2001</td>
</tr>
<tr>
<td>300000</td>
<td>2002</td>
</tr>
<tr>
<td>697000</td>
<td>2003</td>
</tr>
<tr>
<td>1132000</td>
<td>2004</td>
</tr>
<tr>
<td>1655000</td>
<td>2005</td>
</tr>
<tr>
<td>2271000</td>
<td>2006</td>
</tr>
</tbody>
</table>

Source: Adapted after the Country Strategy Paper South Africa 2008-2012

Spending of donor funds is slowed by a feeble health system and inadequate capacity of the government to use the money. Increased government and donor allocations for HIV and AIDS without improved capacity to spend, challenges the overall strength of the health

system. Absorption capacity is increasingly becoming the issue for HIV and AIDS spending in South Africa, rather than availability of resources.\textsuperscript{94}

Fig. 22


\textsuperscript{94} Nhlanhla Ndlovu, An exploratory analysis of HIV and AIDS donor funding in South Africa, Budget Brief No. 155 - www.idasa.org.za
Lots of donors name natural disasters and humanitarian crises as basis for sustaining or increasing aid to Africa but in practice promise only a fraction of what the United Nations and other aid agencies say is needed and deliver even fewer. Humanitarian crisis may arise from political conflicts, unprofessional conduct, economic fall down or other causes. Many donors deny that global shocks impact on funding. However, Japan agreed that the Asian crisis affected their funding.

Most donors argue that donor funding is not affected since it is fixed, but the projects and programmes implementation is affected. The World Bank has changed the Structural Adjustment Programmes (SAPs) into a more complex Poverty Reduction Strategies. The complicated cycle of debt and dependency has led several countries to ask whether they would not be better without this financial help.

Fig. 23  Donor Matrix for South Africa

<table>
<thead>
<tr>
<th>Area</th>
<th>Donor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>EU, UK, Germany</td>
</tr>
<tr>
<td>Education</td>
<td>EU, Germany</td>
</tr>
<tr>
<td>Criminal justice reform</td>
<td>EU, UK</td>
</tr>
<tr>
<td>Community water projects</td>
<td>EU</td>
</tr>
<tr>
<td>Private Sector development</td>
<td>UK</td>
</tr>
<tr>
<td>Eradication of Poverty</td>
<td>EU, Sweden, USA</td>
</tr>
<tr>
<td>Democracy and Governance</td>
<td>UK, Sweden</td>
</tr>
<tr>
<td>Labor</td>
<td>UK, Sweden</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>EU, USA, UN</td>
</tr>
<tr>
<td>Regional integration</td>
<td>UN</td>
</tr>
<tr>
<td>Economic policy</td>
<td>Germany</td>
</tr>
<tr>
<td>Rural development</td>
<td>UN</td>
</tr>
</tbody>
</table>


Africa focuses on HIV/AIDS, rural development, and regional integration. South Africa puts a great deal of emphasis on mutual commitment to the implementation of the Paris Declaration. USA is the largest donor in SA and focuses on HIV/AIDS and poverty reduction. The European Union (EU) concentrates on health, education, criminal justice
The focal sectors within the Lesotho - EU collaboration are: human development (with 27,2 million EUR) and infrastructure (with 38,8 million EUR).

- The overall objective for focal sector 1 is: Improve the present and future livelihoods of people affected by HIV/AIDS throughout Lesotho.

The intervention objective for human development is that Basotho people should be able to cope with trauma and access health services and acquire new skills and have the food security. The Evolution of the Impact of the Projects Co-financed by the European Union in Lesotho under the Human development focal area can be evaluated using the following indicators:

- Reduction in HIV/AIDS prevalence,
- Prolonged life expectancy,
- Number of orphans and vulnerable children,
- Orphans and vulnerable children school attendance,
- Number of abuse cases,
- Orphans and vulnerable children benefiting from health help, training, material distribution, food security services,
- Materials,
- Equipment.

It seems that the EU will strengthen relation to certain issues involving general principles applicable to any initiative and which call for efforts in several sectors. These include democracy, good governance, human rights, the rights of children and indigenous peoples, gender equality, environmental sustainability and the fight against HIV/AIDS.

Fig. 24  Timetables commitments and disbursements

<table>
<thead>
<tr>
<th>Sectors of investment</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Total indicative allocation million EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human development</td>
<td>0</td>
<td>1,3</td>
<td>5,2</td>
<td>5,2</td>
<td>5,2</td>
<td>5,2</td>
<td>27,2</td>
</tr>
<tr>
<td>Infrastructure - Water and Sanitation</td>
<td>0</td>
<td>0,4</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>32</td>
</tr>
<tr>
<td>Infrastructure - Transport</td>
<td>0</td>
<td>0,4</td>
<td>1,6</td>
<td>1,6</td>
<td>1,6</td>
<td>1,6</td>
<td>6,8</td>
</tr>
<tr>
<td>General budget support</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>5,8</td>
<td>0</td>
<td>53,8</td>
</tr>
<tr>
<td>Decentralization</td>
<td>0</td>
<td>0,5</td>
<td>1,6</td>
<td>2</td>
<td>2</td>
<td>1,8</td>
<td>8</td>
</tr>
<tr>
<td>Technical Cooperation Framework</td>
<td>0,5</td>
<td>0,9</td>
<td>0,6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Governance</td>
<td>0,4</td>
<td>1,6</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Non state actors</td>
<td>0</td>
<td>0,4</td>
<td>0,8</td>
<td>0,8</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0,4</td>
<td>0,8</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,2</td>
</tr>
<tr>
<td>Total</td>
<td>12,9</td>
<td>25,5</td>
<td>29,6</td>
<td>27,6</td>
<td>20,6</td>
<td>14,6</td>
<td>136</td>
</tr>
</tbody>
</table>


In 2007 the Country Strategy Paper was agreed upon and National Indicative Programme 2008 – 2013 for Kingdom of Lesotho was built. The financial instrument is the 10th EDF. The sectors of and the timetables of indicative commitments and disbursements are presented in the table above.

The intervention objective for infrastructure is to provide sustainable access to improved water sources and basic sanitation and to improve access to isolated areas, markets and basic services in rural areas in Lesotho. In order to achieve this, water and sanitation systems were created.
The Evolution of the Impact of the Projects Co-financed by the European Union in Lesotho under the Infrastructure focal area can be evaluated using the following indicators:\(^97\):

- Incidence of water-borne diseases,
- Employment created through the creation and development of small and medium sized enterprises,
- Proportion of the rural population with access to improved water\(^98\),
- Number of small scale water access systems,
- Proportion of people having access to basic services,
- Lengths of paved roads,
- Number of people employed in maintenance operations,
- Number of km of road network.

Fig.25  Chronogram of project activities in Lesotho

<table>
<thead>
<tr>
<th>Area</th>
<th>Human development</th>
<th>Infrastructure - Water and Sanitation</th>
<th>Infrastructure - Transport</th>
<th>General budget support</th>
<th>Decentralisation</th>
<th>Technical Cooperation Framework</th>
<th>Governance</th>
<th>Non state actors</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>Q1</td>
<td>AAP08</td>
<td>AAP08</td>
<td>AAP08</td>
<td>AAP08</td>
<td>AAP08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q2</td>
<td>AAP09</td>
<td>PI</td>
<td>AAP09</td>
<td>PI</td>
<td>AAP09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q3</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q4</td>
<td>AAP08</td>
<td>AAP09</td>
<td>PI</td>
<td>PI</td>
<td>AAP08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>Q1</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q2</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td>FD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q3</td>
<td>PI</td>
<td>PI</td>
<td>PI</td>
<td>PI</td>
<td>PI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


- AAP = Annual Action Programme
- FD = Financing Decision
- PI = Project Implementation

\(^97\) Country Strategy Paper and National Indicative Programme 2008 – 2013, Kingdom of Lesotho, p. 32-34

\(^98\) The access to basic sanitation was less than 45% in 2006 and the goal is to reach 70% by 2015.
In 2000, the EU adhered to the United Nations Millennium Summit together with 189 countries. The Millennium Development Goals to be achieved by 2015 are:

- to eliminate extreme poverty and hunger:
  - In 1990 there were 1.9 billion people living in extreme poverty, in 2010 there were 1.4 million people. Lesotho had more than 40% of the population living with aids in 1994. This percentage decreased to 43.4 in 2003.
  - Indicator: People living with less than a dollar per day.

- to achieve universal primary education;
  - Global enrolment in primary education rose from 80% in 2000 to 88% in 2007.
  - Indicator: Primary education Completion.

- to promote gender equality and empower women;
  - Over 2005-2010 the EU supported appreciatively 85,000 female students in secondary education, in 10 countries of Sub-Saharan Africa.
  - Indicator: Ratio of girls to boys in primary and secondary school.

- to reduce child mortality;
  - Compared to 93 for every 1000 children in 1990, child mortality reduced to 65 children of every 1000 born in 2010.
  - Indicator: Measles immunisation.

- to improve maternal health;
  - Since 2004, the EU supported 10 million consultations on reproductive health and attended 4 million births.
  - Indicator: Maternity mortality ratio.

- to combat HIV/AIDS, malaria and other diseases;
  - There were 2.2 million AIDS-related deaths in 2004 compared to 2 million deaths in 2008.
  - Indicator: HIV prevalence.

- to ensure environmental sustainability;
  - More than 31 million people were connected to drinking water and 9 million to sanitation facilities since 2004.
  - Indicator: Access to improved water source.

---

99 EU Contribution to the Millennium Development Goals, Some key results from European Commission programmes, 2010
viii. To set up a global partnership for development.

- In 2009, total official development assistance reached 119.6 million USD compared to 80 billion USD in 2009. Aid still remains below the UN target of 0.7% for most donors.
- Indicator: Internet users.

South Africa is on course of achieving the Millennium Development Goals. Despite the HIV/AIDS issues, all the other indicators are better situated than the African countries, but less than Middle East\(^{100}\).

In 2009, EU set out 21 measures to be implemented ahead of the international High Level Forum on Aid Effectiveness in Seoul in 2011. For the period 2009-2011, EU affected 300 million EUR for the African Peace Facility. No development can be done without security and democracy.

3.4. Parallel between Different Partnership Agreements

The EU has committed itself to increasing the aid budget to 0.7% of gross national product by 2015 and half of the increase in aid will be allocated for Africa. Resource allocation will be directed by objective and clear criterion based on needs and performance.

In 2005 the EU committed itself to review and scale up the EU contribution to the Millennium Development Goals and to launch an EU water facility. Presidents of the Commission, Parliament and the Council signed the new statement on EU development policy, the "European consensus". The European Consensus on Development sets the general policy framework for development focusing on the effectiveness of European aid. The Community and the Member States also signed the Paris Declaration on aid effectiveness and drafted an EU strategy for Africa.

The joint Africa-EU strategy was officially adopted at the EU-Africa Summit of Heads of States and Governments in Lisbon in December 2007. It includes an Action Plan with 8 thematic partnerships for 2008-2010. The second action plan for 2011-2013 was adopted at

\(^{100}\) http://mdgs.un.org/unsd/mdg/data.aspx
the third EU-Africa Summit in Tripoli, Libya in November 2010. It integrated the lessons learnt and worked a continuity plan, focusing on the speed of delivery will increase in the results and coordination.

From the key points of Cotonou, the European Consensus on Development presents a shared vision to guide the EU's activities in the field of development cooperation, with concrete actions to be taken to implement this vision on¹⁰¹:

- Eradication of poverty,
- Sustainable development,
- Trade and regional integration,
- The environment and the sustainable management of natural resources,
- Infrastructures,
- Water and energy,
- Rural development, agriculture, and food security,
- Democracy and support for economic and institutional reforms,
- Prevention of conflicts and of state fragility,
- Human development,
- Social cohesion and employment,
- That EU policy is in line with the international agenda,
- give particular attention to the Millennium Development Goals,
- Respect of human rights and good governance.

¹⁰¹ Official Journal C 46 of 24.2.2006
The fundamental objective is poverty reduction. This is closely associated with the promotion of good governance and respect for human rights. The fight against poverty also implies achieving a good quota between human development, the protection of natural resources and economic growth. Political dialogue, participation of civil society, gender equality and preventing state fragility are also strongly linked together.

From the summary of the European Consensus, the EU vision on development is presented, the objectives and principles on the basis of which the Member States and the EU Community commit themselves to this vision and how the EU is seeking to meet the Millennium Development Goals, to which all the UN member states subscribe, by 2015.

Two main pillars of the Cotonou Agreement are: the EU financial aid to the ACP countries and the EU-ACP trade and the negotiations of Economic Partnership Agreements. The major
purpose of the partnership agreement in terms of money is to be able to co-finance developing projects in third countries.

In terms of money, each Convention was related to a funding source.

<table>
<thead>
<tr>
<th>EDF</th>
<th>Validity period</th>
<th>Convention</th>
<th>Financing billion EUR</th>
<th>Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>1959-1964</td>
<td>Treaty Rome</td>
<td>1</td>
<td>No official convention signed by that time. The EDF was created in 1957 by the Treaty of Rome.</td>
</tr>
<tr>
<td>Second</td>
<td>1964-1970</td>
<td>Yaoundé I</td>
<td>1</td>
<td>18 countries.</td>
</tr>
<tr>
<td>Third</td>
<td>1970-1975</td>
<td>Yaoundé II</td>
<td>3,1</td>
<td>21 countries</td>
</tr>
<tr>
<td>Fourth</td>
<td>1975-1980</td>
<td>Lomé I</td>
<td>4,7</td>
<td>46 countries</td>
</tr>
<tr>
<td>Fifth</td>
<td>1980-1985</td>
<td>Lomé II</td>
<td>7</td>
<td>58 countries</td>
</tr>
<tr>
<td>Sixth</td>
<td>1985-1990</td>
<td>Lomé III</td>
<td>8,8</td>
<td>67 countries</td>
</tr>
<tr>
<td>Seventh</td>
<td>1990-1995</td>
<td>Lomé IV</td>
<td>13,7</td>
<td>79 countries</td>
</tr>
<tr>
<td>Eighth</td>
<td>1995-2000</td>
<td>Revised Lomé IV</td>
<td>15,2</td>
<td>72 countries</td>
</tr>
<tr>
<td>Ninth</td>
<td>2000-2007</td>
<td>Cotonou Agreement</td>
<td>23,4</td>
<td>9 billion were transferred from the 8th EDF. 77 countries.</td>
</tr>
<tr>
<td>Tenth</td>
<td>2008-2013</td>
<td>Revised Cotonou Agreement</td>
<td>22,7</td>
<td>78 countries.</td>
</tr>
</tbody>
</table>

Source: Created by the author after document analysis

According to the Annual report of 2011 the sources of external assistance in 2010 were more than 8 billion euro from the budget and external money and 2 662 000 euro from the European Developing Fund (EDF).

Each EDF lays out the EU assistance to the ACP states for 6 years, depending on the financial framework. The EU is currently on the 10th EDF with a budget of EURO 22,7 billion for 2008-2013. This currently represents about 30% of EU spending on development cooperation aid. The EDF already invested in projects in the associated countries amounted to a total of ECU 3,6 billion in the first five years of its existence.
Prior to Yaoundé I, the investment in the 18 countries involved averaged ECU 720 million but in following years was reduced to an average of ECU 620 million. Over the 12 year period of Yaoundé I and II Conventions the EEC investment reached ECU 7.4 billion.

Fig. 27

The budget of the 10th EDF can be broken down as follows:

- the total of 21 966 million EUR are awarded to the ACP countries,
- 286 million EUR are awarded to the OCTs (1% of the total) and
- 430 million EUR are awarded to the Commission as support expenditure for programming and implementation of the EDF (2% of the total).

The OCTs and the administration of EDF represent only 3% of the fund, therefore the rest of 97% are divided between:

- 17 766 million EUR are committed for the national and regional indicative programmes (81% of the ACP total),
- 2 700 million EUR are committed for the intra-ACP and intra-regional cooperation (12% of the ACP total) and 1 500 million EUR to Investment Facilities (7% of the ACP total) as showed in the chart below.

There is a vision to include the EDF in the EU budget. There are advantages and disadvantages to this change. In 2009, the total EU budget committed for the external assistance counted 143 281 million EUR.
Among the advantages of including the EDF in the EU budget are:

- Contributions would be based on gross national income and this may increase the currently voluntary contributions,

- The harmonization of EU budget and EDF administration might decrease administration costs and increase effectiveness of the aid,

- 20% of aid to the ACP countries already originates from the EU budget,

- An all-ACP geographic strategy is no longer relevant as programmes are more localized to regions or country-level,

- There would be increase monitoring and aid evaluation and control.

Among the disadvantages, the following can be mentioned:

- 90% of EDF resources reach low-income countries as opposed to less than 40% of aid from the EU budget development instruments,

- A loss of aid predictability and aid quality as the EU budget is annual, unlike the 6-year budget of the EDF.

It is obvious that a Partnership Agreement is needed, not only for the EU-ACP collaboration, but for any type of international cooperation and instruments, from the European Neighbourhood and Partnership Instrument, to the European Development Fund and the European Union Budget. Furthermore the EU rules and regulations need the basis financing decision in order to start the project implementation cycle (see Chapter 3.2.). The major risk encountered in the implementation of the projects is the lack of infrastructure, therefore local and external donors should concentrate their efforts in capacity building.
Chapter 4. Trans border projects in South Africa and Lesotho

Cross border cooperation was invented by the necessity to cross the nation borders. Lesotho is a land locked country which is necessary to cooperate in order to survive. The government's negotiation with South Africa on cross border issues has paid off. The South African government has reassured Lesotho that, there will be increased staff at the borders between the two countries to reduce delays. This is already a sign that good cooperation is on-going between the two countries.

As mentioned in Chapter 3, on the basis of the ACP-EC Partnership Agreement signed in Cotonou on 23 June 2000, the European Commission is first preparing a yearly Annual Action Programme for each country and then the projects are identified in Action Fiches\textsuperscript{102}. The Annual Action Programme is a Commission Decision and it is published in the EU Official Journal\textsuperscript{103}.

4.1. Description of trans-border projects involving key resources

It is very important to clarify the EU procedures for financing a project. After the Country Strategy Papers and the Regional or National Indicative Programmes are set, as well as the multi indicative programme and the Annual Action Programme (the European Commission financing decision), it is time for the Actions Fiches\textsuperscript{104}. The action fiches (global commitments) are in fact the description of what is proposed to be financed, of possible projects, they take form as Annexes to the Commission Decision and they describe the

\textsuperscript{103} http://ec.europa.eu/development/procurements-grants_en.cfm
\textsuperscript{104} The term Financing Proposal is used for actions financed under the 9th EDF, and the term Action Fiche is used for all other actions, whether financed from the DCI, ENPI, or other instruments.
frame of the actions needed by a country in a specific year, the projects fields and projects ideas. It represents the description of the projects needed by the Commission to take the Decision to finance the action\textsuperscript{105}. After the signature of the Financing Decision, the projects are formulated. One project (the building of a school) may have various contracts. Development projects are a way of defining and managing investments. Development projects can differ significantly in their objectives and scale. Smaller projects may last a few months, while big project might involve huge amounts of money and last for many years.

Fig. 28  Timing of the Financing Decision

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{timing_financing_decision.png}
\caption{Timing of the Financing Decision}
\end{figure}

\textsuperscript{105} The Financing Proposal was replaced by the Action Fiche under the 10th EDF.
In the action fiches should be mentioned:

- The identification of the action,
- The country context,
- The objectives of the action, and
- The implementation modalities.

A project is representing a series of **activities**, with specified **objectives**, within a defined **time-period** and a defined **budget**. A project should also have: clearly identified **stakeholders**, including the primary target group and the final beneficiaries; clearly defined coordination, **management** and financing arrangements; a **monitoring** and evaluation system (to support performance management); and an appropriate level of financial and economic analysis, which indicates that the project’s benefits will exceed its costs\(^{106}\).

The management modalities and the types of calls and contracts are mentioned as well in the Action Fiches. There is the call for proposals for grants and the call for tenders for: service contracts, works and supplies. Apart of these two types of calls, there is another type of financing named budget support, when money is given directly to the state for its good functioning. As per Annex IV of the Cotonou Agreement, “**procurement contracts and grants financed under EDF-10 shall be awarded and implemented according to Community rules and with the procedures and standard documents laid down and published by the Commission for the implementation of cooperation operations with third countries, in force at the time of the launch of the procedure in question.**” (Annex IV of Cotonou Agreement)

The main differences between call for tenders and call for proposals is that the first one is launched when the institution/EU delegation need some consulting services, or works to be done or supplies and the tendered may have a profit from the financing given and the specifications of the “product or service” is clearly stated by the call. Grants are non-profit and the beneficiary has to formulate the project. A call for proposals is always published on the EuropeAid website and must also be published locally where it is not organised by a service of the European Commission headquarters\(^{107}\).

\(^{106}\) Aid Delivery Methods, Volume 1. Project Cycle Management Guidelines, Supporting effective implementation of EC External Assistance, edited by Europe Aid Cooperation Office, Brussels, March 2004, p. 8

\(^{107}\) Calls for proposals are ‘open’ where all applicants are free to submit a grant application form including a full
The action fiches will be structured in the following way:

- Identified project, name, financing, aid method,
- General presentation,
- Objectives,
- Stakeholders,
- Advantages,
- Disadvantages,
- Critics,
- Expected results.

### 4.1.1. Lesotho Action Fiches


The Action Fiches 2009-2011 for Lesotho

<table>
<thead>
<tr>
<th>Year</th>
<th>Action Fiche I – Lesotho</th>
<th>Action Fiche II – Lesotho</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Poverty Reduction Budget II</td>
<td>Social Protection for Orphans and Vulnerable Children II</td>
</tr>
<tr>
<td>2010</td>
<td>Lesotho Water and Sanitation Sector Policy Support Programme</td>
<td>Deepening Decentralisation and Non State Actors Support Programmes</td>
</tr>
<tr>
<td>2009</td>
<td>Strengthening the Lesotho Justice Sector</td>
<td></td>
</tr>
</tbody>
</table>

Source: Annual Action Programmes in favour of Lesotho, 2009-2011

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Proposal in response to the published Guidelines for Applicants. Calls for proposals are ‘restricted’ where all applicants may wish to take part, but only applicants who have been shortlisted are invited to submit a full proposal. The choice of procedure depends upon the technical nature of the field, the budget available and/or the expected number of proposals.
The Annual Action Programme 2011 in favour of the Kingdom of Lesotho will be financed from the 10th European Development Fund. For the year 2011, there are two Action Fiches for Kingdom of Lesotho, established by the Government of Lesotho in collaboration with EU delegation in Lesotho and the European Commission.

2011 - Action Fiche I – Lesotho

Identified project, name, financing, aid method

Action fiche I includes: Poverty Reduction Budget Support II\textsuperscript{108}. It has a total cost of EU contribution EUR 45 646 952 (33.2 \% of NIP). The aid method management mode is centralised management for EUR 42.000.000. The money is coming from the general budget support. It has a complementary support of decentralised management EUR 3.446.952. The rest of the money is used for visibility, in decentralised management EUR 50.000 and audit and Evaluation, centralised management EUR 150.000. This Budget support Programme represents about 1\% of the Government of Lesotho revenues per year\textsuperscript{109}.

The proposed disbursements are as follows\textsuperscript{110}:

- The operational duration of the action, as from the signature of the Financing Agreement will be 48 calendar months;

- The budget allocation for complementary support measures in the form of technical assistance and capacity building is EUR 3 446 952;

- The proposed budget support of EUR 42 000 000 will be provided as direct and untargeted budget support;

- complementary support will be provided in form of technical cooperation through service tender and/or Framework contracts and possibly through a direct agreement with the local Centre of Accounting Studies.

\textsuperscript{108} CRIS 22701

\textsuperscript{109} Algirdas ŠEMETA, member of the Commission, Commission Implementing Decision number C(2011)8205 of 15/11/2011

\textsuperscript{110} http://ec.europa.eu/europeaid/where/acp/country-cooperation/lesotho/lesotho_en.htm
General presentation

Poverty Reduction Budget Support (PRBS) II is the second general budget support programme to Lesotho under EDF 10. The global financial and economic crisis has created serious pressures on the Government budget. Lesotho's continued high poverty and low human development status, as well as the HIV/AIDS challenge underpin the continued need for external assistance. After setting out the priorities and development objectives, from 2012 onwards the link between budgeting and development policies is expected to strengthen.

Fig. 29 Disbursements of Funds for the action Poverty Reduction Budget Support II (million EUR)

<table>
<thead>
<tr>
<th>Year</th>
<th>Fixed Tranche</th>
<th>Variable tranche</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>8,80</td>
<td>6,60</td>
</tr>
<tr>
<td>2013</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>2014</td>
<td>8</td>
<td>5,60</td>
</tr>
</tbody>
</table>

Source: Adapted after Lesotho Annual Action Programme, Annex I, p. 11

The top cause of poverty in Lesotho remains unemployment, estimated at 22.7% of the total labour force in 20,082 people. Structural changes are causing this, beginning in the 1990s with the decline of mining employment in South Africa and worsened by the recent retrenchments in the mining and textiles industries due to the global financial crisis. Between 2005 and 2010 The Human Development index improved only slightly, with Lesotho now ranking 141 out of 169 countries.

Objectives

The objectives of the project are to identify measures to overcome constraints to private investment and exports. The intent is to bring economic development onto a stable sustainable growth path. Throughout these development policy documents, Government has

111 http://ec.europa.eu/europeaid/where/acp/country-cooperation/lesotho/lesotho_en.htm
maintained its strategic orientation towards development through education, social protection and economic growth\textsuperscript{112}.

The National Strategic Development Plan will cover the period 2012 to 2017 and will consolidate all key policies and strategies, focusing on broad based economic growth, employment and poverty reduction. The plan will identify the priorities for capital investment, need for governmental intervention on legislation and regulation and highlight opportunities for the involvement of the private sector in all chapters.

The Government of Lesotho keeps its MDG commitment to poverty reduction by protection spending on vulnerable groups and key priority areas for growth. Fiscal consolidation on the expenditure side will be driven by cuts in both recurrent and capital expenditures up to 2015.

Stakeholders

The EU, the World Bank and the African Development Bank coordinate closely with Irish Aid, and DfID who are involved in key reform areas relevant to budget support. The IMF also belongs to this group of stakeholders. Direct beneficiaries of the complementary support are National Monitoring and Evaluation System, Office of the Auditor General, Parliamentary Standing Committees, Centre of Accounting Studies and MFDP\textsuperscript{113}.

The ultimate beneficiaries are all Basotho whose livelihood and welfare is positively affected by the Government's strategy for the development of the country. The operational Budget Support Donor Group comprises in addition to the EU as lead donor, the World Bank and the African Development Bank. All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Advantages

All the necessary elements for a functional Public Financial Management system are in place or at presently being put in place. The lack of fully reliable data is the major weakness.

\textsuperscript{112} http://ec.europa.eu/development/icenter/repository/scanned_ls_csp10_en.pdf
\textsuperscript{113} http://ec.europa.eu/europeaid/where/acp/country-cooperation/lesotho/lesotho_en.htm
Taking into account the progress made and the remaining challenges, the PFM reform programme has to be updated as follows:\textsuperscript{114}:

- Monitoring and reduction of amount overdue of central Government,
- Financial monitoring of all public sector entities,
- Tax-collection ratio and reconciliation of tax assessments, collections and transfers,
- Prepare Cash-flow plans,
- Improve payroll controls,
- Enforce the Public Procurement Regulation and establish the appeals tribunal,
- Roll-out internal audit units and enhance follow-up of internal audit reports,
- Enhanced policy responsive planning and budgeting,
- Improved Accounting and reporting,
- Strengthened External Scrutiny and auditing,
- Strengthening Internal Audit funding at line ministry level.

A mid-term evaluation of the programme is proposed to take place two years after the signature of the Financing Agreement. This evaluation may be used to assist in the preparation of a possible subsequent programme to be funded under the successor to the 10th EDF. Auditing is only foreseen for the complementary support component.

Disadvantages

Progress in achieving the MDGs has been rough. While Lesotho will almost certainly meet the targets for attaining universal primary education and eliminating gender disparity in education, it is unlikely to achieve targets on halving poverty, eradicating hunger, as well as reducing under-five and maternal mortality rates. The slow progress in improving social indicators and attaining MDGs is attributed to the high HIV/AIDS prevalence rate (in 2008, about one in four Basotho between 15 and 49 years were HIV positive), recurrent droughts, reduction in remittances from migrant mineworkers and a deterioration of basic health services.

As a result of the impact of AIDS, average life expectancy is estimated to have fallen from 60 years in 1996 to about 43 years by 2008. Estimations of the number of Orphans and Vulnerable Children, a direct consequence of the high HIV prevalence rate, range between

\textsuperscript{114} http://ec.europa.eu/europeaid/where/acp/country-cooperation/lesotho/lesotho_en.htm
200,000 and 300,000 which means 10 to 16% of the population depend on public support measures. The economic impact of the AIDS pandemic places therefore a particular burden on the social protection expenditure needs.

Critics

Performance of the Lesotho Public Financial Management was assessed in 2006 and 2009. It was underlined the importance of strengthening budget control and execution, accounting and reporting, and external and internal scrutiny and audit. A recent assessment of the Public Financial Management pointed weaknesses in reporting and reconciliation\textsuperscript{115}. The quality, completeness and timeliness of accounting are of concern and on-going reforms still have to show effect. The adequacy of the juridical system is not quite ready for foreign investments or co-financed and should be improved. Lesotho’s national development policy is premised on the Vision 2020. However the agenda has not set clear indicators and targets.

Coherence between targets agreed for the budget support programme and the budgeting of the respective Line Ministries remain to be confirmed. The Ministry of Finance will be requested to provide a confirmation of the budgetary priorities. Support from other donors, such as the World Bank or African Development Bank is double. The quick decline in SACU revenues requires a consolidated strong response.

Expected results

The Government’s development and reform efforts must be finalised in time. Government is devoting considerable human and financial resources to developing the plan EU-funded external expertise is also being mobilised for this purpose. The overall financial stability of the country is a risk factor. To address this risk, the Government has put in place an adjustment plan, supported by the IMF and limited institutional and operational capacity within the Government\textsuperscript{116}.

Government response to the fiscal crisis revenues are\textsuperscript{117}:

- to cut down expenditure on goods and services and freeze and possibly slowly reduce the number of public servants;

\textsuperscript{115} http://ec.europa.eu/europeaid/where/acp/country-cooperation/lesotho/lesotho_en.htm
\textsuperscript{116} Annual Action Programmes in favour of Lesotho, Annex I, 2011
\textsuperscript{117} http://ec.europa.eu/europeaid/where/acp/country-cooperation/lesotho/lesotho_en.htm
- to secure additional external finance on concessional terms;
- to mobilise domestic savings for the public sector through establishing a market for domestic bonds;
- to cover current expenditure by domestic revenue;
- to work towards a sustainable budget deficit of 3%, in line with SADC recommendations.

The expected results will include contributing to: macroeconomic stability; better provision and maintenance of economic infrastructure; improved public financial management and social service delivery; and more harmonized and united development assistance. Inputs will consist of annual financial support provided through General Budget Support broadly equivalent to 1.2 % of total Government revenue.

2011 - Action Fiche II – Lesotho

Identified project, name, financing, aid method

Action fiche II includes: Social Protection for Orphans and Vulnerable Children (OVC) II\textsuperscript{118}. It has a total cost of EU contribution EUR 10.000.000 (7.4 % of NIP). The aid method management mode is Aid method Joint Management with UNICEF. The technical assistance of UNICEF will end in December 2011. The project will support the Government of Lesotho in their efforts in preparing a comprehensive social protection strategy.

General presentation

Lesotho aims to create a democratic, peaceful, prosperous, secure and self-reliant nation by the year 2020. Due to its focus on poverty reduction and HIV-AIDS mitigation, as well as its support to OVC, this project is consistent with the EU policies, the Government of Lesotho's policies and strategies, as well as UNICEF’s OVC Global Framework for the protection, care and support of orphans and vulnerable children living in a world with HIV and AIDS\textsuperscript{119}.

Regarding the Lesotho Child Grants Programme (CGP), it should be highlighted that the National Policy sets such initiatives as a first priority for socio-economic security. The proposed project is the second phase of a current EU funded project which provides general

\textsuperscript{118} CRIS 22095
\textsuperscript{119} http://www.unicef.org/
support to OVC in Lesotho: in addition to the CGP, it also considers OVC access to health, nutrition, education, food security, safety, psycho-social support, HIV pension, and provides capacity building.

Objectives

- To address forms of child vulnerability,
- To take gender sensitive social protection measures;
- To reduce child poverty through the Child Grants Programme,
- To create the institutional capacity of the Department of Social Welfare,
- To improving the human development,
- To strengthens links with other social welfare programmes, so as to ensure the OVC’ rights to survival, development, and protection.

Stakeholders

The main stakeholders supporting Orphans and Vulnerable Children (OVC) are:

- The Government of Lesotho: the main actor is the Department of Social Welfare (DSW),
- Various ministries: Education, Health, Agriculture, Home Affairs and Justice among others,
- EU and UNICEF, Global Fund, US PEPFAR and WFP, NGOs, both international (CRS, World Vision, PACT) and national (Sentebale, Red Cross), are actively supporting OVCs,
- The main beneficiaries of the project, and the most vulnerable, are the neediest OVC,
- At the village level, the primary actor is the community itself,
- Non-state actors.

Advantages

The major cross-cutting issues of the European Consensus on Development that will be addressed by this project are:

- the rights of the child,
- HIV and AIDS,
• gender equality,
• good governance and
• Human rights.

The project supports the EU’s focus on children, their basic rights and their need to benefit from social protection measures as detailed in the European Charter of Fundamental Rights. It also supports poverty eradication efforts in Lesotho, encourages ownership and sustainable development through the use of the Government of Lesotho’s systems, and supports the country’s MDGs.

Gender issues are comprehensively addressed by the project and no further gender analysis is considered to be necessary. Besides, in 2013 the project is envisaging a CGP impact evaluation where gender-related indicators could be included.

Disadvantages

Institutional capacity and adequate coordination are major challenges throughout the Government of Lesotho. This is a serious risk for the implementation of a complex project involving a number of inter-governmental and multi-sectorial stakeholders. The fact that Department Social Welfare must take full ownership of the project, lead and champion the cause of OVC, combined with the capacity building component in the project, is expected to significantly mitigate shortcomings in this area.

The downturn in the global economy and its impact on Lesotho poses a risk to the Government of Lesotho’s capacity to fund the counterpart contribution of the Programme. Human Development and Social Protection is a major issue in the National Strategic Development Plan (NSDP) which is currently under preparation.

Critics

Regarding the concerns about inefficient use of financial resources, it should be taken into consideration that the Child Grants Programme (CGP) is a pilot project for which different tools and instruments needed to be developed and systems established. These investments will be utilised for the entire duration of the programme and not only for the pilot and should not be confused with the operational cost.
The programme preparation should be more detailed before formal initiation. Rigorous assessments of the institutional environment for the programme are necessary to inform planning and management. Regular meetings with all concerned stakeholders are necessary to review implementation and follow up on decisions taken as well as to provide clarity on stakeholders' roles.

Expected results

- The mainly pressing and serious aspects of child poverty are alleviated and basic needs of OVC are met;
- Capacity of the Government of Lesotho at various levels is strengthened,
- To deliver effective protection, care and support to OVC,
- To facilitate an autonomous implementation of activities,
- Draft social protection strategy paper is supported;
- Coordination and networking is improved for all actors in the OVC.

As a response to the HIV and AIDS pandemic, the Government of Lesotho prioritises the country's socio-economic needs; poverty, food insecurity and specifically their relationship to Orphans and Vulnerable Children. These aims are reflected in country commitments to global initiatives, such as the Poverty Reduction Strategy, the Poverty Reduction and Growth Facility, the Millennium Development Goals (MDGs) and Interim National Development Framework\textsuperscript{120}.

\textsuperscript{120} The projects situates within the "Vision 2020".
Based on the Action Fiches, the EU Delegation in Lesotho, together with the ministers and with the European Commission (DG DEVCO) set the calls and the contracts. From the Contracts signed, older than 2009 Action Fiches, for individual projects in Lesotho there are the following:

<table>
<thead>
<tr>
<th>Name</th>
<th>Published</th>
<th>Contract type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening the Lesotho Justice Sector</td>
<td>15.05.2010</td>
<td>Services</td>
</tr>
<tr>
<td>Support to Non-State Actors on Policy Dialogue in Lesotho</td>
<td>12.03.2010</td>
<td>Grant for an action</td>
</tr>
<tr>
<td>Lesotho Water and Sanitation Sector Programme. Provision of Training Services to the Water and Sewerage Authority (WASA)</td>
<td>15.02.2008</td>
<td>Services</td>
</tr>
<tr>
<td>Rehabilitation of Maseru Wastewater System</td>
<td>27.11.2007</td>
<td>Supply</td>
</tr>
<tr>
<td>Upgrading and Strengthening of 110km of the paved primary Road network (A1-A2-A11-B23)</td>
<td>27.10.2007</td>
<td>Works</td>
</tr>
<tr>
<td>Institutional Capacity Building - Ministry of Finance and Development Planning</td>
<td>19.10.2007</td>
<td>Services</td>
</tr>
<tr>
<td>Technical Assistance for Local Governance and Non-State Actors Support Programme (LGNSP)</td>
<td>25.07.2007</td>
<td>Services</td>
</tr>
<tr>
<td>Installation of Thetsane Street Lights - Maseru, Lesotho</td>
<td>29.06.2007</td>
<td>Works</td>
</tr>
<tr>
<td>Upgrading and Rehabilitation of Six Towns Water Supply and Sanitation Systems Lesotho Water and Sanitation Sector Programme</td>
<td>28.01.2006</td>
<td>Works</td>
</tr>
<tr>
<td>Consultancy Services for Detailed Design of Lesotho Lowlands Bulk Water Supply Scheme</td>
<td>27.10.2005</td>
<td>Services</td>
</tr>
<tr>
<td>Technical Assistance to the Water and Sewerage Authority (WASA)</td>
<td>27.10.2005</td>
<td>Services</td>
</tr>
<tr>
<td>Adviser to the Office of the Director of the Bureau of Statistics</td>
<td>04.08.2005</td>
<td>Services</td>
</tr>
<tr>
<td>Feasibility &amp; Technical Design Study for upgrading &amp; strengthening of 110km of the paved primary road network</td>
<td>03.03.2004</td>
<td>Services</td>
</tr>
<tr>
<td>Consultancy to Develop and Implement a Macroeconomic Model for Lesotho</td>
<td>05.02.2004</td>
<td>Services</td>
</tr>
<tr>
<td>Road transport Infrastructure program: Upgrading of unpaved roads</td>
<td>18.12.1999</td>
<td>Works</td>
</tr>
</tbody>
</table>

Source: EU Delegation in Lesotho

EU has a crucial importance in these projects through the network of EU Delegations in ACP countries as well the coordination and monitoring. The set of lessons learned in the previous projects relating to the Lesotho Child Grants Programme should be taken into account. The
overall financial stability of the country is a risk factor and launching a project should start with a risk assessment.

4.1.2. South Africa Action Fiches

The Annual Action Programme 2011 and 2012 part 1 in favour of the Republic of South Africa will be financed under Article 21-060200 of the general budget of the European Union\textsuperscript{121}. The objectives pursued by the Annual Action Programme are to attain a “sustainable and safe roads network that facilitates economic growth, employment and improvement in socio-economic living standards; expand the range of options for wildlife tourism and alleviate pressure on over-exploited ecosystems in major national parks and game reserves in the country.”

The Action Fiches 2009-2011 for South Africa

<table>
<thead>
<tr>
<th>Year</th>
<th>Action Fiche I – South Africa</th>
<th>National Development Policy Support Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Action Fiche II – South Africa</td>
<td>Erasmus Mundus Partnerships 2011 (EM II Action 2)</td>
</tr>
<tr>
<td>2011</td>
<td>Action Fiche III – South Africa</td>
<td>EDULINK II - ACP-EU Cooperation Programme in Higher Education</td>
</tr>
<tr>
<td>2010</td>
<td>Action Fiche I – South Africa</td>
<td>Primary Health Care Sector Policy Support Programme (PrimCare SPSP)</td>
</tr>
<tr>
<td>2010</td>
<td>Action Fiche II – South Africa</td>
<td>Erasmus Mundus Partnerships 2010 (Erasmus Mundus II, Action 2)</td>
</tr>
<tr>
<td>2010</td>
<td>Action Fiche III – South Africa</td>
<td>Technical Cooperation and Official Development Assistance Programme</td>
</tr>
<tr>
<td>2010</td>
<td>Action Fiche IV – South Africa</td>
<td>Contribution to the &quot;(ACP) Science and Technology II&quot; programme</td>
</tr>
</tbody>
</table>

Source: Annual Action Programmes in favour of South Africa, 2009-2011

\textsuperscript{121} Algirdas ŠEMETA, member of the Commission, Commission Implementing Decision number C(2011)8205 of 15/11/2011
2011 - Action Fiche I – South Africa

Identified project, name, financing, aid method

Action fiche I includes: the National Development Policy Support Programme. It has a total cost of EU contribution EUR 250 000 000. The aid method management mode is direct centralised management. The complementary Support goes to: support to Civil Society: direct centralised management, capacity Building for Public Financial Management and support to Pro-poor Policy Development II. As a general rule, cumulated changes of the allocations to the precise actions cannot exceed 20% of the maximum contribution and cannot be more than EUR 10 million123.

General presentation

The aim of this project to improve the conditions of life of South Africans, including halving poverty and unemployment, while being aligned with the Millennium Development Goals (MDGs). The programme’s purpose is to contribute to the overall objective in the areas of employment creation. The release of the programme through a combination of budget support and traditional projects reflects the conclusion of extensive dialogue between the EU and the South African Government. Global budget support is seen as an appropriate instrument because these issues cut across sectors and government functions, and are considered essential if South Africa is to make more rapid progress in meeting its development objectives, including the MDGs.

It focuses specifically high priority aspects:

- decent work and sustainable livelihoods;
- education;
- health;
- rural development, food security and land reform; and
- the fight against crime and corruption.

122 ZA/DCI/22802
123 The measures provided for in this Decision are in accordance with the opinion of the European Development Fund Committee set up by article 8 of the Internal Agreement of 17 July 2006. The term “substantial change” within the meaning of Article 7 of Regulation (EC) N° 617/2007 ensures that any substantial change in this Decision shall follow the same procedure as the initial Decision.
124 Annual Action Programme in favour of South Africa 2011, Annex I
Objectives

The objectives are:

- To contribute to employment through inclusive economic growth; and an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship,
- Contribute to job opportunities for a skilled and capable workforce,
- Employment creation to enhance environment assets and natural resources; and
- Creating a responsible, accountable, effective and efficient public service.

Stakeholders

The main stakeholders are: the National Treasury and the Presidency, target groups include public servants at national, civil society (including research and academic institutions). Final beneficiaries are the citizens of South Africa. The groups have been expanded to include non-EU members, UN and the World Bank.

Regarding other donors, Germany is implementing actions in the area of monitoring and evaluation, supporting the Presidency and local government support. Department for International Development (UK) is working in employment creation. Belgium Government is supporting the National Treasury in technical cooperation in the field of public sector innovation. The UNDP is working closely with the Presidency on the performance outcome areas, while the International Labour Organization (ILO) is instrumental in assisting the country with its decent job agenda. Various donors have expressed support to the green economy and climate actions proposed by the Government.

Advantages

The on-going EU-funded programmes continue to assist government's efforts in promoting employment, improving living conditions of the poor and enhancing modus operandi within the administration, while aiming to achieve the majority of the MDGs. The main programmes focus on employment, primary education and primary healthcare, addressing issues related to the MDGs.
Disadvantages

There is the need to use aid for capacity building. Increased and efficient donor coordination is emphasised. With regard to EU support to civil society, experience has shown that support as part of sector support programmes can add value and complement the work of the Government, but should not do it. Non-State Actors' involvement have been reviewed and are involved in the development cooperation process, planning for the timely contracting and implementation of projects. There is also the need for donor funding to be used for value-added activities, to ease bottlenecks in service delivery, and for innovation.

Critics

Key observations were made during the first evaluation for budget support in the country in 2010. The need was emphasised to use existing structures and processes of the Government, while fostering ownership and accountability. The timing of disbursements was considered challenging and needs to be aligned with the budget cycles of the Government.

Lessons learnt from the 2010 European Court of Auditors and the EC Green Paper on Budget Support (2010) have been taken into account. Key findings were accommodated by developing a realistic risk management framework, scaling-up proposed dialogue, as well as identifying clear and achievable objectives for the programme by aligning it closely with the Delivery Agreements.

Expected results

The expected results include:

- contributing to the implementation of the Government of South Africa's national development policy,
- capacity building in improved public finance management, improved evidence-based policy-making and
- implementation, as well as enhanced civil society participation,
- fostering a strategic South Africa-EU dialogue,
- Decent employment through inclusive economic growth.
2011 - Action Fiche II – South Africa

Identified project, name, financing, aid method

Action fiche II includes: *the Erasmus Mundus Partnerships 2011 (EM II Action 2)*\(^\text{125}\). It has a total cost of EU contribution EUR 5 000 000. The aid method management mode is indirect centralised management.

General presentation

The project contributes to the development of human resources and the international cooperation capacity of Higher Education Institutions (HEIs) in third countries by increasing mobility between the European Union and these countries. The Erasmus Mundus Programme 2009-2013 is a cooperation and mobility programme in the field of higher education that aims to enhance the quality of European higher education and to promote dialogue and understanding between people and cultures through cooperation with third countries.

Action 1 refers to the Erasmus Mundus joint programmes of outstanding quality at masters and doctoral levels, including scholarships and fellowships to participate in these programmes.

Action 2 consists of the Erasmus Mundus Partnerships between European and third country HEIs, including scholarships and fellowships for mobility at all academic levels. Action 3 seeks to promote European higher education through projects that enhance the attractiveness of Europe as an educational destination and a centre of excellence at world level.

Objectives

The overall objectives of Erasmus Mundus Partnerships 2011 (Erasmus Mundus I Action 2) between South African and European HEIs are to contribute to the provision of appropriate high-level skills for sustainable development and growth in South Africa, and to improve political, economic and cultural links between South Africa and the EU.

The purpose of Erasmus Mundus Partnerships 2011 is to expand opportunities for the exchange of knowledge and skills between the South African and the European higher

\(^{125}\) ZA/DCI/23066
education communities and to help improve and enhance the career prospects of students and to promote intercultural understanding through cooperation with third countries, in accordance with EU external policy objectives in order to contribute to the sustainable development of third countries in the field of higher education.

Stakeholders

The stakeholders are the Education and Training Development Partners Forum in South Africa, currently coordinated by the Netherlands, the Government of South Africa, Higher Education South Africa (HESA) and the 23 public higher education institutions in South Africa. The main beneficiaries will be:

- South African Higher Education Institutions,
- South African students at masters and doctoral level, particularly those that belong to the previously disadvantaged groups; and
- South African academics, particularly those from the disadvantaged universities and the universities of technology.

Advantages

A number of EU-funded cooperation programmes in higher education are open to South Africa, like Erasmus Mundus II Action 1, which provides opportunities for HEIs to implement joint European Masters and Doctoral programmes, together with European HEIs, as well as mobility for students, researchers and academics in the context of these programmes.

Disadvantages

The disadvantages include the following:

- The risk of brain-drain,
- Establishing cooperative projects between HEIs requires a significant investment in time and effort,
- Inter-institutional agreements should be used to formalise partnerships.
- Beneficiaries of scholarships (students and staff) should receive preparatory support from both the home and the host institutions.
Critics

While there are no Results Oriented Monitoring (ROM) reports available for South Africa, and a mid-term evaluation of the overall Erasmus Mundus II Programme is currently being launched, a number of valuable lessons have been learnt in regard to the implementation of mobility programmes such as the Erasmus Mundus Programme. The main issues are the following: practical issues, e.g. visas; different academic calendars, brain-drain, insufficient institutional capacity in some South African HEIs.

Expected results

The expected results of the project are the following\(^\text{126}\):

- Enhanced international cooperation capacity of South African HEIs;
- Steady increase in the number of South African postgraduate students (masters and doctoral level);
- Academics accessing Erasmus Mundus opportunities;
- An enlarged pool of well-qualified and internationally experienced South African professionals, capable of responding to the challenges of sustainable and equitable development;
- Increased visibility of South African HEIs as potential partners for international cooperation.

The Government of South Africa's 2010 ODA Review further highlighted the need to facilitate increased ownership and alignment with the Government’s objectives and processes. The strategic heart of the projects relates in particular to the understanding that economic growth and development have to include the creation of work, to improve the conditions of life of South Africans by halving poverty and unemployment, while being aligned with the MDGs and to ease investment in skills development. Service delivery and public sector reform are at the center of the Government's approach.

\(^{126}\) Annual Action Programme in favour of South Africa 2011, Annex I
4.1.3. Cross-border Projects

The cross-border projects come from the Regional Indicative Programmes or from the fact that some calls for tenders of call for proposals in Lesotho or South Africa are opened for the neighbouring country. Apart of the new objectives of the AAP 2011, the on-going projects are following their normal course.

From the common key resources or issues projects there are: South African legislation towards immigration, historical background of Basoto people immigration, diamond mines, labour migration and trade, water and sanitation, education etc. Addressing socio-economic impact of HIV/AIDS at all levels and in all sectors remains a priority on the development agenda of SA and Lesotho.

South Africa has a land area of 1.2 million square kilometres, and a long coastline that stretches for more than 2500 km. Water and labour force migration there were always starting points of conflicts or cooperation. There has been much concern about the effect of HIV/AIDS on the future size of the South African population. The migration between the two countries transferred the issue from one to the other.

The water resources in Southern Africa are unevenly distributed over seasons and space over the country. Meanwhile, the neighbouring country, Lesotho has a huge water reserve compared with its needs. Some regions of South Africa suffer from water scarcity, the waters are shared and this could be a source of conflict and political instability.

Food security is one of the region's most serious challenges and lively regional collaboration is offering a key solution. Intra-regional trade, planning, inventive farming methods, food aid have helped southern Africa to avert starvation in the face of persistent droughts.

Identified project, name, financing, aid method,

Water supply and Sanitation is a major project for the Hydrological information and surveillance system. The major objective of this project is Improving Water Management in the Southern Africa Region. This project contributes to promoting regional integration by enhancing common water management. The need for this project has been identified in the
2000, but the latest Commission Decision to finance this sector was in 2010 with an EU contribution of 32.000.000 EUR\textsuperscript{127}.

General presentation

The context of the project is a potential cooperation for water in Southern Africa area. The Southern Africa Development Community (SADC) countries recognized the need for improvement of regional co-operation in the fields of water resources information, flood and drought management, land management, watershed protection and management of international waters. The solutions to these problems were dependent on the existence of reliable information systems at both national and regional levels, covering not only collection and analysis, but also the exchange and dissemination of water resources data.

The EU contribution counted €1.87 million granted during the period of time 1998-2001. The agreement to build Polihali Dam, signed in August 2011 by the Lesotho and South African governments, formally kicks off the second phase of the Lesotho Highlands Water Project. It is an ambitious 30-year, US$16 billion bilateral venture that envisions building five or six large dams in Lesotho to supply neighbouring South Africa's rapidly increasing industrial demand for water and electricity. The largest water infrastructure project on the African continent, when completed it will transfer over 70 cubic meters of water per second to South Africa\textsuperscript{128}.

Objectives

The project responded to the needs in 10 countries: Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe. Between the objectives of the project take part:

- Objective Manage water resources together,
- To provide the SADC with a regional hydrological information system,
- To assist participating countries to improve their capacity in the fields of water resources assessment, monitoring and management,

\textsuperscript{127} Annual Action Programme, Annex I, 2010
\textsuperscript{128} http://ec.europa.eu/europeaid/where/ACP/country-cooperation/lesotho/lesotho_en.htm
- To work, together with other national, regional and international projects towards the modernization, rationalization and improvement of the water resources information system in the region.

Stakeholders

EC Partners for this project are:

• Governments of the countries involved,

• World Meteorological Organisation,

• World Bank.

Advantages

The project has a more complex plan and includes the SADC countries. 43 hydro meteorological stations based on the METEOSAT satellite located in 10 countries of Southern Africa. A Pilot Regional Centre established as a permanent institution providing support in application of the Protocol on Shared Watercourse Systems\(^{129}\).

Disadvantages

The development projects do not have only a positive side, plenty of houses and villages had to be moved in order for the dams to be constructed. The Lesotho Highlands Development Authority (LHDA) is building three dams in order to deal with the water resources. The construction of the first one, Katse dam was completed in 1998, followed by Mohale in 2002.

• Operating capacity of the partners,

• Capacity to put in practice and alive the project,

• Capacity of absorption.

\(^{129}\) http://www.africanwater.org/SADCprotocol_Original.PDF
Critics

Despite concerns about the 27,000 villagers directly affected by construction of the dams and the wellbeing of the people, who lost their homes or land after the first dams were built in return for what many feel is inadequate compensation, a third major dam is built.

"No more dams should even be on the drawing board until the social and environmental problems created by the first dams are resolved," said Lori Pottinger, an African specialist at International Rivers (IR), an environmental and human rights NGO based in Berkeley, California. But Lesotho's government yielded a profit of $64 million in 2010. Between 1998 and 2009 the yield counted $340 million. But civil society organizations point out that overall they have experienced more losses than benefits130.

467 households were destroyed and several villages were partially or completely flooded when the Katse and Mohale dams were built on the Senqunyane River in southern Lesotho's Thabaputsoa mountain range. However, many more households were affected by the damage or loss of arable and grazing lands.

Villagers within a two to five kilometre radius of the dams were given new houses, a communal water tap, pit latrines, and annual compensation averaging $650 per household, which they are supposed to receive for the next 50 years. But the land where they were resettled, higher up in the mountains, is much poorer than where they farmed before, the plots they were given are much smaller, and the compensation money is not enough to live on. Although they were given some choice about where to resettle, the options were limited.

A community leader from Likalaneng village, a few kilometres from the dam, who gave her name only as Mpeoane, agreed that the resettlement package had not been enough to compensate villagers for the loss of their land.

"Lesotho continues to sell natural resources that their own people need," mentioned Mabusetsa Lenka, head of the water, justice and environmental programmes at Transformation Resource Centre (TRC) a human rights and social justice NGO based in Maseru131.

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130 http://ec.europa.eu/europeaid/where/ACP/country-cooperation/lesotho/lesotho_en.htm
131 http://www.limkokwing.net/lesotho/living/about_lesotho/
Expected results

What has been achieved until now with the Water supply and Sanitation project:\(^{132}\):

- Improved assessment of water resources availability thanks to the development of a software database system with accurate and up to date regional data,
- Easier and cost-effective exchange of information thanks to the establishment of an electronic network linking the national databases,
- Hydrologists and technicians have been trained in operation and maintenance of the system.

The objectives pursued by the Annual Action Programme 2011 are to contribute to the implementation of Lesotho's national development agenda as embodied in the Vision 2020\(^ {133}\) and to support the implementation of the National Strategic Development Plan focussing on the following objectives:\(^ {134}\):

- accelerate shared and sustainable economic growth;
- strengthen social protection and the fight against HIV and AIDS;
- foster good governance for improved service delivery; and
- Promote human development.

All these objectives should nevertheless take into account the social and economic issues facing the two countries. The objectives pursued by the Annual Action Programme contribute to the performance of the Republic of South Africa's Medium Term Strategic Framework (MTSF) and the supplementary Outcomes-Based Approach, which aim to improve the conditions of life of South Africans and halving poverty and unemployment, while being aligned with the Millennium Development Goals.

\(^{132}\) http://ec.europa.eu/europeaid/where/acp/country-cooperation/lesotho/lesotho_en.htm
\(^{133}\) http://www.limkokwing.net/lesotho/highlights/achieving_vision_2020/
\(^{134}\) Andris PIEBALGS, member of the Commission, Commission Decision number C(2011) 7405 of 18/10/2011
### The trans-border projects in Southern Africa

<table>
<thead>
<tr>
<th>Project</th>
<th>Contract Type</th>
<th>Geographical Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACP-EU Water facility Restricted Call for Partnerships for Capacity Development in the ACP Water &amp; Sanitation Sector</td>
<td>Grant for an action</td>
<td>Intra ACP Allocations</td>
</tr>
<tr>
<td>EDULINK II - ACP-EU cooperation programme in higher education</td>
<td>Grant for an action</td>
<td>Intra ACP Allocations</td>
</tr>
<tr>
<td>Assistance technique au Secrétariat ACP pour gestion du Programme UE-ACP d'appui au secteur culturel. Technical assistance to the ACP Secretariat for management of the EU-ACP support programme to the cultural sector</td>
<td>Services</td>
<td>Intra ACP Allocations</td>
</tr>
<tr>
<td>Promotion of the Millennium Development goals: Sanitation in poor peri-urban and urban areas in ACP countries</td>
<td>Grant for an action</td>
<td>Intra ACP Allocations</td>
</tr>
<tr>
<td>Programme UE-ACP d'appui aux secteurs culturels. EU-ACP Support Programme to ACP Cultural Sectors. ACP Cultures II + ACP Films II</td>
<td>Grant for an action</td>
<td>Intra ACP Allocations</td>
</tr>
<tr>
<td>Supply of computer equipment for the Customs Modernisation and Trade Facilitation Project towards Customs Unions for SADC</td>
<td>Supply</td>
<td>Southern Africa Regional 9th EDF</td>
</tr>
<tr>
<td>Support to SADC Member States in Standardization, Quality Assurance, Accreditation and Metrology (SQAM) – Southern African Development Community (SADC) Secretariat, Gaborone</td>
<td>Services</td>
<td>Southern Africa Regional 9th EDF</td>
</tr>
<tr>
<td>Technical Assistance to the SADC Foot and Mouth Disease Project (SFMDP)</td>
<td>Services</td>
<td>Southern Africa Regional 9th EDF</td>
</tr>
<tr>
<td>Technical Assistance to the SADC African Transboundary River Basin Support Programme Case of the Basin of the Orange-Senqu River in Botswana, Lesotho, Namibia and South Africa</td>
<td>Services</td>
<td>Southern Africa Regional 9th EDF</td>
</tr>
<tr>
<td>Technical Assistance to the SADC Food Safety - Capacity Building on Residue Control</td>
<td>Services</td>
<td>Southern Africa Regional 9th EDF</td>
</tr>
<tr>
<td>Implementation and Coordination of Agricultural Research and Training in the SADC Region (ICART – 2) Complementary Phase</td>
<td>Services</td>
<td>Southern Africa Regional 9th EDF</td>
</tr>
<tr>
<td>Provision of Technical Assistance to the SADC Secretariat in the implementation of the Finance and Investment Protocol</td>
<td>Services</td>
<td>Southern Africa Regional 9th EDF</td>
</tr>
<tr>
<td>Updating of the SADC Regional Infrastructure Development Master Plan Gaborone, Botswana – SADC</td>
<td>Services</td>
<td>Southern Africa Regional 9th EDF</td>
</tr>
<tr>
<td>Capacity Building for Regional Integration (CBRI) (South African Development Community Secretariat) The SADC Member States</td>
<td>Services</td>
<td>Southern Africa Regional 9th EDF</td>
</tr>
<tr>
<td>Supply of computer equipment for the Customs Modernisation and Trade Facilitation Project towards Customs Union for the Southern Africa Development Community</td>
<td>Supply</td>
<td>Southern Africa Regional 9th EDF</td>
</tr>
<tr>
<td>Support to the implementation of internationally recognised institutional reforms (procedures, systems and processes on budget management operations)</td>
<td>Services</td>
<td>Southern Africa Regional 9th EDF</td>
</tr>
<tr>
<td>Technical Assistance to the SADC Economic Accounting of Water Use Project</td>
<td>Services</td>
<td>Southern Africa Regional</td>
</tr>
<tr>
<td>ACP-EU Energy Facility II Call for Proposals</td>
<td>Grant for an action</td>
<td>Intra ACP Allocations</td>
</tr>
<tr>
<td>10EDF ACP-EU Water Facility Open Call for Water, Sanitation and Hygiene Promotion for the Millennium Development Goals</td>
<td>Grant for an action</td>
<td>Intra ACP Allocations</td>
</tr>
<tr>
<td>Supply of server and ancillary equipment for the Food Safety - Capacity Building on Residue Control Project</td>
<td>Supply</td>
<td>Southern Africa Regional 9th EDF</td>
</tr>
</tbody>
</table>

Source: EU Delegation in Lesotho
The objectives for Southern Africa are\textsuperscript{135}:

- decent employment through inclusive economic growth,
- an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship,
- job opportunities for a skilled and capable workforce,
- employment creation to enhance environment assets and natural resources,
- Creating a responsible, accountable, effective and efficient local government system that will enhance a development oriented public service.

The tactical focal point relates in particular to the understanding that economic growth and expansion, including the creation of decent work on a large scale, investment in skills development, service delivery and public sector reform are at the centre of the Government's move towards. The lack of skilled graduates, technicians and artisans, education in general, water facility, sanitation, health and food safety has been identified as binding constraints on growth in Southern Africa. Even if there are plenty of international donors to finance the development projects, the lack of capacity building makes the impossibility to absorb the funds.

\textbf{4.2. The contribution to regional development}

It is true that the local development influences the regional development, but it seems that the South Africa’s economic growth did not reach the Maloti Mountains of Lesotho, but the crisis did. The global economic slow-down has reached Matiisetso Ntale’s food reserves in the mountains of Lesotho. The locals say that nowadays the food is too expensive.

Basotho people are trying to provide the basics for survive. Furthermore there is also the ongoing AIDS pandemic on children in Lesotho. While battling with the economic crisis, this little mountainous territory with an approximate population of 2 million is also facing with the world’s third highest HIV and AIDS prevalence rate, at 23% per total population. The

\textsuperscript{135} Algirdas ŠEMETA, member of the Commission, Commission Implementing Decision number C(2011)8205 of 15/11/2011
The cruel impact of the global economic crisis and the cost the HIV epidemic left leaving 52% of the country’s children living in poverty\footnote{http://www.unicefglobalstudy.blogspot.com/}.

The dilemma of the kingdom of Lesotho is worsened by a comparatively undiversified economy that is heavily dependent on foreign markets. In this enclave, 43 per cent of the population lives on less than $1.25 a day. Like most of its neighbours, Lesotho is struggling with economic challenges and growing poverty. This makes it uniquely vulnerable to shocks like the global economic crisis.

The global financial and economic crisis resulted in a significant decline in revenues from the Southern African Customs Union (SACU), which had accounted so far for around 60% of the country’s tax revenue. Despite strong economic performance in the years preceding the global recession, 56.6% of the population lived below the poverty line in 2002, compared to 66.6% registered in 1994. Poverty over the period increased slightly in urban areas, while it decreased in the rural areas.

The number of vulnerable children is growing. Fortunately, UNICEF with the support from the European Union has common initiatives to help these children. The mix of illness, lack of food, shortage and worsening economic outcomes are devastating the traditional social safety for children. A big number of children are rising up with limited or no adult supervision, with fewer meals, poor shelter, no sanitation and a lack of other basics. Crossing the border daily, for work is often considered to be a form of unauthorized movement in Southern Africa. In southern Lesotho, a new and particularly dangerous form of two-way cross-border movement has become deep-rooted. This situation warrants a crisis which is devastating parts of the countryside in both Lesotho and the northern Eastern Cape Province of South Africa.

The social and economic roots and impacts of cross-border stock theft attracted media and official attention\footnote{Gary Kynoch, Cross-border raiding and Community conflict in the Lesotho-South Africa border zone, Southern African Migration Project, Migration Policy Series No. 21, 2010}:

- Although stock theft is not new to this border zone, it became more widespread, organized and violent in the 1990s.
- Since 1990, 85% of stockowners in the border villages have lost animals to thieves as compared with 49% from non-border villages.
• Most cattle and sheep are stolen from cattle posts where they are guarded only by shepherds. Villagers rate stock theft as a serious problem.

• Stock thieves come from within Lesotho as well as across the border in South Africa. Basotho stock thieves also carry out raids in South Africa and vice-versa.

• Criminal networks in Lesotho and South Africa also cooperate to dispose of stolen animals in the lowlands of Lesotho and as far afield as Port Elizabeth, Durban and Welkom.

• The upsurge in stock theft is clearly related to growing poverty in the region. On both sides of the border, mine retrenchments have hit hard, sending experienced miners home and denying young men access to wage employment.

• Stock raiding produces insecurity and suspicion, fuelling the escalating cycle of theft and counter-theft.

• The Lesotho-South African border plays an essential role in the organization and impact of stock theft.

• The international border leads to a distinctive pattern of stock theft. The situation becomes more problematic when Basotho stock thieves use the border as a refuge, stealing from Basotho and driving the animals across the border into South Africa to sell or exchange with South African thieves.

• Cross-border counter-raids to retrieve lost stock and revenge attacks are also common on both sides of the border. South African victims then target Basotho border villages for revenge raids, resulting in great tension and friction between ordinary Basotho and South Africans.

• The only Lesotho village reporting harmonious cross-border relations borders a white South African farming area. However, white border farmers are not distant from the conflict.

• Stock raiding has major negative impacts on households, communities and cross-border interaction. The impacts also extend to the national economy.

Lesotho police and villagers are adamant that some white South African farmers are implicated in cross-border theft. Farmers are reluctant to invest in breeding cattle as households debate the merits of getting rid of their cattle. Stock theft has also had a deleterious effect on agriculture, reducing the availability of oxen for ploughing fields. In Qacha’s Nek and Quthing districts, production of wool and mohair has fallen significantly in
the last 5 years. Livestock holdings have dropped and the numbers of stockless households has increased\textsuperscript{138}.

Stock theft, coupled with decreasing agricultural production and increasing unemployment, deepens poverty and desperation. At the household and community level, the impact may be the following:

• The household economies are unhelpfully affected by stock theft. A household’s entire wealth and livelihood can be wiped out in one attack.

• Rising stock theft and related violence have profound social consequences, bringing fear and insecurity to ordinary people. People are abandoning their villages and migrating to town and to South Africa to look for work.

• Community relations have become fraught with tension and suspicion. Nearly half of all stockowners interviewed suspect specific individuals within their own village are involved in the theft of animals - acting either as informants or actual thieves. Invariably it is the poor who are the most affected.

• Communal cooperation such as livestock loaning for ploughing and mafisa (sharing of products) is in steep decline, as are cultural activities and celebrations which involve the slaughter of animals.

• Cross-border cooperation, activities and initiatives have twisted and there is considerable hostility on either side of the border. Even casual visiting and shopping have all but ceased.

Avoidance efforts have involved some cross-border cooperation between villages to apprehend thieves and return cattle but these efforts are sporadic and make little dent on the problem. They often also lead to vicious reprisals from stock-theft syndicates. The situation is bound to deteriorate further unless there is effective national-level attention and intervention. This conflict could well pale in comparison with the volatile situation building in the southern Lesotho border zone. Here, the same combination of factors is compounded

\textsuperscript{138} Gary Kynoch, Cross-border raiding and Community conflict in the Lesotho-South Africa border zone, Southern African Migration Project, Migration Policy Series No. 21, 2010
by ethnic and national difference, and the strategic manipulation of borders by stock thieves on both sides.

Both governments need to recognize that this local crisis could escalate into a major conflagration and intervene to defuse the situation, calm tensions and work towards effective policing and a political solution. Both the Lesotho and South African governments should acknowledge that a crisis situation exists and that this is a regional problem. Only when national governments, working together with local stakeholders, take the problem seriously and begin cooperating can workable initiatives to halt this devastating social and economic plague be implemented.

Despite these desperate theft acts, the country is developing slowly but surely. The impact of the EU-Lesotho-South Africa collaborating reflects in over passing the social and economic crisis. Furthermore, the increasing number of visitors in Lesotho may be considered a window of touristic opportunity.

### 4.3. Visibility of the European Union

The European Commission developed the Joint Visibility Guidelines for European Commission Actions in the Field\(^\text{139}\). In Lesotho projects, all visibility activities will also ensure the Government of Lesotho visibility. It is about:

- How many people know about the projects?
- How many beneficiaries are involved?
- How much is advertised?

The technical cooperation implementing the complementary support component should include communication and visibility activities. Communication and visibility should take place during the Joint Annual Reviews and on the occasion of announcement and transfer of funds through press releases, press conferences and public information sessions as

appropriate. For these activities a visibility budget has been proposed to be implemented through local service contracts. For actions in Lesotho, participation will also be extended to persons from the Republic of South Africa.

Unfortunately the local visibility of the EU co financed projects is way behind the results. There has been no formal evaluation of General Budget Support, nor has the programme been subject to the EU result-oriented monitoring. However, lessons that can be drawn from the implementation of the first phase can be learnt. In the lead-up and during preparation all Government departments must obtain a good understanding of the principles and mechanics of general budget support. A number of ministries erroneously assumed that by including a performance area in the performance assessment framework, this would directly lead to additional budget allocations. The follow-up of the project is a must.

The conflictive history of post-independence Lesotho politics reveals how profoundly attitudes towards and relations with South Africa, are implicated in every aspect of the country's national existence. The lack of any effective sovereignty for Lesotho has problematic implications for the maintenance of border controls and restrictions on immigration from Lesotho in the post-apartheid period. In practice the border posts can operate with neither credible efficiency nor neighbourly openness, because the border is not an international political or economic boundary and control point but rather a business.

In addition, growth in 2011 is likely to be dampened because of a projected high current-account deficit resulting from higher imports to meet requirements for projects in the construction sector, compounded by continued low Southern Africa Customs Union (SACU) revenues. Slower growth in government expenditure is also a factor in the lower projected economic growth.

- Lack of ownership and confidence amongst actors in dialogue mechanisms put in place by governments or donors.

- Mistrust and competition for access, for finance, for visibility and power between civil society organizations may prevent the creation of sustainable and solid platforms or networks that can play a representative and strategic role.

- High disparities in the level of literacy, experience and ‘professionalism’ between organizations may lead to patronage, misrepresentation and distortion of objectives and
discourse at the expense of the weakest actors.

- Weak accountability and governance of certain structures may result in defending self-interests and playing power games.

- The need to take part in debates which require comprehension of complex and sometimes technical issues prevent the participation of organizations that lack a close nexus to decision making circles and are not involved regularly in policy work even if they are the best-placed and most relevant actors.

- Difficulty to put in place suitable and sustainable means of communication and information-sharing among civil society actors that would allow a broad-based participation.

- Many European NGOs not sufficiently informed about and/or interested in EC role in development cooperation to put efforts into EC policy making and in encouraging their partners to do so. This is simply not part of their day-to-day working priorities.

- More transparency and better information and communication towards the public in the EU and partner countries would certainly help in raising interest of civil society (both local and European). EU and local civil society should themselves contribute to disseminating information through their own means. Free media, as part of the civil society sphere, also has an important role to play.

- EU NGOs should pay more attention to their participation in policy dialogue and aid monitoring when establishing partnerships and support strategies and programmes.

- Civil society should proactively use the opportunities offered by donors’ commitments to civil society participation and organize itself so that qualitative contributions can be made

- EU NGOs should allocate more time and resources to monitoring EU cooperation instruments and strategies and should strengthen their networking at EU level.

- EU NGOs should promote to the European public the approach to development.

- An open debate should take place with the EU institutions.

EU Delegations and Headquarters may consider capitalizing on other big EU events locally.
They may consider additional ways of publicizing the programme in a particular country. Each partnership is also required to provide a solid visibility and networking strategy: to promote the programme and reach a maximum number of institutions, and to increase opportunities for vulnerable groups; and to ensure visibility and credit in all reports, publications and events linked to the activities after selection of candidates. The evaluation grid contains specific points for the evaluation of these aspects. The European Commission services will assure the visibility of the actions, in compliance with the Visibility guidelines for EU external actions.\textsuperscript{140}

From the field experience, it was observed that the EU visibility, even if obligatory is not supported. In places like Katze Dam, where the EU is one of the major donors, nobody knew that, not even the person presenting the Dam to tourists.

It has also been observed that some of the co-financed building of roads was not finished and there was no sign of continuing the works. The reason is unknown. Furthermore, corruption and weak monitoring do not help the expected results to be attained.

4.4. Prejudices of European Visitors to South Africa and Lesotho

In the network society that we live in, a country’s development depends and influences the neighbouring countries and the region as well. A vision of Lesotho and South Africa analysis was done by the author, on a group of European tourists going to Lesotho and South Africa in 2010. The planning of the trip took six months and the length of the trip was one month.

The hypothesis started from the prejudice that: It is very dangerous to visit these countries. The visitors had their perception on the fact that it is dangerous, that they can take malaria from mosquitoes, that they can be robbed etc. The first thing to be done before the trip was the vaccination of all the members of the group.

A few of the \textbf{prejudgements} they had before the trip to Lesotho and South Africa:

- Africa is dangerous; therefore Lesotho and South Africa are dangerous.

\textsuperscript{140} http://ec.europa.eu/europeaid/work/visibility/index_en.htm
- The capitals of the African states are the most dangerous places of Africa; therefore Maseru and Pretoria are very dangerous cities.
- Africa is poor; therefore there is a risk in not finding food or supermarkets.
- There is racism towards white people.
- People are aggressive.
- People are begging for money.
- There is no industry in Africa.
- There are no paved streets; therefore it is better to have a 4x4 car.
- In Africa it is always warm and there is not enough rain.
- Lack of internet access.
- The illiteracy rate is high.

The prejudice is a premature unsupported judgement based on favourable or unfavourable feelings, without ascertaining the facts. It is to be mentioned that not every generalization is a prejudice, some are misconceptions. Prejudgements become prejudices only if they are not reversible when exposed to new knowledge\textsuperscript{141}. What one would try to do is to determine which of her or his ideas represent prejudice and which of them are misconceptions.

There are some actions acting out of prejudice presented on en ascending scale as follows\textsuperscript{142}:

- Antilocution,
- Avoidance,
- Discrimination,
- Physical attack,
- Extermination.

Most of the analysed cases can be included in the first action, ‘antilocution’. Most people who have prejudices talk with other people who think in similar way about them. Before the trip a strong preparation was done and information collected from books or other’s experience in Africa.

\textsuperscript{141} W. Allport, Gordon, The nature of prejudice, published by Anchor Books and Addison-Wesley Publishing Company, USA, 1958, p. 9
\textsuperscript{142} Idem, p. 14 W. Allport, Gordon, The nature of prejudice, published by Anchor Books and Addison-Wesley Publishing Company, USA, 1958,
Avoidance means trying to avoid as much as possible the contact with the prejudiced group. Discrimination is directed toward a specific individual and refers to unequal treatment, as for example the apartheid. The apartheid was a legal discrimination towards other people than white.

The normality of prejudgement comes from the fact that it is impossible to know everything and we take the stereotypes from the cultural and social environment. All these are guiding our life and make us react accordingly. The first is the prejudice and then there is the response action. People’s minds need categorization to organize their lives. On the other hand, prejudiced people suffer mentally and emotionally.

Prejudice is a prejudgement, whereas stereotypes are ideas unchangeable in your mind, even if the reality says differently. The types of prejudice are143:

- the cognitive prejudice (what people believe to be true),
- the affective prejudice (what people like and dislike) and
- the behavioural prejudice, what people are inclined to behave.

The more prepared they are, people’s prejudices are included in the first category, the cognitive prejudice. However prejudice is learned and can be reduced, by information and education.

After the trip, the prejudgements of the people of the analysed group have changed as follows:

i. Prejudgement: Africa is dangerous, therefore Lesotho and South Africa are dangerous.

Lesotho is a sovereign democratic kingdom. The history of Lesotho and the conflictive post-independence politics may create a certain image. The border controls and restrictions on immigration from Lesotho towards South Africa intensified in the post-apartheid period.

There are a lot of police filters, not only at the border, but on the streets as well. It cannot be said if Africa is dangerous, because the visit to one country cannot be extended to the entire continent, but it is not that one can walk freely everywhere.

143 http://en.wikipedia.org/wiki/Prejudice
People are frightened by the unknown. This is a possible explanation of the fear they had before leaving. The mankind is divided into races. Racism was the starting point of slavery. Now, there is a contradiction between slavery and human equality. After the apartheid in South Africa, new values had to be learned by people of Lesotho as well. The transition period had come to an end.

ii. Prejudgement: The capitals of the African states are the most dangerous places of Africa, therefore Maseru and Pretoria are very dangerous cities.

It seems that local people were staring at the tourists on the street. But no case of violence was shown. They did not fell any other type of aggression.

The violence of a society can reflect the violence of the authorities, or the violence seen on television. Media can be a model of violence - or non-violence, usually of violence. And there a vicious cycle is created, in a violent social environment, the television reflects this violence and then the social environment reflects the violent television programmes\textsuperscript{144}.

In 1980s, Lesotho received money from the apartheid government of South Africa. Despite this, Lesotho government welcomed members of the banned South African liberation movements to Lesotho, which created tensions between Lesotho and South Africa. Even in 1998, Government vehicles were hijacked and it seems that the Lesotho police lost control of the situation.\textsuperscript{145} In 1999, the Interpol reported 40064 offences, 1029 of which had been committed by juveniles below the age of 18 year old\textsuperscript{146}.

Lesotho has a high rate of crime and foreigners are targeted. The social problems, like the unemployment, high HIV/AIDS infection favours the increasing number of crimes. And most of the crimes occur in Maseru. This is explained as well by the highest population density from Lesotho. The advices are to avoid walking or driving during night times or early morning hours. But some small personal crimes have happened during midday as well. Travelling is also dangerous because of the roads poor quality and poor lightening.

\textsuperscript{144} Griswold, Wendy, Sociologia della cultura, Le vie delle civiltà, Mulino, 1994, p. 41
\textsuperscript{145} http://www.iss.co.za/pubs/Books/Hide%2BSeek/Lesotho.pdf, p. 3
\textsuperscript{146} Idem http://www.iss.co.za/pubs/Books/Hide%2BSeek/Lesotho.pdf, p. 4
iii. Prejudgement: Africa is poor, therefore there is a risk in not finding food or supermarkets.

There is a lot of food in the supermarkets, but who has the possibility to buy it? Africa is not poor, but most of people are. And between them, children are the most vulnerable to disease and malnutrition. Unfortunately the first impression on poverty in Africa was proved.

For the moment there is a petition of people from Lesotho to be annexed to South Africa because of the social problems Basotho people are facing. Life expectancy decreased to 34 years old and there are almost 400 000 orphan children due to AIDS. They are desperate. This happens in the context of the Football World Cup. In order to secure the area, South Africa forbidden to a few thousand workers from Lesotho to cross the border to South Africa to work because they do not have a passport. Desperate because they do not have a place to work and because of poverty, Lesotho asked South Africa to annex their country, and in return they would renounce to their currency and to the army. South Africa did not answer yet the desperate petition signed by 30 000 Basotho people. Another issue is that, more because of the economic crisis, the donors who were supporting the work for combating AIDS reduced dramatically in 2010.

iv. Prejudgement: There is racism towards white people.

The fundamental human rights and freedoms are mentioned in the constitution and should be respected whatever “race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status to fundamental rights and freedoms” (The Constitution of Lesotho).

The analysed group of tourists did not feel any racism or maltreatment in shops, on the street or in hotels, but some of precaution measures were taken. They never walked alone, or in some places known to be dangerous. Most of white people are target of small robbery.

From a sociological point of view, there is a rejection of the out-groups. So, the rejection of white people in Lesotho is a natural normal reaction to out groups. Regarding the gradation of rejections of out groups there are\textsuperscript{148}:

- verbal rejection (antilocution),
- discrimination (including segregation),
- Physical attack (of all degrees of intensity).

The acts of non-racism are not natural\textsuperscript{149}. Racism is more than structure, it is an ideology, a process that is created and reproduced in the routine of daily life\textsuperscript{150}. It depends a lot on the education received in schools and outside, in the society.

v. Prejudgement: People are aggressive.

Fig. 30 Armed robbery in Lesotho

<table>
<thead>
<tr>
<th>Year</th>
<th>People who committed armed robbery</th>
</tr>
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<tbody>
<tr>
<td>1998</td>
<td>9</td>
</tr>
<tr>
<td>1999</td>
<td>87</td>
</tr>
<tr>
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<td>2003</td>
<td>106</td>
</tr>
<tr>
<td>2005</td>
<td>455</td>
</tr>
</tbody>
</table>


On day the group passed through a small village near Malealea, and small kids started to through stones towards the car? It was hard to understand why. It seems that white people usually stop to give them sweets or money and if they do not stop they react like that. Anyway, they did not find the aggressively that was feared of. Since independence from Britain in 1966, there was not a long period of time of political and social stability in

\textsuperscript{148} W. Allport, Gordon, The nature of prejudice, published by Anchor Books and Addison-Wesley Publishing Company, USA, 1958, p. 48

\textsuperscript{149} Balbo, Laura and Manconi, Luigi, I razzismi possibili, edited by Idee/Feltrinelli, Milano, 1990, p. 15.

\textsuperscript{150} Idem. Balbo, Laura and Manconi, Luigi, I razzismi possibili, edited by Idee/Feltrinelli, Milano, 1990, p. 32.
Lesotho. According to the table above, there is a huge increase of armed robbery between 1998 and 2003. If the increase persists, it means that the armed robbery these years is tremendous.

vi. Prejudgement: People are begging for money.

Yes, people are begging for money, but they are begging for money everywhere, not only in Africa. That is why the development of the country is reflected in daily life policies. Furthermore the decreasing the disparities between people and regions should be in focus of the development.

vii. Prejudgement: There is no industry in Africa.

It is a mistake to think that there is no industry in Africa. It is true that no fabric was seen by the group in Lesotho. But there are the diamonds mines. They are raising cows and sheep. The tourism is developing. Lesotho is affected by a high rate of labour migration to employment in South Africa. Trafficking between Lesotho and South Africa was based on the cannabis, cattle, arms and diamonds. 4 of the biggest diamonds from the world have been found in Lesotho. Despite this, Lesotho is one of the poorest countries from Africa, characterized by a high unemployment rate.

viii. Prejudgement: There are no paved streets, therefore it is better to have a 4x4 car.

There is always good to have a 4x4 car in Lesotho, but it is not the same in South Africa. In the capital city, the streets are paved and there are paved streets crossing the country as well. Only if one wants to go in some villages in the mountains there is the need of such a car. Or of course one can choose the horse riding as well. There are some development projects co-financed by the European Union to build some new streets and spread the infrastructure. These roads are part of trans-border projects.

ix. Prejudgement: In Africa it is always warm and there is not enough rain.

Three are places in Africa where there is a lot of rain. Regarding Lesotho, it is the country with the highest lowest point from Africa. It starts at around 1500 m altitude and goes up to 3500 m. And most of its territory is in the mountains, divided in ten administrative districts.
The climate is changing a lot from the lowlands with 30 degrees Celsius during summers, to minus 18 degrees in the mountains during winters. The most rain falls during summers. Snow is common between May and September, as Lesotho is in the other hemisphere\textsuperscript{151}.

x. Prejudgement: Lack of internet access.

It is true that in the villages there is no internet access, but in the capital, Maseru, one can find internet cafés. There is a limited telephone network. Television and radio are run by the state. There are 3 newspapers published weekly in Sesotho and 2 other published weekly in English. Until recently, Lesotho has been dependent on South Africa regarding internet, but now there is an internet provider based in Maseru\textsuperscript{152}. Still, during wintertime, much of the country can be reached only by horse riding or by small aircrafts. Cars do not reach; even there are roads, due to the much quantity of snow. In the small mountain huts, internet has not arrived yet.

xi. Prejudgement: The illiteracy rate is high.

The official languages of Lesotho are Sesotho and English. There is a university in Maseru and the educational system uses the British model. You can see lots of children going to school in the morning. The primary school is free. The education policy has been changed lately and more money has been invested in education. There are lots of international programmes, one of them being: “Goal, education for all” supported by the World Cup. Regarding the higher education, the objective is to prepare people with a basic training in order to enter the working environment with a specialization.

Most of their prejudices turned on to be misjudgements. In any case nor Lesotho nor South Africa’s social environment is well known in Europe. Nevertheless the social problems that people from Lesotho are facing need reaction. And the fact that the Government does not react, makes the international actors to react.

\textsuperscript{151} http://en.wikipedia.org/wiki/Lesotho
\textsuperscript{152} http://www.goafrica.co.za/africa/lesotho.stm
Chapter 5. Challenges and the way forward

“Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.

(World Food Summit, 1996)

The social, political and economical development has its challenges, but addressed in a sustainable manner could face the risks and negative effects. The racial oppression in South Africa should not have been a bad model for development in the African nations. Nowadays more or less all the states have achieved political independence across the African continent there is no justification to close the eyes to human rights. Unfortunately, instability, insecurity and violence are still encountered on the African continent. Compared to industrial concessions African communities should reinvest their prosperity locally in productive and social infrastructure initiating a good cycle of economic and social development. Developing countries have to radically increase and exceed reforms.

5.1. The impact of the Cotonou Partnership Agreement on Trans-border Policies

The 2015 Millennium Development Goals (MDGs) deadline is close. With the developed countries preoccupied with the financial crisis, many African countries and communities are in danger of missing the millennium targets. For numerous, neighbourhood possession, management and enterprise reform is probably the most realistic transmit to the MDGs. And while the challenge has grown so has the developing countries response. Surely African civil society is significantly more organized, networked and consistent than a few years ago. In quite a few African countries policy and law-making reform processes addressing the community rights plan have done steps forward153.

The impact of the Cotonou Partnership Agreement on the trans-border policies is similar with

153 Kyeretwie Opoku, Interational Conference on Forest Tenure, Governance and Enterprise – New Opportunities for Central and west Africa, May 29, 2009
the impact of the agreement on any other policy. According to Article 11 of the Cotonou, the partnership represents an extension of the political dialogue that started under the Lomé convention with the inclusion of peace and conflict resolution as well as conflict prevention and sectoral policies on gender, environment, migration and cultural heritage.

The ACP group was officially established in 1975 with the Georgetown agreement. The group has its own institutions and decision making processes and relates with the EU through the joint institutions of the Cotonou Partnership Agreement. The political dimension and the political dialogue are presented in Title II, Article 2, of the Cotonou Partnership Agreement. This has an important impact on the trans-border policies because the investment decisions are taken at the highest political levels. The main threats on ACP-EU political dialogue are:

- political focus is on other processes, such as EU-Africa strategy,
- the partnership does not focus enough on trade, not even in an increasing growth of China’s trade power;
- lack of visibility and transparency especially in budget support,
- not enough monitoring and accountability of starting projects, therefore not enough visibility of EU projects in third countries,
- lack of commitment and interest for the dialogue on the EU side,
- lack of unity and proactive contribution of the ACP group,
- competing dialogue initiatives that are easier,
- taking place at a higher level the EU-ACP dialogue would be more visible and understandable by citizens,
- the Cotonou Partnership agreements is extremely bureaucratic and it difficult to apply for financing,
- the procedures are complex and take precedence on political decisions.

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154 www.nepad.org
<table>
<thead>
<tr>
<th>Main threats for the ACP group</th>
<th>Main strengths of the ACP group</th>
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<tbody>
<tr>
<td>- Lack of visibility and relevance on the international scene;</td>
<td>- It is the biggest group of developing countries that has developed joint institutions and is taking part in a partnership agreement with a major player on the international scene;</td>
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<tr>
<td>- Diversity inside the group in terms of development status, economic interests, level of regional integration;</td>
<td>- Long-standing relationship between the ACP states and between 3 regions of the world that have no joint borders;</td>
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<td>- Different historical ties and relationships with member states;</td>
<td>- Potentially solidarity between the ACP states;</td>
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<td>- Lack of political weight in regional and international arenas;</td>
<td>- Joint responsibility with regard to issues such as human rights and democracy;</td>
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<tr>
<td>- Lack of negotiating capacities and resources;</td>
<td>- Strong presence in Brussels, close to EU decision making centre with a strong potential of diplomatic activities towards the EU and other international organisations;</td>
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<td>- Lack of common interest and joint understanding of the added value of the ACP group;</td>
<td>- The ACP group with 78 members has the potential of being powerful;</td>
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<td>- The ACP group possible political influence is not used;</td>
<td>- Common EU-ACP objectives within the Millennium Development Goals;</td>
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<tr>
<td>- Weak EU common positions and coordination of EC and member states bilateral aid do not promote coherent responses on the ACP side;</td>
<td>- The ACP group could join forces with the EU in debates and negotiations at global level;</td>
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<tr>
<td>- ACP governments’ dependency on EDF or budget assistance;</td>
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<tr>
<td>- Weak position in terms of political dialogue and trade negotiations with the EU;</td>
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<tr>
<td>- EU is perceived and acting more as a donor than an equal partner;</td>
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<td>- Weak mandate and absence of democratic accountability of governments;</td>
<td></td>
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<tr>
<td>- Lack of cohesion and common institutional bodies among civil society.</td>
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Source: Adapted after www.concordeurope.org
The launch of the NEPAD and the African Union in 2001 are also important factors to take into account. Its limited area to Africa and including North Africa has a lack of approach. The EU-Africa strategy was promoted by the EU in response to these developments. The actions of the Council of Ministers shall be applicable only if half of the members of the Council of the European Union, one member of the Commission and two-thirds of the members representing the governments of the ACP States are present. Any member of the Council of Ministers unable to attend may be represented.\textsuperscript{155}

Trade is another trans-border policy. The Economic Partnership Agreements are agreements on trade negotiated between the European Union and the ACP group of countries. The negotiations leading to the Economic Partnership Agreements (EPA) were launched in Brussels on 27 September 2002 and are conducted in two phases:\textsuperscript{156}

- The first phase is conducted at "All-ACP"-EU level and takes on board cross-cutting themes of interest to all parties concerned, mainly: legal matters, the development "dimension" of the EPAs, Agriculture and Fisheries agreements, services, market access and trade-related matters.
- The Second phase is conducted at ACP national and regional level with spotlight on specific commitments.

Regarding the Millennium Development Goals and the impact of the Cotonou Agreement on the policies related to them, there are the following: immigration, food facility, trade, education (exchanges), HIV/AIDS related policies. Inquiring the future of the ACP group started with the Economic Partnership Agreements, the adoption in 2006 of the EU strategies on Africa, the Caribbean and the Pacific and with the joint EU-Africa strategy. The second summit between the European Union and Africa put apart the donor and beneficiary and got into a responsible relationship with mutual respect and effective partnership aiming at achieving the Millennium Development Goals.\textsuperscript{157}

The geographic coverage of the ACP group is tight between supra-regional political processes and agreements such as the EU-Africa joint strategy and sub-regional trade and cooperation agreements such as the EPAs and the Regional strategies and indicative

\textsuperscript{155} www.nepad.org
\textsuperscript{156} http://www.acpsec.org/en/epa/note_on_epa.htm
\textsuperscript{157} Louis Michel, Africa-Europe: the indispensable alliance, Office for Official Publications of the European Communities, Luxembourg, 2008, p. 5
programmes. The date of entry into force of the EPAs was not arbitrary, but specified in the Cotonou Agreement. The delay would have increased the marginalization of ACP states\textsuperscript{158}.

In 2005 the European Commission and its Commissioner for development Cooperation, Louis Michel, initiated a process to review the EU’s development policy. These resulted in a political declaration, the European Consensus on development. It was agreed by the European Commission and the EU Member states, and endorsed by the European Parliament. The European Consensus also set a target of 50% of aid being provided through general budget support. It reintroduces some key objectives of the Cotonou Agreement\textsuperscript{159}:

- fight against poverty in the context of sustainable development,
- ensure security, migration and the role of governance,
- involve civil society actors,
- stress the need for improved co-ordination and harmonization between the different European donors,
- open up local markets for European exports and reforming the commercial policies of developing countries (through the economic partnership agreements).

One of the developments of the EU-Africa Strategy in 2006 was the launch of the Governance Initiative. This initiative provides financial support to African. The Strategy has intended to support areas that have been identified by the individual states as priorities and provides an incentive mechanism that will give ACP countries assess to additional funding according to their achievements in the democratic governance reform programmes\textsuperscript{160}.

For the Caribbean region, the EU represents a firm substitute to dependence to the US market and cooperation. But their commitment to a whole ACP approach and solidarity is quite weak as illustrated by their autonomous EPA negotiation scheme. Nevertheless, while everybody is focusing on the EU, the European Investment Bank (EIB) helps to implement the EU’s cooperation and development policies.

\textsuperscript{158} Louis Michel, Economic Partnership Agreements: divers of development, printed in Belgium, 2008, p. 45
\textsuperscript{159} http://europa.eu/legislation_summaries/development/general_development_framework/r12544_en.htm
\textsuperscript{160} Rasin, official speech made at the EU Presidency Seminar on Africa, Helsinki, Finland, Finnish Parliament, 2006
The signature of EC-CARIFORUM EPA was late. The EIB in the Caribbean focuses on\textsuperscript{161}:

- infrastructure projects,
- small and medium sized enterprises (SMEs),
- projects that contribute to sustainable energy supply and management,
- projects promoting environmental protection.

For the Pacific area there is an understandable interest to be part of the Cotonou Partnership Agreement and the ACP group bearing in mind their isolated situation and the strength and influence of some of their developing neighbours. In the negotiations on environment for example, it is important for the Pacific region to get the support of the EU and on fisheries they succeeded to obtain a good deal with the EU on the rules of origin for canned tuna that they would like to expand to other processed fish. In this case private sector investment plays an important role in improving the prospects for long sustainable economic growth.

The 6th Summit of heads of states of the ACP group met in October 2008 in Accra, Ghana. They decided that the ACP Group, represented by the Presidents of the African Union, CARIFORUM and the Pacific and ACP Summits, and headed by the President of the ACP Summit, engage in high level consultations on the EPAs, with a number of EU Member States\textsuperscript{162}.

The survival of the ACP group and the survival of the Cotonou Partnership Agreement are in fact interdependent. The future of the Cotonou agreement and the protection of its acquis will depend on the capacity of the ACP group to develop a stronger and more proactive political profile, as for example through African Union, and to ensure cohesion through the initiatives. There is also a major challenge for civil society actors in ACP countries to keep track of a fast changing political and institutional framework of EU-ACP relationships and to unite their efforts in investment when they engage in the multiple cooperation and negotiation processes with the EU.

The Economic Partnership Agreements which represents the major shift in ACP-EU relations between the Lomé and Cotonou agreements influence the scenery and the future of the associations in numerous ways. Primary, the negotiations have had an impact on the quality

\textsuperscript{161} European Investment Bank in the Caribbean, regional brochure, edited by EIB Graphic Workshop, Luxembourg, 2008, p. 2
\textsuperscript{162} Marie-Martine Buckens, The Courier, Edition VIII, October-November 2008
of the partnership and the sense of confidence between the two parties and also inside the ACP group. There are damaging effects of EPA negotiations on the partnership and confidence between ACP and EU partners.

ACP governments are, after signing the EPAs, are forced to cooperate with their regional partners to develop joint negotiating positions. A positive impact of the EPA negotiations, connected to their notorious nature, is the fact that they have put EU-ACP relations much higher on the agenda of governments and civil society organisations in the ACP countries.

This obligation to involve national civil society is based on the recognition that civil society brings important perspectives to the process of establishing national strategies drawn from their specific areas of experience and involvement with development actions at a local level. They also provide an important basis for strengthening ownership of national development strategies by a country’s citizens.

Performance is assessed according to 4 key dimensions\textsuperscript{163}:

a. the governance situation;

b. the economic situation;

c. the poverty and social situation;

d. performance in the implementation of the European Commission’s cooperation.

There are some critical issues around the 10th EDF. Many civil society organizations, as well as some parliaments, sharply questioned the 10th EDF programming. They criticized the opacity of the programming process which does not make it possible to improve democratic ownership of country strategy papers, and which contributes only slightly to civil society participation in defining and implementing the EU’s cooperation strategies. Article 7 of the Cotonou agreement specifies that civil society and other non-state actors should be involved in the process of establishing the country strategies and in their implementation. Following the establishment of the EC’s country strategies and programmes for the initial use of resources under the 10th EDF assessments were undertaken.

\textsuperscript{163} \url{www.concordeurope.org}
To conclude upon the impact of the Cotonou on trans-border policies, from political dialogue, peace facility, immigration, to environment or food facility, any change in the agreement may impact the EU-ACP collaboration. The Lisbon Treaty reinforces an orientation towards promoting democratic ownership in which engaging with civil society is an important element. With the enforcement of the Lisbon Treaty, the management of the programming of EU aid to ACP countries experienced some changes referred to the procedures and there is the possibility to change even more if the EDF budgetarisation will be voted. DG DEV has made some commitment to ensure systematic, transparent, ongoing and inclusive engagement with civil society during the programming and review of ACP programmes. The responsibility for the programming of EU aid to ACP countries moved from DG DEV to the European External Action Service (EEAS).

5.2. Effects and Risks of the Cotonou Partnership Agreement Revision and of the New European Union Approach towards Development

For existing all-ACP institutions and joint ACP-EU institutions, relating with these new bodies and making sure that cohesion and solidarity is maintained in the ACP group will represent a major challenge, in particular, with regard to EPA-related assistance, regional cooperation programmes and development-related chapters of the EPAs.

The implications of the Cotonou revision and the new Lisbon Treaty appeared in a moment of economic crisis. Before the newest changes to the Treaties of the European Union there was a section that openly excluded the EDF from the provisions of the Treaties. This meant that any change to the position of the EDF required the agreement and formal ratification of all EU member states amending the Treaties. The Lisbon Treaty included an amendment that enables a decision to incorporate the EDF within the EU budget to be made by a simple decision of the Council. This means that a decision to incorporate the EDF within the EU budget could be made by the Council within the context of the negotiations on the future financing framework of the EU.

Lisbon Treaty introduced a European External Action Service (EEAS), led by the High Representative (HR) of the Union for Foreign Affairs and Security Policy, Catherine Ashton.
All geographic desks relating to third countries have been united under the EEAS. Moreover, this service has been vested with responsibilities regarding development policy. The EEAS has thus a responsibility to implement policies towards developing countries and has a role in aid programming, jointly with the European Commission. As for the European Commission, one single service for development under the responsibility of the Development Commissioner was created from the merger between the Directorate General for Development and EuropeAid (DevCo)\(^\text{164}\). These institutional reforms and political trends question the future of the Cotonou Agreement and accelerate the need to reflect from now on the future shape of the EU-ACP relations.

Lisbon Treaty enhances capacities in foreign affairs, it also confirms that development policy is an EU policy area in its own right and centralises policy making for all developing countries within DG DEVCO. According to Article 21 and 208 TFEU, eradication of poverty is the primary objective and states that when EU policies are expected to impact on developing countries, development objectives must be taken into regard.

The second review of the Cotonou Partnership Agreement (CPA) took place in 2010. The European Commission prepared an EU negotiating mandate and the parties had to notify the others in case of issues for the revision before the end of February 2009. The revision took into account the new European and ACP priorities reflected in the national and regional development strategies. Furthermore, EU cooperation with ACP countries will depend on the continuation and outcome of the European Partnership Agreements (EPAs) negotiations towards full regional EPAs and on the type of regional strategy papers and regional indicative programmes.

The future of the EDF after 2020, represent major uncertainties for the ACP countries. They are requested to sign free trade agreements with the EU in the context of a well established cooperation framework. Moreover, at multilateral level, any development friendly outcome of Doha Development Round is now postponed to 2011 and with it all ACP supported or initiated request for special and differential treatment.

With or without a replacement for the Cotonou agreement in 2020, the EPAs, free trade agreements are binding beyond 2020. They will replace development outcomes. ACP countries were advised to sign the EPAs because of simple necessity of WTO compatibility.

\(^{164}\) http://www.eeas.europa.eu/
The question if whether the European Development Fund (EDF) should be incorporated into the EU’s budget is negative at the moment. Although the European Commission and European Parliament have in the past been sustained the budgetisation of the EDF, there are strong indications that within both these institutions it is felt that it is not the accurate occasion to do so. However, the possibility remains and it is important to understand the issues involved so that in the event that proposals for incorporating the EDF within the budget are included in the discussions and negotiations these can be pursued on an informed basis, and take into account all pertinent stakeholders.\[165\]

The European Union’s development aid to countries in Africa, the Caribbean and the Pacific mainly comes from the EDF. The European Development Fund is in close relations with the EU Budget for the double financing issues. The EDF is an inter-governmental agreement of the EU Member States, and is not part of the regular budget of the EU. As a result the management of the EDF and its resources are not the same as that for the EU budget. Whereas the European Parliament has a co-decision role together with the Council for the EU budget, it has no decision making role over the EDF, and this is the starting point of the possible budgetarisation of the EDF.

One more key process is the overall review of the EU Budget in preparation of the debate on the next financial perspectives, which will start in 2013 and the issue of the EDF budgetisation. This argument is also related to the propagation of upright funds and intra-ACP programmes and the increased regional share of EDF and their impact on principle and modalities of co-management. Even though the implementation of the joint EU-Africa strategy is already showing its limits, the priorities set by this strategy are already influencing the EU-ACP dialogue and EDF programming. Unfortunately there is no clear financial support and it is difficult to establish joint institutions or integration of trade matters. It is difficult to treat Africa as one continent due to regional and national programmes.

Regarding the growth of trade for example, the effects of the Cotonou revision on this is that there are more trade opportunities with APC countries. This is vital in the context of globalisation and of the more and more extent of China and India trade conventions in ACP area.

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Numerous judge that the renewed EU interest for a strengthened cooperation with Africa is greatly influenced by the growing trade role played by China in Africa. However trade with EU is important for the ACP countries, as all ACP regions trade more with the EU than they do between themselves as in the table below\(^\text{166}\). It is to be mentioned that in the past years China’s trade importance in ACP countries is increasing rapidly.

There is a risk that the main features of the Cotonou agreement become inappropriate\(^\text{167}\). The most important characteristics of Cotonou are:

- The geographic coverage: 78 countries (3 regions) on the ACP side and 27 European countries;
- The fact that it integrates: aid and trade aspects of cooperation together with political dialogue;
- The main objectives of Cotonou are: poverty eradication, sustainable development and integration of ACP countries in the world economy;
- The principles of the partnership are: participation and ownership and a strong commitment to human rights;
- The essential elements contained in the agreement form the basis of the political dialogue;

\(^{166}\) Louis Michel, Economic Partnership Agreements: divers of development, printed in Belgium, 2008, p. 14

\(^{167}\) www.concordeurope.org
• A well resourced multi-annual financial instrument (EDF) and the fact that it is jointly programmed and managed and that it supports measures at national, regional and all ACP levels.

From the effects of budgetisation for the EDF the procedures and regulations of EU budget would be influenced. The costs of budgetisation should be also taken into account as well as the lack of flexibility of the budget, compared to the EDF. The integration of the EDF into the EU budget would mean that it would be bound by the regulations and procedures governing the budget. According to the Lisbon Treaty, the political and financial framework of the EU’s budget is provided for by the Multi-annual Financial Framework (MFF) adopted at least every 5 years by the Council (unanimity required) after the consent of the European Parliament. The budget itself is established on an annual basis by the Council and the European Parliament, on the basis of a European Commission (EC) proposal and through a specific co-decision process.

The annual budget is bound by the ceiling authorised for each budget heading in the multi-annual financial framework. It is not possible to transfer unused commitments or payments to the next year. It was not possible, for example to finance the Peace Facility from savings in the Food Facility. The level of resources for the EDF is determined through negotiations between Member States, the outcome of which identifies the level of financing that each member state will provide. The contributions from Member States are transferred on request from the EC, based on planned expenditures.

For Member States the financial implications of budgetisation for their own overall contributions to the EU is a significant factor in determining their position. The contribution to the EDF of each EU Member State is determined by a different distribution key and calculation than their contribution to the EU budget that is based on a percentage of GNI and VAT. This means that for some Member States the integration of the EDF into the EU budget would increase the contribution that they are required to make, while for others it would be diminished.

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168 www.concordeurope.org
### Advantages of EDF budgetisation

- with budgetisation, parliamentary scrutiny and co-decision becomes a fact and is not questionable anymore,
- simplification of administration of EC aid to the ACP states,
- more transparency on EC aid to ACP states\(^{169}\),
- more opportunities for civil society to influence decisions on EDF finance,
- contribution of each member states is fixed, known in advance and not subject to negotiations,
- no ratification process is needed,
- ODA criteria are applied to the EDF under control of Parliament\(^{170}\),
- end of the year deadline encourages rapid disbursements.

### Issues of EDF budgetisation

- it is not sure how far will EDF delivery last if been budgetised,
- co-management and co-decision on EDF finance are at risk (especially when the CPA will come to an end),
- according to EU budgetary rules, ring-fencing of EDF inside the budget is not guaranteed and would require special provisions,
- risk of diversion of funds through end of the year reallocations of unused commitments,
- negative impact on ACP cohesion, the ACP group is not relevant in terms of aid strategies and programming, risk of dissolution of all ACP funds into thematic programmes and international initiatives,
- in terms of development cooperation, the CPA provides, in principle, a better framework for effective aid than other aid instruments of the EU budget,
- harmonisation in line with the way DCI is implemented represents a risk for civil society participation in programming and for democratic ownership in general.

Source: Adapted after www.concordeurope.org

The Commission has argued that including the EDF within the regular budget would allow greater consistency in managing the funds, increasing compatibility between different budgetary sources for development financing towards ACP countries. It would also allow more flexibility in utilising the funds dedicated to the ACP.

\(^{169}\) Financial information on EDF is quite complex and not readily accessible and understandable.

\(^{170}\) So far Member States account their contribution to the EDF as ODA however not all EDF expenditures can be classified as ODA.
The tendency already observed to utilise EDF for global funds\textsuperscript{171} or for supporting non ODA type of expenditures such as Peace Facility or migration and new political initiatives beyond the ACP geographic scope could be reinforced. The complete integration of the EDF in the annual budget of the European Union has been debated for a long time. The European Parliament called for budgetisation at several occasions and the Commission published a communication with all sorts of arguments in favour of budgetisation in the beginning of the inter-institutional negotiations on the 2007-2013 financial perspectives\textsuperscript{172}. The budgetisation has failed because certain Member States were against due to the fact that their share to EDF would increase. The European Parliament was reluctant to integrate the EDF in the budget.

As a conclusion, in the context of the trans-border policies, between African Caribbean and Pacific Countries, the future for the ACP-EU collaboration should be renewed. This was discussed at the Cotonou Partnership Agreement revision in 2010. In the context of these discussions and negotiations, the future of the European Development Fund is directly linked with the cooperation evolution and with the next multi-annual Financing Framework ahead of 2013 and it was based on the Joint EU-Africa strategy that was adopted in Lisbon in December 2007.

5.3. Predictions

As seen in the previous subchapter, the partnership structure is the basis of continuing the development as mentioned in the Cotonou Agreement. Even if South Africa has one of the most diversified and large economy in Africa, it does not mean it is completely independent of its neighbours, nor is Lesotho. How the EU is institutionally set up will impact on its external actions and activities. The Lisbon Treaty has brought about substantial changes.

Lesotho has on going projects and the new CSP and the NIP are followed. In case corruption is left apart, the fund would reach the target population and the country would develop. Both in South Africa and Lesotho, the lack of accountability for financial mismanagement is also

\textsuperscript{171} Global Fund against AIDS, Tuberculosis and Malaria; Global Climate Change Alliance.

\textsuperscript{172} http://europa.eu/legislation_summaries/development/overseas_countries_territories/r12110_en.htm
cited as a source of concern. Under spending in provinces due to lack of capacity and internal management problems is a compounding impediment to delivery.

Regarding trade and Industry, these are some of the sector policies focus for 2011. In 2004 a project on development and implementation of macroeconomic model was financed by the EU.

On one hand, national and urban authorities are financially wealthy enough to underwrite and manage large-scale infrastructure developments and major events. This happened in the same time with the expansion of a state security apparatus increasingly focused on preempting and containing social disruptions in a society characterized by structural unemployment and one of the world’s highest rates of inequality. Immediate and definitive action needs to be taken to increase capacity and skills development especially in the area of public financial management, particularly at the provincial and municipal levels.

Regarding infrastructure, villages receive communal compensation annually, based on how many households have resettled there as a result of the dams. Locally selected committees are supposed to invest the money in projects that benefit the whole community, but many villagers said they have never seen any of the money. "The agreement we signed was for 50 years, but sometimes the money doesn't come, so a lot of us don't really trust them," said one of the resettled villagers. In any case, this is not a sustainable development model. It would have been better to help the local community to reorientation towards other activities. Phase II of the Lesotho Highlands Water Project, which is expected to be completed by 2018 at an estimated total cost of $1.9 billion, will displace 17 villages and affect the grazing land of 72 more, impacting the livelihoods of roughly 4,000 households. Construction of the road system, a 38km underground tunnel, and telecommunications infrastructure needed to build the 163.5m wall of the Polihali Dam are already underway, but water experts and rights activists are questioning whether lessons have been learned from Phase I, and whether building more dams will benefit Lesotho's economic development.

The impact of dams: a continuing controversy. The completed project will divert 40% of the water in the Senquyane River Basin to South Africa's Ash River. International Rivers warns that the long-term effects of such a drastic environmental shift are not yet fully understood.

Recognising the diversity of participants in trans-border data flows, the following could be mentioned: commercial and non-commercial, individuals and governments, computerised data and information, traded or exchanged across national borders, such as data and information related to trading activities. Water is a transborder issue. So is environment in general, immigration, regional development, food safety etc.

Other issues Lesotho has are environmentally, food security and HIV/AIDS. Although domestic retail prices of maize meal have remained stable during the first half of 2011, prices are high constraining poorer households' access to food. According to the 2011 Lesotho Vulnerability Assessment Committee (LVAC), an estimated 514,000 people are food insecure. The heavy rains and flooding seriously affected agriculture, dampening cereal production and widely damaging the livestock sector. The government is supporting agricultural capacity through provision of inputs and assisting the livestock sector through provision of veterinary products.

Fig. 31


The graph presents the evolution of HIV/AIDS in the whole Southern African region. The general picture of HIV/AIDS prevalence in Southern Africa shows that the number of people with this disease is not declining. Therefore there are remarks on the background, state

\(^{174}\) Climate Prediction Center’s Africa Hazards Outlook, November 3 – November 9, 2011
accountability and the prevention and treatment of HIV/AIDS, addressing salient issues. The major climb appeared from 1990 to 1996, when the increase in number of those infected shot up from 0.7 % to 14.2 %.

The 2008-2012 Country Strategy Paper (CSP) for South Africa has been developed. The conclusion is that South Africa has a strong economic performance. The medium-term outlook is also encouraging but there are a number of challenges facing the country including high unemployment and inequality, as well as uplifting the ‘second’ economy without damaging the growth prospect of the ‘first’ economy.

Government is however, making progress in addressing these challenges from its own resources. The country will continue to develop, but it should take into account the regional development as well. Consequently, high unemployment now coexists with shortage of skilled workers, especially engineers, scientists and artisans. The situation is further aggravated by the accelerating rate of skills emigration (brain drain), especially at executive level. The pronounced shortage of skilled workers, especially financial experts is affecting the government’s capacity to manage programme spending and social service delivery and if not addressed urgently is likely to become one of the most important factors inhibiting higher long-term economic growth.

South Africa continues to face a number of development challenges. The challenges include high income inequality, uneven human resources development, a relatively high HIV/AIDS infection rate, high crime rate, and high unemployment. Most of these challenges emanate largely from the dual nature of the inherited economy organized along racial lines.

However, there are emerging problems of electricity shortage, low gross domestic savings and investment, weak capacity and skill shortages in critical areas, macroeconomic instability; the relatively high levels of poverty; high levels of unemployment and inequalities; the HIV/AIDS pandemic; and land redistribution. Since democratisation in 1994, The Development Agenda of the Government focused on poverty reduction strategies. South Africa has made limited use of development assistance and donor resources because it has ample internal resources in addition to its ability to easily access international capital markets at relatively competitive prices.
On the 23 August 2007 the Department of Health recalled 20 million potentially defective government condoms. It is estimated that the lives of millions of South Africans could be at risk as a result of defective condoms. The mass recall is also said to have severely undermined the government’s HIV/AIDS prevention strategy through the condoms campaign due to a loss of public confidence. The outcome was still pending at the end of 2007 on the condom scandal\textsuperscript{175}.

South Africa has enjoyed an hard to believe increase in budgetary allocations, despite the government’s notorious posture on developing issues. Amongst the repercussions of HIV/AIDS the major ones are:

- psycho-social,
- socio-economic and
- politico-economic.

Despite the massive increase in funding capacity, the accomplishment of positive results is slow and irregular. The situation in South Africa presents a microcosm of the broader regional picture, including Lesotho. South Africa’s first recorded rate was over 20% in 1990s. Afterward there was a gradual increase in prevalence to 30% in 2006. It is imperative to stress that the politics around AIDS in South Africa have had a major impact on prevention and treatment efforts, compared with other, more vigorous and proactive, Southern African countries.

Certainly, South Africa appears to have most of the essential structures and legislation in place to tackle corruption, and the government has publicly acknowledged the existence of corruption, but the study has noted a general lack of political will and transparency in dealing with corruption. It is generally agreed that combating corruption requires more than just the appropriate infrastructure, state AIDS bodies, agencies and accountability mechanisms.

Finally, the lack of tracking of donor funding poses the risk of duplication of resources and efforts between the government and civil society sources. The AIDS issue has opened up broader and often neglected discussions on corruption. These include issues of political

\textsuperscript{175} Collette Schulz-Herzenberg, A lethal cocktail, the impact of corruption on HIV/Aids prevention and treatment efforts in South Africa, edited by Trusha Reddy, Recent developments in the HIV/AIDS sector November 2006 to September 2007
corruption that deal with the consequences of power and influence in framing debates and decisions over the use of funds. If corruption will continue to influence the funds, there will be not positive outcomes from these projects.

The strategies for South Africa propose three strategic pillars, Enhancing Private Sector Competitiveness, Partnership for Regional Integration and development, as well as Knowledge Management and Capacity Building.

South Africa’s infrastructure is considered to be highly developed by African standards. Nevertheless, emerging infrastructure shortage, particularly in electricity and transport, continue to hold-up infrastructure investment when compared with countries of similar development level. Inadequate investment, particularly in the area of electricity generation and transport is potentially serious given that these sectors have long been an integral part of the engine of growth and a central component of sustainable development in South Africa having been found to exert the largest and most robust impact on aggregate growth.

Investment in physical and human capital is one of the major sources of economic growth. While foreign savings can be an important source of domestic investment, particularly in the form of foreign direct investment, an economy typically cannot rely entirely on foreign investment and additional domestic saving needs to be mobilized to finance growth.

At the municipal level, there is a serious problem of lack of capacity and at all levels in South Africa there is an oversupply of unskilled workers (unemployment) and a shortage of skilled workers. The structural shift that has taken place in the economy, in favour of the services sector at the expense of the primary sectors, has tended to shift labour demand away from unskilled to semi-skilled and skilled occupations. Therefore there is revealed the need for vocational training.

The key threats and challenges that confront the both South African and Lesotho include relatively high poverty level; high unemployment and uneven human resource development to meet the demands of a relatively sophisticated economy; the HIV/AIDS pandemic; and, the integration of the “second economy” into the mainstream, without endangering macroeconomic stability. Reducing the relatively high poverty level remains a key challenge.

The mixture of a trade agreement with financial cooperation and political dialogue at national or regional level, called Association Agreement in EC terminology becomes the standard
model of EC present and future cooperation with third developing countries. No matter what new or reviewed EU-ACP or EU-Africa relationships and cooperation instruments are recognized in the future, it is vital to preserve the fundamental principles and the spirit of the Cotonou agreement\textsuperscript{176}. The fundamental principles of partnership are being progressively eroded in the context of the ACP-EU relationship, which should change as well and adapt to the current situation. The world is changing and the Africa’s relationship to the world is changing in response to new economic realities and the geopolitics of globalisation\textsuperscript{177}.

The Accelerated and Shared Growth Initiative for South Africa (AsgiSA) was formulated in 2006 to address the major binding constraints to accelerated growth and economic performance\textsuperscript{178}. The twin objectives of the ASGISA are to halve the level of poverty and unemployment by 2014 and enable South Africa to achieve and sustain high average economic growth rates of 4.5\% for the period 2004-2009 and 6\% between 2010 and 2014. Cross-border investment and opportunities for regional integration would help both South African and its neighbours to develop. South Africa is involved in a range of projects across the continent.

By the end of the 1990s, South Africa had over 900 Trans-National Companies (TNCs). A further 2,044 foreign affiliates, most of which had an African focus, were based in South Africa by the end of 2002, indicating South Africa’s position as a launching pad for foreign investment into the rest of Africa. South Africa’s TNCs are rapidly expanding in Africa, presenting opportunities in terms of larger markets and diversification for these TNCs as well as increased competition and efficiency in the countries in which they operate. Also, South Africa possesses expertise which could be tapped for the development of its neighboring less developed countries (LDCs) and Africa in general.

From the suggestions of what can be done the following could be taken into consideration as well: \textit{Chinese model of economic development suggest that South African political elites fall for the erroneous fantasy that social tensions can be bought off with consumer goods} (Christopher McMichael). The Chinese economic model could be used in the context of increasing ACP – China trade agreements.

\textsuperscript{176} http://europa.eu.int/comm/development/body/cotonou/pdf/agr01_en.pdf#zoom=100
\textsuperscript{177} Louis Michel, Africa-Europe: the indispensable alliance, Office for Official Publications of the European Communities, Luxembourg, 2008, p. 9
\textsuperscript{178} Deputy President, Ms Phumzile Mlambo-Ngcuka, formally launched AsgiSA in February 2006. The Joint Initiative on Priority Skills Acquisition (Jipsa) was established a month later to address the scarce and critical skills needed to meet AsgiSA’s objectives.
The partnership with South Africa during the CSP cycle will rest on three strategic pillars:

(i) enhancing private sector competitiveness so as to engender growth, employment creation and poverty reduction;
(ii) partnership for regional integration and development; and
(iii) knowledge management and capacity building.

The approach is to define broad strategic priorities for the CSP period while specific activities to be undertaken will be identified and agreed upon with the relevant periodically in a way consistent with their planning and budgeting cycles.

South Africa is SADC's most developed economy, and has a GDP which is over 75% of the combined GDP of the other Southern African countries. Also, South Africa’s influence in the rest of the continent is considerable – an additional percentage point of South Africa’s growth is estimated to be associated with 0.5% to 0.75% GDP growth increases in the rest of Africa. South Africa is a major driving force behind the NEPAD.

The goal of South Africa is to increase the level of its trade with the rest of the continent, including increasing its imports from the continent. Consequently, under this pillar the Bank’s strategy would be to partner with South Africa to foster regional integration and development in the SADC economic space as well as in the rest of Africa. This pillar will focus on three broad areas as follows:

(i) Support for Regional Infrastructure;
(ii) Facilitating Cross-border Investment; and
(iii) Using South Africa’s expertise for the institutional development of other African less developed countries.

The future of Cotonou as a partnership agreement of equals is dependent on the motivation and capacity on both sides to upgrade the quality of the political dialogue at all levels. Nevertheless, there was a need of institutional reforms following the adoption of the Lisbon Treaty. One of the objectives of the Lisbon Treaty is to increase the coordination, effectiveness, consistency and coherence of EU external actions, including towards the developing world, in order to strengthen its political role on the international stage. The future of South Africa – Lesotho cross border cooperation will be eased if there is at least a third party having influence or interests in this issue.
From the prospects, the strategic objectives consist of a number of intermediate outcomes:

- improvement of infrastructure services;
- improved financial intermediation, especially for SMEs;
- support for regional infrastructure;
- facilitation of cross-border investment;
- use of South Africa’s expertise for institutional development of less developed African countries;
- improved knowledge in support of the lending programme and policy dialogue; and improved capacity building.

As the EU remains the biggest donor of development aid, this will have significant implications for number of countries. If these evolutions hold the potential for positive impacts, they also raise a number of questions and reflect some threats regarding EU development cooperation, the ACP-EU partnership, and ACP ownership. It is vital that ACP and European parliamentarians and civil society act to ensure that eradication of poverty and inequality remains at the core of EU-ACP cooperation and that this is reflected in the governing framework.

As advice for what is to be done through cross border cooperation in order to improve the daily life of the people in the context of a changing world, the following could be mentioned:

- To facilitate the movement of citizens between Lesotho and South Africa,
- To reduce immigration formalities over citizens of Lesotho and South Africa and visiting the territory of the other state,
- To focus efforts (Lesotho – South Africa) on cross-border policies, such as immigration, water facility etc.
- To free resources and use them more effectively in reducing opportunities for corruption;
- Creation of fast lanes for Lesotho and South Africa citizens at border checks;
- To create economic advantages of freer movement, such as reduce unemployment, increase university or institutions exchanges, create new passports, adhere to regional EU projects.
To conclude, the changes foreseen in Cotonou Agreement influence the CBC between South Africa and Lesotho. In parallel with the implementation of institutional changes, the EU has decided to launch a “modernisation” of its development policy. First of all, the European Union Delegation system has been change. The changes will lead to the need of more accountability in front of the member states. Then, with the change of the EDF, the procedures have changed as well. The financing proposal for example does not exist any longer. It has been changed in Action Fiche.
Conclusions and Recommendations

The research started with two hypotheses:

I. The signing of the Cotonou Partnership Agreement by Lesotho and South Africa eased the trans-border cooperation for daily life in the two countries;

II. The late socio-economic and political development is due to the collaboration between the EU and the ACP states.

In order to decide if the hypotheses are confirmed, it was needed to present the history of the cooperation between the ACP states and the European Union. The study begins with the analysis of the international legislation on the collaboration of the European Union with the African, Pacific and Caribbean States and finishes in focusing on Lesotho and South Africa.

The history of the agreements goes from Yaoundé, through Lomé Conventions to Cotonou Partnership Agreement. The Cotonou Partnership Agreement has been checked in detail, especially Annex IV and its revisions. Lisbon Treaty, as legal basis for the EU activities has adapted the European External Service, therefore the EU delegations, to the new challenges. The Cotonou agreement represents the international level. Its impact on the trans-border policies between Lesotho and South Africa represents the trans-national level. The individual or local level is represented by the daily life context in these countries. The research performs a local level of investigation of the daily life in the countries mentioned and the perception of European tourists upon then.

The second chapter has a more technical approach. The notions of “country strategy papers and the national and regional development programmes” have been introduced and presented. These documents are very important because they will be the basis of the Multi Indicative Programmes, annual action programmes and action fiches, therefore the basis for the EU-ACP projects. Each country of the ACP group has been presented in the paper and the conclusion related to the EU-ACP collaboration is that, yes, a Partnership Agreement is absolutely needed at the international level, but no “the late socio-economic and political development is not necessary due to the collaboration between the EU and the ACP states”.

It is true that EU is the biggest aid donor in the world, but China, Indian and the United states are in most of the countries the biggest trade partner, as seen in Chapter 2. Nevertheless, the division in Economic Partnerships Agreement Groups (ECOWAS, CEMAC, SADC, EAC and COMESA) help to the trans-border and regional cooperation between the ACP countries. The signing of the Cotonou Partnership was definitely the best choice for the signatories’ countries.

A few years before an agreement expiring, negotiations for another one are organized. This is how the know-how, the best practices and the lesson learnt are transmitted. On one hand, the EPA are expanding the cooperation, focusing more on trade. On the other hand, an international agenda is defined with the Millennium Development Goals or the Vision 2020.

Due to the financial crisis, the financing has been diminished and the promised funds never reached some destinations. The actual socio-economic situation of the countries as well as the international situation at a moment of financial crisis is close related between the cooperating countries.

European Neighbourhood Policy was presented in Chapter 3 as an example of cross-border cooperation between the European Union and the neighbouring countries. It was proven a partnership is needed in any case. The European Neighbourhood Policy has the European Neighbourhood Policy Instrument as a financial tool to finance the projects as the Cotonou Partnership Agreement has the European Development Fund and the European Union General Budget.

Once the legal, historical and geographical frameworks are established, the hypotheses have been introduced in daily real life of the people of Lesotho and South Africa. The regional and geo-political realities of Lesotho and South Africa (Lesotho being landlocked in South Africa) are presented in Chapter 3 as well as the sources of financing and other donors present in the two countries. The theoretical and the practical approaches towards international cooperation are often different.

The forth chapter, the analytical part, analysed the trans-border projects between Lesotho and South Africa, making the transition from the international level to the local one, in the trans-border policies for daily life. The analysis of the past 10 years of the projects placed the evolution of the trans-border policies, since the Cotonou Agreement entered into force. The
socio-economic development can not be isolated; therefore it has a regional impact. In addition to this, specific topics related to the case study are further exposed and analysed. The visibility of the European Union is observed on the field of the projects.

In the fourth and fifth chapters the trans-border projects between Lesotho and South Africa and throughout the Southern region. Even though there are more stakeholders involved, the first hypothesis is confirmed, that the signing of the Cotonou Partnership Agreement by Lesotho and South Africa eased the trans-border cooperation for daily life in the two countries. One thing that it should absolutely be developed is the visibility of the projects and the visibility of the presence of the European Union in the country.

The study research consists in combining the theoretical, the analytical and the empirical approach. The most important part of the research was the time spent in Lesotho and South Africa, observing, talking to people, analysing the local situation. The research on the field consists of documents analysis, on observation of people’s life, of the European Union’s delegation in Lesotho and activities and of non-official interviews. An observation of a group of tourists was done as well. Throughout the study, it was slowly answered the questions asked before starting the research.

- How does the Cotonou Agreement improve the daily life policies in Lesotho and South Africa?

The European Union brought Cotonou Partnership Agreement in Lesotho and South Africa. Now it is the Cotonou Partnership Agreement that bring European Union through its cooperation modes and projects. Cotonou Partnership Agreement has just been revised, therefore the future collaboration is set. Nevertheless, ACP countries signed some other agreements for the future, such as the Economic Partnership Agreements, Vision 2020, the Consensus for Development and others.

- What is the future of Cotonou Partnership Agreement and the EU-ACP collaboration?

The major options within the Cotonou Agreement were not imposed on the ACP but constitute a deliberate choice and are part of the on-going development. This involves the democratization of ACP countries and the involvement of new actors in the implementation of cooperation. Almost all ACP member-countries had already undergone a political renewal prior to the signing of the Cotonou Agreement, and although some countries are still
experiencing problems like civil war, they are increasingly few in number. The rise in democracy is seen particularly in the progressive development of the ACP-EU in keeping with the spirit of the Cotonou Agreement.

- What is the difference between Cotonou Agreement and Lome Convention?

Cotonou Partnership Agreement was introduced following the weaknesses of the Lomé Conventions. Apart from its relatively long duration (20 years instead of 5 years as for Lome I, II and III, and 10 for Lome IV), the main innovations of the Cotonou Agreement derive from the fact that it incorporates civil society and the private sector as new actors on the political level. They will, therefore, no longer be mere beneficiaries of cooperation, but the governments, which are exclusively responsible for determining the main development policies for their countries.

- Could countries like Lesotho and South Africa develop sustainable development along their borders?

Also, illegal activities take place at the Lesotho-South Africa border, such as smuggling, money laundering, stocks theft, the big picture is that, nowadays the two countries cooperate peacefully.

- How will the future Country Strategy Paper ensure development?

In accordance with the programming guidelines, the Country Strategy papers are taking place at national levels and for the real benefit of all ACP countries. These should include activities supporting regional, including pan-African and pan-ACP civil society networking and cooperation. Involve ACP countries in the decision-making process for programming and allocation of Intra-ACP funds on an equal footing, be more receptive to ACP suggestions and use the Intra-ACP funds in full respect of the Cotonou agreement’s objectives and principles and in accordance with the ODA eligibility criteria.

- What are the common objectives of the International agreements regarding the ACP countries?

The international cooperation will continue with or without the Cotonou Agreement. It is a priority to establish a transparent process of programming and implementation of funds in
respect of the role of the ACP countries in the management of EDF. The funds should not
necessary increase, but conditions that will allow for the full absorption of the programmable
envelope of the 10th EDF should be put in place.

- What level of resources will be made available to ensure development in Lesotho and
South Africa?

The EU money committed for the Lesotho and South Africa is reserved by the National
Indicative Programme (See Chapter 2).

- What steps are to be done or strategy to be raised in building cross border cooperation
infrastructure?

With respect to donor funds, government departments are encouraged to record both donor
commitments and actual disbursements in their budgets. They are also advised to provide
public information on how donors’ funds are spent. Finally, they should improve
coordination and increase utilisation of the donor matrix to facilitate the tracking of money
and disbursements.

- What partnerships should be done in order to achieve the challenges towards
sustainable development?

Already the signing of the European Partnership Agreements is a start. It was observed that
Lesotho and South Africa inherited high levels of structural poverty and inequality.
Nevertheless, challenges to attaining the goal of sustainable development remain. Human
resource capability is critical to policy goal achievement, playing a central role in
institutional activity. Capacity building in the sector attracted the following participant
comments.

- Will the Country Strategy Paper strongly promote development?

Yes, the country strategy papers strongly promote development. The European Commission
released guidelines for the Mid-Term Review process of Country Strategy Papers in July
2009. This document should be consulted in needs and performance criteria on ACP
countries.
- Which are the issues related to HIV/AIDS in Lesotho and South Africa?

HIV/AIDS represent a serious problem both in Lesotho and South Africa, from social problems, sanitation, loss of jobs, orphans or death. More emphasis should be placed on impact assessment and outcomes-based results of HIV/AIDS activities. This research has highlighted the need for a more comprehensive analysis of the issues related to HIV/AIDS.

Currently, it is almost impossible to assess the overall amounts spent on HIV/AIDS because direct donor funding is not accounted for. External donors should be encouraged to provide detailed and timely public information via websites and annual reports about whom they give how much money to and for what, so as to encourage transparency and accountability and independent monitoring. Information can also ensure better synchronisation between donor spending and national expenditure to avoid duplication and improve financial accountability. Considering the lack of overall strategy there is a large number of free channels for funding to South Africa and Lesotho.

- How is done the fight against HIV/AIDS and other communicable diseases in Lesotho and South Africa?

With respect to HIV/AIDS, government departments should be encouraged to express HIV/AIDS expenditure in disaggregated form and introduce uniform standards for provinces to account for HIV/AIDS funds. There are potential cases of corruption in the HIV/AIDS both in Lesotho and South Africa. Monitoring HIV/AIDS resources requires attention to be focused on multiple players including government departments, external donors and funded organisations such as NGOs.

- What mechanisms will be put in place to ensure the aid contributes to reaching the Millennium Development Goals?

Key elements of the Cotonou Agreement are clearly under pressure from the declarations and documents produced by the European Union in recent years. According to the European Commission, the priorities for the European Union in the coming years are peace and security, good governance, economic growth, as well as trade and regional integration. “The major challenges that the EU will meet over the next 10 to 15 years - migration, energy, political Islam, terrorism and climate change - also need to be addressed in Africa.”(Javier Solana)
The EU areas considered fundamentals for attaining the Millennium Development Goals (peace and security and good governance), are areas that create the economic environment necessary for achieving the MDGs (economic growth, trade and interconnection) and areas directly targeting the MDGs (social cohesion, decent work, gender equality and environment). These objectives should be supplemented, by support for economic integration and political cooperation with the EU. Taken together, these measures constitute the EU’s common, comprehensive and coherent response to Africa’s development challenges.

- What policy should be raised in making a corridor of social integration and economic growth between Lesotho and South Africa?

The presented facts show that both Lesotho and South Africa have experienced complicated and dynamic development from the establishment until today. The existing problems are similar to many countries of the African continent. In future, it is necessary to focus on the effective use of various aid in their cross-border cooperation, with an emphasis on the daily life of people regarding: immigration, labour, education, HIV/AIDS, water and sanitation.

- What is the impact of the EU-ACP collaboration on the trans-border policies between Lesotho and South Africa?

The objectives of the research are strongly linked with the questions asked. Nevertheless it was desired to find out whether the EU is helping the collaboration between the ACP states and especially between Lesotho and South Africa. The major objective is to decide if the signing of the Cotonou Partnership Agreement by Lesotho and South Africa has a positive impact on the trans-border policies between the two countries. Furthermore it is desirable to determine the general impact of the EU-ACP collaboration on the ACP countries.

Concluding, only one hypothesis has been confirmed: the signing of the Cotonou Partnership Agreement by Lesotho and South Africa eased the trans-border cooperation for daily life in the two countries. Unfortunately, instability, insecurity and violence are still encountered. The social, political and economic development has its challenges, but addressed in a sustainable manner could face the risks and negative effects. The hypothesis, the late socio-economic and political development is due to the collaboration between the EU and the ACP states, was true until a few years ago, but, with the financial crisis and the increasing power of India and China in the ACP states, the EU has lost in trade, therefore in economic power.
### Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>AAP</td>
<td>Annual Action Plan</td>
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<td>ACP</td>
<td>African, Caribbean and Pacific States</td>
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<td>ADF</td>
<td>Asian Development Fund</td>
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<td>AfDB</td>
<td>African Development Bank</td>
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<td>AFLEG</td>
<td>Africa Forest Law Enforcement and Governance</td>
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<td>AIDS</td>
<td>Acquired Immunodeficiency Syndrome</td>
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<td>AMCOMOW</td>
<td>African Ministerial Council on Water</td>
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<td>AOR</td>
<td>Annual Operational Review</td>
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<td>APRM</td>
<td>African Peer Review Mechanism</td>
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<td>ASMM</td>
<td>African States Mauritius and Madagascar</td>
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<td>AU</td>
<td>African Union</td>
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<td>BFP</td>
<td>Budget Framework Papers</td>
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<td>BoS</td>
<td>Bureau of Statistics</td>
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<td>BWIs</td>
<td>Bretton Woods Institutions</td>
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<td>CAP</td>
<td>Common Agricultural Policy</td>
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<td>CAR</td>
<td>Central African Republic</td>
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<td>CARICOM</td>
<td>Caribbean Community Secretariat</td>
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<td>CAS</td>
<td>Country Assistance Strategy (World Bank)</td>
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<td>CBD</td>
<td>Convention on Biological Diversity (UN)</td>
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<td>CC</td>
<td>Council Conclusions</td>
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<td>CFCSP</td>
<td>Common Framework for Country Strategy Papers</td>
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<td>CFSP</td>
<td>Common Foreign and Security Policy</td>
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<td>CGIAR</td>
<td>Consultative Group on International Agricultural Research</td>
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<td>CITES</td>
<td>Convention on International Trade in Endangered Species of wild fauna and flora</td>
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<td>CLS</td>
<td>Core Labour Standards</td>
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<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
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<td>CSO</td>
<td>Civil Society Organisation</td>
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<td>CSP</td>
<td>Country Strategy Paper</td>
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<td>CSP/NIP</td>
<td>Country Strategy Paper/National Indicative Programme</td>
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<tr>
<td>CSSDCA</td>
<td>Conference on Security, Stability,</td>
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<td>CTO</td>
<td>Caribbean Tourism Organization</td>
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<td>CV</td>
<td>Curriculum Vitae</td>
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<td>DAC</td>
<td>Development Assistance Committee (of the OECD)</td>
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<td>DDA</td>
<td>Doha Development Agenda</td>
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<td>DDR</td>
<td>Disarmament, Demobilisation and Reintegration</td>
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<tr>
<td>DFID</td>
<td>Department for International Development</td>
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<td>DfID</td>
<td>Department for International Development (UK)</td>
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<td>DG</td>
<td>Directorate General</td>
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<td>DoL</td>
<td>Division of Labour</td>
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<td>DP</td>
<td>Development Partner</td>
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<td>DRC</td>
<td>Democratic Republic of Congo</td>
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<td>DSW</td>
<td>Department of Social Welfare</td>
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<td>EAMR</td>
<td>External Aid Management Report</td>
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<td>EC</td>
<td>European Commission</td>
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<td>ECB</td>
<td>European Central Bank</td>
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African Caribbean Pacific and European Union Collaboration on Trans-border Policies

ECHO European Community Humanitarian Office
ECLAC United Nations Economic Commission for Latin America and the Caribbean
ECOFAC Programme for Conservation and Rational Utilisation of Forest Ecosystems in Central Africa
ECOWAS Economic Community of West African States
ECSC European Coal and Steel Community
EDCTP European and Developing countries Clinical Trials Partnerships
EDF European Development Fund
EEC European Economic Community
EIB European Investment Bank
EITI Extractive Industries Transparency Initiative
EMP Euro-Mediterranean Partnership
EMS European Monetary System
EMU Economic and Monetary Union
ENP European Neighbourhood Policy
ENPI European Neighbourhood and Partnership Instrument
EPA Economic Partnership Agreement
ESDP European Security and Defence Policy
EU European Union
EUR Euro – the currency of the EU
FEMA Forum of Energy Ministers in Africa
FEMIP Facility for Euro Mediterranean Investment Partnership
FLEGT Forest Law Enforcement, Governance and Trade
FPA Fishery Partnership Agreements
FTA Free Trade Area
G8 Group of 8
GAERC General Affairs and External Relations Council
GATT General Agreement on Trade and Tariffs
GBS General Budget Support
GDP Gross Domestic Product
GJAS Ghana Joint Assistance Strategy
GNI Gross National Income
GTZ Deutsche Gesellschaft für Technische Zusammenarbeit
HEI Higher Education Institutions
HIPC Heavily Indebted Poor Countries
HIV Human Immunodeficiency Virus
ICPD International Conference on Population and Development
ICT Information and Communications Technology
IDA International Development Association
IFMIS Integrated Financial Management Information Systems
IGO Inter-Governmental Organisation
ILO International Labour Organization
IMF International Monetary Fund
I-PRGS Interim Poverty Reduction and Growth Strategy
IRSC Improvement and Reform Steering Committee
JAR Joint Annual Report
JAS Joint Assistance Strategy
JAST Joint Assistance Strategy Tanzania
JASZ Joint Assistance Strategy Zambia
RCU  Reform Coordination Unit
REC  Regional Economic Community
RIC  Regional Integration Community
RIP  Regional Indicative Programme
SACU  Southern African Customs Union
SADC  Southern African Development Community
SALW  Small Arms and Light Weapons
SAPR  Sector Annual Progress Report
SBS  Sectorial Budget Support
SCAP  Stratégie Commune d'Assistance Pays
SEA  Single European Act
SELA  American Economic System
SICA  Central American Integration System
SLM  Sustainable Land Management
SMEs  Small and Medium-sized Enterprises
SP  Silent Partnership
SRH  Sexual Reproductive Health
SSATP  Sub-Saharan Africa Transport Programme
TA  Technical Assistance
TC  Technical Committee
TEU  Treaty on European Union
TNC  Transnational Corporation
ToR  Terms of Reference
UJAS  Uganda Joint Assistance Strategy
UK  United Kingdom
UN  United Nations
UNAIDS  Joint United Nations Programme on HIV/AIDS
UNCCC  United Nations Climate Change Convention
UNCCD  United Nations Convention to Combat Desertification
VIS  Visa Information System
WB  World Bank
WEU  Western European Union
WSIS  World Summit on the Information Society
WSSD  World Summit on Sustainable Development
WTO  World Trade Organisation
YEN  Youth Employment Network
ZAR  South African Rand
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Annexes

Annex I

Actors of the ACP-EEC CONVENTION SIGNED AT LOME ON 28 February 1975

His Majesty the King of the Belgians,
Her Majesty the Queen of Denmark,
The President of the Federal Republic of Germany,
The President of the French Republic,
The President of Ireland,
The President of the Italian Republic,
His Royal Highness the Grand Duke of Luxembourg,
Her Majesty the Queen of the Netherlands,
Her Majesty the Queen of the United Kingdom of Great Britain and Northern Ireland,

Contracting Parties to the Treaty establishing the European Economic Community signed at Rome on 25 March 1975 (hereinafter called the "Treaty"), whose States are hereinafter called "Member States"; and the Council of the European Communities, of the one part, and

The Head of State of the Bahamas,
The Head of State of Barbados,
The President of the Republic of Botswana,
The President of the Republic of Burundi,
The President of the United Republic of Cameroon,
The President of the Central African Republic,
The President of the People's Republic of the Congo,
The President of the Republic of the Ivory Coast,
The President of the Republic of Dahomey,
The President of the Provisional Administrative Military Council, President of the Government of Ethiopia,
Her Majesty the Queen of Fiji,
The President of the Gabonese Republic,
The President of the Republic of the Gambia,
The President of the National Redemption Council of the Republic of Ghana,
The Head of State of Grenada,
The President of the Republic of Guinea,
The President of the Council of State of Guinea Bissau,
The President of the Republic of Equatorial Guinea,
The President of the Cooperative Republic of Guyana,
The President of the Republic of Upper Volta,
The Head of State of Jamaica,
The President of the Republic of Kenya,
The King of the Kingdom of Lesotho,
The President of the Republic of Liberia,
The President of the Republic of Malawi,
The Head of State and of Government of the Malagasy Republic,
The President of the Military Council of National Liberation of Mali, Head of State,
President of the Government,
Her Majesty the Queen of Mauritius,
The President of the Islamic Republic of Mauritania,
The President of the Republic of Niger,
The Head of the Federal Military Government of Nigeria,
The President of the Republic of Rwanda,
The President of the Republic of Senegal,
The President of the Republic of Sierra Leone,
The President of the Somali Democratic Republic, President of the Supreme Revolutionary Council,
The President of the Democratic Republic of the Sudan,
The King of the Kingdom of Swaziland,
The President of the United Republic of Tanzania,
The President of the Republic of Chad,
The President of the Republic of Togo,
The Head of State of Tonga,
The Head of State of Trinidad and Tobago,
The President of the Republic of Uganda,
The Head of State of Western Samoa,
The President of the Republic of Zaire,
The President of the Republic of Zambia,
whose States are hereinafter called the "ACP States", of the other part,

HAVING REGARD to the Treaty establishing the European Economic Community;
ANXIOUS to establish, on the basis of complete equality between partners, close and continuing co-operation, in a spirit of international solidarity;
RESOLVED to intensify their efforts together for the economic development and social progress of the ACP States;
WISHING to demonstrate their common desire to maintain and develop the friendly relations existing between their countries, according to the principles of the United Nations Charter;
RESOLVED to promote, having regard to their respective levels of development, trade co-operation between the ACP States and the Community and to provide a sound basis therefore in conformity with their international obligations;
CONSCIOUS of the importance of developing co-operation and trade among the ACP States;
RESOLVED to establish a new model for relations between developed and developing States, compatible with the aspirations of the international community towards a more just and more balanced economic order;
DESIROUS of safeguarding the interests of the ACP States whose economies depend to a considerable extent on the exportation of commodities;
ANXIOUS to promote the industrial development of the ACP States by wider co-operation between these States and the Member States of the Community;
HAVE DECIDED TO CONCLUDE THIS CONVENTION.
Annex II

Maps

Lesotho


South Africa

Annex III

Interview guide

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<th>Criteria</th>
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<tr>
<td><strong>1. Development</strong></td>
<td>a. Could you please introduce yourself mentioning your working place? &lt;br&gt;b. What do you think; the resources of Lesotho can be put at the availability of foreign investors? &lt;br&gt;- how is the infrastructure from your point of view (please give examples) &lt;br&gt;- raw materials &lt;br&gt;- labour force &lt;br&gt;- Technology.</td>
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<tr>
<td><strong>2. Opening</strong></td>
<td>a. How is, from your point of view, the adequacy of the juridical system, for foreign investments or co-financed? &lt;br&gt;b. How is, from your point of view, the adequacy of the administrative systems, for foreign investments or co-financed?</td>
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<td><strong>3. Knowledge</strong></td>
<td>a. Local labour force of imported &lt;br&gt;b. Do you have immigration of labour force &lt;br&gt;c. how is the level of education or vocational training.</td>
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<td><strong>4. Financing</strong></td>
<td>a. distribution or repartition of funds &lt;br&gt;b. destination of funds</td>
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<td><strong>5. Sustainability</strong></td>
<td>a. operating capacity of the partners &lt;br&gt;b. capacity to put in practice and alive the project. &lt;br&gt;c. capacity of absorption</td>
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<td><strong>6. Utility</strong></td>
<td>a. advantages and add value &lt;br&gt;b. disadvantages &lt;br&gt;c. consequences</td>
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<td><strong>7. Visibility</strong></td>
<td>a. How many people know about the projects? &lt;br&gt;b. How many beneficiaries are involved? &lt;br&gt;c. how much is advertised?</td>
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<td><strong>8. Timing</strong></td>
<td>a. in how much time is activated &lt;br&gt;b. in how much time do we have the advantages?</td>
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<td><strong>9. Exchanges</strong></td>
<td>a. level and volume of the sectors of exchange &lt;br&gt;b. sectors of trans-border exchange &lt;br&gt;c. exchanges regarding labour force and competences</td>
</tr>
<tr>
<td><strong>10. Cooperation</strong></td>
<td>a. what do the institutions, from the both parts, do in order to facilitate the exchanges and the mobility &lt;br&gt;b. in which sectors do they have cross border cooperation?</td>
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Source: Created by the author
Annex IV

South Africa – Country Snapshot

South Africa has a land area of 1.2 million square kilometers, and a long coastline that stretches for more than 2500kms from Namibia to Mozambique. The country has a varied climate and topography that includes large plateau, the savannah, steep escarpment, and a narrow coastal plain. The country also has rich biodiversity, accounting for close to 10% of the world's total known bird, fish and plant species, and over 6% of the world's mammal and reptile species.

South Africa is a multiparty parliamentary democracy in which an executive president shares power with the Parliament. The National Parliament has two chambers, a lower and an upper chamber. The lower chamber is the National Assembly, and it has 400 members, elected for a five-year term through the system of proportional representation. Of these, 200 members are elected from national party lists, while the other 200 are elected from party lists in each of the nine provinces. The upper house is the National Council of Provinces, which has 90 members, elected for a five year term by the provincial parliaments, where each of the nine provinces has a delegation consisting of ten members.

The population of South Africa was estimated at 48.6 million in 2007, with about 57.8% of the people residing in urban areas. As more Africans are absorbed into the formal economy, average household size has been decreasing across all provinces. In the country as a whole, 16.4% of households were single person households in 1996, increasing to 18.5% in 2001. At the other extreme, 16.2% of households in 1996 contained seven or more people, decreasing to 13.8% of households in 2001. Gauteng had the smallest proportion of households containing seven or more people (8.7% in 1996 and 7.1% in 2001). There were 3.4 million female-headed households in 1996 (37.9%), increasing to 4.8 million in 2001 (42.6% in 2001). Altogether 8.0% of all households were living in overcrowded conditions in October 2001. There has been much concern about the effect of HIV/AIDS on the future size of the South African population. The overall estimated HIV-prevalence rate is approximately 10-13% and is translated in the diminishing life expectancy at birth from 54.7 years in 2001 to 49.3 years in 2007, while both Infant Mortality and Under-five mortality remains stagnant. Addressing socio-economic impact of HIV/AIDS at all levels and in all sectors remains a priority in the South African development agenda. The population living below the poverty line as a percentage of the total population (incidence of poverty) estimated at 57.0% in 2001 and those living below $1 a day (extreme poverty) estimated at 8.6% in 2004 are relatively high and the unemployment rate at 25.6% in March 2007 is also high. This is further compounded by the relatively high unequal distribution of income and wealth, with a gini coefficient of 0.59.

South Africa is a small open economy with its share in world exports and imports estimated at 0.89% and 0.87% respectively in 2005. Commodity based products dominate the country’s exports, with platinum, diamonds (excluding industrial), gold and coal as the four principal exports. The country’s major trading partners are the United States, the United Kingdom and Japan.
Annex V

Donor roles
The EU Code of Conduct mentions the various donor roles: lead, active, delegating, withdrawing or redeploying donor. The precise roles may vary according to local needs. But from practice so far, at the sector level for each donor role a number of common characteristics have emerged:

a) The lead donor
- Is the main liaison with government in policy dialogue and advocacy.
- Speaks on behalf of other (active and delegating) donors in a sector (or theme).
- Can act on behalf of another donor (the delegating donor).
- Shares relevant information with other donors.
- Builds consensus among donors and/or reports on divergent positions and views in its dialogue with the government.
- Coordinates joint analytical work, reporting, monitoring and evaluation among donors.
- Will have a role that is tailored on specific local needs and circumstances.
- Has a substantial mandate and the trust of partner government and other donors.
- May find specific terms of reference on his role as lead donor useful.
- May in some cases find it practical to share the work load.
- May be assisted by donors with expertise in a certain niche.
- Has to ensure that it has sufficient time and staff capacity available for the task.
- Is not necessarily the donor providing the largest aid volume.

b) The active donor ……
- Participates in the policy dialogue in the sector (among donors to agree on the line to take with the government).
- Is represented by the lead donor in dialogue with the government.
- Manages its own activities in the sector.
- Can act on behalf of another donor (the delegating donor).
- Can have a coordinating role on specific (cross cutting) themes that are important in the sector, thus acting as an assistant to the lead donor.

c) The delegating donor (or background donor or silent partner) ……
- Provides only financial support to sector activities.
- Does usually not participate in dialogue and monitoring except perhaps at strategic moments (such as annual meetings on PRSP performance). A background donor may sometimes be somewhat more visible.
- Delegates authority to another donor (active or lead) to act on its behalf for the administration of funds and sector policy dialogue with the government.
- May chose to become a delegating donor in a transitional period as part of its exit strategy.

d) The withdrawing/redeploying donor
- Will phase out its support to the sector.
- Could possibly redeploy to another sector.
- In both cases this may entail changes in staffing requirements.
Annex VI

The Continent has for the past 40 years been torn apart by inter-State, intra-State, ethnic, religious and economic conflicts. Not less than 26 armed conflicts erupted in Africa between 1963 and 1968 affecting the lives of 474 million people representing 61% of the population of the Continent and claiming over 7 million lives. Besides, wars did not spare any geographic region of the Continent: the Horn of Africa (Ethiopia, The Sudan, Eritrea and Somalia) Southern Africa (12 conflicts) and West Africa, (some 10 wars) have been the theatre of conflicts. Only North Africa with the exception of Algeria remained relatively conflict-free.

Some of these wars lasted for quite long periods. For instance, the war in Chad persisted for 40 years; in South Sudan, the war lasted 37 years; in Eritrea, 30 years; and in Angola, 27 years, etc. One of the consequences of armed conflict is the emergence of refugees (currently estimated at 3 million) and displaced persons (not less than 20 million) many of whom live in very difficult condition without adequate assistance from national governments or the international community.

### Annex VII

#### Table 2: Real GDP Growth Rates, 2002-2012

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**Note:** Fiscal year July (n-1)/June (n).

**Sources:** AMIS Statistics Department, Various domestic authorities; IMF World Economic Outlook (March 2011) and authors’ estimates and projections.
Annex VIII

African Economic Outlook 2010 - OECD © 2010 - ISBN 9789264084524
Statistical Table 1. Basic Indicators, 2009
Version 1 - Last updated: 29-Apr-2010

### Basic Indicators, 2009

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**Note:** Fiscal year July (n-1)/June (n)

**Sources:** United Nations, Department of Economic and Social Affairs, Population Division, World Population Prospects, The 2008 Revision
ADB Statistics Department, Various domestic authorities and IMF World Economic Outlook (March 2010).
Annex IX

The New Partnership for Africa’s Development (NEPAD)

The New Partnership for Africa’s Development (NEPAD) was launched by the then OAU Summit held in July 2001, in Lusaka, Zambia, as the New African Initiative (NAI). As a socio-economic programme of the African Union, NEPAD’s primary objective is to eradicate poverty in Africa through the establishment of stable peace and security conditions, and promote sustainable economic growth and development, and thus enhance Africa’s participation in global, political and economic affairs. At its inaugural meeting in Durban in July 2002, the AU Summit endorsed the NEPAD Initial Action Plan, covering priority areas which were drawn mainly from the programmes of the Regional Economic Communities. While not involved directly in programme implementation, NEPAD plays the role of advocacy, promotion, as well as mobilization of financial and political support for implementation efforts.

At its Second Summit in Maputo, in July 2003, AU Heads of State and Government adopted a declaration by which NEPAD is to be fully integrated into the structures and processes of the African Union, within a maximum period of three years.

The establishment of NEPAD was marked by the following milestones:
- Merger of the MAP and the OMEGA Plan on 3 July 2001 in Lusaka, resulting in the New African Initiative;
- Approval of the NAI by the Assembly of the OAU on 11 July 2001 in Lusaka, Zambia;
- Establishment of the NEPAD Heads of State and Government Implementation Committee on 24 October 2001, in Abuja, Nigeria;

NEPAD has a three-tier structure, namely:
- Heads of State and Government Implementation Committee (HSGIC):
  o Chaired by President Obasanjo
  o Membership of 20 countries comprising the 5 initiators of NEPAD (Algeria, Egypt, Nigeria, Senegal and South Africa) and 15 countries representing each of the AU recognized regions.

Regional Representation is as follows:
Central Africa: Cameroon, Gabon, São Tomé and Príncipe,
East Africa: Ethiopia, Mauritius and Rwanda
North Africa: Algeria, Egypt and Tunisia
West Africa: Mali, Nigeria and Senegal
- The NEPAD Steering Committee:
  * Composed of the personal representatives of the Heads of State and Government Implementation Committee
The NEPAD Secretariat:
  * The NEPAD Secretariat established to coordinate on NEPAD Programmes, which had been the primary responsibility of the 5 initiating countries prior to the set-up of the Secretariat.
  * The NEPAD Secretariat is headquartered in Midrand, South Africa
  * Since the establishment of the NEPAD Secretariat, the initiating countries have seconded programme coordinators in the areas in which they had a mandate prior to the establishment of the NEPAD Secretariat

The NEPAD Secretariat is not involved in direct programme implementation. Its role is in programme development for implementation by RECs, individual countries, the Private Sector and the Civil Society in collaboration with partners. The major role of the NEPAD Secretariat includes facilitation of programme implementation at all levels, mobilization of
political and other supports, advocacy and promotion, resources mobilization and institutional networking for programme implementation at all levels.

To allow for effective operationalization, supervision of the key sectors was assigned as follows: Human development (education and health): Algeria; Good political governance, peace, security, democracy: South Africa; Market access, product diversification, agriculture: Egypt; Private economy good governance: Nigeria; Infrastructure, Environment, NICT, Energy: Senegal.

**NEPAD Priority Areas**

NEPAD has 8 priority initiatives, with various programmes at different stages of development and/or implementation in the following areas:

- Peace, Security, Democracy and Political Governance Initiative
  - This includes the African Peer Review Mechanism (APRM) which is the mutually agreed instrument for self-monitoring by the participating member governments of political, economic and corporate governance values, codes and standards contained in the Declaration on Democracy, Political, Economic and Corporate Governance. The Structures of the APRM are as follows: African Peer Review Mechanism Forum; the Panel comprising 7 African personalities chaired by a President, and the Secretariat based in South Africa.

- The Economic and Corporate Governance Initiative
- Sectorial Priorities
  - Bridging the Infrastructure Gap, which includes:
    - Bridging the Digital Divide: Investing in Information and Communication Technologies (ICTs)
    - Energy
    - Transport
    - Water and Sanitation

Human Resource development Initiative, including Reversing the Brain drain
- Bridging the Education Gap
- Reversing the Brain Drain
- Health
- Agriculture
- The Environment Initiative
- Culture
- Science and Technology
- Mobilising Resources
  - The Capital Flows Initiative
  - The Market Access Initiative
- Diversification of production
- Agriculture
- Manufacturing
- Tourism
- Promoting the Private Sector
- Promoting African Exports
- Removal of Non-Tariff Barriers

The Organs of the African Union are as follows:

**The Assembly of the Union**, the supreme organ of the Union, is composed of Heads of State and Government or their duly accredited representatives. This organ meets at least once in extraordinary session.

**The Executive Council**, composed of the Foreign Ministers or such other Ministers or representatives as are designated by the governments of Member States, is responsible for coordinating and taking decisions on policies in areas of common interest to Member States.
The Permanent Representatives’ Committee, composed of the Permanent Representatives or other Plenipotentiaries of Member States, is responsible for preparing the work of the Executive Council and acts on the latter’s instructions.

The Pan-African Parliament will be unicameral with representatives from all Parliaments of the countries of Africa. It will adopt legislations by two-thirds majority of its members. It will be composed of five members per country with at least one woman. It will subsequently evolve into a parliament elected by universal suffrage.

The African Court of Justice will adjudicate in civil cases and be responsible for human rights protection and monitoring human rights violations. It will also constitute itself into a real criminal court in the long term.

The Commission of the African Union is the Secretariat of the Union. It is composed of the Chairperson, his or her Deputy and Commissioners. It represents the Union and defends its interests under the direction of the Assembly and the Executive Council. It can initiate proposals for submission to the other organs of the Union and executes decisions taken by them. It assists Member States in executing the policies and programmes of the Union, particularly the CSSDCA and NEPAD. It formulates common positions of the Union and coordinates the work of Member States during international negotiations.

The Economic, Social and Cultural Council (ECOSOCC) is an advisory organ composed of different social and professional groups from Member States of the Union, particularly youth and women’s associations.

The African Court of Human and People’s Rights, composed of 11 members elected by the Assembly of Heads of State and Government for a 6 year mandate. It has jurisdiction over all disputes and requests submitted to it in respect of interpretation and implementation of the African Charter on Human and People’s Rights.


Specialized Technical Committees are composed of Ministers or senior officials responsible for the sectors falling within their respective areas of competence. Seven Technical Committees, number and composition of which are not limited, are provided for in the Constitutive Act of the Union; namely:
- The Committee on Rural Economy and Agriculture;
- The Committee on Monetary and Financial Matters;
- The Committee on Trade, Customs and Immigration Matters;
- The Committee on Industry, Science and Technology, Energy, Natural Resources and the Environment;
- The Committee on Transport, Communications and Tourism;
- The Committee on Health, Labour and Social Affairs; and
- The Committee on Education, Culture and Human Resources.

The Peace and Security Council composed of 15 Member States is responsible for the promotion of peace, security and stability in Africa, preventive diplomacy and restoration of peace. It is also responsible for disaster management and humanitarian activities. It replaces the Central Organ of the Conflict Prevention, Management and Resolution Mechanism established in 1993 by our Heads of State at the Tunis Summit.
### Annex XI

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Annex XII

Source: Francis Wellens, Workshop: From EDF to Financing Agreement, Freetown 4-6 August 2010
Annex XIII

Exports and imports in ACP states

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Annex XIV

Africa
Annex XV

The Caribbean
Annex XVI

The Pacific
Annex XVII

Trip to Africa by Ana-Maria Duta

Saturday, 13th of August 2011 - Day 2

I started writing yesterday and then cancelled everything and decided not to write anything for once, but then so many things happened that I decided to write again.

Things have changed around here since last year, and unfortunately not necessary in good. It feels like everything has become a matter of satisfying the customers (the volunteers as they bring money). We volunteers eat here at the hostel, but there’s too much food and they make things for us that the kids don’t eat and I think that’s not fair at all. We are eating more and better than the kids and it should be the other way around (Patty the same as in Rwanda).

And this because there are people who came here thinking it’s 5 stars hotel and started complaining. And this sucks.

I am quite pissed off for this but then when I see the kids and they run to hug you and don’t let go everything vanishes. They have this incredible power and in the end I’m trying not to think about the negative parts and just spend as much time with them as I can.

Now the funny parts☺. Both yesterday and today me and a friend went to Tegeta (the nearby village). That place is Africa 100%, full of people selling food and other stuff everywhere, full of perfumes and smells, full of traffic, full of colours, full of sensations. I just love it. Of course we couldn’t not stop at a local bar and have some beer and cigarettes (Paul don’t worry you are still on my shoulder ☺, and you usually win ☺) in the middle of ramadam. And of course some just made food. Seeing people’s reactions is just too funny.

As for the traffic there are no streets anymore due to construction works. Yesterday we took a badjadj to come back to the village (a combination between a motor and a car on 3 wheels), and on the way back we got stuck in the middle of nowhere on some sandy roads ☺☺☺. And we had to get down and start pushing the thing out of the sand. I was laughing so much of the situation we were in, that it was difficult to push, but we managed in the end.
As for today, we did half of the road, with the dala dala (full as always including several fish baskets) on 2 wheels. But the dala dala is always an experience.

Monday, 15\textsuperscript{th} of August 2011 - Day 4

This time I’m doing everything differently than last year, I spend a lot of time outside the village and I spend time individually with the kids not only when they all come to the hostel. Yesterday we went with them to the sea, it was the first time as last year it was cold for them so they couldn’t go. It was really nice, they were having so much fun. The only problem is that I couldn’t swim as I didn’t have shorts, and it seems we need shorts when the sisters are there. These religious ideas start pissing me off. They also make the kids pray too much, and forget they are kids, tell them a lot of nonsense things and make them fear feelings and emotions that are completely natural. This religious type of education to my opinion can do them a lot of harm. I think these kinds of places should be religion free. But well it’s a long discussion.

I heard some other stories of the kids and how they got here. Some of them are beyond any limit of imagination of cruelty and I am not going to mention them as they are going to give you all nightmares. But at least now they are safe and have a happy large family and a lot of people that care for them.

The water and electricity situation is worse than last year. Now we shower at a fountain outside the village. We just go there with the buckets and the soap and all and shower in our bathing suits. It’s brilliant. I really love the showers at the fountain. Of course they are still limited because we are many and that water is used for other things too, but it’s worth the waiting. I should buy myself a fountain when I get back ☺☺☺. As for the electricity it’s almost always off.

Yesterday evening I went to spend some time with the girls from house number 4, and I ended up singing all the Romanian songs that I know and then moving to internationals from Pink Floyd to Cranberries and Glenn Hassard ☺☺☺, as they wanted me to sing them to sleep (Roxy you would have been proud of me, we didn’t practice them for nothing ;)) ☺). They are just so sweet.

Then today we escaped to Tegeta again (everybody knows us there by now) and had lunch “downtown” ☺☺. Again the usual local bar with everything crawling down, where many
people I know would never set foot 😊. But I just like them too much. To me the beauty of being in Africa stays in doing things exactly as they do. It’s beautiful. We actually ended up dancing at a certain point with a big group of school kids staring at us.

Tomorrow I will be going to an island and then on Thursday I will do my first safari. Yeyyy. I’ll be back soon!

Wednesday, 17th of August 2011 - Day 6

People worry too much for senseless things and forget to live. This was the thought of yesterday. We shouldn’t need that much to be happy. This is the thought of today. 😊😊😊

Now I will enlarge both of them. Yesterday we went to the island. It was a great day (at least for me 😊). We arrived at the beach from where we were supposed to take the boat at around 9. Then we divided ourselves in 2 groups as we couldn’t all fit on the boat. I stayed in the second group as I was the official translator 😊 (Italians really have problems with foreign languages, no offense 😊). And here comes the funny part. As soon as the first group arrived at the island the boat engine broke down 😊. The managers of that place told us another boat is coming to take us. It did! After 3 hours 😊, in which they continued saying in 5 min, in 10 min, in 5 min 😊. But we are in Africa, everything here is “pole pole”. The sad thing is that some of the guys who were there with me were completely angry, went fighting with the people there as they wanted their money back and complaining on the services and so on. All this, while we were on this beautiful beach, with the sun up, in no hurry and with nothing really urgent to do. Of course, I left them there, bought myself an ice-cream (they were selling ice-cream yeyyyyy😊😊😊), went swimming and enjoyed the day. I really had a great time 😊, I was just feeling sorry for them, because they lost several hours of their life for nothing. And I realised once again that this is what people usually do, they just spend time worrying and complaining and thinking at things that aren’t really important, and don’t look around them to see all the beautiful things and enjoy them. So much time wasted without really living. Anyhow a beautiful boat eventually came and took us to this paradise island that I cannot describe fairly, but you will see for yourselves in the pictures.

As for today, in the morning we worked. We basically cleaned a whole school, whipped, washed, etc. One of my tasks was spraying insecticide in 2 rooms with a million mosquitoes each, as we couldn’t really enter there to clean without being attacked 😊. Considering that I am not doing the malaria profilaxy, I can consider this experience a suicidal act 😊😊. 
Anyhow I didn’t get bitten.. too much 😊. We’ll see 😊. In the afternoon we went to the village of the fishermen where I took some great photos 😊. On the way we gave caramels to most of the kids we found and they were so incredibly happy. For one caramel. And I know I always repeat this but it really doesn’t cease to surprise me the difference between these kids, and the “civilised world” ones. The former having nothing and enjoying with all their hearts all the small things, the latter being so spoiled and having everything but still being unhappy as they want more. To me this is just incredible, we should learn from them and just start being happy for the small things. I started straight away with a bath in the ocean that made me veeeeeeeeeer happy 😊😊😊. Have to stop here as I think all my room mates hate me. It’s 23h and they are all sleeping and the keyboard is slightly noisy 😊. Tomorrow (actually in 2 hours from now) my first safari! Yeyyyyyyyyyyyyy!

Friday, 19th of August 2011 – Day 8

I am tired. These last 2 days I had the most extreme transport experiences in my life. Yesterday we went to the safari, 12 hours of dala dala and considering the Tanzanian roads when I got back every single organ hurt because of the continuing shaking. But it was worth it! I saw the baby elephants 😊😊😊. They were so cute! Then of course, we had a flat tire in the middle of the jungle. What fun would it have been otherwise? 😊😊 That film with those guys getting eaten by the lions in a similar situation, came to my mind 😊😊. But then pole pole they fixed it and everything went ok.

Then today I had to go buy food for everyone and took the dala dala. As usual, inside there were 4 times more the people that normally fit. I ended up sitting in extreme yoga positions on a piece of wood with 3 big bags of some old women all over me 😊😊😊. But I saw on the dala dala the most beautiful little girl I have ever seen in my life, by far! She was perfect! Around 8 month old, big hypnotising GREEN eyes with long lashes, the perfect brown skin, beautiful heart-shaped mouth, small delicate nose. She was just pure beauty; I would have loved to photograph her. Then on the way back we took the badjadjí again as the dala dala was too full. We were in 4 (the maximum no is 2) so basically I had to stay in front where there is place only for the driver leaning on 5 cm of chair and hanging on the outside. It was more intense than any montagne russe I have ever been on 😊. And once more I survived! 😊

When I got back I got completely angry again as they cut down 2 trees because their fruits fell on the floor and got it dirty. It’s the most stupid reason to cut down 2 gorgeous who
knows how many hundred years old trees. Nobody succeeded in convincing the priest not to have them cut down. The three young guys that are here permanently were angry too. They are really cool and have a right vision of things but unfortunately they don’t have any power of decision. But then after lunch I spent some time with the small kids and again they made all the negative thoughts go away and brought me peace and happiness, at least for a while. They played with my hair for an hour, they like a lot muzungu hair, as they don’t have much of their own. We had a lot of fun together.

Now I’m going to sleep as my eyes are closing down and tomorrow it’s going to be a long day in Dar.

Saturday, 20th of August 2011 – Day 9

The day in Dar Er Salaam today was incredibly funny. We went in 11 girls, one crazier than the other. We visited the botanical garden, the shells market, the fish market (I personally stayed outside this one because of the smell, only the thought of it makes me nauseous), the spices market and the fruit market and everything we found on the way. We also managed to infiltrate ourselves at a wedding of some people we didn’t know 😊😊. I have so many photos in my head, unfortunately I wasn’t able to take many because they say it’s dangerous and my camera is not really small and it was really crowded, but I’m storing them in my head and maybe will be able to get them out somehow.

Dar as usual was full of people, so many colours, so many smells, people trying to sell us everything possibly imaginable, and just calling us on the street to say hi, women carrying stuff on their heads and their babies on their backs, so many colours, so many smells, men carrying huge boxes, or just laying on the sidewalk waiting for something that only they know, people getting into the dala dala from the windows, people on top of the dala dala, so many colours, so many smells, beautiful fruits, animals, 5 women dressed differently sitting on a bench waiting for the bus, beautiful trees, the port, people coming back from Zanzibar by boat, curious children, shops, great food, smiles, happiness, chaos, work, life, dancing, singing, ramadam, so many colours, so many smells.
We went to eat in this local place where they just improvised a table with some chairs for us on the spot. Great food, smashed eggs, chips, rice and beans. And we were also lucky enough to find the small ice-cream car.

While walking in the city centre we aligned ourselves in Indian row and started doing the “we will rock you” clapping and singing. And the great thing about this is that unknown people just walking by joined us ☺☺☺. It was like a movie scene. I couldn’t believe it really!!! It’s been incredible and all of us had a lot of fun.

It’s been a marvellous day in Dar Er Salaam.

Monday 22nd of August 2011 – Day 11

Yesterday we celebrated the birthdays of the kids born in the last 3 month. It was beautiful. Seeing 103 kids singing and dancing and smiling and laughing and just being simply happy is incredible. It’s like a volcano of positive energy, especially considering what they have been through. Before arriving at the orphanage they went through so much pain that seeing them all so happy as a big family is just overwhelming. I can’t really explain the emotion of yesterday, it’s something that you have to live to understand. And again they helped me so much. And it’s funny because I know that some of my friends “admire” me for coming to Africa and I think that’s just stupid. Because in reality I come here because I need them, not because they need me, they can manage the same without me, I can’t without them. As well as I need Africa in general, just to escape from the superficiality and falsity of the world we are living in. But enough with the philosophy ☺.

Today I went on another trip. We went to Bagamoyo. It is the former capital and the name means the place of the crushed hearts, because it is the last place that the slaves saw before being sent away to the countries that bought them. The story of the place is really sad and moving. For more details please visit www.wikipedia.com ☺☺☺☺. In the rest I might say it was an interesting day. I received 3 wedding proposals☺☺☺☺. Eh I’ve always been very popular in Africa ☺☺☺ because they appreciate my “African” body (in translation the fact that I am fat ☺☺☺ as they consider thin people sick and ugly ☺☺). I had to refuse though as they didn’t have enough cows ☺☺☺, eh a muzungu with an African body is not easy to find ☺☺☺☺ I’m worth quite many cows ☺☺☺☺☺.

Saturday 27th of August 2011, Day 16
You know those moments when you are just so happy and in peace that you would just want to stop the time and stay in that moment forever? Well, I had many of them in the last days. I spent more time with the small kids in the last days. They are so incredibly sweet. Usually when they see us they run towards us and just jump into our arms. Sometimes they just fall asleep on you. They are very very affectionate. And also do you know those moments when you are about to pee on yourself because of laughing too much. I had many of those ones too. It’s been a wonderful week that passed really fast.

We also worked a little bit more. We painted a big school wall. This was really fun and relaxing even if I think I’m going to have permanent paint on me for the next 6 month. It seems to be highly resistant to any type of chemical substances ☺☺☺. Then we cut wood and broke rocks. Let’s say a month of gym concentrated in one week. ☻☻. But it was a nice, intense week.

Unfortunately tomorrow it’s the last day but I don’t want to think about that yet. There are so many stars.. and the milky way.

Sunday, 28 August 2011 – Day 17

Today was the last day. It started as a regular day. But that was only the start. In the morning we decided at the last moment to go to Dar to visit another orphanage from which 4 girls will come to this one in September. It was me, 2 friends and 2 sisters. It was the most moving place I have ever visited in my life; the kind of place where your heart just breaks into pieces in an instant with a cracking noise and falls on the floor. It was not only an orphanage but also a rest house for people with handicap and also old people, managed by the sisters of mother Teresa. First we visited 2 of the rooms of the kids (around 30 iron beds per room). In the second room there were the very small kids, younger than 2 years all orphans. They were so beautiful. A sweet baby girl with an orange dress was staring at us with surprise. The sisters told us the stories of some of the kids but again I will spare you the details.

Afterwards we entered a room where there were people with handicap both physical and mental. We greeted them all and then one of the sick girls took my friend’s arms and started singing something in Swahili and dancing and all the other ones seemed happy. It was really touching. I am really sorry I couldn’t communicate with them better, as my Swahili
knowledge stops with greeting and thanking. In the next room there were young people even sicker. They were lying in bed on or on the floor, some of them were screaming a lot. There was this girl with all her face deformed and since I was smiling at her she has trying to smile back and when she managed she hid her face in the pillow because she was shy. We played this “smiling game” several times.

And then the rooms for the old people came. I was always fascinated by old people. Seeing their wrinkles and trying to imagine what hides behind each one of them, what kind of life they had and so on. And in one room I met a woman that probably marked me for the rest of my life: an Indian old woman that greeted us by kissing our hands, and then touching her heart and bending down. She was the expression of pure humility. And then her eyes.. were so full with kindness. I have never seen something similar in my whole life. She completely touched my soul somehow, she had such strong positive energies that I cannot stop thinking of her, and wish I could see her again and spend more time with her even though I know it might not happen. And all this happened in just few seconds and no words.

Then, since our driver decided to go visit some family while we were in, one of the sisters decided that in the meantime, she wanted to see her brother that she hadn’t seen since 2007. So we had to meet him somehow. That was a great adventure considering that we had no idea where we were and the sisters had no idea where we were going ☺☺☺☺☺. We ended up in these neighbourhoods where probably no muzungu has ever been before, as they were all looking at us strangely; again full of people and music and food and colours, the usual African background. Eventually (after more than an hour) we managed to meet the brother, a funny fatty guy with happy eyes that laughed all the time. He took us to his place on top of a hill, bought wine especially for us, served us food of course (apologizing continuously that they didn’t have time to prepare as they found out we were coming an hour before), presented us to his family. We found out that he was working for the government and we ended up drinking wine and discussing politics ☺☺☺☺☺☺. That was something that I definitely did not imagine when I woke up. Before leaving he gave us some materials as gifts, he couldn’t have let us go without a gift. It was just an incredible afternoon spent with an unknown African family, on top of a hill in the middle of nowhere. I just love this kind of days.

All in all it was a great trip!