

**Memorandum of Understanding between  
the European Commission of the one part and the lusophone African countries  
(PALOP) and Timor-Leste of the other part**

**Introduction**

The group of lusophone African countries comprising Angola, Cape Verde, Guinea-Bissau, Mozambique and São Tomé e Príncipe (hereinafter referred to as “the PALOP”) share a strong linguistic and cultural identity, a similar system of governance (including similar systems of public administration, justice, public finance management and social services) and a long tradition of contacts and exchanges amongst themselves. The European Commission has financed to date two Regional Indicative Programmes (RIP); the RIP PALOP I in 1992 and the RIP PALOP II in 1997. EC PALOP cooperation will continue under the 10th European Development Fund for the period 2008-2013 with the integration of Timor-Leste, thus expanding from Africa to the Asian-Pacific region. By building on shared traditions and working together as an example of south-south cooperation the PALOP have developed strong synergies helping them to integrate into their geographical regions while preserving their common identity. The European Commission and the PALOP have a longstanding cooperation following jointly identified priorities and objectives for development and bringing added value.

Sharing the same values and beliefs and attached to multilateral cooperation, partnership and dialogue as effective means to seek fair and sustainable solutions, the partners to this Memorandum of Understanding (hereinafter referred to as “the partners”) reiterate that true and fully shared solidarity is important to guarantee sustainable development along with the conditions for democratic governance. Against this background and building on past experience, the partners are committed to continuing and strengthening their cooperation within the new framework established by this Memorandum of Understanding, focusing on democratic governance as a key determinant for development and the fight against poverty. Against this background, synergies and complementarities of the experiences gained in previous programmes will have to be explored with this new initiative of cooperation between the PALOP/Timor-Leste and the European Commission with the perspective of achieving improved results.

**Objective**

The principal objective of this Memorandum of Understanding is to set out the broad lines for cooperation between the European Commission and the group of six ACP countries concerned. This Memorandum of Understanding provides the framework for this cooperation which will be funded from the non-focal area “PALOP/Timor-Leste governance-based initiatives” in the National Indicative Programmes (as defined in the ACP-EC Partnership Agreement) of these six countries. It will be implemented in the form of joint projects and programmes.

## **Areas of cooperation**

The partners will intensify their dialogue and identify possibilities for and pursue cooperation in the area of democratic governance. Drawing on the holistic approach to democratic governance<sup>1</sup> the cooperation will take account of all dimensions of democratic governance notably:

- (1) Political governance: democracy, human rights and rule of law;
- (2) Government effectiveness, namely capacity for public service delivery;
- (3) Economic governance;
- (4) Social governance.

The activities envisaged should offer comparative advantages by being integrated into a multi-country approach making it possible to address common problems, exchange know-how and experience and disseminate best practice. This should lead to efficient, effective, relevant and sustainable projects with an impact on the target populations, thus contributing to the objective of poverty reduction. Capitalising on past work and lessons learnt should also guide the choice of activities. Cooperation should also as a starting point build on existing networks in the six countries in relevant areas.

Institutional support and capacity-building will be cross-cutting issues relevant to all dimensions of governance. Association of non-State actors will also be considered where appropriate.

## **Implementing procedures**

The partners will take the necessary measures to ensure implementation of the projects and programmes jointly identified and agreed, building on the procedures established under the past and ongoing cooperation, adapted where considered appropriate.

With a view to ensuring and facilitating coordination:

- the PALOP and Timor-Leste will appoint a Coordinating Authorising Officer from among the six National Authorising Officers (hereinafter referred to as “NAO”);
- the PALOP/Timor-Leste and the Commission will endeavour to continue to hold regular coordination meetings. These meetings will be convened by the Coordinating Authorising Officer and the Commission and will be held alternately in Brussels and, on a rotating basis, in each of the six countries in the group.

In line with the Commission Decision C(2007)3617 of 1.8.2007 on the 10<sup>th</sup> EDF aid allocation criteria and Commission Decision C(2007)5223 of 30.10.2007 on the 10<sup>th</sup> EDF aid allocations, the Commission has allocated an additional amount of 4% of the initial aid allocations to the respective National Indicative Programmes of the PALOP countries and Timor-Leste for functional cooperation in the area of democratic governance. The PALOP and Timor-Leste take the commitment to reserve at least the following corresponding

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<sup>1</sup> As set out in the Commission’s Communication of 30 August 2006 “Governance in the European Consensus – Towards a Harmonised Approach within the European Union”

amounts from their respective National Indicative Programmes for this purpose: Angola € 7 million, Cape Verde € 1,1 million, Guinea Bissau € 3 million, Mozambique € 19 million, Sao Tome e Principe € 0,5 million and Timor-Leste € 2,5 million. Common projects and programmes will be financed by contributions from this allocation, with the participating countries contributing to them in proportion to their earmarked allocation.

In addition to the Coordinating Authorising Officer, one of the NAO will be appointed “chef de file” for each project or programme funded under the common non-focal area “PALOP/Timor-Leste governance based initiatives” and will act as Delegated Authorising Officer. Powers delegated from the NAOs to the Delegated Authorising Officers will include the powers to request financing for projects and programmes and to sign Financing Agreements. Funds contributing to these common projects and programmes will be reflected in the “action fiche” in the Annual Action Plan of each country “chef de file”, while a reference to the individual contribution to the relevant project or programme will be included in the Annual Action Plans of the countries participating.

The possibility and extent of associating and involving other actors (non-ACP developing countries or international organisations) in implementing this cooperation will be considered if and when synergies and true value added can be expected and without jeopardising the principle of ownership by beneficiary countries and the involvement of the respective National Authorising Officers.

This could particularly be the case for the capacity-building and institutional support envisaged, where sharing the Portuguese language is instrumental.

This cooperation will be implemented in compliance with the individual partners’ legal and procedural rules and frameworks, notably in accordance with the ACP-EC Partnership Agreement signed in Cotonou on 23 June 2000 and revised in Luxembourg on 25 June 2005<sup>2</sup>. The partners will take the necessary measures to ensure effective operation of this Memorandum of Understanding and notably:

- (1) appoint permanent contact points for each common project and programme;
- (2) ensure close cooperation between partners on matters of common interest in the envisaged areas of cooperation;
- (3) review regularly, through their respective representatives, the progress achieved on the envisaged areas of cooperation.

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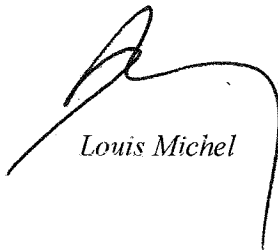
<sup>2</sup> OJ L 287, 28.10.2005, pp. 4–40

**Final provisions**

This Memorandum of Understanding creates no rights or obligations under international public law.

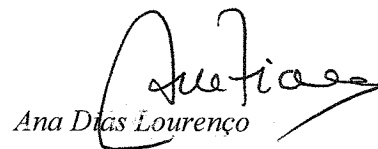
Done in Lisbon on 7 November 2007

**For the European Commission**



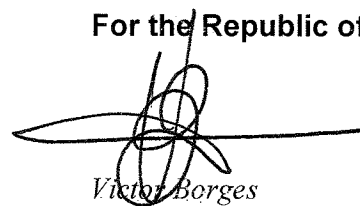
*Louis Michel*

**Peia República de Angola**



*Ana Dias Lourenço*

**For the Republic of Cape Verde**



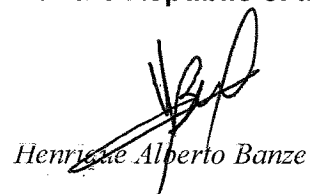
*Victor Borges*

**For the Republic of Guinea-Bissau**



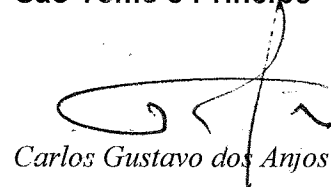
*Issifo Sanhá*

**For the Republic of Mozambique**



*Henrique Alberto Banze*

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*Carlos Gustavo dos Anjos*

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Leste**



*Emilia Pires*