

ACP - EEC CONSULTATIVE ASSEMBLY

FOURTH ANNUAL MEETING

SUMMARY REPORT
OF THE PROCEEDINGS
OF WEDNESDAY 10 OCTOBER 1979

LUXEMBOURG

SITTING OF WEDNESDAY 10 OCTOBER 1979

IN THE CHAIR

MRS VEIL AND MR MUNA

Presidents

CONSTITUENT SITTING

(The constituent sitting was opened at
5.05 p.m. in the Chamber of the
Schuman Building in Luxembourg)

1. Opening of the annual session of the Assembly

President VEIL declared the annual session of the Assembly
open.

2. Composition of the Assembly

Pursuant to Article 1(2) of the Rules of Procedure,
President VEIL informed the Assembly of the composition of the
Assembly.

The list of members is attached to the minutes.

3. Election of Bureau

Pursuant to Article 6(1) of the Rules of Procedure, the
Assembly elected its Bureau, which consisted of the following
Members:

Presidents: Mrs Veil and Mr Muna

<u>Vice-Presidents:</u>	Mr Sherman	Mr Kthn
	Mr Boolell	Mr Vandewiele
	Mr Kombe	Mr Pearce
	Mr Braithwaite	Mr Denis
	Mr Faletau	Mr Messmer

The sitting was suspended at 5.10 p.m. and resumed at 5.35 p.m.
as the formal sitting.

FORMAL OPENING SITTING

IN THE CHAIR:

Mr Tandeng MUNA
President

Mrs Simone VEIL
President

On behalf of the Assembly, President MUNA welcomed the Luxembourg authorities who were attending the sitting.

Mrs VEIL, President, said that while the meeting of the Consultative Assembly every year was an important event for the European Economic Community, and particularly for the European Parliament, this Fourth Annual Meeting had an especial significance.

On the one hand, this was the first Annual Meeting in which the Europeans were taking part as representatives elected by direct universal suffrage, which laid them under a particular responsibility since it was up to them to express, and to understand, the meaning and importance of measures of cooperation between the European countries and the developing countries, if there was to be a hope of this cooperation being maintained and strengthened.

At the same time, this Annual Meeting was taking place at a crucial juncture in relations between the industrialized countries and the developing countries. In the difficult economic context in which Europe, indeed the whole world, today found itself, cooperation was more than ever necessary. Nothing was more false than to try to present a conflict between the interests, on the one hand, of an elderly Europe protecting itself against the emergence of the young nations, and, on the other, of the new countries, overturning the assumptions on which international competition was based. More than ever, our destinies were linked, both on the level of economic development and of something even more precious - maintaining peace.

No-one was unaware that this Annual Meeting was taking place at a very important moment, coming as it did on the eve of the renewal of the Lomé Convention.

Like the present Convention, the future convention would have to set an example, unprecedented in the world, of association between the industrial countries and a large number of countries in Africa, the Caribbean and the Pacific, capable of leading to that new international economic order towards which the world was feeling its way.

Even if the Assembly would not be able - and this was greatly to be deplored - to discuss the Report on the Activities of the ACP-EEC Council of Ministers, as provided by the Lomé Convention, since the Council of Ministers had not been able to forward this report to it,

it should have a wide-ranging debate on the current state of ACP-EEC cooperation. This debate would find a response in public opinion and thus help to bring our peoples together in the spirit of Lomé.

(Loud applause)

Mr SANTER, Finance Minister and Minister of Labour and Social Security, speaking on behalf of the Government of the Grand Duchy of Luxembourg, welcomed the Members of the ACP-EEC Consultative Assembly, meeting for the fourth time in Luxembourg.

The main interest of this particular meeting lay in the fact that it provided the first opportunity for contact between the representatives of the ACP countries and the Members of the European Parliament recently elected by universal suffrage. It would, moreover, allow a deeper examination of the basic political issues underlying relations between the Community and the 59 ACP States.

A new landmark had now been passed in these relations: on 31 October the Second Convention of Lomé would be signed in the capital of Togo. It would create a new framework both for cooperation in the commercial, agricultural and industrial spheres, and for an arrangement inspired by STABEX for mining products, together with mechanisms for the protection of investments in the mining and energy sectors.

This new style of relations represented a great step forward towards the creation of a more equitable and balanced world economic order.

(Loud applause)

Mr MUNA, Co-President of the Consultative Assembly, began by thanking Mr SANTER for his words of welcome and expressed the pleasure of the Assembly at being able to hold its sittings in Luxembourg.

He welcomed the participants, in particular the directly elected representatives attending the Assembly for the first time. He extended his warm congratulations to Mme Veil, President of the newly elected European Parliament and Co-President of the Consultative Assembly. In discharging his own responsibilities as Co-President of the Consultative Assembly, he would seek to ensure that the Assembly continued to play its full role as a forum for constructive dialogue on the problems of the Convention. It was now known that Lomé II would contain provisions to enhance the role of the Consultative Assembly and its Joint Committee and to enable the Secretariat to function in its own right: these reforms were evidence of the appreciation by all concerned of the positive contribution made by the Assembly and Joint Committee. Here, he paid tribute to the achievements of former President Colombo who had done much to increase the prestige of the Assembly.

He went on to welcome the four new countries which had recently acceded to the Lomé Convention. The fact that they had decided to join provided further evidence of the attraction of Lomé for the developing countries. Lomé was not perfect, but as Mr Guillabert had pointed out in his report for 1977, its workings were satisfactory.

He then expressed his regret that the report of the ACP Council of Ministers for last year was not yet available. It would have provided a useful backdrop for an objective assessment of the Convention in the present context of widespread criticism. Such criticism stemmed mainly from the delay in the negotiations and the intransigence and growing protectionism of the industrialized countries, reflected in the failure of the North-South dialogue

and of other negotiations. He referred to a report by Mr McIntyre for the Commonwealth Heads of State on the problems of the new international economic order, deploring the fact that, if present trends continued, the disparity in incomes between the developed and developing countries would increase greatly by the end of the century. The report stressed the need for a progressive and radical change in the distribution of world economic activity. The old pattern of dominance and dependence must be replaced by a new relationship of interdependence. In the same vein, World Bank reports had described assistance by the affluent countries to the least-favoured nations as a moral imperative and an essential condition in our irremediably interdependent world. Similarly, the Director-General of GATT had warned against increasing protectionism on the part of the industrialized countries at a time of growing inflation and unemployment. We were living in hard times of monetary instability and rapid inflation and things were likely to get even worse. If the difficulties facing the industrialized world were great, how much greater were the problems of the poorer populations of the ACP: they saw the new world economic order, in the words of President Nyerere of Tanzania, as 'the winning of the basic minimum for decent living.' A process of redistribution of wealth was imperative, even within the poorer countries where there were glaring inequalities. Growth policies must be directed to improving the lot of the vast populations of the developing world.

The experience of Lomé must be viewed in this general context, with particular reference to STABEX, EDF projects, the activities of the Centre for Industrial Development and the implementation of the various protocols, as well as the real volume of financial and technical assistance reaching the ACP. All these aspects must be the subject of a frank exchange of views in the recognition that the ACP are genuine and equal partners with Europe. 'We must realize that mankind on this small planet is one and that we are all its members, no matter where we come from or live.' Consequently, we all share the responsibility for eradication of problems of poverty, hunger, disease and ignorance which beset the developing countries.

He referred to the opening address by Mrs WEISS to the newly elected European Parliament in which she had spoken of the duty of Europe to continue to assist the disinherited of this world. That he felt must be the constant aim of the association under the Lomé Convention.

Finally, he spoke of the privileged dialogue within the Consultative Assembly. The Convention was a 'ray of light in the dark' and it must remain so. We must have faith in the Convention and seek to perfect it by removing its present shortcomings. It must become an instrument bringing us closer towards a more balanced economic order on the basis of equality of all the contracting parties.

(Applause)

The sitting was suspended at 6.20 p.m. and resumed at 6.30 p.m.

IN THE CHAIR: Mr Tandeng MUNA

President

4. Appointment of members of the Joint Committee

On a proposal from the Bureau, the Assembly appointed the members of the Joint Committee pursuant to Article 21 of the Rules of Procedure.

The list of members of the Joint Committee is attached to these minutes (Annex II).

5. Appointment of chairmen of the Joint Committee

The Assembly appointed Mr BERSANI and Mr KANGO OUEDRAOGO chairmen of the Joint Committee.

6. Documents received

President MUNA announced that he had received the following documents:

- Report by Mr GIAMA, on behalf of the Joint Committee, on particular problems and difficulties that have arisen in connection with the implementation of certain provisions concerning the commercial aspects of the Convention of Lomé (Doc. ACP-EEC 12/79)
- Motion for a resolution tabled by the Joint Committee on the situation in Southern Africa (Doc. ACP-EEC 12/79)
- Motion for a resolution tabled by the Joint Committee on sugar (Doc. ACP-EEC 13/79)
- Motion for a general resolution tabled by the Joint Committee on the proceedings of the Joint Committee (Doc. ACP-EEC 14/79).

7. Order of business

On a proposal from the Joint Committee, the Assembly adopted the following agenda for its session:

That afternoon:

- Introductory statements by Mr ANDREWS, President of the ACP-EEC Council of Ministers and President-in-Office of the Council of the European Communities, and Mr BRATHWAITE, replacing Mr ST JOHN, President of the ACP Council of Ministers

Thursday, 11 October 1979

10.00 a.m. and 3.00 p.m.:

- Introductory statement by Mr CHEYSSON, Member of the Commission of the European Communities
- Report by Mr GIAMA on the implementation of the Convention of Lome
- Exchange of views on the present state of ACP-EEC cooperation
- Motion for a resolution on Southern Africa
- Motion for a resolution on sugar
- Motion for a general resolution on the proceedings of the Joint Committee

Friday, 12 October 1979

9.00 a.m.

- Possibly, continuation of the exchange of views on the present state of ACP-EEC cooperation
- Any other business.

8. Statements by Mr ANDREWS and Mr BRATHWAITE

MR ANDREWS, as President of the ACP-EEC Council of Ministers, began by expressing the confidence of the ACP-EEC Council of Ministers in the representatives of the Assembly. The ACP-EEC Council of Ministers had, for a considerable time, been engaged in activity relating to the second Lomé Convention. He was happy to announce a series of decisions including certain derogations from the rules of origin, concessions on STABEX, and the extension of the list of least-developed ACP States. Membership of the Convention had been widened to include Dominica, Tuvalu, Saint Lucia and Kiribati, whose enthusiasm for the Convention he welcomed. He was convinced that the provisions of the Convention were being carried out satisfactorily and congratulated the Commission on its activity in discharging its responsibilities. As examples of this activity he cited sixteen STABEX transfers to thirteen ACP States worth 118.8 million units of account and commitments under the European Development Fund totalling over two billion EUAs.

Referring to the negotiations on the new Convention, he said he felt encouraged by the vigour with which they had been conducted by both sides. This was proof that the relationship between the ACP and the EEC was alive and kicking. With regard to the new Convention itself, he congratulated the ACP Ambassadors in Brussels and the Commission, Mr Cheysson in particular, on the able manner in which they had directed the negotiations. He also thanked the previous Presidents of the Council for their contribution to the success of the negotiations.

The negotiations had taken place at a time when world dialogue had found no easy solutions. Most countries, including the majority of ACP States, were faced with grave difficulties which had been translated into urgent requests to an industrialized world which was itself caught in a crisis. The age of plenty had passed for the industrialized countries. They were faced with the spectre of increasing unemployment, grave balance of payments difficulties and curbs on growth and consumption. Despite this climate, the Community had nevertheless been determined to consolidate the terms of Lomé I. He pointed out that the relationship between the Community and its ACP partners was not based on expressions of pious aspiration; it was a legally binding arrangement and a unique example of international cooperation. The solutions that had been found had been made possible by the realism which underpinned the debates. He hoped that the few points which on the ACP side were held to be outstanding would be resolved in the next few days and that the signature ceremony would take place at the end of the month.

Turning to the provisions of the new Convention, he said that it represented a package of considerable possibilities. In the field of trade the free export of ACP products to the EEC had largely been

maintained and was not subject to any obligation of reciprocity. The negotiators had also agreed to simplify and expand the rules of origin and to develop trade promotion. Community financial aid had been substantially improved and represented a considerable outlay by the Member States at this time of economic uncertainty and crisis. ACP participation in the administration of aid had also been greatly expanded in the new Convention which provided that a joint committee would keep difficulties under constant review. STABEX had also been expanded and improved and its resources had been increased by almost 50%. A major innovation concerned mineral products for which there were provisions to prevent a decline in export earnings and to promote the development of mining potential. Another important innovation concerned agricultural cooperation; this reflected the Community's attachment to the problem of food, which was one of the keys to development. In the field of industrial cooperation, objectives had been enlarged and it had been agreed that the institutions responsible would be improved. Debate on Community investment in ACP countries had not been easy. The negotiators had, however, arrived at a practical solution inasmuch as the Convention acknowledged the importance of investment and posited the principle of non-discrimination in the treatment of investment in ACP countries.

He went on to point out that the Convention comprised further measures to assist ACP sugar, rum and bananas and also contained provisions on fisheries, maritime transport, migrant workers, capital movements and questions of establishment. He also reiterated that the Lomé institutions, which provided an appropriate democratic and legal framework, would be maintained.

Lomé I was a good Convention but Lomé II would be even better if it received continued full commitment from the representatives of all the states involved. A very rapid ratification of the new Convention was necessary if it was to be implemented on schedule and he appealed in particular to Members of the European Parliament to help expedite the procedures in their national institutions.

In conclusion, he recalled that the common goal of the ACP and EEC States was the safeguarding of freedoms which was the single fundamental pre-condition for human respect. Classical political liberty was necessary, but so also was the freedom from hunger and destitution.

Speaking as President-in-Office of the Council of the European Communities he expressed his pleasure at addressing the Consultative Assembly in its new composition after the first direct elections to the European Parliament.

He stressed that the Community regarded the first Lomé Convention as a model for relations between industrialized and developing countries. That was why it had made every possible effort to bring the negotiations to a successful conclusion and to establish a Convention which in its eyes was, as far as possible, both just and balanced. He gave an assurance that the Community intended to develop its links with the ACP States in a world in which there was an urgent need for frank and fruitful collaboration.

Mr Muna asked Mr Andrews to convey the appreciation of the Consultative Assembly to his colleagues in the Council of Ministers.

(Applause)

Mr BRATHWAITE, deputizing for Mr St JOHN, President of the ACP Council of Ministers, expressed his great appreciation of the work done by the Consultative Assembly. Congratulating the European Parliament on the landmark of direct elections, he looked forward to the vital role to be played by both the European Parliament and the Consultative Assembly in connection with the second Lomé Convention.

The world was experiencing a period of growing international economic disorder, marked by rising inflation, unemployment and monetary instability. As distinct from the situation in 1975, the problems were now systematic and structural. The developed countries' reaction to this situation had led to the failure of UNCTAD V and of the North-South dialogue and to new moves towards protectionism.

In coping with the repercussions for the Third World, the Lomé Convention had been far from perfect: there existed a wide gulf between intentions and results, and exaggerated claims had been made for its achievements.

A suitable basis for assessing the Convention was the Declaration of the Consultative Assembly's Joint Committee of 1 February 1979. In that declaration, the Joint Committee observed that the EDF represented approximately \$2 p.a. for each inhabitant of the ACP States. The Committee had hoped that the industrialized countries' undertaking to devote 0.7% of GNP to official development aid would be used as the basis for the 5th EDF. Mr CHEYSSON had warned at the time against excessive optimism and events had proved him right.

The new financial package meant that, over the next five years, ACP citizens would be worse-off than before in real terms. The recent projections by the World Bank indicated that the ACP States would occupy the lowest growth bracket for the foreseeable future.

To offset this situation, the ACP States requested a supplementary industrial financing facility. This proposal was supported by the Joint Committee and the OAU, and was principally designed to increase capital flows - a priority objective also recognized by the industrialized countries.

It was generally considered that progress had been achieved with regard to STABEX. But here too wider product coverage had been offset by certain failures. No account had been taken of inflation and the terms of trade for the ACP countries had deteriorated. The scheme for minerals would help to safeguard supplies to the EEC rather than

secure higher export earnings for the ACP. It was hoped that a new system could be devised to cope with the difficulties recognized by both sides.

Despite certain progress, setbacks had also been recorded in the field of trade cooperation - for example, in the case of processed rise from the ACP.

The ACP States had no choice but to be realistic and were aware of the EEC's difficulties. Circumstances had changed since 1975; the recent negotiations had been long and arduous, and the EEC's approach had at times smacked of protectionism. Mr Brathwaite said that his intention was not to draw a purely negative picture, but rather to dispel the exaggerated claims which had been made for the new Convention. Too many superlatives had been voiced on Friday, 28 February 1975. Although he was convinced that a satisfactory solution would eventually be found - for the EEC and the ACP States fundamentally needed each other - the quality of their relations had steadily deteriorated.

Finally, the ACP countries' relationship with the EEC would only be justified if it were special in substance and preferential in character. The Members of the Consultative Assembly bore a great responsibility for the success or failure of this task involving 67 countries and 600 million people. Mr Brathwaite was confident that they would successfully discharge that responsibility.

(Applause)

9. Agenda for next sitting

President MUNA announced the following agenda for the next sitting, which would be held on Thursday, 11 October 1979:

10.00 a.m. and 3.00 p.m.:

- Introductory statement by Mr CHEYSSON, Member of the Commission
- Report by Mr GIAMA on the implementation of the Convention of Lomé
- Exchange of views on the present state of ACP-EEC cooperation
- Motion for a resolution on Southern Africa
- Motion for a resolution on sugar
- Motion for a general resolution on the proceedings of the Joint Committee

The sitting was closed at 7.30 p.m.