

LOMÉ DOSSIER

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EUROPEAN COMMUNITY – AFRICA-CARIBBEAN-PACIFIC

THE EUROPEAN COMMUNITY

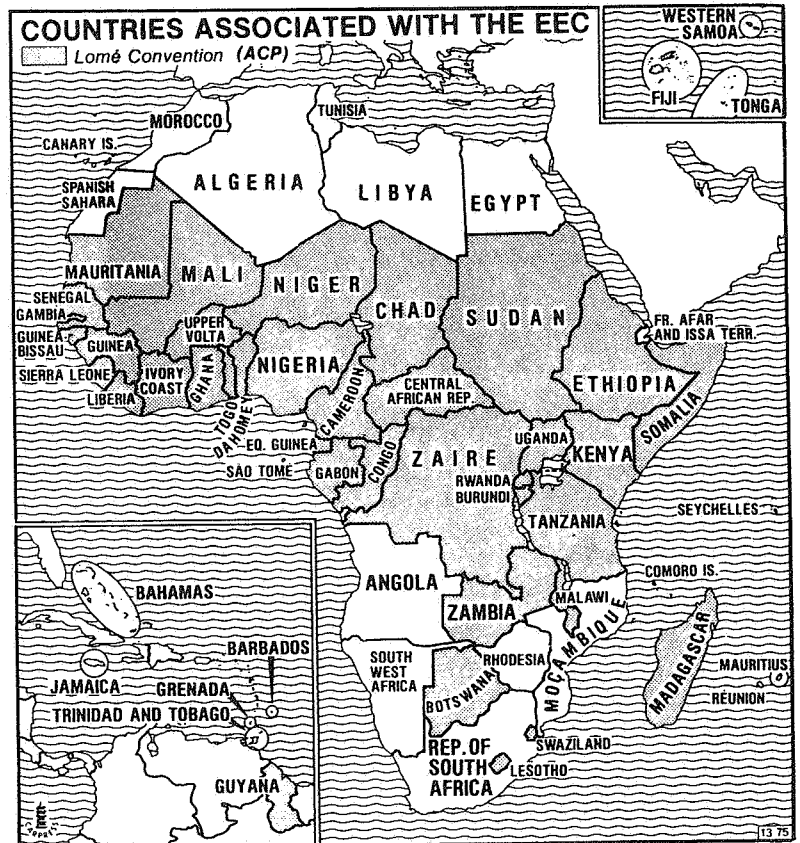
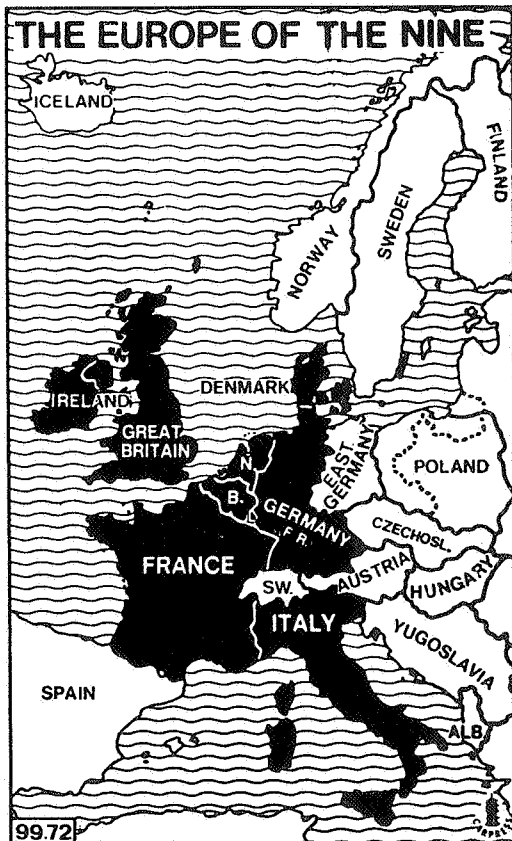
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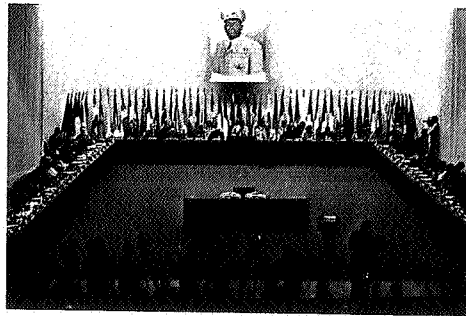
THE ACP STATES

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RWANDA
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SIERRA LEONE
SOMALIA
SUDAN
SWAZILAND
TANZANIA
TOGO
TONGA
TRINIDAD and TOBAGO
UGANDA
UPPER VOLTA
WESTERN SAMOA
ZAIRE
ZAMBIA



Lomé — The new convention between the European Community and the 46 ACP countries was signed in this hall in the Togolese People's Building. The flags of the 55 partner countries made a solemn setting as journalists came from all over the world to cover the event. Outside, the town of Lomé, the people of Togo and a blazing sun gave a frenetic tropical welcome. The highly colourful spectacle witnessed in its own way to the capital importance of the occasion. **Pages 14 to 18**



Garret FitzGerald — Ireland had the privilege of presiding over the Council of Ministers of the Community when the Lomé agreement was finally settled. The chairman of the Council and Irish Foreign Minister described his feelings about this convention, considering that "Europe now has a very close relationship with these (ACP) countries, which should stand to the advantage both of Europe and these partners in the future." **Page 6**

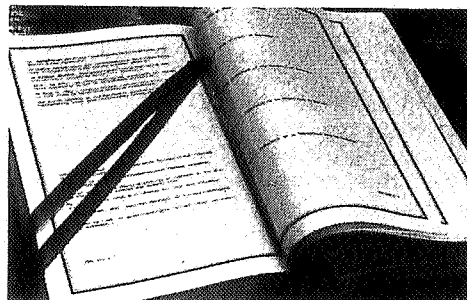
Babacar Ba — The Senegalese Minister of Finance and Economic Affairs was nominated chairman of the ACP Council of Ministers in July, 1973. Mr. Babacar Ba conducted the eighteen months of negotiations with efficiency and address, the more so for Senegal's having been a signatory to the first and second Yaoundé conventions. Considering the range of the Lomé agreement, he said: "For me, the new cooperation with Europe has something of a revolutionary character". **Page 6**



François-Xavier Ortoli — The Commission of the European Communities played a central part from the beginning in the Europe-ACP negotiations that produced the Lomé Convention, notably with the Deniau memorandum. Commission President François-Xavier Ortoli was naturally present at Lomé, and expressing his satisfaction during the signature ceremonies he gave credit to "the efforts and the talent of the negotiators from our different countries". He paid them a warm tribute in the name of the Commission, "a tribute to match the exception results that have been achieved". **Page 18**



The Convention — The official documents of the Lomé Convention signed in the Togolese capital will regulate economic relations between the Community and the ACP countries for the next five years. It has seven titles, the main ones being trade cooperation, export receipts from basic products, industrial cooperation, financial and technical cooperation and the institutions; ninety-four articles; seven protocols; a final act; and an agreement on European Coal and Steel Community products. **Cream pages**



THE COURIER

EUROPEAN COMMUNITY —
AFRICA - CARIBBEAN - PACIFIC

No. 31 — SPECIAL ISSUE - March 1975.

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CREAM PAGES:

The complete text of the Lomé Convention

Forty-six States—practically the whole of independent Africa south of the Sahara, six Caribbean countries and three groups of Pacific islands—have established a cooperation scheme with the European Community aimed at speeding up their development. In all, then, 55 States, comprising the 46 African, Caribbean and Pacific States (ACP) and the nine member States of the European Community, have reached an agreement which most observers agree marks the beginning of new economic relations between industrial and non-industrial countries, based on partnership and equality.

On both sides, the negotiations which finished at the end of January and paved the way for the signature of the new convention at Lomé, Togo, on February 28, 1975, were carried out with the intention of getting to the bottom of the issues. For its part, the Commission made a thorough analysis of the efficiency of the system of cooperation set up under the two Yaoundé conventions in the light of the problems the developing countries are currently facing. The new complications posed by the Commonwealth countries, to which the Community had extended its offer of association after the accession of the United Kingdom, Ireland and Denmark, were also taken into consideration. The Commission was able to give the conclusions of this analysis to the Council of the European Communities as from April, 1973. Most of them were translated step by step into the Community proposals to the ACP States before ending up as the concrete provisions of the Lomé Convention.

It is particularly striking on the ACP side that their united front should have held together throughout the 18 months of negotiations. It is altogether remarkable, and unprecedented, that so many countries should have shown such awareness of their negotiating power if they stayed together despite the diversity of their problems and interests. The enactment of the Lomé Convention should make it possible further to extend and strengthen this solidarity between the ACP States, especially in the framework of the joint institutions.

It should also be said that almost the whole of the African continent is now defining new relations with the Com-

Towards new economic relations

munity; Angola and Mozambique will be able to join the Lomé Convention, while the Community is hoping for a rapid conclusion to the current negotiations with the Maghreb countries.

* *

A new organization of economic and trade relations between industrial and non-industrial countries can be seen in the main provisions of the Lomé Convention, which are explained in this issue. In establishing complementary economic ties between two groups of countries, the new agreement aims at solidarity without dependence. Robert Schuman, one of the European founding fathers, spoke in different circumstances and at another time of "de facto solidarity". Creation and development suppose its existence. The convention offers a flexible and open-ended framework for it. The will of the new partners must determine whether the texts are to be applied in future in a restrictive manner, in which case the convention will only be a good cooperation agreement, or in a wider sense, setting new precedents for the development of economic complementarity between two groups of countries at different levels of development.

The experience and the results gained from the previous conventions were certainly useful to the negotiation. The European Development Fund, for instance, will continue to carry out essential activities which need no further proof of their usefulness in view of the fundamental needs for financial and technical aid. In this context it should be emphasized that particular importance has been attached to the beneficiaries' increased responsibility for planning and carrying out aid schemes, as well as to aid programming, regional cooperation, the development of small and middle-sized firms, carrying out "mini-projects" in rural areas and the prefer-

ences granted to the poorest countries in the allocation of financial and technical development aid. These provisions are all important and most often are revisions, improvements and amplifications, under a renewed and enlarged E.D.F., of provisions already familiar to the beneficiaries of the preceding conventions.

Yet the Lomé Convention differs from the previous conventions in a number of ways, either in its new provisions or by the greater importance given to particular fields. The most important differences are the non-reciprocity of the trade advantages granted by the Community to the ACP States, the establishment under the E.D.F. of financial aid in the form of the stabilization of export receipts and industrial cooperation, which is the subject of a special section of the new convention.

Stabilising export receipts is an entirely new principle in the history of relations between industrial and non-industrial countries. Basically, the ACP States have been accorded the right to compensation if there is a sudden fall in their export earnings, for instance through unstable world prices or production set-backs. The deterioration of rates of exchange should finally be halted in this way. Covering a dozen categories of products, these new provisions are clearly of particular interest for countries dependent on one or two products for their export receipts; but equally for all the ACP States, they constitute a favourable element for more certain economic programming and the maintenance and increase of import capacity, which are conditions of their development, particularly in the industrial field.

Industrial cooperation is another important side to the new convention. It should make it possible to add to the diversification of the ACP economies and to transfer suitable technology to these countries. An Industrial Cooperation Committee, assisted by an Industrial

A negotiation and a convention

by Charles SCHIFFMANN (*)

Development Centre, will develop contacts between economic agents and orientate this industrial cooperation. The importance of these provisions will naturally depend on the energy of everyone concerned, but considerable possibilities for cooperation between the two groups of countries are now open.

The particular case of sugar should not be left out; it was a major difficulty of the negotiation until the last minute. The solution agreed was a form of indexing that, for the first time, links prices paid to distant tropical producers to those paid by the industrial countries to their own farmers.

This special issue devoted to the new agreements, published as soon as possible after the signature at Lomé, contains the full text of the convention plus the protocols and annexes. It also includes analytical commentaries. But what really matters, beyond the actual texts, is the spirit and the overall economic conception of the Lomé Convention. It is conceived in the interests both of the ACP and of the European countries: "as, by giving the former the means of developing their infrastructure, improving their production and safeguarding the value of their work, it allows the latter to increase their trade with a group of partners who are increasingly aware of their own possibilities and of the benefits of an economic unity equally profitable to both sides." Mr. François-Xavier Ortoli, President of the Commission of the European Communities, summed up this hope by saying: "The Community must commit itself wherever possible to cooperation based on the search for long-term economic interdependence, which is a better guarantee of progress and unity than any treaty. What we want, while respecting our partners' options, is to bring into one joint scheme our know-how and technological capacity, our markets and in some instances our capital and our products, especially from agriculture, together with the resources at the disposal of our partners and their desire to use this new situation to build up their own development... Drawing up this convention proves it is possible to ensure the difficult birth of a new world order through cooperation, not confrontation". ■

Dr. E. WIRSING
Publisher

The political and historical significance of the new EEC-ACP Convention can only be appreciated in perspective. Agence France-Presse correspondent Charles Schiffmann sketches the process leading from 1957 to the Lomé Convention.

In the small hours of February 1, 1975, the negotiators who had drawn up the texts for the new convention between the EEC and the ACP found it was at last possible for them to tie up their files and go home. They needed a long piece of string: they had been negotiating for 18 months, had just concluded with a 24-hour session and during this process they had drawn up 350 joint documents, held 183 negotiating sessions between the EEC and the ACP and no less than 493 coordination meetings of the ACP delegations. One day, perhaps, a student with a monastic habit of mind will see what he can do to distil from the mountain of paper the history of this "drawing together of the peoples of several continents". It will be a work of history which will have to include such matters as customs duties on cut flowers and arrow-root. Precisely what the latter product of Africa is, only the initiated know, and, so far as we are concerned, there is no reason why their secret should not remain intact.

This is a convention which brings together around the EEC the whole of Black Africa, the Caribbean and three groups of islands in the Pacific. Its origins date back long before the beginnings of this gigantic negotiation. The chromosomes of the new agreement were in fact bred from the Treaty of Rome which set up the Common Market. It is one of the features of the European Community that everything it does owes its inspiration to this Treaty, signed in Rome on March 25, 1957. Indeed it contains a provision (Article 235) which makes it possible to do anything which has not been specifically included on any of the other pages.

In Part IV, the Six original EEC members (Federal Germany, Belgium,

France, Italy, Luxembourg and the Netherlands) agreed that countries "maintaining special relationships with them" should become associated with the EEC. These "special relationships", of course, were the links of colonialism, which everybody knew would soon disappear. The important thing at this point was to clarify the legal position by extending to these countries outside Europe the free trade system which had been brought into operation inside the European Community.

Between 1958 and 1962 the E.E.C. progressively unified its trade relations with a large part of Africa, giving it at the same time financial aid to promote its development. This was the period of the first European Development Fund, which had resources for the five-year period of 580 million units of account. At this time the American dollar was still of the same value as the European unit of account (U.A.).

In 1960-62 most of the African countries became independent and it therefore fell to them to decide whether they wanted to continue as associates of the EEC. Eighteen of them opted for association, and on July 20, 1963 they signed the first Association Convention of Yaoundé. This was the beginning of the A.A.S.M.—the Associated African States and Madagascar. They were not at any time associated with one another, but the habit of dealing together in their business with the Community was to bring a gradual complicity of approach to the big world economic problems. This was to snowball in future years and its effect was considerable.

By the Yaoundé I Convention (1963-68), trade relations between the A.A.S.M. and the EEC were governed by a system of mutual preferences. The financial aid for the five-year period was to be U.A. 730 million; and for the first time joint institutions were set up to administer the Association.

(*) French journalist specialising in European and Eur.-ACP affairs, has covered Yaoundé I and II and Lomé negotiations.

Great Britain at the door

Before the negotiations for Yaoundé I had been completed, the European Community embarked on an adventure of which the consequences are still being appraised. On January 29, 1963 the six founder countries of the EEC broke off their negotiations with Great Britain, which had been seeking entry into the Common Market on terms which France—General de Gaulle was in power at this time—would not accept. The underdeveloped countries of the Commonwealth were not responsible for the Franco-British incident and there was no reason for refusing them what they had been allowed to expect—privileged links with the enlarged Community and a market of 240 million consumers.

Some of the European countries which had no colonial past saw in this the extinction of their hope of getting rid of the unduly "post-colonial" aspects of the Yaoundé Association. People began to talk about "mondialism", and to condemn "spheres of influence"; and the wider ideas of some of the EEC members led to the drawing-up of a counterpart to the Yaoundé Convention. This was the famous 1963 Declaration of Intent. In this the EEC declared itself willing to extend the Yaoundé Association agreement, or other similar instrument, to other countries having an "economic structure and production" comparable with the A.A.S.M.

Nigeria replies

The countries of the Commonwealth had been frustrated by the termination of the British negotiations in Brussels, but this declaration did not send them galloping there. Nigeria entered into laborious negotiations, which continued for three years. An Association Agreement with the EEC was signed in July 1966, but it was never brought into force. Kenya, Uganda and Tanzania signed a similar agreement in 1968, but they let this fall into oblivion before negotiating another which was in fact in force from 1971 until January 1975.

The Yaoundé II Convention

This period coincided with the second Yaoundé Convention, which was signed in July 1969 by the same A.A.S.M. which had been signatories in 1963.

There were few differences between the first and the second convention, though one matter which came to the surface was to be the subject of much subsequent discussion. This was the problem of the erosion of customs preferences. The 18 A.A.S.M. now found they had to contend with competitors who were also enjoying customs preferences and duty reductions. The East African countries were the first; then came the 91 underdeveloped countries to which the EEC granted generalised tariff preferences for their manufactured or semi-manufactured goods with effect from July 1, 1975. In addition, there were the G.A.T.T. duty reductions, beginning with the Dillon round and followed by the Kennedy round in 1964.

Moreover, as the trade statistics came in, there were indications that the elimination of customs duties was not having any exceptional influence on the flow of trade, and brought practically no solution to the fluctuations in raw material prices, the instability of which was a constant threat to the development plans of the exporting countries.

The first tentative attempts to deal with these two points was contained in Yaoundé II (1969). This convention provided for aid to trade promotion (i.e. participation in fairs and exhibitions) for A.A.S.M. products and "emergency aid", of which Senegal in particular received the benefit with the sudden collapse in the receipts from the groundnut crop, which constitute 90% of the country's wealth.

These different forms of aid were part of the assignment for the 3rd European Development Fund. Its resources for the five years were fixed at U.A. 900 million, and an additional U.A. 5 million was added later, when Mauritius became an Associate.

The British come in

The second Yaoundé Convention was not yet ratified when the Six in the summit meeting at the Hague on December 2, 1969 gave the green light for resuming the negotiations for British accession to the EEC. It was then clear that Yaoundé II would be the last convention of this type and that the whole question of the Commonwealth countries would have to be reconsidered. The British Treaty of Accession was signed on January 22, 1972 and four

months later the 19 Associated countries held a meeting at Nouakchott (April 1972) and decided to take part with the Commonwealth in the forthcoming negotiations for the enlargement of the Association. At this time the attitude of the Commonwealth countries themselves was more hesitant. They were ill-acquainted with the nature of this Association, which had often been criticised in the Third World. The uncertainties continued for more than a year.

In May, 1973 the trade ministers of the African countries held a meeting at Abidjan where, for the first time, they gave voice to their interest in having a "bloc-to-bloc" negotiation with the EEC. A fortnight later this was confirmed by the O.A.U. Summit meeting at Addis Ababa.

Abandonment of reciprocity

One of the points which had led to hesitations among the "Associable" English-speaking countries was that the EEC had stipulated that the trade advantages should be "reciprocal". The Europeans considered this indispensable under the G.A.T.T. rules, and thought it would maintain the contractual character of the agreement, which would ensure its durability. Some of the European countries, however, and most of the English-speaking Africans, no longer regarded this reciprocity as being justified. They called attention to the generalised preferences, which had their origin in U.N.C.T.A.D. and in which no reciprocity is stipulated or given. In all the international bodies it was reiterated with growing frequency that underdeveloped countries were not required to give trade advantages to the countries aiding them. G.A.T.T. itself was accused of being a junta of wealthy countries in control before decolonisation.

For a long time the Community was to be brought to a standstill by the unwillingness of some of the European countries to accept this new interpretation of international modes and morals. It took more than a year for the ministers of the Nine to put to the ACP countries a draft Association Agreement which had been compiled in Brussels by the Commission in April, 1973. This owed a good deal to the Yaoundé formula, but its provisions included not only access to the European market and

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