ACP-EU Co-operation

Private Sector Development and Investment

1 Introduction

1.1 This paper considers the Draft Communication on Future EC Support for Private Sector Development in ACP Countries (DraCom), prepared by the European Commission (EC)(DG VIII), in the light of the ACP Group Negotiating Mandate (GNM) of 30/9/98, and seeks to identify any areas of divergence between the two positions, or proposals by either side requiring further clarification and discussion, and to provide commentary for negotiators to consider. The paper also makes a number of suggestions for the preparation of an agreed action plan for enhanced, private-sector led development in the ACP countries, and of specific initiatives within the plan.

1.2 The paper is based on a presentation prepared for and discussions at the Joint Commonwealth-ACP Secretariats' Workshop for ACP Ambassadors to the European Union on Post-Lomé IV Arrangements (the Workshop), held at ACP House in Brussels on 27th November, 1998. The principal conclusions and recommendations are summarised in the next paragraph, with more detailed discussion in the following sections.

2 Summary of Conclusions and Recommendations

1. ACP should focus pragmatically on an **action plan**, and seek to determine content, funding and responsibility for implementation of each element. Future discussions should centre on the detailed programme content, the methods of implementation and practical actions; (3.1.4).

2. Programme content should be agreed before fixing the total resources required. Extra resources need to be allowed for to enable EIB to help **finance PS infrastructure;** (3.1.5).

3. Although the EC's proposals on reform are coherent and consistent, and should not be contentious in principle, they are of limited scope, and **additional content and new ideas** should be put forward to enable it to achieve its stated aims; (3.2.1).

4. The ACP strategy of **investment-led development** is valid, and not inconsistent with the DraCom proposals, but it needs to be elaborated. Strategies should be developed for financing PS infrastructure, for technological acquisition, for new