Report

drawn up on behalf of the Committee on Development and Cooperation

on the context of the future ACP-EEC convention to follow LOME II

PART I : Motion for a resolution

Rapporteur: Mr U. IRMER
On 18 May 1982 the Committee on Development and Cooperation decided to draw up a report on 'The context of the future ACP-EEC Convention to follow Lomé II'.

On 1 June 1982 the chairman of the committee, Mr Poniatowski, requested authorization to draw up this own-initiative report. This request was approved by the enlarged Bureau on 16 June 1982.

At the meeting of 23 September 1982 Mr Ulrich Irmer was appointed rapporteur.

On 24 November 1982 the committee decided to set up a 'Lomé III' working group to which it appointed the following members: Mrs Katharina Focke (Soc., D), Mr Gérard Israel (DEP, F), Mr Marco Pannella (CDI, I), Mr Andrew Pearce (EP, UK), Mr Paul Vergès (COM, F) and Mr Kurt Wawrzik (PPE, D).

It was decided that individual sub-reports would be drawn up on the following subjects:

- Mrs Focke : Self-reliance as a principle of development
- Mr Israel : The compatibility of Community policies and development policy and of bilateral policies and Community development policy
- Mr Pannella : Institutional aspects of the future ACP-EEC Convention
- Mr Pearce : Financial aspects of the new ACP-EEC Convention
- Mr Vergès : Education and cultural aspects
- Mr Wawrzik : Trade and markets

The rapporteur decided against drawing up an explanatory statement as the individual sub-reports would be attached to the report.


On 16 May 1983 the Committee on Agriculture and the Committee on External Economic Relations were authorized to deliver an opinion. The Committee on the Environment, Public Health and Consumer Protection had already indicated its desire to deliver an opinion.
The Committee on Development and Cooperation considered the motion for a resolution at its meetings of 21 June 1983 in Brussels and of 5 July 1983 in Strasbourg. It unanimously adopted the motion for a resolution at the latter meeting.

The following took part in the vote under the chairmanship of Mr Poniatowski:

Mr Irmer (rapporteur); Mr Cohen, Mr Deschamps, Mr Lezzi, Mr Narducci, Mrs Rabbethge, Mr Sherlock and Mr Vankerhoven.

The Committee on External Economic Relations informed the committee by letter that it did not intend to deliver an opinion on this report.

The opinions of the Committee on the Environment, Public Health and Consumer Protection and the Committee on Agriculture are attached.

The report was tabled on 15 July 1983.
## CONTENTS

<table>
<thead>
<tr>
<th>PART I:</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOTION FOR A RESOLUTION</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART II:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-reports by the individual rapporteurs and opinions of the committees asked for an opinion</td>
<td>23</td>
</tr>
</tbody>
</table>
The Committee on Development and Cooperation hereby submits to the European Parliament the following motion for a resolution:

MOTION FOR A RESOLUTION

on the context of the future ACP-EEC Convention to follow Lomé II

The European Parliament,

A. having regard to the report of the Committee on Development and Cooperation and the opinions of the Committee on the Environment, Public Health and Consumer Protection and the Committee on Agriculture (Doc. 1-605/83),

B. having regard to the Commission Memorandum on the European Community's Development Policy,

C. having regard to the guidelines formulated by the Commission for the forthcoming ACP-EEC negotiations,


E. having regard to the report by Mr Wawrzik on the recommendation from the Commission for a regulation on the conclusion of the second ACP-EEC Convention of Lomé (Doc. 1-559/80, OJ No. C 327, 15 December 1980),

F. having regard to the report by Mr Michel on the assessment of Community development policies and the role of the European Parliament (Doc. 1-942/80, OJ No. C 260, 12 October 1981),

G. having regard to the report by Mrs Rabbethge on a Council decision adopting a programme of research and development in the field of science and technology for development 1982-1985 (Doc. 1-202/82, OJ No. C 182, 19 July 1982),
H. having regard to the report by Mr C. Jackson on the European Community's policy towards developing countries (Commission Memorandum) (Doc. 1-475/83),

I. having regard to the report by Mr Narducci on cultural cooperation between the ACP States and the EEC (Doc. 1-453/83),

J. having regard to the following documents and resolutions adopted by the ACP-EEC Consultative Assembly or Joint Committee:

- Focke report: from Lomé I to Lomé II, adopted on 26 September 1980 by the Consultative Assembly,

- Ferrero report on the fight against hunger (Doc. ACP-EEC/35/82, OJ No. 39, 10 February 1983),

- Siddig report on ACP-EEC cooperation in the field of energy (Doc. ACP-EEC/34/81, OJ No. C 39, 10 February 1983),


- introductory statement by Ambassador Cavalevu on Lomé II and beyond (CA/CP/342),

- resolution on the forthcoming ACP-EEC negotiations (CA/CP/368 fin.),

K. having regard to the annual reports of the European Court of Auditors,

L. having regard to the opening of negotiations for a new ACP-EEC Convention,
1. Takes as its basis that the fundamental objective of all development policy cooperation must be to combat hunger, poverty, disease and social injustice so that each person can satisfy his basic requirements and lead a decent existence;

2. Takes the view that this objective can only be attained if the ACP countries achieve the maximum degree of self-reliance, i.e. are independent as far as possible of help from outside; the general aim should be to mobilize domestic human and material resources while building on local traditions;

3. Regrets that ACP-EEC cooperation hitherto has not made a large enough contribution to this self-reliance, for a variety of reasons: apart from external factors such as the difficult world economic situation, there are also reasons which had their root cause in the nature and form of cooperation; the main adverse factor has been the lack of a broad political consensus on the aims of such cooperation;

4. Concludes therefore that the new Convention must not simply be a continuation of earlier conventions but must take account of the following criteria:

   - a sober assessment of positive achievements and also setbacks in cooperation to date,

   - the principle of self-reliance must be the basis of development cooperation,

   - sectoral approaches and thinking in terms only of projects and programmes must give way to a policy of gearing all strategies, programmes and projects to the primary principle of self-reliant development,

   - every measure taken as part of future cooperation must be consonant with the socio-cultural environment in which it has to take effect and on which it is to have an effect,

   - the objectives and implications of the cooperation with individual ACP States and/or regions must be clearly defined in a comprehensive policy dialogue
- all plans and activities in the new Convention must be closely coordinated;

5. Welcomes in this context the Commission Memorandum on the Community's development policy which for the first time contains ideas, methods and means for the definition of a new policy; considers it necessary to take these new ideas into account in the negotiation of the new Convention;

6. Takes the view that respect for and recognition of human rights is closely linked to improving economic and social conditions;

7. Takes the view that a frank exchange on mutual respect for human rights can enrich relations between the parties to the new Convention;

8. Is convinced that the question of human rights must be placed on the agenda of the forthcoming negotiations;

9. Takes the view that the new Convention should give priority consideration to ecological matters;

10. Hopes that consideration will also be given in the negotiations on the follow-up Convention to Lomé II to the role which ACP-EEC cooperation could play in reviving the North-South dialogue;

(a) Embodiment of the self-reliance principle in the new ACP-EEC Convention

11. Calls on the negotiating partners to incorporate self-reliant development by the ACP States in the new Convention as its most important and fundamental purpose and to agree on this principle at the outset of negotiations on the Convention;

12. Considers it important that this principle should not only be written into the individual provisions of the Convention but should also be permanently practised in the implementation of the various policies;

(b) Rural development to ensure basic food supplies

13. Considers the securing of basic food supplies for the ACP people to be a fundamental prerequisite for the success of all the other fields of ACP-EEC cooperation;
14. Maintains that in the long run this cannot be achieved through food aid and requires self-sufficiency at national or regional level wherever the natural conditions for this exist;

15. Stresses that food strategies must be developed both at national and regional level and that corresponding provisions must be included in the new Convention;

16. Believes that permanent food supplies can only be ensured if an integrated development of the rural areas has created living conditions in which people are willing and able to make the necessary effort;

17. Points out that such a development of rural areas can only succeed if the ACP States create the necessary political and economic conditions (land reform, proper structuring of producer prices, provision of the necessary goods and services) and insists that corresponding provisions should be incorporated into the new Convention;

(c) **Industrial sector**

18. Emphasizes that there must first be a consensus on the basic orientation of aims and methods of cooperation in the industrial sector in the new Convention. This should include, without the following order being taken as indicating priority:

- orientation to the basic needs of the population,
- a reference to the development of rural areas,
- the local processing and refinement of an ever-increasing proportion of domestic raw materials,
- the encouragement of small and medium-sized businesses and handicrafts,
- development of an industrial structure with a network of basic industries,
- special attention to training,
- careful consideration of environmental impact,
- coordination with the needs to develop the energy and technology sectors.
19. Considers it urgently necessary that there should be concrete agreements laying down precisely in the new Convention:

- the role and powers of all those concerned in planning and strategy,
- technical and practical assistance in the formulation of plans and programmes,
- coordination between the Commission, the European Investment Bank and the Centre for Industrial Development in order to avoid duplication of work;

20. Emphasizes that the role of the next European Development Fund as regards industrial, financial and technical cooperation should be considerably broadened in line with the shift of emphasis from individual factories to their surroundings and from individual industrial projects to the overall industrial structure;

(d) The energy sector

21. Hopes that the new Convention will contain a separate chapter for the energy sector;

22. In this connection, points to the demands made by the Consultative Assembly which are set out in detail in the Siddig report, and in particular

- the development of local renewable energy sources,
- the reduction of oil imports and the diversification of existing energy projects,
- measures to support energy-saving,
- close association of energy programmes with rural development projects and measures to build up an efficient industrial structure;

(e) Training, research and development

23. Considers respect for the social and cultural identity of and participation of the people concerned to be prerequisites for future cooperation;
24. Urges that a separate chapter be devoted to the cultural dimension of the Convention;

25. Emphasizes that any progress in development will depend on the optimum use of human resources and skills and for this and other reasons calls for the development of the individual to be a central theme of the new Convention;

26. Hopes that education and training will receive special attention in the new Convention, with reference also to further training for teaching staff in research and counselling services;

27. Believes in the interests of maximum social justice and optimum efficiency that it is necessary to include the geographically and socially least-favoured sections of the population, with particular attention being given to the role of women and girls in the development context;

28. Considers it necessary to lay down precisely in all programmes and projects the training requirement including the requirement for the stage after the project has been taken over and to ensure that the necessary measures are taken as regards financing;

29. Acknowledges the close connection between cultural identity and the development of independent or compatible technologies and stresses that in the new Convention the encouragement of scientific and technical research and development in the ACP countries should be dealt with on the basis of priorities;

30. Considers cooperation important between the Community and the ACP and among the ACP countries in the fields of science and technology and favours in many cases the creation of regional, and possibly national centres; calls on the Community to provide the ACP countries with the necessary financial and specialist support so that basic research facilities can be created there too;

31. Points out that the transfer of technology continues to play an important role alongside the development of independent technologies and that, in addition to sending out experts, the training of specialists in the ACP countries themselves is particularly important;
32. Emphasizes that the technical processes for use in the ACP countries should as far as possible be adapted to the surroundings, production conditions, technical expertise and creativity of the broad mass of the people in these countries (appropriate technologies); the basis should be formed by the following selection criteria:

- technologies must evince a high value in terms of development policy,
- the two-way economic interconnection between industry and agriculture and also between town and country areas must be given more extensive consideration,
- the aims must be labour-intensive and of benefit to the specific conditions of employment policy in the ACP countries,
- an important component is the development of basic technologies which do not use much energy and are of a level of sophistication which corresponds to the absorption capacity of the recipient countries and which thus represent an important contribution to the strategy of aid to self-help particularly in the development of the rural and industrial sectors;

(f) Protection of the natural environment

33. Is extremely concerned at the extent to which the environment and thus the natural bases of life in the various ACP States are already seriously threatened or have even been destroyed and urges that in the new Convention compliance with ecological criteria should form an essential component of development policy strategy;

34. Calls on the negotiating partners to uphold the objectives of the world conservation strategy, namely:

- the maintenance of essential ecological processes and life-support systems,
- the preservation of genetic diversity,
- a sustainable utilization of species and ecosystems;
35. Calls in particular for the following essential aspects to be embodied in the new Convention:

- supporting the capacity of the developing countries to make reasonable use of and develop their natural environment and natural resources as part of an autonomous environmental policy;
- systematic inclusion of ecological aspects in financing, to ensure that damage to the environment is as far as possible avoided in projects financed by the Community;
- support for projects and programmes which focus in particular on improving the quality of the environment, nature and natural resources and overcoming urgent environmental problems;
- introduction of measures aimed at promoting an awareness, particularly in agriculture, of the needs of the environment and providing incentives as far as possible to adopt working procedures which take account of the environment;

(g) Trade and markets

36. Attributes great importance to trade also in the new Convention; believes, however, that the goal of more self-reliant development will necessarily affect trade flows (regional markets, South-South trade) and the range of products traded (as a result of basic industrialization);

37. Considers it essential in particular that the ACP States should receive fair prices for their exported raw materials and therefore calls on the Community to seek at all levels to encourage the conclusion of further raw materials agreements;

38. Believes that the economic position of the ACP countries will only improve if there is an increase in the proportion of total exports accounted for by finished products, or at least by products at the highest possible stage of processing;

39. Considers it absolutely essential that in the new ACP-EEC Convention free access for processed ACP products, including sensitive products, should be stepped up;
40. Urges that the Community should fully liberalize its market for processed and unprocessed agricultural products from the ACP countries, even when these compete with Community agricultural products;

41. Considers it important that the Community should pursue an agricultural trade policy that does not conflict with the principles of its development policy; takes the view that EEC policy on agricultural exports must take the justified interests of the ACP States on third markets into consideration;

42. Is concerned at the low take-up rate of tariff preferences in the agricultural field hitherto; therefore urges the Community under the new Convention

- to assist the ACP countries with financial aid and technical consultation, and to overcome weaknesses in the marketing system,
- to administer rules of origin with flexibility so as to enable ACP countries to carry out processing and reprocessing of products the raw materials for which originate in third countries;

43. Points out that it is incumbent on the Community to apply the sugar protocol and price-fixing for ACP sugar pursuant to the provisions of the protocol;

44. Considers it absolutely essential for intensive diversification measures to be taken under the new Convention to assist single-crop cane-sugar producing countries, so as to make them less dependent on the imponderables of the sugar market in the long term;

45. Is in favour of maintaining the protocol on bananas and rum, but calls, in view of certain negative experiences under Lomé I and Lomé II, for a critical review of the protocols to increase their effectiveness;

46. Urges that all instruments vital to trade policy, above all rules of origin, marketing aids, investment aid, and industrial cooperation, should be optimally combined and provide incentives for self-help;
47. Considers it absolutely essential as part of food strategies, that there be a considerable increase in the volume of trade in food between ACP countries or regional groupings;

48. Calls for a fundamental reorientation of trade-promotion policy in favour of the ACP States, in particular

- transfers of commercial technology,
- trade-policy training programmes in the ACP States, with the emphasis on small undertakings,
- making available precise data on the structures of Community market and other markets,
- establishment of regional trade-promotion centres,
- stronger and more directed response to needs of market operators, and market-oriented measures;

49. Considers it important for the trade policy mechanisms to be differentiated in accordance with the specific features of individual countries, regions or subregions, and for countries affected by hunger to receive special attention;

50. Calls on the Council, the Commission and the Member States to help to ensure that international trade is kept free from all protectionist measures, since a restrictive trade policy would particularly impede the economic efforts of the developing countries;

51. Stresses firmly that ACP trade cannot be seen solely from the ACP-EEC point of view; considers the establishment of regional markets as an important mechanism in the expansion of trade infrastructures, improvements in internal supplies and diversification of exports; calls in this connection for appropriate measures to promote trade between the ACP countries, regions and subregions, in particular

- construction of joint production centres and marketing infra-structures,
- establishment of export and import companies,
- consultation on monetary questions;
52. Calls simultaneously for efforts to be stepped up to strengthen the ACP countries' economic and trade relations with the other developing countries (South-South cooperation) as a means of strengthening self-supply capacity and reducing dependency on industrialized-country imports; considers it essential, in this connection, for the threshold countries to grant preferences to the poorest developing countries;

53. Urges that the new Convention should contain provisions to strengthen trading links between the Lomé partners and the parties to other cooperation agreements concluded by the Community;

(h) STABEX rules

54. Stresses that the Stabex system must be fundamentally reformed, and that it makes sense to maintain it in development policy terms, only if

- all processing stages for agricultural and other raw materials are covered by the system,
- a basis of calculation is established which allows for trade between the ACP countries and exports to markets other than the Community for specific regions and products,
- diversification of existing single crop economies is not impeded,
- growing of food crops for internal consumption is not restricted,
- where Stabex appropriations are used, agreement is obtained and monitoring arrangements implemented to determine whether the appropriation should be invested in rationalization of the economic activity concerned, or for purposes of diversification, in particular to secure self-supply in foodstuffs;

(i) Mineral raw materials

55. Believes better exploitation of natural resources in the ACP States to be possible and hopes that the new Convention can play a part in this, particularly in the fields of charting, prospecting, and market information; the development of mining should not, however, lead to the formation of an economic enclave but should fit in harmoniously with the process of development in the other sectors;
56. Calls for a careful analysis of experience to date with Sysmin with a view to drawing conclusions for the new Convention;

(j) Consistency as between Community policies and development policy, and as between bilateral policies and Community development policy

57. Stresses that Community policies in other areas should not run counter to the objectives of development policy set out in the Convention; this is of course particularly true of Community activities in the development sector not covered by the Convention (e.g. food aid, cooperation with third countries);

58. Insists that bilateral development activities of Member States must be closely coordinated with Community development policy to avoid duplication of effort and wasting money;

59. Considers it essential in particular that all Member States accept the new guidelines for Community development policy and apply the same principles in their bilateral measures;

60. Calls on the Community and the Member States to do everything in their power to secure corresponding agreements on coordination with other donors;

61. Points out that the European Community is particularly well equipped to coordinate development aid at the level of the recipient countries and stresses that this will require the transfer of greater powers to overseas staff in general and to the leaders of delegations in particular;

62. Supports wholeheartedly the projects to implement food strategies that have recently been introduced in several African states and stresses that they represent the first test of the resolve of the Community and its Member States to coordinate their measures to achieve a specific objective;

63. Welcomes the fact that development aid is being seen increasingly as an instrument of support for certain policy goals of the partner state; stresses, however, that this also requires closer coordination between all donor countries;
(k) Aspects of financial and technical operation

64. Takes the view that in future programming and financing arrangements should be preceded by a political dialogue with each country with a view to carrying out an in-depth analysis of the situation of the country, its priorities, possibilities and difficulties;

65. Takes the view that financing agreements should no longer be established for isolated projects, but for projects within the framework of strategies and for project packages within the framework of programmes;

66. Considers it essential, in the choice and planning of projects and facilities, to pay greater attention to local factors, in particular the availability of an adequate skilled local workforce, and to ensure that any subsequent operational and maintenance costs can be covered so as to guarantee the long-term value of the investment;

67. Calls for problems of cost increases and of any threat to project objectives arising from overruns on the planned timetable to be alleviated by arranging binding prior agreements and commitments to ensure that all parties make every effort to comply with deadlines;

68. Hopes that in future small-scale projects in the agricultural and industrial, as well as in the trade sectors, will be promoted as a matter of priority, and that financing of non-governmental organizations will also be stepped up, since the latter provide extremely valuable services from a development policy point of view;

69. Considers it appropriate to open tenders to other developing countries, in particular if they have concluded special agreements with the European Community;

70. Believes it would be useful if the new Convention contained provision for aid to guarantee the financing of, for example, spare parts, running costs, etc., since in the past the long-term benefits of successful projects were often reduced or totally negated because of a lack of resources for maintenance;
(1) Financing, budgetary matters, control

71. Takes the view that the appropriations for the new Convention should be considerably increased if the objectives incorporated in the agreement are to be realized;

72. Stresses in this connection that inadequate financing could adversely affect not only individual projects or programmes, but the qualitative objectives of the Convention as a whole;

73. Takes the view that greater use should be made in future of private capital to finance development policy projects and that the Community and Member States should provide incentives for this; in particular provision should be made in the new Convention for promoting and protecting private investment in ACP States;

74. Takes the view that everything possible should be done in the future to tap new sources of capital by means of interest rate subsidies;

75. Takes the view, moreover, that better use could be made in future of the opportunities of cofinancing with other donors, although this presupposes more rational coordination of financing terms among those concerned, so as not to make implementation of the project/programmes slower or more difficult;

76. Urges that one of its earlier and constantly reiterated demands should now finally be accepted, namely the complete budgetization of the European Development Fund, as this is the only means of ensuring that

- the Community can pursue the development policy which it deems appropriate free from the vested interests of the Member States,
- the European Parliament can fully meet its obligation to monitor such activities,
- the necessary flexibility in the application of the Convention and the use of appropriations is provided;

77. Hopes for continuous on-going monitoring and evaluation of all measures under the new ACP-EEC Convention by the Commission, the European Court of Auditors and the European Parliament as this is the only means of achieving an optimum use of financial resources;
Regional cooperation

78. Calls on the negotiating partners to give first priority in the new Convention to regional cooperation which is essential to the achievement of self-reliant development;

79. Believes therefore that regional measures are most important in all aspects of cooperation, particularly in relation to food strategies, industrial structure, trade and markets, research, trading and technology;

80. Attaches fundamental importance to the contribution of the new Convention to improving the structure of transport and communication between ACP countries, because any regional cooperation is doomed to failure from the outset without transport and communications;

81. Proposes that a flexible approach should be taken towards the definition of regions in relation to a given task rather than based on a once-and-for-all delimitation of regions;

82. Hopes that the regional aspect will also be expressly taken into account in the new Convention as regards financing;

83. Proposes therefore that in the framework of the new Convention considerably more resources should be earmarked for regional measures and that special incentives should be provided for regional cooperation as part of financial and technical cooperation;

Institutional aspects

84. Notes that the Consultative Assembly and the Joint Committee, through their often progressive contributions to the development policy debate and their ongoing monitoring role, have proved to be the real dynamic force of the Lomé II Convention and believes for this and other reasons that the permanency which a strong parliamentary body provides is essential to the new Convention;
85. Takes the view that the existing parliamentary institutional machinery should be reviewed in the context of negotiations for the new agreement, so as to secure smooth and efficient operation of the Convention;

86. Considers it appropriate that the new Convention should provide for a single parliamentary body, that

- has powers corresponding to those of the present Consultative Assembly,
- has a membership corresponding to that of the existing Joint Committee,
- a timetable of meetings corresponding to that of the present Joint Committee,
- in general, adopts decisions prepared by ad hoc working parties;

87. Points to the importance of the working parties set up by the Joint Committee in recent years, and stresses that they contributed significantly to activities; calls however for precise rules to be established governing the operation of the working parties;

88. Also considers it significant that the annual meetings between the economic and social partners should be given a formal structure and made compulsory; in particular a decision should be taken as to the form in which the results of these meetings are to be set out, and as to how they should be communicated to the other organs of the Convention;

89. Stresses the need to create an autonomous budget for the financing of parliamentary activities under the new Convention, and at the same time to consider which appropriations to be used to finance this;

90. Considers it absolutely essential for cooperation between the ACP-EEC Council of Ministers and the Consultative Assembly to be significantly improved under the new Convention; takes in particular the view that the Council of Ministers should explain its reasons to the Consultative Assembly if it fails to follow the latter's resolutions;

91. Further takes the view that the ACP-EEC Council of Ministers should not, under the new Convention, confine its activities to administrative measures, but should give priority to generating an impetus for the achievement of the various objectives.
92. Considers it appropriate that a discussion of the form and period of validity of the Convention should only take place at the end of negotiations and that this decision should depend upon the content of the Convention;

93. Believes also that the question of financing should not play a central role at the beginning of the negotiations but should only be considered once agreement has been reached on the content and objectives of the new Convention;

94. Wishes to be kept regularly and fully informed of the course of the negotiations within the framework of the Luns-Westerterp procedure;

95. Reiterates its call for the budgetization of the appropriations for the new ACP-EEC Convention; demands, moreover, that the new Convention be ratified by the European Parliament;

96. Instructs its President to forward this resolution to the Council and Commission of the European Communities, the ACP-EEC Council of Ministers and the ACP-EEC Committee of Ambassadors.