

Relations between the European
Economic Community, the Associated
African States, Madagascar and Mauritius,
other African States and certain
independent Commonwealth countries

OPENING CONFERENCE

(Brussels, 25 and 26 July 1973, 10.00)

S T A T E M E N T

BY THE PRESIDENT OF THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Mr Ivar NØRGAARD,
Minister of External Economic Affairs
of the Kingdom of Denmark

It is a very great honour for me as President of the Council, on behalf of the European Economic Community and its Member States, to welcome the Representatives of the States taking part in this Conference. By choosing the date of 25 July 1973, the Community has sought to stress the importance it attaches to its being able to meet with the present AAMS States, the independent Commonwealth countries situated in Africa, in the Pacific Ocean and the Caribbean and the other African States, which have accepted its invitation, shortly before the effective opening of the actual negotiations.

The Community is also happy to acknowledge the presence in this room, as observers, of Representatives of certain African countries bordering the Mediterranean which maintain contractual relations with it within various frameworks establishing specific cooperative relationships. Their interest in the proceedings of the Conference is an encouraging example of the spirit of unity which animates the various forms of cooperation between the countries of Africa and Europe.

I should like to underline the historic significance of this occasion since it is the duty of all of us who will shortly meet around the negotiating table to show the world that it is possible to govern relations between

developing countries and industrialised countries on the basis of mutual understanding and respect for the independence of each partner.

The preamble to the Treaty of Rome made mention, as long ago as 1958, of the Member States' intention "to confirm the solidarity which binds Europe and the overseas countries" and their desire "to ensure the development of their prosperity, in accordance with the principles of the Charter of the United Nations".

On becoming independent, the 18 African and Malagasy States clearly expressed their firm desire to maintain their association with the Community. At a ministerial meeting held on 6 and 7 December 1961 in Paris, the representatives of the Community and of the Associated African and Malagasy States reaffirmed the principles set forth in the Treaty of Rome and declared furthermore that the Association was based on a mutual desire to cooperate expressed by Sovereign States.

A procedure was then jointly established for the negotiations which, after numerous meetings attended on a completely equal footing by the Community and its Member States and the whole of the AAMS, were to culminate in a first Convention signed at Yaoundé on 20 July 1963. The negotiations for the Second Yaoundé Convention in 1969 were later conducted in accordance with the same principles and procedures.

The Community had, however, publicly declared its intention of offering to all States who so desired, and whose economic structure and production were comparable to those of the AAMS, the possibility of ordering their relations with the Community on specific bases. This possibility was envisaged in a Declaration of Intent by the Council of the European Communities on 1 and 2 April 1963, confirmed in 1969, and on the basis of it an association was established between the European Economic Community and the three partner States of the East African Community, comprising reciprocal rights and obligations. This association was set up by the Arusha Agreement which entered into

force on 1 January 1971. It is on this basis also that Mauritius became associated with the Community, becoming its nineteenth partner under the Yaoundé Convention.

Protocol No 22 to the Treaty of Accession of the three new Member States of the Community is also based, inter alia, on this declaration.

In the same spirit, the Conference of the Heads of State or of Government of the Member States of the European Communities, which met in Paris from 19 to 21 October 1972, stated in its final declaration that "The Community is well aware of the problem presented by continuing under-development in the world. It affirms its determination, within the framework of a worldwide policy towards the developing countries, to increase its effort in aid and technical assistance to the least favoured peoples. It will take particular account of the concerns of those countries towards which, through geography, history and the commitments entered into by the Community, it has specific responsibilities".

They therefore considered that an overall policy of development cooperation on a worldwide scale should be implemented, in the light of the results of the UNCTAD Conference and in the context of the development strategy adopted by the United Nations.

The Heads of State or of Government also stated that they were convinced "that the Community must, without detracting from the advantages enjoyed by countries with which it has special relations, respond even more than in the past to the expectations of all the developing countries". They stressed, with this in view, that the Community "attaches essential importance to the policy of association as confirmed in the Treaty of Accession".

It is in the light of all these considerations that the historical implications of the Conference opening here today should be judged.

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II.

As specified in the letter of invitation, the Conference should permit a first contact and an exchange of information to be made between participants leading to the actual negotiations taking place as soon as possible. In this way, the Conference will provide an opportunity for providing a better and more complete mutual briefing for the States concerned particularly since I shall be able to inform you of the principal features of the Community's position. The other States will likewise be able to express their own views, with which the Community is very interested in acquainting itself.

We must therefore make use of this opportunity to clarify our views, to explain our wishes and consequently to eliminate as far as may be necessary any misunderstandings which may exist in connection with the Community's activities to date.

The presence at this Conference of the Associated States - our partners in the Yaoundé Convention - as well as of the States referred to in Protocol No 22, and other African States

represented here, is an indication of the common desire to create, through this meeting, an atmosphere conducive to the success of this exchange of information.

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In defining its position, the Community has based itself on the experience it has acquired since its establishment in its relations with associated countries.

The Community consequently considers it desirable to commence the negotiations on the basis of a single model aligned on the first formula referred to in Protocol No 22 which, in its view, should be capable of best meeting its partners' requirements. Where appropriate, it is nevertheless prepared to negotiate other types of relations, based on the second and third formulae referred to in the Protocol.

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The second formula, like the first, would be an association. I should like to quote in this respect the first paragraph of Article 238 of the Treaty of Rome: "The Community may conclude with a third State, a union of States or an international organisation, agreements establishing an association involving reciprocal rights and obligations, common action and special procedures". Protocol No 22 has taken these terms almost word for word, specifying only that the reciprocal rights and obligations in question would be created mainly in the field of trade. This means that the content of this second formula would have to be defined case by case.

Finally, the third formula scarcely needs comment: the term trade agreement is sufficiently well known to make it unnecessary for me to discuss it at length.

The Community is anxious to stress that your choice is absolutely free. There is no question of making a final and irrevocable choice, at the outset, of a formula of agreement with the Community. On the contrary, if one or other of you, on reflection, subsequently prefers another formula, he will always be free to amend his choice.

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The single model aligned on the first formula of Protocol no 22 and on the basis of which the negotiations would begin should, above all, preserve what has been achieved and maintain the basic principles of the Association. Protocol no 22 in fact specifies that the possible extension of the policy of association should not be the source of any weakening in the Community's relations with the Associated States which are parties to the Convention of Association signed on 29 July 1969, and makes clear, in this connection, what the relations with the Community mean for the Associated States which are parties to this Convention. Our objective, therefore, remains one of safeguarding what has been achieved and maintaining these basic principles which guarantee these States a range of advantages and are based on structures which give the Association its distinctive character in the fields of trade relations, financial and technical cooperation and joint institutions.

But preservation of what has been achieved in no way implies a policy of inaction and a bar to new departures. Indeed Protocol no 22 itself lays down that the provisions of this Association must take similar account of the special economic conditions common to the independent developing

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Commonwealth countries represented here, and to the AAMS, the experience acquired within the Association, the wishes of the Associated States and the consequences for those States of the introduction of the generalised preference scheme.

Likewise, since the economy of some of the countries involved depends to a considerable extent on the export of primary products and in particular, as is stated in Section III of Protocol no 22, of sugar, the Community will have as its firm purpose the safeguarding of their interests.

To achieve these aims, it will be necessary for the Community to explain its intentions and for its partners to say what they expect from their future relations with the Community. This will be the main objective of the negotiations which, the Community hopes, will result in the elaboration of a joint solution.

Before adopting a position on all the questions which may figure in these negotiations, the Community awaits with particular interest any indications you may wish to give it on your own policies.

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At this stage, however, it is in a position to make an overall proposal as a basis for discussion.

In this spirit, and anxious to contribute to the development of the countries concerned, while promoting regional cooperation between them, the Community is willing to offer a contractual agreement covering both the fields of trade and that of financial and technical cooperation. The main principles of the future agreement could be as follows:

1. Trade arrangements providing especially for the free entry into the Community of most of the products of the Associated States, subject to special arrangements, to be defined during the negotiations, for similar and competitive agricultural products;
2. The safeguarding of the interests of the Associated States whose economies depend to a large extent on the export of primary products;
3. Financial aid, securing for the Associated African States, Madagascar and Mauritius, advantages which, overall, are equivalent to those they currently enjoy, and placing the new Associated States on an equal footing;

4. Implementation of the Agreement by the Contracting Parties through joint Association Institutions.

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In the matter of trade arrangements, I want first to confirm what I have already said on a more general level, namely that the Community is prepared to pursue its policy on association, with regard both to the AAMS and to all the other countries which will be parties to the same association.

On this, as on other levels, it will be its firm purpose to prevent the extension of the Association weakening its relations with the AAMS, relations which ensure for those States a range of advantages and are based on structures which give the Association its distinctive character.

Like the other association procedures, those concerning trade arrangements, which will be laid down during the negotiations, must also take account of the special economic conditions common to the AAMS and the independent developing countries in Africa, the Indian Ocean, the Pacific Ocean and the Caribbean, which have been invited here, of the experience

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acquired within the framework of the Association, of the wishes of our partners in the course of the negotiations and of the consequences for them of the implementation of the system of generalised preferences.

Without claiming to exhaust such a vast subject, I can already give you the following details - which, I repeat, are not exhaustive - on the Community's position with regard to these procedures:

- The trade arrangements whose importance to the associated States is fully recognised by the Community should have a contractual basis to ensure their stability in such a way as to prevent third countries from calling them into question notably with regard to the GATT.
- The Community has not however yet reached a final view on the trade structures of the new Convention, and we would be glad to hear any views you may wish to express on this point. The Community intends to revert to this question in its internal preparations for the negotiations,

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i.e. in the light of the views you may put
forward in this Conference.

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As it declared in Protocol No 22 to the Accession Treaty, the Community will have as its firm purpose the safeguarding of the interests of all the countries referred to in that Protocol whose economies depend to a considerable extent on the export of primary products and particularly of sugar.

The interest which the Community has always shown in world commodity agreements or arrangements is proof of its sensitivity to problems relating to exports of these products. The Community is fully aware of the fact that fluctuations in export revenue often have an adverse effect on the development programmes of most of the countries represented here. These difficulties occur in spite of the existence of world commodity agreements, of which there are, in fact, very few. The Community is consequently prepared to examine with its partners the necessary means for mitigating the adverse consequences of these fluctuations.

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Financial and technical cooperation is one of the most important aspects of the Association set up under the Yaoundé Convention. It has several original features in relation not only to the financial resources made available but also to its methods of implementation. It is not a substitute for, but supplements, the Associated States' own efforts to further their economic and social development.

The fields in which financial and technical cooperation may be called upon are very varied, ranging from capital aid for the production sector and for the economic and social infrastructure to technical cooperation and assistance, projects for marketing and sales promotion of products from the Associated States, and even to exceptional aid granted to help the Associated States face up to special and unusual difficulties.

This wide range can also be found in the financing procedures. Projects and programmes are financed for the main part by grant aid, but also by loans on special terms, contributions towards equity capital, loans under market conditions possibly accompanied by interest subsidies, or a combination of several of these.

This variety of sectors and methods of intervention has meant that the type of finance can be adapted to the nature of each project and to the particular requirements of each Associated State, taking account particularly of its state of development.

The financing of financial and technical cooperation is carried out through the European Development Fund, to which the Member States make contributions, and through the European Investment Bank with loans from its own resources.

The principles of parity and equality that are basic to the Association have a particular application in the field of financial and technical cooperation. Thus, it is for the Association Council - on which the Community and its Member States and the Associated States meet - to lay down every year the general guidelines for those bodies in charge of financial and technical cooperation. Furthermore, the submission of projects and the setting of priorities are the concern of the Associated States, which also have full responsibility for the carrying out of operations, while the projects are examined in close consultation with each of the recipient States and the aid administration bodies.

The provisions applicable in respect of financial and technical cooperation have been adapted, altered and improved to suit needs in the light of past experience. The same may happen in the future and it is in terms of the experience and the opinions expressed by the countries taking part in the negotiations themselves that the detailed rules for financial and

technical cooperation will be finalised, due account being taken, in particular, of the situation of the poorest countries in the world and the desirability of promoting regional cooperation.

I am unable at the present stage - and you will surely understand why - to give details of the amount of aid that the Community and the Member States will be able to put at the disposal of the Associated States.

I can assure you nevertheless that in application of the principles set forth in Protocol no 22 to the Brussels Treaty, the new Convention of Association will guarantee for the Associated African States, Madagascar and Mauritius overall advantages equivalent to those they enjoy at the present time. The new Associated States will have to be placed on the same footing as the other States.

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I should like to stress as regards the Institutions that, being based on the principle of parity between our partners and ourselves, these institutions have enabled us to maintain regular contact which ensured constant discussion both at Ministerial or Ambassadorial level and with representatives of public opinion, thus facilitating the search for solutions acceptable to all parties present.

To take due account of its contractual nature and of Protocol No 22, the association should therefore comprise joint institutions set up on a basis of parity. The Community proposes that these institutions consist of:

- an Association Council assisted by an Association Committee
- a Parliamentary Conference of the Association assisted by a Joint Committee set up on a basis of parity
- a Court of Arbitration of the Association.

The composition, powers and functioning of these Institutions will be determined in the light of experience, taking account also of the views which might be expressed by the partners of the Community at the negotiations, with a view to adapting them to the needs of administering and guiding an enlarged and renewed association.

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The association agreements concluded by the Community have generally always been of five years' duration, which has proved satisfactory.

The Community considers that as world economic and political relations change so rapidly it would be in the interest of all the parties to limit the duration of this agreement to five years also. It should, however, be clear that the aim of such a limitation is to enable the agreement to be renegotiated when required in order to adapt its provisions to subsequent requirements of co-operation between the Community and its associated partners.

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IV.

We propose that the Commission, to which the Member States and the Council of the Communities will have given a negotiating brief, should agree with you the timetable and organisation of work. We also propose that each stage of the negotiations take place at the most suitable level at that stage.

Taking into account the date of expiry of the Yaoundé Convention and the Arusha Agreement, the time limits for ratification which might be necessary and the commitments undertaken in respect of the AAMS, the Community proposes that the negotiations for the Convention to follow the Yaoundé Convention start as soon as possible after the summer recess and in any case before the end of next September. It will thus be for you to arrange with the Commission the precise date on which these negotiations will begin.

V.

In setting out the broad outline of the relations which it is ready to establish with the States here present, the Community hopes that the proposed guidelines will constitute a useful basis for the negotiations.

As I have already emphasised, the States in question will be able to evaluate the experience acquired by reference to the Convention and Association Agreement currently in force and inform us if, why and on which specific points they should be departed from. The Community conception of the content and objectives of the Association is of course based on this experience but also on the development of relations, at world level, between developing and industrialised countries. It is for this reason that we desire that all the States interested by association adopt a similar model for their relations with Europe, without prejudice to any special provisions which could be laid down for resolving problems peculiar to certain countries or groups of countries.

As I emphasised just now, this desire which we have expressed does not exclude, for those of you who might wish to do so, the possibility provided for in Protocol No 22 of establishing relations with the Community on a different basis.

These negotiations, and why should we hide the fact, will probably be long and difficult. What matters however is the determination to arrive at the most satisfactory reciprocal relations possible for all parties concerned. I am personally convinced that that political determination which I have attempted to express as spokesman for the Community, is shared to the same degree by all the Governments represented here.

In conclusion I should like on behalf of the European Community, to express the hope that our Conference will be successful. Its success will depend on fulfilling two requirements: firstly to leave the States concerned better informed as to the intentions of the Community, and I hope that my statement has enlightened you in that connection; secondly, to enable our partners round the negotiating table

to make their views known -- views which the Community will hear with much interest and examine with great care. Our chief wish is that a candid, open and constructive dialogue may be established.
