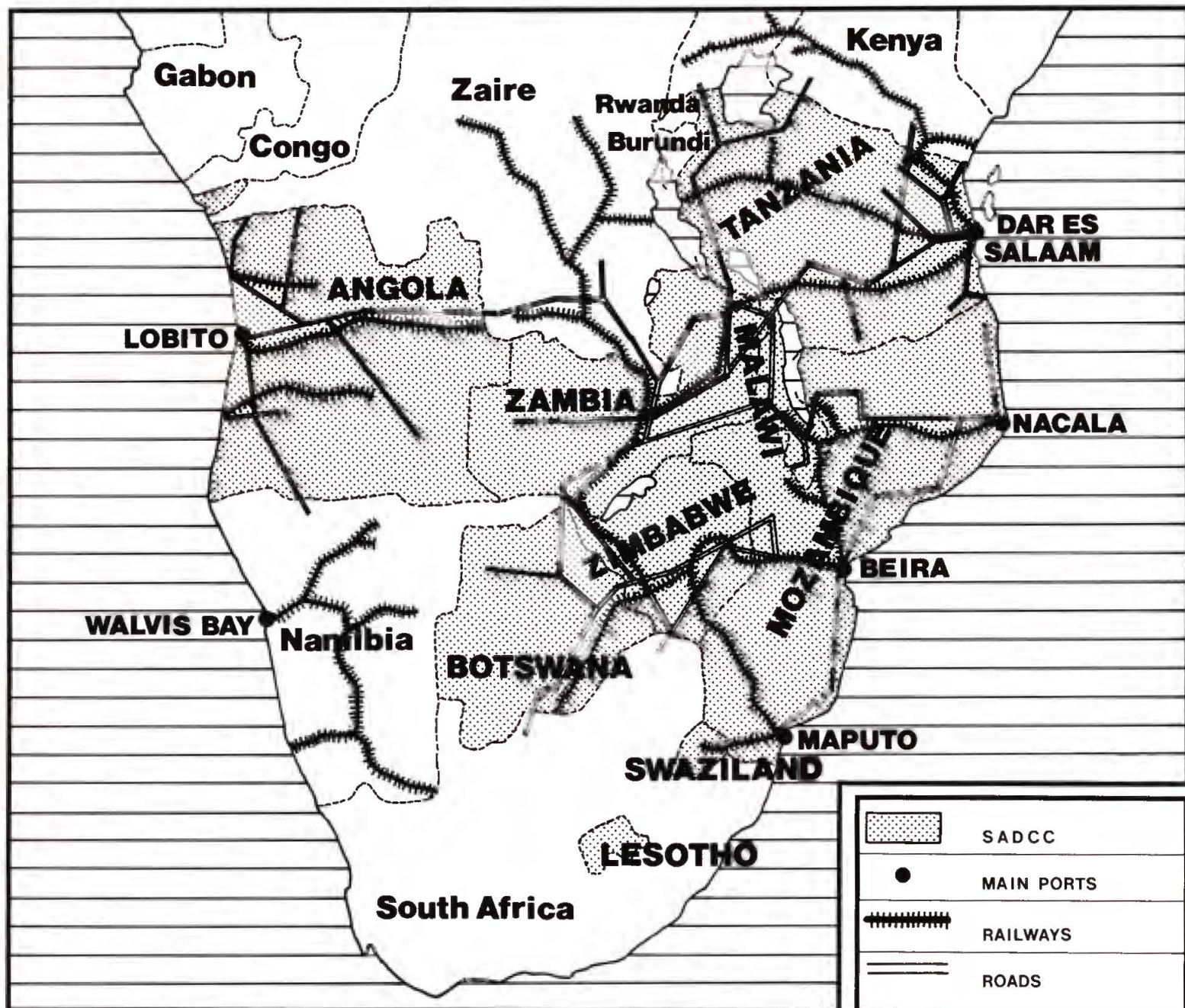




THE EUROPEAN COMMUNITY AND SOUTHERN AFRICA

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THE EUROPEAN COMMUNITY AND SOUTHERN AFRICA

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THE EUROPEAN COMMUNITY AND SOUTHERN AFRICA

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The truth is that a choice must be made by the West in Southern Africa on apartheid, on Namibia's freedom, and on the right of Angola and Mozambique and of Zimbabwe itself to be free of South Africa's destabilising interference. The EEC has a central role to play in ensuring that the right choices are made by the West. It is heartening to see signs of it being fulfilled.

S.S. Ramphal, Commonwealth Secretary-General,
London, September 1981

INTRODUCTION

The European Community's relations with Southern Africa are based on its policy towards the African continent as a whole. The EEC has always had well developed relations with Africa and since the early 1960s it has concluded preferential agreements with most African countries - with the Maghreb countries and Egypt to the north and with most of the black African countries south of the Sahara.

The EEC's relations with Southern Africa only found contractual expression after the enlargement of the Community in 1973 to include the United Kingdom, Denmark and Ireland. It was as a result of enlargement that the Lome Convention was concluded with the African, Caribbean and Pacific States among them Botswana, Lesotho and Swaziland, Malawi, Tanzania, Zambia and Zaïre, to which Zimbabwe has now been added. The Community's relations with the other states in Southern Africa are influenced by the EEC's growing relationship with the Organisation of African Unity. The latter has set up its only European office in Brussels, thus facilitating contacts between the two organisations.

While the Community's relations with Africa on the economic level are governed essentially by the North Africa and Lome agreements, the Community is also beginning to coordinate its views on the political level. The EEC member states meet frequently to discuss political cooperation. Africa is always high on the agenda. All the member states have bilateral aid policies in the region.

The presence of the European Commissioner for Development and representatives of the member states of the European Community at the Southern African Development Coordination Conference (SADCC 2) in Maputo (November 27-28, 1980) is a testimony to the importance the Community attaches to the question of development in Southern Africa, which presents a major challenge to the Community's relations with the African continent as a whole. Representatives of the Community also attended the review conference (SADCC 3) in Blantyre, Malawi, November 19-20, 1981 (see page 13).

For the European Community Africa is an area with special problems. The decolonisation process is still not finished. A number of countries have only recently gained independence - Angola, Mozambique and more recently Zimbabwe. Namibia has still to follow. Apart from the decolonisation process, this area is also subject to racial tension. The institutionalised racial policies of South Africa affect the whole area. The economic power of South Africa puts considerable constraint on the real independence of the neighbouring countries, in particular Botswana, Lesotho, Swaziland and to a lesser extent Malawi, Zambia and Zimbabwe.

As a result the formation of SADCC is of paramount importance and has the support of the EEC. Mr. Claude Cheysson, then EEC Development Commissioner, now

French Foreign Minister, made this clear at the Maputo meeting on 29 November 1980 when he said: "Today, the eminent representatives, the members of the governments of the nine countries of the Community, the Chairman of our Council for the next six months, and myself in the name of the European Commission, solemnly affirm to you our solidarity in your fight for independence and in your fight for development. For development is the logical corollary to independence, and that development should be according to your desires - a development in which every people has the right to economic liberation. The identity of each one must be respected, and each country must have the right to choose its political system, its economic system and its alliances."

So there are two dimensions to the problem of Southern Africa: firstly the problem facing the countries bordering on South Africa and here the EEC can act through the Lome Convention and also by giving assistance to states with whom it has no contractual links; secondly there is the problem of apartheid and how to put pressure on the South African Government to change its policies.

PART ONE

SOUTH AFRICA VULNERABLE TO PRESSURE FROM THE EEC

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The Member States of the European Community, as the largest trading partners of South Africa undoubtedly have a major role to play in bringing about change in the Republic. Although South Africa has developed a degree of self sufficiency in a number of areas, it is still heavily dependent on the Western countries for its economic survival. South Africa needs to trade and so must take into account its most important trading partner. This fact is clearly in the minds of the Member States of the European Community whose attention has over the past few years been focused on ways of helping solve the problems of Southern Africa.

The vulnerability of South Africa has increased of late due to the Iranian decision to ban exports of oil to the Republic. The OPEC States have also banned exports to the Republic. South Africa has no oil of her own and until the Iranian revolution imported 95 per cent of her total needs from Teheran. The situation is critical and this is indeed why the South African Government has banned all reporting of the oil supply situation in South African newspapers and in the media in general. Such information now comes under the Official Secrets Act. South African buyers are being forced to pay very substantial premiums in order to purchase oil from other sources. According to the New York Journal of Commerce, South Africa has been paying up to 60 per cent more than the normal price for crude oil. Most of South African purchases are made on the Rotterdam spot market.

THE COMMUNITY CATEGORICALLY CONDEMNS THE APARTHEID SYSTEM IN SOUTH AFRICA

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While the Community began as an essentially economic organisation, the member states are beginning to develop common policies on certain political issues.

Meeting in the framework of political cooperation, the Community have already developed a clear policy on South Africa. They have condemned apartheid; attacked the Group Areas Act and the bantustan policy; refused to recognise the Transkei, Bophutatswana and Venda; supported the arms embargo imposed on South Africa by the United Nations Security Council in 1977 and have set up a code of conduct for European firms operating in the Republic. The Community believes that apartheid

must be abandoned and is committed to working for early fundamental changes by peaceful means in South Africa.

The EEC's first common policy statement on apartheid was delivered in September 1976 before the United Nations General Assembly by Mr. Van der Stoel, the Dutch foreign minister and then President of the EEC Council of Ministers. Mr. Van der Stoel pointed out that the Community condemned South Africa's policy of apartheid and rejected the bantustans: "false solutions, he said, to the problems of apartheid in the Republic of South Africa, such as the establishment of homelands and bantustans as presently pursued by the South African Government promote rather than diminish racial discrimination. The popular upheaval and resistance to apartheid should have convinced the South African Government that apartheid has no future and constitutes an insupportable violation of human dignity. South Africa is a multiracial society in which all people irrespective of their race or colour should have the right to live peacefully together on the basis of equality. Apartheid is a flagrant contradiction with this fundamental right and should be eliminated. As long as it is practiced, it will be resisted by those whose basic human rights are denied." The member states were unequivocal, he said, in their firm belief that "justice and freedom for all people should prevail in South Africa".

The member states have also given their support to international measures designed to increase pressure on the Republic. In August 1977, the first World Conference for Action Against Apartheid was held in Lagos to specifically deal with ways of bringing to an end the apartheid system. Mr. Simonet, the Belgian Foreign Minister and then President of the EEC Council of Ministers, confirmed the view of the Community when he said that "apartheid is an insult to the dignity of man. In contradiction with the principles of the Universal Declaration of Human Rights and the Charter of the United Nations, it constitutes a form of institutionalised racism and deprives the majority of the inhabitants of the full exercise of civil and political rights. The Nine," he said, "condemn and reject the concept of separate communities by different races and deplore the refusal of the South African Government to embark on the road to a really non racial society in which the whole population have equal rights".

Since then international pressure has continued to build up. The United Nations declared 1978 as the Year Against Apartheid. During that twelve month period, governments, non-governmental organisations and pressure groups throughout the world issued statements and organised meetings and rallies which condemned the apartheid policies of the South African Government. The protest became so forceful that the South African Government tried many ways of developing a counter publicity campaign, by for instance buying pages in leading newspapers. The publicity campaign led to the so-called Muldergate Scandal but did nothing to arrest world condemnation of apartheid.

During the Year Against Apartheid, the member states again forcefully rejected South Africa's internal policies. At the European Council (heads of government) meeting in Bremen in July 1978 a series of declarations on Southern Africa were approved, which remain key texts. The Council reaffirmed its condemnation of apartheid its determination to continue to press the South African government, and to support the UN arms embargo on South Africa. (Twelfth General Report on the Activities of the European Communities, point 52). Later in the year, the German foreign minister, Mr. Genscher, speaking before the European Parliament, on 15 November 1978 (during the course of the German Presidency of the EEC Council), said that "the Member States of the Community will not cease to urge South Africa to bring about a peaceful and rapid change in the system of apartheid. The System like any other form of racial discrimination, militates in every respect against the basic convictions of the Europeans. Only if South Africa guarantees the exercise of human rights to all its citizens and enables all to live together on the basis of equality can that country find a peaceful future".

In 1979 and 1980 the Community, via political cooperation, continued to speak with increasing urgency on the Southern African situation.

Following the attack by South Africa on Angola in August 1981 the ten member states of the EC condemned the incursion the violation of sovereignty and territorial integrity which it involved, and the loss of life and suffering it brought, calling for an immediate withdrawal of South African forces. This in turn brought a response from the 6 front-line states meeting in Lagos with Nigeria, who commended the European Community reaction to the Angola attack. In the speech to the UN General Assembly on September 22, Lord Carrington, speaking for the EC Presidency, repeated the condemnation. He also spoke of the internal situation in South Africa, saying the Ten could find little cause for optimism. "Virtually none of the expectations of worthwhile change in recent years have been fulfilled. Reforms promised by the South African Government, mostly still not implemented, do not deal with the fundamental problem of meeting the political as well as the social and economic aspirations of black, coloured and Asian South Africans.

Without an early move towards government by consent and the abandonment of the system of apartheid which we all abhor, the trend in South Africa can only be one of accelerating conflict and violence. The Ten appeal with the utmost urgency to those in South Africa who can still act decisively to face this reality and to show the imagination, boldness and leadership that are necessary to reach a political solution."

MEMBER STATES HAVE COMMON STAND ON NAMIBIA

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The Member States of the European Community also have a common stand in respect of Namibia. As early as August 1976, they stated in their message to the UN Secretary General on Namibia Day that "negotiations should take place with representatives of all political groups in that territory, including SWAPO in order to pave the way for Namibia's independence in the near future".

More recently the Irish Foreign Minister Mr. O'Kennedy, speaking on behalf of the member states at the UN General Assembly on 25 September 1979 said "On Namibia, one cannot help but feel disappointed at the very slow progress in resolving the remaining difficulties in the way of a peaceful settlement. The Nine have supported the efforts made by the Secretary General, the five Western States and the front-line states to implement the plan adopted by the United Nations and they have rejected unreservedly all efforts to impose an "internal settlement" in Namibia". He pointed out that such a settlement would not gain international recognition and would merely delay the day when the people of Namibia achieve genuine self determination."The Nine have", said Mr. O'Kennedy, "urgently requested the South African Government to accept without delay the implementation of Security Council Resolution 435 (1978) and to permit the deployment of the United Nations Transitional Assistance Group. This remains the view of the Nine".

The Community has also made it clear that an independent Namibia will be welcome to join the Lome Convention.

In February 1981 following the failure of the UN sponsored talks on Namibia, the Presidency of the EEC Council told the press that the Community "deeply regretted" that "in spite of unrelenting and serious efforts to reach a peace-

ful solution to one of the major problems in South Africa, and because South Africa failed to seize the opportunity offered by the recent meeting in Geneva on Namibia, it has not been possible to agree on a date for the implementation of resolution 435 of the Security Council... They therefore think it is essential that under the present circumstances no actions will be taken which might deteriorate the present situation or prejudice a solution in conformity with resolution 435 accepted by all parties." The statement went on to "urge the parties concerned to examine all possibilities which may be conducive to an early agreement." The EEC member states, the Ten now, with the membership of Greece after January 1, "continue to support the Secretary General of the UN in his efforts to find an internationally acceptable solution to the Namibian problem". Through the year the community continued to endorse the three member states (UK, France and Germany) who (with US and Canada) form part of the five-nation contact group seeking a solution on Namibia. At the UN in September Lord Carrington said the ten were "very concerned at the continuing denial of the right to self-determination which lies at the root of the problem of Namibia. We deeply regret that the settlement leading to the independence of Zimbabwe has not been followed by further progress towards a speedy solution of the problems in that region.

The outcome of the pre-implementation meeting on Namibia in Geneva in January was a great disappointment to the Ten. We saw no justification for South Africa's prevarication. We hope that the renewed efforts of the Five will succeed in finding an acceptable basis for pursuing negotiations on the implementation of the United Nations plan in accordance with Security Council Resolution 435. This provides the only possibility of a peaceful transition to internationally recognised independence for Namibia in accordance with a precise and rapid timetable."

ZIMBABWE SIGNS LOME II CONVENTION

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In relation to Zimbabwe, the EEC consistently gave its full support for the holding of free elections under international supervision as advocated by the United Nations and the Commonwealth in Lusaka. The Community moreover made it clear that an independent Zimbabwe would be welcome to join the Lome Convention.

Prior to the Lancaster House agreement, the Commission made a point of informing both Mr. Robert Mugabe and Mr. Joshua Nkomo of the contents of this agreement. The EEC Development Commissioner, Mr. Claude Cheysson, had talks with both leaders of the Patriotic Front in the autumn of 1979 and again emphasised that on independence Zimbabwe would be a welcome member of the Lome agreement.

Following the elections in Zimbabwe at the end of February 1980, the President of the EEC Commission Mr. Roy Jenkins sent the following congratulatory telegramme to the now prime minister of Zimbabwe, Mr. Robert Mugabe: "On behalf of the Commission of the European Communities and myself, I congratulate you most warmly on the result of the elections in your country. We look forward to working closely with you and your government, and take this opportunity to convey our best wishes for the peaceful and prosperous development of Zimbabwe."

On November 4, 1980, Zimbabwe formally signed the Lomé II Convention, thus becoming the 60th ACP signatory to the agreement. Under the Convention Zimbabwe will receive 85 million ECU* in aid, a substantial proportion of which will be used to support the reconstruction of the country's economy.

In order to take account of the specific needs of Zimbabwe two declarations on beef and veal, and sugar were attached to the accession agreement.

* 1 ECU = 1,1 US dollar

In relation to beef, Zimbabwe will be allowed to export 8,100 metric tons of beef and veal per annum to the Community under the preferential arrangements accorded to the ACP States. This means that the Community will import the beef free of customs duties and with a 90 % reduction in the import levy. The beef and veal declaration attached to the agreement reads as follows:

"For the first two years, the Community shall grant Zimbabwe an annual quantity of 8,100 metric tons of boned or boneless beef and veal. For the remaining period, Zimbabwe shall continue to benefit in the same way in respect of an annual quantity of 8,100 metric tons subject to the normal application of the regime mentioned above".

"In subscribing to this declaration, Zimbabwe has stated that the revenue accruing from the tax, equivalent to the levy abatements, imposed on its beef and veal exports, will be used to meet national priorities in the livestock sector, where these relate to small-holder production notably through:

- the improvement and development of the veterinary services of small-holders;
- the improvement and development of abattoirs which provide significant services to small-holders;
- the improvement of extension, training and development services in favour of small scale producers."

In terms of sugar, the Community has agreed to import 25,000 metric tons of sugar per annum beginning with the 1982/83 season. Zimbabwe will therefore, like the other ACP states, benefit from a guaranteed quota and guaranteed minimum price which is linked to the EEC's internal sugar price. The declaration on sugar attached to the agreement reads as follows:

- "1. The Community, noting that Zimbabwe was a party to the Commonwealth Sugar Agreement, agreed with Zimbabwe that it should enjoy the award of a quantity of sugar of 25,000 metric tons of white equivalent per annum, and that in consequence it should become a member of the Protocol on ACP Sugar.

The parties further agreed that immediately after the day of accession of Zimbabwe to the Second ACP-EEC Convention and at the latest six months thereafter, Zimbabwe and the Commission will meet with a view to determining by common agreement the timetable of the quantities to be delivered in order to reach the quantity specified in the preceding paragraph.

2. The Government of Zimbabwe, by agreeing to the text of paragraph 1, expects that the first supplies of 25,000 metric tons of sugar per annum will take place during the delivery period 1982/83.
3. For its part, the Community confirms that it will take the necessary steps to ensure that the objective of 25,000 metric tons will be reached as soon as possible and guarantees that, starting from the delivery period 1982/83, the price conditions provided for in the Protocol on ACP Sugar will be applied to an annual quantity of 25,000 metric tons of sugar originating in Zimbabwe".

As from 1 January 1981 an interim trade agreement (concluded with the Lome accession treaty) gives Zimbabwe the same rights of market access as those currently enjoyed by ACP countries until the date later in 1981 when the accession treaty comes into force.

In terms of aid Zimbabwe could receive about 85 million ECU under the Lome II Convention. About 40 million ECU will be allocated from the 5th EDF to directly financed projects in the country. A further 30 million ECU is likely to be forthcoming under the regional cooperation section of the agreement and

15 million ECU added to the EDF for other contingencies such as Stabex.

In the period before the Lome II aid programme comes into effect, the Community has also agreed to provide stop-gap aid. (see below)

In 1980 the Community already accorded funds from its own budgetary resources to assist Zimbabwe with programmes of resettlement and reconstruction. Altogether some 23 million ECU (approximately 11 mil. Zimbabwean dollars) have been provided by the Community to assist in implementing emergency programmes. These actions have been designed to complement Zimbabwe's own efforts, as well as programmes supported bilaterally by EEC Member States (see also page 18).

Two-thirds of the resources provided by the Community have been channelled through the services of the UN High Commissioner for Refugees, and are being used primarily for resettlement purposes, as well as for veterinary control programmes in the Zimbabwe-Botswana border areas (1.2 mil. ECU). The remainder of the funds from the Community are being used for rural reconstruction, with a particular emphasis on the rebuilding of cattle-dips.

In addition the Community is providing significant assistance to Community based non-governmental organisations, which are undertaking educational and social work in the townships and rural areas of Zimbabwe, and is also helping under bilateral and multilateral food aid programmes.

The EEC has also agreed to provide a further 14 million ECU in 1981 as a stop-gap measure until the Lome II aid programme begins the flow after the ratification of the agreement by the member states. The 14 million ECU allocation is being provided under the non-associated aid budget and will be used mainly to support reconstruction, agricultural and integrated rural development schemes.

CODE OF CONDUCT FOR EEC FIRMS IN SOUTH AFRICA

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The European Community stands resolute in its conviction that apartheid must be abandoned. It believes that this can be achieved through peaceful change and so favours maintaining channels of communication with the Republic of South Africa. On 20 September 1977, the Foreign Ministers of the EEC decided to take concrete action to encourage this process of peaceful change. It was on this date that the ministers adopted a code of conduct for EEC firms in South Africa. The aim of the code is to show on South African territory that apartheid can and must be abandoned. It calls on EEC firms to treat their employees in South Africa on an equal basis and generally abide by internationally acceptable standards.

Codes of conduct are not new. In 1974 the British House of Commons passed a Code of Practice designed to ensure that British firms did not discriminate against black employees. However the EEC code of conduct is more comprehensive than any document so far drawn up by nations or individuals. The EEC code takes a substantial step forward by supporting trade unions for black Africans. The EEC code states that "should black African employees decide that their representative body should be in the form of a trade union, the company should accept this decision." The code points out that "trade unions for black Africans are not illegal and companies are free to recognise them and to negotiate and conclude agreements with them".

The code also seeks to lay down a minimum wage level which the firms are asked to respect. The code states that companies have a special responsibility in this field as "pay based on the absolute minimum necessary for a family to survive cannot be considered as being sufficient". The code also advocates that compa-

nies give their black African employees fringe benefits such as pension schemes, unemployment benefit, and medical insurance - benefits which many of them are denied.

The EEC code also calls on companies to do everything possible to abolish the practice of segregation in canteens and in the work place.

In order to increase the chances of advancement in the firm, the code also points to the need to provide training facilities for black employees. This would also have the effect of reducing the firms dependence on immigrant white labour.

Finally firms are asked to publish annual reports of how they are implementing the code. They are required to provide detailed information for instance on the number of blacks employed in the company. These reports are then to be reviewed by each government of the Member States (for text of the code of conduct see annex).

MEMBER STATES ISSUE STATEMENT ON CODE

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Seven member states have now completed their first reports on the implementation of the code Ireland and Luxembourg have no companies with subsidiaries in South Africa and so did not produce reports. A second of reports is due. This time Greece, the tenth member state, will also report.

Following the completion of the reports the Ministers of Foreign Affairs of the Community adopted the following statement on the code on 28 July 1980: "The Nine have had a detailed exchange of views on the first results of the implementation by the European companies concerned of the code of conduct adopted on 20 September 1977 in the framework of political cooperation:

They have welcomed the encouraging character of these first results which bear witness to the consciousness of South African subsidiaries of European companies concerning their responsibilities in the social field. They are concerned that new progress could be made in the coming years.

The Nine reaffirming their commitment in favour of the respect of the code of conduct by European companies and their conviction that they constitute an important tool with a view to promoting in deep and peaceful change in South African society towards more justice and freedom".

EUROPEAN PARLIAMENT ADOPTS REPORT ON THE EEC CODE OF CONDUCT

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In April 1979, the European Parliament adopted a report prepared by Mr. Pierre Lagorce of the European Parliament entitled "The form, status, context and application of the Code of Conduct for Community companies with subsidiaries, branches or representations."

This report raises a number of important points:

1. The code is not legally binding...

The code is not legally binding and so its effectiveness depends upon the wil-

lingness of companies to comply with its provisions. Moreover it does not cover the whole range of economic relations between the EEC and South Africa but aims solely at nullifying South African apartheid legislation in the labour sector by demanding equal treatment for all in the workplace.

2.but a step in the right direction.

The report notes that the code is a step in the right direction for a number of reasons:

- a) it is a political gesture which has provoked reaction from the South African Government;
- b) some provisions of the code conflict with the application of South African laws notably in relation to unions for black employees;
- c) the EEC code is more complete than that of the British code of practice of 1974 and its requirements go beyond those set by the Sullivan Principles (a code drawn up by an individual but backed by the US government) and the Canadian code;
- d) provisions in relation to trade unions for black employees have dynamic implications. Ambassador Harriman, formally the Permanent Representative of Nigeria to the United Nations and chairman of the UN Special Committee Against Apartheid is known to appreciate these provisions and to feel that a political platform for trade unions in South Africa would become a political platform for civil rights;
- e) the EEC Member States could bring considerable weight to bear on the implementation and annual review of the code. Following a debate of the code, the European Parliament adopted a resolution which pointed out that "although the code of conduct ... is not legally binding and depends on voluntary implementation it represents a credibility test for the political will of the Nine and must be a decisive factor in the establishment of an overall strategy to combat apartheid, starting with the vital sector of employment".

The resolution also expressed the view that the code should be improved "particularly as regards the fixing of minimum wages and the systematic surveillance of the application of the code". Parliament also felt that "the government of the Nine must jointly exert pressure, possibly including the imposition of legal and financial sanctions on EEC undertakings whose subsidiaries, branches or representations refuse to cooperate in the implementation of the code's provisions".

The Parliament also called on the Foreign Ministers of the Community meeting in the framework of political cooperation to examine as soon as possible "ways of improving the Code of Conduct and to collaborate closely in this task and on the future application of the Code with the Commission, the Economic and Social Committee and representatives of both sides of industry".

Referring to follow-up action, the resolution stated that the Parliament: "considers that at the present time, a general economic boycott by the EEC against South Africa would not be realistic and would probably be counter-productive; strongly hopes, nevertheless, that the Community will consider and propose, first of all in the UN, a programme of specific political measures and actions which should be progressively adopted by the entire international community in order to induce the South African Government to end de facto and de jure, all forms of racial discrimination." "Believes that the adoption of the Code of Conduct must be followed by action in other areas, and that, in particular existing cultural agreements between Community countries and South Africa should be denounced since there is a contradiction between the concept of culture and that of apartheid".

Finally the Parliament "repeats its view that observance of the embargo on arms supplies, control of the use of nuclear energy for peaceful purposes, an end to the financing of South African industry by European banks and refusal to grant credit guarantees and export licences represent effective means of combating apartheid".

ECONOMIC LINKS BETWEEN THE EEC AND SOUTH AFRICA

The member states of the European Community could apply considerable economic pressure on the Republic of South Africa in order to persuade the Pretoria Government to abandon apartheid.

The European Community is the main trading partner of South Africa. In 1980 for example, the Community bought 18.4 per cent of South Africa's total exports and supplied 39 per cent of her total imports. The Community is also the main investor in South Africa. At present the Community accounts for 11,376 million Rand or 57 per cent of total liabilities, while North and South America account together for 24 per cent or 4,737 million Rand*).

These figures do not suggest that the Community trades disproportionately with South Africa to the expense of other states. In fact trade flows between the EEC and Nigeria are increasingly well above the level of EEC-South African trade flows. If figures of total EEC-ACP trade are taken then the result is even more marked.

EEC IMPORTS 1980 (in million ECUs)

Source

South Africa 6,570
 ACP 19,082
 of which Nigeria 7,937

EEC Exports in 1980 (in million ECUs)

Destination

South Africa 5,045
 ACP 15,756
 of which Nigeria 6,040

EEC Imports in 1980 from South Africa, ACP and Nigeria by Member State

(in 1000 ECU)

	<u>South Africa</u>	<u>ACP</u>	<u>Nigeria</u>
Total EEC	6,570,093	19,081,733	7,237,311
Belgium/Luxembourg	1,814,076	1,665,127	312,860
Denmark	97,438	196,553	112,730
France	855,100	4,915,232	2,166,614
Germany	1,245,040	4,367,812	2,180,368
Ireland	10,478	80,508	6,173
Italy	1,056,629	2,250,590	689,778
Netherlands	134,557	3,114,412	2,204,197
UK	1,320,477	2,396,367	264,591
Greece	36,298	95,132	621

Banque des données, Eurostat

EEC Exports in 1980 to South Africa, ACP, and Nigeria by EEC Member State
(in 1000 ECU)

	<u>South Africa</u>	<u>ACP</u>	<u>Nigeria</u>
Total EEC	5,044,793	15,756,582	6,040,331
Belgium/Luxembourg	180,715	986,065	428,024
Denmark	37,183	181,361	59,392
France	693,975	4,643,737	973,458
Germany	1,818,472	2,579,576	1,314,773
Ireland	16,280	91,684	55,503
Italy	425,321	1,383,267	493,958
Netherlands	188,923	1,319,941	672,582
UK	1,680,830	4,513,469	2,015,588
Greece	3,094	57,482	27,053

Banque des données, Eurostat

Growth of EEC (EUR 9) Imports-Percentage Change from Previous Year

	1977/78	1978/79	1979/80
South Africa	+ 3,190	- 8 %	- 10 %
ACP	- 5%(all LCD -5%)	+25%(all LDC + 24%)	+ 28 %
Nigeria	- 3 %	+ 59 %	+ 48 %

Source: Eurostat 4/5/81, 5/1980, 6/1979 and Supplement to the Monthly Trade Bulletin

Europe's Share of South Africa's Trade

South Africa's Imports from Europe as % of Total Imports		South Africa's Exports to Europe as % of Total Exports	
1979	37.1 %	1979	34.3 %
1980	39.6 %	1980	25.8 %
Imports from EEC 1980 34.8 %		Exports to EEC 1980 18.4 %	

Shares in South Africa's Total Two-Way Trade 1980

Europe	31.6 %
Africa	4 %
American Continent	12.7 %
Asia	11 %
Oceania	0.5 %

Source: European Community

PART TWO

WORKING THROUGH THE FRAMEWORK OF THE ACP/EEC CONVENTION OF LOME

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There are three levels of possible activity for the EEC to bring about change in Southern Africa - Member States, Community and international. While many areas of activity still clearly remain within the competence of the Member States of the European Community, the EEC as such can provide and does provide a great deal of assistance to the Southern African States.

Under the Lome Convention, the European Community has direct links with a number of countries in the Southern African region and can through this agreement do a great deal to alleviate the difficulties in that area.

Apart from direct assistance through the provisions of the Lome Convention, a great deal of pressure can also be applied through the institutional framework of the agreement. Greater use has been made of these possibilities over the past few years and the resolutions passed by the ACP/EEC delegates have become noticeably stronger.

In June 1977 the ACP/EEC Consultative Assembly, the institution of the Lome agreement where European Parliamentarians meet with representatives of the African, Caribbean and Pacific States adopted a resolution on Southern Africa. The resolution stressed that the "economic situation of the member countries of the Convention of Lome engaged in Southern Africa in the joint struggle of the part of a political crisis in which the EEC must concern itself, necessitating the use of special measures within the framework of the Convention; welcomes in this connection, the use made of the provisions of the Convention relating to exceptional aid and recognises that in view of the worsening of the crisis further and more urgent help will be needed".

When the joint committee of the ACP/EEC Consultative Assembly met in Maseru Lesotho from 28 November to 1 December 1977, the delegates discussed at length and in stronger terms the problem of apartheid. Anticipating the purported "independence" of Bophutatswana on 6 December 1977, the resolution called on all governments party to the Lome Convention to refuse to recognise the policy of Bantustans and its consequences. The resolution went on to emphasise the need to discourage "all new investments and all transfers of capital to South Africa and Namibia under the present circumstances" and to encourage "such investments and transfer of capital to the independent neighbouring states". The delegates also had a lengthy debate on the code of conduct. In their final resolution they welcomed the establishment of the code but said that "given that this code is not binding, requests that measures provided for in the code be translated into fact with the aid of regular checks and frequent reports in particular to the European Parliament.

The final resolution also appealed to the EEC Member States to "cancel or at least suspend the cultural agreements at present in force between the Nine and South Africa" and called upon the "Member States to discourage all activity by South Africa publicising apartheid in a favourable light".

Since 1977, Southern Africa has been a constant subject of debate in the meetings of the ACP/EEC Consultative Assembly and a joint policy is developing.

In September 1981, the ACP/EEC Consultative Assembly adopted a lengthy resolution on the situation in Southern Africa in which it recalled past resolutions on Southern Africa and confirmed as follows:

1. Reaffirms the inalienable right of the people of Namibia to self-determination, freedom and national independence in a united Namibia in accordance

with the Charter of the United Nations;

2. Condemns the repeated and persistent acts of war carried out in flagrant violation of the UN Charter by South Africa, particularly from Namibian territory, contravening the sovereignty and integrity of the 'front-line' states;
3. Deplores the fact that most of the national governments of the EEC have not drawn up coordinated reports on the results of the application of the Code of Conduct for companies operating in South Africa; requests such National Governments to take necessary and adequate measures to prevent the multinationals from pursuing activities in breach of the undertakings made at the UN;
4. Notes the effective suspension of several cultural agreements between certain EEC States and the Government of Pretoria, and while expressing its appreciation to these countries, calls upon the remaining EEC States that have not taken action to do so without further delay;
5. Asks the EEC and its Member States to give a favourable response to all appeals for material aid for the people of Angola who have recently suffered from South African incursions and to observe strictly the embargo on arms and oil for South Africa imposed by UN resolution 418;
6. Demands the rapid and full implementation of all sections of resolution 435 and particularly appeals in this respect to the 'contact group' of the five western countries and the Political Cooperation of the Ten;
7. Decides to send out as soon as possible a fact-finding mission to obtain information in the countries affected by the consequences of South African acts of aggression, and instructs it to draw up a report thereon for the next Joint Committee meeting;
8. Pays tribute to the sacrifices made by the peoples of Botswana, Lesotho, Malawi, Tanzania, Zambia, Zimbabwe, Swaziland, Mozambique and Angola and urges that the special measures already taken for their benefit be stepped up; congratulates the Community on the positive role it played at the recent Maputo Conference by pledging support for regional programmes for collaboration between these countries;
9. Instructs its Co-Presidents to forward this resolution to the ACP/EEC Council of Ministers and to the governments of the Member States.

So within the Lome framework a policy can be seen to be developing. In June 1977, the first resolution merely stated that the EEC must concern itself with the political crisis in Southern Africa. Subsequent resolutions have gone into much greater detail suggesting a ban on investment, cancelling of cultural agreements, respect of UN resolutions and a better implementation of the code of conduct. In other words specific policy initiatives are being put forward.

ECONOMIC LIBERATION THROUGH ECONOMIC COOPERATION: AN OPTION FOR SOUTHERN AFRICA

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As mentioned earlier, the economic power of South Africa puts considerable constraints on the real independence of states in Southern Africa. This applies in particular to Botswana, Lesotho and Swaziland but certainly also to Malawi, Zambia and Zimbabwe.

Over the past few years, the Front line states have developed a considerable degree of political cooperation such that their opinion is sought and respected when international initiatives are made in the area. With success on the political level, the states of Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe are now planning their economic liberation from South Africa. By joining forces they stand a better chance of reducing their dependence on the Republic.

In July 1979, these states (except Zimbabwe which has only joined the group since independence) met in Arusha Tanzania to plan the first moves. This meeting was also attended by representatives of international organisations and of industrialised nations whose assistance will be needed in this task.

Representatives from the governments of Belgium, Denmark, the Netherlands, United Kingdom, West Germany, Canada, Norway, Sweden and the United States took part as well as representatives of the African Development Bank, the Arab Bank for Economic Development in Africa, the Commonwealth Secretariat, the UN Economic Commission for Africa, the United Nations Secretariat, and the Commission of the European Communities.

In his opening speech, the President of Botswana, Sir Seretse Khama, said "we are gathered here today to try to chart a new course for the future of Southern Africa or to launch a new type of struggle for liberation - economic liberation. The five Front line states have already shown that cooperation is possible among the independent states of Southern Africa regardless of their different ideologies and economic systems. We have been working harmoniously together to solve common political problems and I see no reason why we cannot work together harmoniously to solve common economic problems."

The declaration drawn up at the end of the Arusha meeting pointed out that "Southern Africa is dependent on the Republic of South Africa as a focus of transport and communications, an exporter of goods and services and as an importer of goods and cheap labour". In order to change this situation and pave the way for genuine interdependence and a just and cooperative future for the region, the delegates identified the following development objectives:

- 1) the reduction of economic dependence, particularly on the Republic of South Africa;
- 2) the forging of links to create genuine and equitable regional integration;
- 3) the mobilisation of resources to promote national, inter state and regional policies;
- 4) concerted action to secure international cooperation within the framework of our strategy for economic liberation.

In view of South African dominance of the transport network in the region, the Southern African States decided that the key to any strategy must lie in the transport and communications field. "For without the establishment of an adequate regional transport and communication system, other areas of cooperation become impractical."

As a first step the nine Southern African States have decided to set up a Regional Transport and Communication Commission to coordinate the use of existing systems and the planning and financing of additional regional facilities. In April 1980, the nine states met again, this time in Lusaka, and confirmed the establishment of the Commission which will be based in Mozambique. The states also discussed the possibility of setting up a Southern African Development Fund and there are also plans to establish a joint policy on food reserves, mining, energy and agriculture.

The European Community is keen to assist the Southern African States in this task. Already under Lome 1, aid was provided to help solve some of the immediate transport problems and more aid could be made available for regional projects such as these under the Lome 2 agreement.

SADCC and the European Community after Maputo

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In November 1980 the Southern African Development Coordination Conference (SADCC) convened a donors conference in Maputo, Mozambique. Delegates from 29 countries and 17 international organisations came in response to the April 1980 Lusaka Declaration issued by the nine Southern African States.

In his opening speech President Machel of Mozambique spoke of the stark contradiction between the dimension of the resources of Southern African States and their backwardness. The riches of the nine countries have been left dormant, wasted or used without benefit to their peoples. He pointed out that Southern Africa has one of the most important concentrations of natural resources in the world.

At the Maputo meeting the emphasis was on transport and communications and the SADCC countries were seeking support for 95 projects for which an estimated \$ 2 billion was needed. At the end of the conference the donors made initial pledges totalling \$ 650 million, a figure which went beyond the hopes of the organisers. In the final communique, it was stated that the bulk of the funds will be used for transport and communications "which the conference recognised was a necessary prerequisite to increased regional production and trade. To begin with, the programme will concentrate on the rehabilitation and reconstruction of existing transport facilities". The communique also stated that "technical and financial assistance including consultancy services were pledged in support of the work of the southern transport and communications commission for implementing the programme of regional food security and for energy."

EEC OFFERS ITS SUPPORT

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The EEC will be a major donor for projects put forward by SADCC as six, seven with Zimbabwe, of the nine countries are members of the Lome Convention.

Addressing the Maputo conference EEC Development Commissioner Claude Cheysson spoke of the spirit of the Lome agreement. "What is important in Lome, he said, is the general inspiration, rather than individual points. It is a contract, and thus a quest for two regional entities, respecting the identity of each within those regions. It is the respect for cultural identity. It is the rejection of the idea of a sphere of influence, which means complete non-alignment".

Referring to the formation of SADCC, Mr. Cheysson said "In this initiative in regional development, the European Commission is at your side. Within the framework of the first Lome Convention that has just ended, that is to say, during the last five years, the six countries represented here, who are part of that Convention, have received US \$ 675 million from the EEC, 80 million of which has been allocated to regional projects. These projects all conform to the orientations which have now been proposed to us in systematic form at SADCC-2. Of projects already financed by us I can mention the port of Kigoma, the Tanzania central railway, the Botswana-Zambia route, the Lobito railway line, the Namibia Institute, the training of railway, telecommunications and customs personnel etc.

For the period of Lome 2, which comes into force on the first of January 1981 for the 6 ACP countries, and soon after for the 7th (Zimbabwe) in the region, a global amount of around \$ 800 million is to be envisaged, of which a minimum of \$ 100 million will go to regional projects and actions, with, at the present stage of programming 60 % going to transport and telecommunications, 14 % to training, technical assistance and research, 10% to industry, energy and mines, 7% to rural development, 9% miscellaneous.

Thus the means available under Lome correspond very well with the sectorial proposals of this conference". "In all circumstances the European Community is always ready to collaborate with other countries and donors organisations, provided they are chosen by yourselves, within your strategy of independence."

THE BENEFITS OFFERED TO SOUTHERN AFRICAN STATES UNDER THE PROVISIONS OF THE ACP/EEC CONVENTION OF LOME.

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The European Community is already providing considerable assistance to the countries of Southern Africa through the provisions of the ACP/EEC Convention of Lome. Botswana, Lesotho, Malawi, Swaziland, Tanzania, Zambia and Zaïre are all members of this agreement. Under the Lome Convention, these ACP States enjoy significant commercial and financial benefits.

In the trade field the Southern African ACP States have free and unrestricted access to the European markets for 99.5% of their exports. For some products covered by the EEC's common agricultural policy, special arrangements have been worked out so that these countries have better terms of access than other third countries. Botswana and Swaziland are able to export their beef to the Community under special preferential arrangements, involving duty free access and a 90 per cent reduction in the import levy. Swaziland and Malawi also have special arrangements for their exports of sugar. The Stabilisation of Export Earnings Scheme compensates the ACP for losses in export earnings from certain groups of products, if these losses have arisen through no fault of their own such as falls in world prices or natural catastrophies. Tanzania has so far been the main beneficiary of this mechanism.

Under Lome 1 Convention these seven countries were scheduled to receive 370 mio ECU programmed aid from the European Development Fund. By June 1981 461,4 mioECU had been committed (including Stabex) and 264.6 mioECU had been disbursed, not including regional projects.

In general, the projects put forward by the ACP States for EEC financial assistance have been geared to agriculture, rural development, education and training. Most of the assistance is being given in the form of grants or soft loans, although industrial development projects are financed on more commercial terms from the resources of the European Investment Bank.

A joint ACP/EEC Industrial Development Centre has also been set up in Brussels under the provisions of the Lome agreement. The Centre is meant to act as a "marriage bureau" between European and ACP firms and also facilitates the transfer of technology to the ACP States. The Centre is dealing with a number of projects which concern the Southern African region.

EXCEPTIONAL AID FOR SOUTHERN AFRICA

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The Lome Convention also makes provision for the allocation of emergency aid to help ACP States overcome natural catastrophies and economic emergencies. This assistance has been particularly relevant and valuable in the Southern African context.

In 1976 the EEC gave 26 million units of account to Botswana, Lesotho, Malawi, Zaire and Zambia. The aid was designed to help these states overcome transport difficulties resulting from the closure of the then Mozambique/Rhodesian border, the disruption of the Benguela railway due to the Angolan civil war and also to overcome border problems affecting Lesotho. The cash was used to buy for instance fertilisers, spare parts, cement and in the case of Botswana, rolling stock, as the existing materials had been with-held in the then Rhodesia.

In May 1978, the EEC gave Lesotho 230,000 ECU to attenuate difficulties following the closure of the frontier with the Transkei. The aid provided by the EEC was used to purchase lorries to enable Lesotho to develop supply links over its eastern border.

In May 1978 Tanzania received 55,000 ECU to purchase diagnostic materials and pharmaceuticals to help fight a cholera epidemic.

In August 1979 Tanzania received 300,000 ECU to finance the temporary resettlement of the displaced population in the Kagera region. About 40,000 people had been made homeless when the forces of the former President of Uganda Idi Amin launched an attack on the Kagera region.

In September 1979, Zambia was given 172,000 ECU to repair the Kazungula ferry between Zambia and Botswana.

In March 1980 Swaziland was given 35,000 ECU to help vaccinate cattle against foot and mouth disease. The Swazi's want to prevent the spread of the disease from Mozambique and are therefore strengthening the fence which keeps the cattle from both countries apart. Earlier Botswana was given 1.6 million ECU to fight the disease.

In February 1981 Malawi received 300,000 ECU for the restoration of full supply interrupted by rains.

In April 1981 Tanzania received 100,000 ECU emergency aid after a cholera epidemic.

EXCEPTIONAL AID TO SPECIFICALLY HELP THE SITUATION OF REFUGEES

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Part of the resources allocated under the exceptional aid provisions have been used to provide assistance to refugees in the Southern African region. During the struggle for independence in Zimbabwe thousands of refugees were seeking shelter in the neighbouring countries and this put immense strain on the already limited resources of the neighbouring countries. Refugees from South Africa and Namibia have also sought shelter in Botswana, Zambia, Lesotho, Swaziland and Tanzania.

In June 1977 the EEC gave Botswana 70,000 ECU in exceptional aid to help refugees from Rhodesia who had sought shelter within its borders. The cash was used to carry out repairs to the Francistown hospital which was damaged in an attack by Rhodesian forces.

The aid was also used to provide equipment for the refugee camp at Selebi Pikwe.

In the same year, Zambia was given 8 million ECU to help meet an increasingly difficult financial situation. At that time there were 60,000 refugees in Zambia from the Southern African region and this was putting immense strain on the Zambian balance of payments situation. In 1978 a further 700,000 ECU went to refugees from Angola and Zimbabwe in Zambia. In March 1979 the EEC provided 5 million ECU in aid to the United Nations High Commissioner for Refugees to help finance its programme of assistance in 1979 for refugees from Southern Africa who are now living in Botswana, Zambia, Lesotho, Swaziland and Tanzania. The EEC has also provided food aid to help in alleviating the refugee problem (see also aid to Zimbabwe, page 6).

In 1980 2.345,000 ECU of Lome money went to the repatriation of refugees to Zimbabwe after independence via the UNHCR. In 1981 450.000 ECU were allocated to Angolan and Namibian refugees in Zambia, also via UNHCR.

STABEX AID FOR THE SOUTHERN AFRICAN STATES

The Stabilisation of Export Earnings Scheme (Stabex) is one of the important aspects of the Community's cooperation policy with the ACP States and the scheme has aroused a great deal of international interest. Under the Lome 1 agreement, the Community provides compensation for losses in earnings from 19 groups of products, most of which are tropical products such as coffee and cocoa. If an ACP State experiences a loss in earnings due to depressed world market prices or if the crop was destroyed or damaged due to a natural disaster, then the Community makes good this loss, under certain conditions.

Tanzania has been the main beneficiary of the scheme in the Southern African region. For 1975 Tanzania received a Stabex transfer of 1.88 million ECU to compensate for falls in earnings from cotton. For 1976 Tanzania received 5.16 million ECU to compensate for losses in earnings from sisal. For 1977 Tanzania received a transfer of 8.17 million ECU to compensate for losses in earnings from sisal. Another transfer was made for sisal in 1978 when Tanzania received 5.47 million ECU, and in 1980 6.25 million ECU for coffee (10.5 million ECU were requested).

Swaziland has so far received three Stabex transfers for losses in earnings from iron ore. The first allocation of 3.36 million ECU was to compensate for losses in 1977 and the second allocation of 5.5 million ECU was for losses in earnings in 1978, and the third allocation of 4.3 million ECU for losses in 1979.

In 1980, apart from the Tanzanian transfer Malawi received a 1.33 million ECU transfer for losses from tea earnings (2.33 million ECU requested) and Lesotho received 242.000 ECU for losses in earnings from Mohair.

REGIONAL PROJECTS TO ASSIST THE SOUTHERN AFRICAN STATES

The European Community, itself a regional grouping of states is keen to encourage regional cooperation projects in the ACP. About 10 per cent of the resources of the 4th European Development Fund have been set aside to assist schemes of this nature. Out of the 300 million ECU available about 60 million ECU have been ear-

marked to support projects in the Southern African region, a substantial number of which are designed to ease transport problems.

Some of the schemes will also benefit Southern African countries which are not party to the Lome Convention.

A number of regional projects have already been given the go-ahead. One of the first to receive EDF assistance was the United Nations Institute for Namibia in Lusaka. At the request of Botswana, Tanzania and Zambia 0.5 million ECU was allocated to provide provisional accommodation for the Institute in Lusaka.

The University of Botswana and Swaziland has been supported by an allocation of 3.5 million ECU to expand the facilities on both campuses. This university also has a significant intake of students from neighbouring countries including Namibia, Zimbabwe and South Africa.

Botswana, Lesotho and Swaziland were also given a further 300,000 ECU to support the Institute of Development Management which trains middle and high level managers in all fields of the public and private sector.

Botswana, Lesotho, Malawi and Swaziland have been awarded 986,500 ECU to finance a post and telecommunications training scheme. A further 2 million ECU has been provided to finance a regional railway training programme which will benefit Botswana, Swaziland and Mozambique.

In the fight against foot and mouth disease, Swaziland and Mozambique were allocated 650,000 ECU to construct a second fence along the 112 km long border between the two countries. This will help the governments prevent the spread of the disease.

A number of transport projects have also received the go-ahead. At the end of 1979, the EDF approved the release of a grant of 1.7 million ECU to help reconstruct the railway bridge across the Chambeshi river in the northern part of Zambia. This bridge which links Zambia and Tanzania was severely damaged after an attack by Rhodesian troops in October 1979.

Botswana and Zambia are the main beneficiaries of a 10 million ECU grant to finance improvements to a 180 km section of the road from Nata to Kazungula. This is the only direct road link between Zambia and Botswana and is to be upgraded from a gravel to a bituminised road.

At the end of February 1980, the EDF gave the go-ahead to the release of 4.9 million ECU to improve the port of Kigoma in Tanzania. This lake side port is connected by rail to the Indian Ocean at Dar Es Salaam and by Lake Tanganyika shipping services with Burundi, Rwanda, Zambia and Zaire. The port is particularly important for the export of coffee from Burundi and copper and zinc from Zaire. The EDF assistance is being used to increase the ports handling capacity from 200,000 tons to 300,000 tons per year.

BENGUELA RAILWAY: EEC COORDINATES INTERNATIONAL AID PROGRAMME

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The European Commission has played a key role in organising international aid needed to carry out improvements to the Benguela railway. The railway runs over a distance of 1,300 kms and links Zambia and Zaire to the port of Lobito in Angola. Prior to the closure of the railway in August 1975 due to the Angolan civil war, the railway was an essential outlet for Zairean and Zambian exports.

On June 12-13, 1979, the Commission organised a donors conference in Brussels to seek finance for the first stage of the rehabilitation scheme. A total of 21.4 million ECU was needed and exactly this figure was promised by various donors. The European Commission has subsequently released a loan of 8 million ua in line with the commitment it made at the June meeting. The allocation is made under the regional cooperation programme. The rest of the finance for the first stage of the project is being provided by the Arab Bank for Economic Development in Africa (7.8 million ECU Belgium (3 million), the Netherlands (2 million) and the UNDP (0.6 million). The cash will be used to purchase equipment needed to reach and maintain an initial capacity of 70,000 tons per month.

The second stage of the plan aims at reaching and maintaining a capacity of 96,000 tons per month for which an additional investment of 41 million ECU making a total of over 62 million million ECU is needed.

DETAILS OF THE LOME I AID ALLOCATIONS TO THE SEVEN ACP STATES IN THE SOUTHERN AFRICAN REGION.

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Under the aid provisions of the Lome I Convention, the seven Southern African States of Botswana, Lesotho, Malawi and Swaziland, Tanzania, Zaire and Zambia are expected to receive about 370 million ECU from the 4th European Development Fund. Details of the individual aid allocations are given below:

LOME I AID TO BOTSWANA

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Under the financial aid provisions of the Lome I Convention, Botswana is expected to receive about 19 million ECU from the European Development Fund and about 2 million ECU (in loans) from the European Investment Bank.

Most of the aid earmarked for Botswana has already been committed. A substantial part of the aid programme has gone to support the development of the livestock sector, on which the economy of the country depends. A grant of 1.8 million ECU has been awarded to provide services to livestock owners in communal areas. This scheme benefits the low income farmers by increasing the number of services available to them; it is hoped in this way to stimulate production and hence raise the farmers standard of living.

A grant of 1.04 million ECU was awarded to finance the establishment of a ranch management centre at Ramatlabama in the south of Botswana. The government is trying to develop the livestock industry by encouraging the development of group ranches. The centre is needed to train about 200 ranch managers.

A sheep and goat development project is being financed by a grant of 1.19 million ECU. The project is nation-wide and aims at raising the incomes of rural families by improving the breeding stock. A special programme is being established in the Kalaghadhi region which is only suitable for sheep and goat grazing.

Assistance has also been given to the wildlife sector. A grant of 697,000 ECU has been awarded to finance a study of the number and density of the main wildlife species and assess their distribution and requirements in terms of food and water. A further 179,000 ECU was also given to construct a wildlife management training college at Maun.

In the transport sector a grant of 4.9 million ECU was released to modernise and bituminise a 45 km section of road from Lobatse to Ramatlabama. This road is part of the north-south trunk road linking the productive area in the south to the capital Gaborone. The aim is to upgrade the existing earth road to an all weather road.

A grant of 2 million ECU has been released to finance the second stage in the development of a new district in Gaborone called Broadhurst. The grant is being used to construct a water supply system.

Aid has also been released to provide assistance to small and medium sized firms and to finance a trade promotion programme. These then are the main schemes to receive assistance from the 4th EDF.

The European Investment Bank may also provide between 1 and 2 million ECU for the Botswana development institutions.

LOME I AID TO LESOTHO

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Under the financial provisions of the Lome 1 Convention, Lesotho is expected to receive 22 million ECU in aid from the 4th European Development Fund and about 2 million ECU from the European Investment Bank. A substantial part of the aid has already been approved.

In the transport sector a grant of 1 million ECU has been released to improve the road from Quthing to Qacha's Nek, facilitating links between the south east of the country and the capital Maseru to the west. The improved road means that the population will no longer be forced to pass through the Transkei. Another grant, this time of 2.9 million ECU was released to improve the road between Mafeteng and Tsoloane. This is part of the main north-south road link.

In the agricultural sector a grant of 2 million ECU is being used to develop stock farming in Mphaki's region. This is part of the government's policy to upgrade the cattle herd.

In order to stimulate industry, the Community has also provided a grant of 1.8 million ECU to develop the existing industrial area at Maseru and also develop a new area on the outskirts of the capital. The aid will be used to provide the necessary infrastructure such as roads, drainage, electricity and so forth.

In the social sector a grant of 300,000 ECU has been allocated to finance the upgrading of rural clinics. The project is being co-financed with the UN Fund for Population Activities and the British Government.

Water supplies in about 50 villages will be improved with EDF assistance. A grant of 700,000 ECU has been released to pipe spring water where this is available; otherwise wells will be sunk.

Finally a grant of 1.5 million ECU has been awarded to improve communications by building 22 new post offices in rural areas. The postal services are vitally important as many workers seek employment in South Africa but are forced to leave their families at home. These then are the main projects to receive assistance from the EDF. Lesotho may also receive between 1-2 million ECU from the European Investment Bank.

LOME I AID TO MALAWI

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Under the financial provisions of the Lome I Convention, Malawi is expected to receive about 70 million ECU in assistance from the European Development Fund and about 10 million ECU in loans from the European Investment Bank.

A large number of these projects have already been approved. In the transport sector the EDF has released a grant of 6 million ECU towards the cost of modernising and asphaltting a 41 km stretch of road between Blantyre and Chikwawa, one of the main urban centres. A further 2.3 million ECU has been allocated to provide equipment for a Road Construction Unit which is responsible for developing and improving rural roads. A grant of 2.5 million ECU has been released to upgrade and asphalt a 88 km section of road from Chiweta to Karonga in northern Malawi. These projects are part of the government's programme to improve transport facilities.

In the health sector two district hospitals are being built at Mangechi and Nsanje with a grant of 4 million ECU from the EDF.

In the education sector a grant of 400,000 ECU was awarded to extend the Mpemba staff training college and a grant of 650,000 ECU was allocated to construct a student hostel for Blantyre Polytechnic.

In terms of urban requirements, a grant of 2.5 million ECU has been awarded to extend the water supply scheme in the new capital of Lilongwe. The town of Liwonde will receive a water borne sewage disposal system financed by a grant of 600,000 ECU.

The agricultural and fisheries sector is being supported by a grant of 8.2 million ECU to help finance the Lakeshore Development Project. This aims at increasing agricultural production on the south west bank of Lake Malawi, particularly in the Bwanje valley. Linked to this scheme is the Central Lake Fisheries Development Project. The Community has awarded 1.3 million ECU to help develop fish supplies in Malawi. A further 7.9 million ECU goes to finance the first phase of a national rural development programme in which 6 international and bilateral donors are also participating. Also in the agricultural sector a grant of 1.2 million ECU has been awarded to develop a pilot tobacco project in north west Mzimba. Finally a grant of 2.1 million ECU has been released to develop a milk processing plant at Blantyre.

The Community has also released a special loan of 8.5 million ECU to help finance the cost of the Nkula Falls II hydro-electric project. The waters of the Shire River will be harnessed to produce by 1989 a generation capacity of 90MW.

These then are the main projects which have received EDF assistance.

The European Investment Bank has also released some loans to Malawi. A total of 9.5 million ECU in loans from the banks resources and 1 million ECU in risk capital have been released to help finance the cost of developing a sugar plantation and the construction of a sugar mill in the Dwangwa river delta area; and to provide a line of credit to the Investment and Development Bank of Malawi for on-lending to small and medium sized industrial ventures.

LOME I AID TO SWAZILAND

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Under the financial provisions of the Lome I Convention, Swaziland is expected to receive about 11.9 million ECU in assistance from the European Development Fund and between 10 and 12 million ECU from the European Investment Bank.

Most of the EDF aid allocations have already been made. In the agricultural sector a special loan of 3.5 million ECU has been awarded to finance the cost of constructing the main irrigation canal needed to irrigate the land for a new sugar project on the Black Umbuluzi River. A grant of 2.5 million ECU has been approved to help finance a rural development project. This is really a national development project as it covers 45 per cent of the arable land and pasture land in the country and will benefit 30 per cent of the population. The project aims at increasing the production and productivity per acre of food and cash crops. It is being co-financed with the African Development Bank, World Bank and British bilateral aid.

In the education sector, a grant of 2.5 million ECU has been released to construct a new teacher training college at Nhlanguano, a small town about 140 km from the capital.

The radio services in the country are being improved with the help of a grant of 990,000 ECU.

Finally in the social sector a special loan of 822,000 ECU was released to assist the housing unit attached to the ministry of local administration in extending its activities in rural areas.

In relation to the European Investment Bank, a loan of 10 million ECU has been released for the Royal Swaziland Sugar Corporation to develop a new plantation and a new sugar mill.

LOME I AID TO TANZANIA

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Under the financial provisions of the Lome 1 Convention, Tanzania is expected to receive just over 103 million ECU from the European Development Fund as well as assistance from the EIB.

Nearly all of the aid has already been released.

In the industrial sector four key projects have received EDF assistance. A special loan of 6.55 million ECU has been accorded to the Kilimanjaro Textile Corporation's Kiltex mill in Arusha. The aim is to increase the production of cotton and cotton/polyester blended textiles by purchasing new machinery financed by the Community. The EDF released 13 million ECU to finance the construction of a canvas mill on the new Morogoro Industrial Estate. The mill will produce 9.8 million sq meters of canvas per year, about 50 per cent of which will be exported. The third project to receive assistance was to construct a bitumen plant, using the residue available from the existing Dar Es Salaam refinery. This scheme was supported by a special loan of 2.95 million ECU. The plant should produce about 30,000 metric tons of bitumen per year. Finally a special loan of 11.4 million ECU has been released to finance the construction of a 40.5 km bitumen road from Idetoro to the planned site of a new pulp and paper mill.

In terms of transport the EDF has released 21.3 million ECU to strengthen and bituminise the road between Nyanguge and Bunda over a distance of 120 kms. A further 7.1 million ECU has been released to strengthen and bituminise a 63 km section of road from Bunda to Musoma. When these projects are complete there will be 219 kms of all weather road linking Mwanza to Musoma on Lake Victoria.

A major coffee improvement programme is being financed with a grant of 12.6 million ECU. The projects aims at increasing production by 50 per cent in the six main coffee regions in the country.

Finally a grant of 6.5 million ECU is being used to carry out integrated rural development schemes in the districts of Iringa, Mufindi, Njombe and Ludewe.

The European Investment Bank has already provided 12.5 million ECU in assistance to Tanzania. The loans went to support the activities of the Tanganyika Development Finance Company, and to help finance the canvas mill at Morogoro.

LOME I AID TO ZAIRE

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Under the financial provisions of the Lome 1 Convention, Zaire is expected to receive about 100 million ECU from the EDF as well as some finance from the European Investment Bank.

A substantial part of these funds have already been committed. In the agricultural sector a grant of 3.03 million ECU was awarded to complete the Butuhe tea project in northern Kivu. When operational the new tea complex should produce 740 metric tons of dry tea per year. The Oil Palm Development Company in Ubangi has received two special loans of 1.7 and 1.2 million ECU to establish a further 2,500 hectares of oil palm plantation and develop a new oil mill at Gosuma.

Assistance has also been given to increase the production of cocoa at Bulu (Oubangui). This scheme is being supported by a grant of 3 million ECU and a special loan of 1.9 million ECU. Finally a grant of 13 million ECU was given to carry out a rural development scheme in the Mweka area.

In the educational field a grant of 6.6 million ECU was awarded to finance the construction of more buildings for the Higher Institute of Applied Technology in Kinshasa. An 8 million ECU grant was also provided to enable new facilities to be given to the Kikwit and Mbandaka Higher Teacher Training Institutes.

An improved supply of drinking water will be brought to the suburbs of Kinshasa as the result of 4.8 million ECU special loan provided by the EDF. The project will benefit about 350,000 people.

The Community is also financing improvements to the Musenge - Biruwe road. This is part of the Kisangani to Bukavu highway in eastern Zaire. The EDF is covering the total cost of the project by providing a grant of 19 million ECU. These then are the main projects which have so far received assistance from the European Development Fund.

The European Investment Bank has also approved the release of a number of loans. In 1977, a total of 1.2 million ECU was released to provide risk capital essentially for the expansion of a cement works. In 1978 the EIB approved a loan of 4 million ua for the Gosuma Palm Oil Mill and a 30,000 ECU loan to complete a study on the extension of the palm oil plantation.

LOME I AID TO ZAMBIA

Under the financial provisions of the Lome Convention, Zambia is expected to receive about 47 million ECU from the 4th EDF and between 20-30 million ECU from the EIB.

The Commission has already approved the release of a substantial amount of this assistance.

In the agricultural sector a special loan of 3.1 million ECU has been awarded to finance the Kawambwa Tea Scheme which at full development will produce over 1,000 tons of tea per year. A cotton development project is being supported by a grant of 1.6 million ECU and a special loan of 6 million ECU. The aim is to increase cotton production in the Central and Southern Province of Zambia. Cross bred heifers will be raised on a breeding ranch at Batoka.

This scheme is being financed with a special loan of 1.8 million ECU from the EDF. Better husbandry methods will be developed in two areas of Zambia. The EDF is providing a grant of 1.9 million ECU to support two Cattle Development Areas. Veterinary services in these areas will be strengthened and the number of cattle dips and watering points will be increased.

Also in the agricultural sector, a pilot farm will be set up at Mpongwe to try out crop rotation techniques. The scheme will cover an area of 200 hectares producing wheat, soya and other crops such as maize and sunflowers. If the project proves to be a success it could help the broader development of the region.

A total of 13 multipurpose agricultural stores are being built in provincial and district centres, supported by a special loan of 2.2 million ECU. The aim of the project is to support the drive for increased agricultural production.

The Palabama Dairy Training Institute is being supported by a grant of 1.2 million ECU. This in line with government policy to try to increase milk production and so reduce the need to import.

In the urban sector the EDF is providing a special loan of 2 million ECU to extend and improve the Mpeka water supply system. The town has a population of 10,000. About 1,000 site and service plots for the self help construction of owner-occupied houses will be provided by a special loan of 2.4 million ECU. The sites will be spread over 6 rural towns in Zambia.

In the transport sector, 162 km of feeder roads will be constructed in the Chamuka Area and the Mpongwe Development Area. The new all weather roads will replace the existing tracks. The total cost of the project is estimated at 3.6 million ECU and the EDF has provided a grant of this amount.

Finally 10 health centres in rural areas are being constructed with the assistance of a grant of 1.3 million ECU from the EDF. These then are some of the main projects to receive EDF assistance.

The European Investment Bank has also released a number of loans to Zambia. The activities of the Development Bank of Zambia have been supported by a 600,000 ECU loan and a 2.5 million ECU global loan to finance small scale businesses. The Chilanga cement works has also received EIB assistance. Initially 80,000 ECU in risk capital was provided to finance the feasibility study for the cement works. Then a loan of 2.8 million was released to help finance the construction work needed to modernise the plant.

Financial resources provided to the ACP States in the Southern African region under the Indicative Aid Programmes, Exceptional aid and Stabex.

	Million ECU			
	Indicative Programme EDF	EIB*	Exceptional aid (at April '80)	Stabex (at April '80)
Botswana	19	2	2.67	-
Lesotho	22	2	1.2	-
Malawi	70	10	1.5	-
Swaziland	12	10-12	0.03	8.8
Tanzania	103	2 **	0.35	20.6
Zambia	47	20-30	15.6	-
Zaire	100	5	15	-
	<u>373</u>	<u>51-63</u>	<u>36.35 ***</u>	<u>29.4</u>

* tentative figures suggested during programming missions in 1975 and 1976

** At April 1980, 12.5 million ECU already awarded

*** Additional 4.7 million given to UNCHR for programme for southern African refugees. Therefore total exceptional aid to Southern Africa is 41.05 million ECU.

LOME II programmes

Under the Lomé II Convention the Southern African States are scheduled to receive between 349 - 390 million ECU in aid from the European Community. This refers solely to the individual direct aid allocations.

Botswana is scheduled to receive between 22 - 25 million ECU from the 5th European Development Fund. Lesotho is scheduled to receive between 26 - 30 million ECU; Malawi between 76 - 84 million ECU; Swaziland 17 - 19 million ECU; Tanzania 115 - 132 million ECU; Zambia 53 - 60 million ECU; Zaire 110 - 112 million ECU; and Zimbabwe 40 million ECU.

In addition to these individual direct aid allocations, the Southern African States can also benefit from the new Stabex Fund and from Sysmin the mineral support scheme the latter is essentially of interest to Zaire and Zambia, whose submissions for eligibility for 1980 and 1981 have been approved by the Commission.

Southern Africa will also benefit from the regional cooperation fund. Under Lomé II the regional fund has been set at 15 % of the total EDF - 600 million ECU. Of this total Southern Africa (including Tanzania, but not Zaire) is scheduled to receive about 90 million ECU. Most of this aid will be related to SADCC projects.

PART THREE

Other forms of cooperation with Southern African countries which are not members of the Lome Convention.
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There are a number of ways in which the Community can cooperate with countries which are not party to the Lome Convention. The EEC already provides various types of assistance to Angola and Mozambique both of which have not yet opted for Lome membership.

Both of these states can benefit indirectly from the Lome agreement. As mentioned earlier, some of the regional projects to be financed under the Lome Convention will benefit Angola, and Mozambique, despite the fact that they have not yet responded to the invitation to join the Lomé Convention.

Outside the Lome framework, there are also several other forms of cooperation possibilities. The Community's Generalised Scheme of Preferences is for instance applied to imports from Angola and Mozambique. Food and medical aid have been given to meet emergency requirements. Details of the food aid programme are given on pages 28.

The Community has also provided emergency assistance to both Angola and Mozambique to help them overcome exceptional problems. In March 1979 the EEC decided to release 80,000 ECU in aid to Mozambique to help assist the victims of the cyclone which hit the country. As Mozambique is not a member of the Lome Convention, the aid was accorded under Article 950 of the EEC budget. The aid was given to the non governmental organisation Caritas Germanica which was coordinating the programme in Europe for its sister organisation Caritas Mozambique. The aid was used to supply essential needs (dried fish, tools, blankets etc.).

In May 1979, 45,000 ECU in emergency aid was given to Mozambique to help fight a cholera epidemic. The World Health Organisation had asked the Community for assistance.

In April 1980, the Community gave 200,000 ECU in emergency aid to Angola to help 300,000 war victims in the central part of the country. The aid is to help finance a 1.5 million ECU programme set up by the International Red Cross.

In addition to these allocations of humanitarian aid, the Community has also released aid to assist projects in Angola and Mozambique. These allocations were made from the non associates budget. In 1978, the Community released 3 million ECU to help finance the construction of a fish canning plant in Beira, Mozambique. In the same year Angola received 500,000 ECU to help develop the fisheries sector in the region of Mocamedes.

So there a number of ways in which the Community can assist countries which are not members of the Lome Convention.

DIRECT FOOD AID PROVIDED TO SOUTHERN AFRICAN STATES IN 1976 AND 1977

In metric tons

	<u>1976 Programme</u>			<u>1977 Programme</u>		
	<u>Cereals</u>	<u>Milkpowder</u>	<u>Butter oil</u>	<u>Cereals</u>	<u>Milkpowder</u>	<u>Butter oil</u>
Angola	-	-	-	10,000	-	-
Botswana	-	-	-	500	30	-
Lesotho	-	-	-	130	-	-
Malawi	-	-	-	-	-	-
Mozambique	5,000	1,050	-	15,000	-	-
Swaziland	-	-	-	-	-	-
Tanzania	2,000	1,350	500	5,000	2,000	200
Zaire	10,000	3,000	-	15,000	-	-
Zambia	1,500	450	21	6,000	900	550

	<u>1978 Programme</u>			<u>1979 Programme</u>		
	<u>Cereals</u>	<u>Milkpowder</u>	<u>Butter oil</u>	<u>Cereals</u>	<u>Milkpowder</u>	<u>Butter oil</u>
Angola	-	-	-	-	-	-
Botswana	-	-	-	-	-	-
Lesotho	1,500	-	60	3,000	100	100
Malawi	-	-	-	-	-	-
Mozambique	-	-	-	16,500	1,000	250
Swaziland	-	-	-	-	-	-
Tanzania	5,000	2,000	85	4,000	2,000	400
Zambia	6,000	1,500	-	10,000	1,500	500
Zaire	-	-	-	10,000	-	-

	<u>1980 Programme</u>			<u>1981</u>		
	<u>Cereals</u>	<u>Milkpowder</u>	<u>Butter oil</u>	<u>Cereal</u>	<u>Milk</u>	<u>Butteroil</u>
Angola	-	-	-	8,000	500	-
Botswana	3,000	300	50	-	-	-
Lesotho	3,000	300	50	4,000	300	100
Malawi	-	-	-	-	-	-
Mozambique	10,000	-	-	25,000	750	200
Swaziland	1,000	-	-	-	-	-
Tanzania	15,000	2,000	400	30,000	2,500	400
Zambia	10,000	1,500	500	15,000	1,500	500
Zaire	-	-	-	10,000	-	-

All figures are cif except for Tanzania where deliveries are made fob.

Zaire received an additional 2,000 metric tons of cereals through the UNHCR in favour of Angolan refugees in 1976.

Code of Conduct for EEC companies with subsidiaries, branches or representation in South Africa.

1. Relations within the undertaking.

- a) Companies should ensure that all their employees irrespective of racial or other distinction are allowed to choose freely and without any hindrance the type of organisation to represent them.
- b) Employers should regularly and unequivocally inform their employees that consultations and collective bargaining with organisations which are freely elected and representative of employees are part of company policy.
- c) Should black African employees decide that their representative body should be in the form of a trade union, the company should accept this decision. Trade unions for black Africans are not illegal, and companies are free to recognise them, and to negotiate and conclude agreements with them.
- d) Consequently, the companies should allow collective bargaining with organisations freely chosen by the workers to develop in accordance with internationally accepted principles.
- e) Employers should do everything possible to ensure that black African employees are free to form or to join a trade union. Steps should be taken in particular to permit trade union officials to explain to employees the aims of trade unions and the advantages of membership, to distribute trade union documentation and display trade union notices on the company's premises, to have reasonable time off to carry out their union duties without loss of pay and to organise.
- f) Where works or liaison committees operate, trade union officials should have representative status on these bodies if employees so wish. However, the existence of these types of committee should not prejudice the development or status of trade unions or of their representatives.

2. Migrant labour.

- a) The system of migrant labour is, in South Africa, an instrument of the policy of apartheid which has the effect of preventing the individual from seeking and obtaining a job of his choice: it also causes grave social and family problems.
- b) Employers have the social responsibility to contribute towards ensuring freedom of movement for black African workers and their families.
- c) In the meantime employers should make it their concern to alleviate as much as possible the effects of the existing system.

3. Pay.

Companies should assume a special responsibility as regards the pay and conditions of employment of their black African employees. They should formulate specific policies aimed at improving their terms of employment. Pay based on the absolute minimum necessary for a family to survive cannot be considered as being sufficient. The minimum wage should initially exceed by at least 50 per cent the minimum level required to satisfy the basic needs of an employee and his family.

4. Wage structure and black African advancement.

- a) The principle of "equal pay for equal work" means that all jobs should be open to any worker who possesses suitable qualifications, irrespective of racial or other distinction, and that wages should be based on a qualitative job evaluation.
- b) The same pay scales should be applied to the same work. The adoption of the principle of equal pay would, however, be meaningless if black African employees were kept in inferior jobs. Employers should therefore draw up an appropriate range of training schemes of a suitable standard to provide training for their black African employees, and should reduce their dependence on immigrant white labour.

5. Fringe benefits.

- a) In view of their social responsibilities, undertakings should concern themselves with the living conditions of their employees and families.
- b) For this purpose company funds could be set aside for use
- in the housing of black African personnel and their families; in transport from place of residence to place of work and back;
 - in providing leisure and health service facilities;
 - in providing their employees with assistance in problems they encounter with the authorities over their movement from one place to another, their choice of residence and their employment;
 - in pension matters;
 - in education matters;
 - in improving medical services, in adopting programmes of insurance against industrial accidents and unemployment, and in other measures of social welfare.

6. Desegregation of places of work.

In so far as it lies within their own competence, employers should do everything possible to abolish any practice of segregation, notably at the workplace and in canteens, sports activities, education and training. They should also ensure equal working conditions for all their staff.

7 Reports on the implementation of the code of conduct.

- a) Parent companies to which this code is addressed should publish each year a detailed and fully documented report on the progress made in applying this code.
- b) The number of black Africans employed in the undertaking should be specified in the report, and progress in each of the six areas indicated above should be fully covered.
- c) The governments of the Nine will review annually progress made in implementing this code. To this end a copy of each company's report should be submitted to their national government.