LOME II AND ACP – EEC RELATIONS : A PRELIMINARY ASSESSMENT

By

Cecil RAJANA *

The purpose of this paper is to offer an overview of Lome II. In particular, the paper focuses on aspects of the various Titles; it attempts to evalute the aid package; and proffers an approach to aid determination – particularly that of the European Development Fund (EDF).

Talks on the successor agreement to the Convention of Lome, which began in July 1978, were concluded in October 1979 *(1)*. Lome II, as it is called, does not represent a radical departure from Lome I – just as Yaounde II was not significantly different from Yaounde I. There are common reasons why Yaounde I and Lome I were in their own ways both path-breaking agreements, while Lome II, like Yaounde II before it, will largely consolidate the limited achievements of its predecessor. One of these pertains to the use of power.

In the negotiations for Lome II, ACP structural power was undermined by a fundamental rift between the Francophone and the Anglophone states. This division initially surfaced in late 1978 in the Financial Cooperation Working Group over the question of aid. It later spread to other issue areas and finally was dramatically brought into the public focus by the acrimony over the place where the Treaty should be signed – Lome or Khartoum *(2)*. *Africa Confidential,* which followed the negotiations closely, blames in part the Community's machiavellian tactics for the discord. The EEC, and particularly France, created dissension among the ACP negotiators *(3)* while maintaining their own cohesion and united approach to the negotiations. In addition, the ACP states did not exploit their bargaining powers to the full. The EEC seized the initiative from the inception of the talks and on several issues – e.g., shipping and mining – the ACP representations proved rather ill-prepared. The ineffective use of their structural and bargaining powers by the ACP states in 1979 contrasted markedly with 1974 – as outlined by Isebill Gruhn – and in part accounts for the different outcomes of Lome I and Lome II for the Associates.

Power apart, the different outcomes of Lome I and II, like those of Yaounde I and II, must be explained in terms of the concrete international context in which the negotiations were conducted. The world situation in 1963 and 1974 favoured the Associates, whereas in 1969 and 1979 it did. The 1963 negotiations of Yaounde I were conducted against the backdrop of rapid decolonization and mounting Sino-Soviet-American rivalry in the Third World: This placed the AAMS in a strong position to demand concession from Europe. And the Community's concern for its vital interests in Africa compelled the EEC to respond in a meaningful way. In contrast, during

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the negotiations on Yaounde II in 1969, the rivalry had abated and the community became preoccupied with post-De-Gaulle internal adjustments – which did not help the AAMS to improve significantly the terms of association.

However, the crisis precipitated by OPEC in late 1973 dramatized the growing Western dependence on Third World base materials. This set in motion a scramble between Japan, the USA and Europe for secure supplies, and also, in the EEC's case, for secure outlets for its manufacturers. This backdrop to the negotiation of Lome I in 1974, as in 1963, again inclined the Community to make concessions, which it was in an economic position to do. In contrast, the 1979 negotiations on Lome II coincided with a decline in the rivalry over raw materials. This, combined with mounting economic difficulties in Europe, which began in 1975, placed the EEC in a bind regarding across-the-board concessions in 1979. As a result, the outcome of Lome II, from the ACP standpoint, is less far-reaching than that of its predecessor.

Lome II rests squarely on the principles which underlay its predecessor. Essentially, the new Convention is the reassertion of a policy choice on inter-regional cooperation by the ACP and the EEC (and between Europe and the Third World), against the backdrop of changing North-South relations. At the same time, both groups of countries at the Freeport Ministerial Meeting, in May 1979, reaffirmed their commitment to act more resolutely for global restructuring in order to establish a new international economic order (NIEO) *(4)*.

The Achievements of Lome II

Lome II is a comprehensive Treaty containing 11 Titles compared to 7 in Lome I. Consequently, in certain respects it both reinforces the achievements of its predecessor and contains some departures. The outstanding new features, arguably, pertain to mining, fishing, shipping, investment and agricultural cooperation.

Agriculture and Investment. The inclusion of a separate Title (VI) on Agriculture underscores the belief held by both the ACP and the EEC that its development must remain central to the basic needs strategy being increasingly adopted by the Associated states. This emphasis is already reflected in the implementation of the Convention of Lome, with 40 % of the EDF's appropriation earmarked for rural development *(5)*. And it is now to be further reinforced by the establishment of a Technical Centre for Agricultural and Rural Cooperation (TCARC). Its functions will besimilar to those of the Centre for Industrial Development (CID) under Lome I, but in addition, it will be charged with the dissemination of relevant knowledge and technology *(6)*.

It is to be hoped that the TCARC does not remain inactive, as the CID has done since its creation in 1975 (though measures are contemplated in Lome II to activate it). Attempts by the ACP negotiators to have the Community establish a special agricultural development fund, like their efforts to obtain an industrial development fund, were turned down, although 30 MUA have been set aside for both the CID and the TCARC. The objectives visualised in both Titles will have to be promoted mainly by funds from the EDF V and the EIB IV. Yet, one reason advanced for the limited achievements to date under industrial cooperation is the absence of a special fund to support the measures envisaged. However, Agricultural Cooperation is unlikely to suffer the same extent, for about 42.0% of EDF V is directly and indirectly committed to a variety of agricultural ventures.

Title IV on Investment simply stresses the ACP–EEC joint recognition of both the import of direct foreign investment (DFI) flows to the Associated states, and of the need to channel such flows into the ACP designated key sectors aimed at expediting their industrial development. The Community attempts to get the ACP states to extend automatic guarantees to all European DFI was, however, rejected. But the EEC did manage to engineer the inclusion of a non-discriminatory clause in Title IV despite considerable ACP opposition. Annex IX to Article 64 obligates the ACP states to generalise their preferential investment regime *(7)*. For example, if the Ivory Coast happens to maintain a financial or other regime favourable to French investment – it must extent the same treatment to the DFI of the other member states. This measure, long sought by Germany with a view to eliminating the special advantages Britain and France enjoyed in the ACP states by virtue of their traditional ties, should prove beneficial to most EEC members. The ACP opposition stemmed from specific concerns. First, they did not wish the clause to apply to old investment – but only to new ones. Secondly, they did not want to be automatically obliged to extend the same advantages to all EEC firms – fearing that this could undermine their bargaining position. Their apprehension apart, the Associates do expect the non discriminatory clause to increase European DFI flows to the ACP states which many of them are in need of.

MINEX. Whereas under Lome I STABEX offered the agricultural primary-producing countries some insurance against lean years, the mineral-based ACP states *(8)* remained at the mercy of all mishaps, in the form of sudden slumps in production and/or export prices. Lome II seeks to rectify this with a system, already termed by some as MINEX. The aim of the MINEX system is similar to that of STABEX, though the methods of achieving if differ because of the peculiarities of mineral production and markets. MINEX hinges on an «accident insurance» fund of 280 million units of account (MUA) and covers nine minerals but operates with a much higher dependency threshold than STABEX.

The MINEX arrangement may only come into play in respect of an ACP country if :

(a) one of the minerals accounted for, as a general rule, not less than 15.0%, on average, over the past four years, of total exports to all destinations: 10.0% in the case of the LDLLIS,

(b) production capacity or capacity for export to the EEC is liable to be reduced substantially, by 10.0% and over, in consequence of an internal disaster (natural or political), or of a drop in export earnings such as to endanger the profitability and preservation of an otherwise viable production potential, or of a fortuitous occurrence of any kind *(9)*.

In such cases, the ACP country affected can have the EEC contribute to the financing of projects or programmes for preserving or restoring its production or export capacity by way of special loans at a 1.0% rate of interest, redeemable over 40 years with 10–year deferment. Advances may be accorded as bridging loans. Unlike STABEX, MINEX accident insurance aid is not a direct budget transfer aimed at stabilizing projects and programmes which are aimed at countering the harmful effects of the disruption by restoring the capacity of the affected mining sectors.

This arrangement for safeguarding the mining economy of the ACP states is coupled with a set of important provisions on technical and financial assistance for mining and energy projects, including: prospecting and operating programmes; help in the form of risk capital for investment preliminary to the launching of mining and energy projects; assistance from the European Investment Bank (EIB) for mining and energy ventures of mutual interest; and the possibility of benefit to private investment, of concluding specific investment protection agreements in the field of mining and energy with such ACP states as may desire them.

The arrangement as it stands, it is reasoned, will give the producer countries exporting to the EEC the minimum protection needed to preserve their production potential. But this applies only to that part of it connected with the market of the Nine. While the arrangement will certainly benefit those ACP states that export the bulk of their output of certain minerals, such as phosphates and tin, to the Community, it is unlikely to be of much advantage to others whose output goes mainly to the Far East, North America and Eastern Europe *(10)*. Effective immunity for their mining sector, and for that of most LDCs, from the erratic behaviour of world market forces will have to await a global solution in the North–South context. Meanwhile, the new arrangement makes the EEC a more attractive marketing outlet for mineral producers and could very well cause some trade diversion. In turn, this could later create friction between the EEC, on the one hand, and the USA and Japan, on the other.

MINEX has some other limitations. For one, it covers only nine minerals – copper, cobalt, phosphates, manganese, bauxite and aluminium, tin, iron ores and iron pyrites – all of which are of the utmost importance to Europe's industrial machinery. The ACP's demand that the arrangement should, in addition, cover eight other minerals was turned down at Brussels on the ground that they were of no substantial import to the Community. This, of course, is true, but they are of considerable importance to many ACPs. Provisions do exist for an extension of the list, but such decisions are in effect left entirely to the EEC. Similarly, the ACP's demand for the Community to set aside 500 MUA to finance the minerals arrangement was rejected, and instead 280 MUA was earmarked for this purpose. The feeling amongst most ACP spokesmen in Brussels is that this fund can hardly have a significant impact on the damage caused by the fluctuation of income from mineral exports to the EEC. For example, in 1975, earnings stood at 6 billion US dollars, but fell to 5, in 1976, then rose to 7 in 1977, and slumped to 6 in 1978. How effective can a compensatory scheme of 280 MUA spread over five years be in cushioning, for example, the impact on production of a 1 billion US dollar drop in revenues in a single year? Clearly not very. This idea may be excellent but the resources are quite inadequate.

The primary emphasis in the new arrangement is on expanding the mining and energy sector in the ACP states in keeping with the growing raw material needs of the Community. Recently, European private investment in the extractive industries has declined sharply in the ACP states, and more generally in the LDCs. The persistence of this trend has been a cause of much alarm among high Community functionaries. In a speech delivered by the President of the EEC Commission at St. Anthony's College, Oxford, in May 1978, singular attention was paid to this issue:

> *«At present, the level of world economic activity – and, still more, the future level of world prosperity – is seriously threatened by underinvestment in mining in developing countries. The figures for Community mining companies are particularly alarming. In 1961 exploration in Third World countries accounted for 57 per cent of the total exploration expenditures of European mining countries. Today, the figure is 13.5 per cent. Yet, from the geological point of view, the bulk of exploration should be taking place in the developing world (11)».*

In his address, Roy Jenkins, proposed that the above issue should be the number one item on the agenda for discussion.

At the concrete level, the EEC has, since September 1978, sought to resuscitate the Conference on International Economic Cooperation (CIEC) to deal with this issue. More important, the Commission, in the course of the renegotiation of Lome I, has incorporated the requisite clauses in the new Treaty to reverse the decline in European investment in mining and energy ventures. Incidentally, the principal cause of this decline has been identified by Community spokesmen as widespread uncertainty in the ACP states, caused in part by political instability there, and the fear of expropriation without compensation *(12)*. Yet, this can at best only be part of the explanation for the decline, for, as the *New African* recently pointed out, US and Japanese investments in African mines have risen dramatically over the same period *(13)*. The cause of the decline must surely be multifaceted. One contributing factor could perhaps be the worldwide shift in direct foreign investment (DFI) from the mining to the manufacturing sector *(14)*. Another could be, as Christian Palloix has pointed out, the internationalization of European capital *(15)*. Since the mid-sixties French and British capital flow to their ex-colonies has shrunk, whereas their DFI, including that of the FRG to the newly industrializing and the advanced industrial states, has risen markedly.

Europe's prescription for dealing with the perceived cause of its DFI decline in ACP mining includes several measures – apart from the 280 MUA accident insurance fund which has already been mentioned. These include: financial assistance for the establishment of national and regional mineral exploration funds in ACP states and guarantees by ACP states against harmful measures to European mining interests. In addition, the EIB has been authorized by Article 59:

> *. . . to commit its own resources on a case by case basis beyond the amount fixed in Article 95 to the mining investment projects and*

energy investment projects recognized by the ACP states concerned and by the Community as being of mutual interest (16).

The principal beneficiaries of this open-ended access to EIB funds for mining undertakings will, invariably, be European MNCs. There can be no doubt that the measures envisaged will effectively maintain the existing level of ACP mineral output. But they are unlikely to reverse the decline in European DFI in the ACP mining sector. Moreover, one important question arises in connection with the EEC's prescription. Given the fact that EEC members do have adequate systems of investment guarantees to cover the risk-taking international operations by their MNCs, it must be asked whether the EEC needs to demand ACP guarantees. A firm answer cannot be given to this question. But it is hard to avoid the suspicion that the demand was partly intended to block the ACP countries from attempting, as the Andean Pact states have done, to regulate capital and technological flows more effectively to their own advantage.

MINEX is not what the ACP states had hoped for from Lome II. They fought for an extension of the STABEX scheme to deal with their fluctuating mineral export incomes. As expected this was flatly turned down by the EEC ostensibly on grounds of cost. The ACP states have registered their disappointment in the form of a unilateral declaration (Annexe XLII) appended to the Treaty. But some Associated states remain hopeful that they may yet succeed in persuading the Community to resume discussions on expanding the STABEX scheme.

Peter Tullock may have been correct in saying that Lome I was not designed to ensure the EEC's access to essential raw materials *(17)*. But, I would submit that it did coincidentally link the Community with important exporters of minerals. In contrast, Lome II officially formalizes this connection. And while the ACP states stand to derive considerable benefits, in the short term, from this EEC drive, the new arrangement will doubtless leave the Community open and vulnerable to two charges by radical critics. The first is that the Community has finally succeeded in subordinating the Lome arrangement to its general scheme for alleviating its own pressing and chronic energy and mineral deficiencies. This point has been made by a number of ACP states. They feel that the Community has succumbed to the pressure of its mining conglomerates who, since 1975, have presented a number of memoranda to the Commission detailing their own investment problems in the ACP states *(18)*. The second is that this new arrangement appears to reinforce the existing structure of production in the ACP states, in much the same way as the Convention of Lome has been doing since 1975. This will in turn deepen their external dependence – a trend which is regarded by many as the key cause of backwardness in the Third World. Moreover, the fact that the most ardent champion of MINEX (and of STABEX) has been the FRG is a matter of the utmost concern. Sidath Siri, the noted Indian scholar on Europe – Third World Affairs, has observed that Bonn, the most implacable OECD opponent of the Corea integrated commodity arrangement, *(19)* sees in STABEX a Community alternative to the proposed Common Fund *(20)*. In short, there is a potential danger of some EEC members using STABEX and MINEX to frustrate UNCTAD efforts to find a global solution to the commodity problem. Further, Carl Lankowski of Columbia University instances attempts by individual EEC members to employ the Lome arrangement as a whole to foil the more far-reaching proposals by the Group of 77 which are aimed at the establishment of a NIEO *(21)*.

Shipping and Fishing. A joint Ministerial Declaration at the Freeport Meeting in May 1979 detailed the EEC and ACP common interests in shipping. It is also stated the Community's readiness to develop this sector in the ACP states when requested *(22)*. In practice, the EEC is willing, within the framework of the new Convention, to establish shipping companies, form joint enterprises, and provide technical assistance inclusive of training and management. However, the specific terms on which this cooperation is to be effected are to be decided on a case by case basis. This is unfortunate because it leaves the Community decision on individual ACP requests vulnerable to pressure from its powerful shipping lobby. It should not be forgotten that private interests in the Nine (plus Greece, schedule for EEC membership in 1981) account for between two-thirds and three-quarters of the world total shipping capacity *(23)*. Moreover, it does not make much sense for the EEC to undertake to establish Third World based shipping lines without stating in advance its position on freight rates, insurance charges and the extent to which it will act to see part of its imports and exports carried under the ACP flag, in all probability by State-owned lines. And for reason of technical unpreparedness, the ACP negotiators did not raise these vital issues upon which the success of any shipping venture must ultimately rest. It cannot be over-emphasized that ocean-going commercial lines have been a major concern of both the ACP and the LDC. They have pursued this matter both at the CIEC in 1975–1977 and at UNCTAD in 1976 and 1979, but to date nothing concrete has come of these efforts.

Parallel to the establishment and management of ocean lines, another ACP–EEC declaration to be appended to the new Convention provides for cooperation in the comprehensive development of fishing resources in the ACP states *(24)*. The basis on which this is to be undertaken has been outlined in detail but no funds have been earmarked for this purpose or, for that matter, for merchant shipping.

In fact, the Commission, which in 1977 assumed collective responsibility for the external fishing policy of its members, has already started negotiations with the Senegal, Mauritania, Cape Verde and Guyana on long-term fishing agreements *(25)*. The Community's quest for such arrangements has to be understood in light of the important changes occuring in sea fishing since Lome I. The cod incident in the North Sea in the mid-seventies above all highlighted the depletion of fish stocks in European waters and brought into being far-reaching preservation measures there. These have forced the fishing industry to find new outlets. Its drive, however, has been impeded by the fact that coastal states in Africa and the Caribbean have, since 1976, declared a 200–mile fishing zone, and have since fought successfully to have their action endorsed by the current Law of the Sea Conference. Growing de facto acceptance by the international community of the new zonal limit, since Lome I, has obliged the EEC to move to protect its fishing interests. As a result, from the inception of the renegotiation of Lome I, the EEC sought to have incorporated in Lome II provisions conferring upon its fleet unimpeded access to the rich coastal waters of the ACP states *(26)*. The Community objective need not to be the disadvantage of the ACP states. As long as they can tie the proposed fishing agreements to the integrated development of their own offshore and onshore fishing industry, they stand to benefit. In fact, provisions do exist in Lome II for such linkages. Failure on the ACP's part to capitalize on available opportunities could, however, transform any EEC–ACP fishing arrangement into another extractive enclave and reinforce the existing pattern of dependent development in the periphery.

However, there are grounds for concern resulting primarily from a unilateral declaration by the EEC appended to the Treaty. Annexe XXXVII states that the provisions of Lome II should be applied with respect only to the 12 nautical miles presently recognized by international law *(27)*. Its presence can only be understood in the context of two ACP demands tabled initially during the negotiations of Lome II. First, they have insisted on having all catches by EEC based fleets within their newlyproclaimed 200 miles jurisdiction obligatorily landed in the Associated states for the purpose of processing. Secondly, they have been pressing for the processed products to be granted originating status or duty free entry to the EEC. The Community has firmly opposed both quests and had the declaration appended to the Treaty as a kind of safeguard. In consequence of the latter, the Community has argued that the twin ACP demands are purely academic. That, they may or may not be-certainly they are far reaching. On the one hand, the implementation of such demands could cause serious short term adjustment problems for the troubled European fishing industry. On the other hand, the outright rejection of them raises two serious questions. The first pertains to the EEC's insistence on the «right» to deplete the rich fish stocks of the poor Third World states – considering that individual European states are themselves proclaiming 200 mile fishing zones – in order to maintain arbitrarily high consumption standards. The second concerns the fostering of economic restructuring between the EEC and the ACP. The fishing industry is arguably a logical candidate for industrial restructuring and an attempt should have been made. The Community's refusal to do so – as indeed its rejection of originating status to ACP processed rice *(28)*, which blocks agricultural restructuring in the Associated states calls into question the EECs commitment to global economic relocation.

STABEX. Stabex, which aroused great interest at the international level throughout Lome I, is extended and improved in the new Convention. The products covered will be increased from 33 to 44, and rubber will be included for the first time. In addition, both the dependence and the grigger thresholds that bring the system into play will be lowered from 7.5% to 6.5%. The corresponding decrease for the 47 (of the 58 ACP states) least developed, land-locked and island states (LDLLIS) will be from 2.5% to 2.0%. While these changes could prove advantageous to some ACP states – it should be stressed that the financial provision for STABEX is in real terms substantially less than in Lome I. While the fund has risen by 44.0%, from 382 MUA to 550 MUA *(29)*, it is hardly sufficient to offset the cumulative inflation over the quinquenia in question – estimated conservatively – at 48.0%; not to mention the substantial expansion in ACP membership (from 46 to 58) and in the number of products now covered by the scheme.

Industrial Cooperation. The new Convention should enable industrial cooperation to assume larger proportions. However, the dramatic improvements to this Title that were expected at the start of the negotiations by the ACP states have not materialized. The Title remains ambiguous even where it appears to make important departures from Lome I. For instance, it is stated that this Title:

> *. . . is aimed at facilitating the overall industrial development of the ACP countries, in particular their production of manufactures, by taking due account of their specific needs in the formulation of policies designed to adjust the industrial structures of the Community to changes occurring at the world level (30).*

The adjustment of industrial structure is a measure which not only the ACP, but also the LDCs as a whole, have been seeking both at the inter-regional and global levels in the context of various North-South forums. Yet, it is not made clear in the draft Industrial Cooperation Title how this is to be achieved in practice. True, both sides stress that consultation will be necessary, but no definite provisions are built into the Convention to enable the two parties to adopt measures aimed at the long overdue and necessary restructuring of the world economy. Moreover, if the reaction to date of the Nine to the manufactures of the LDCs – particularly towards textile goods, leather products and electrical items *(31)* – is any indication, then one is bound to remain sceptical about the EEC's vague commitment to economic restructuring. Lome II contains no provision for lowering EEC barriers to Third World manufacturers. To date, the Community has merely undertaken a study on EEC adjustment problems in the face of LDC's imports. So far, only the Netherlands has been pressing for specific modifications to the economic system of the Nine *(32)*. Whatever the outcome, a reduction in protectionism will no doubt have to be a precondition to any adjustment process – if not, at the least, a concomitant of one.

Trade Cooperation. As for this Title, the new Convention continues very much along the lines of the old, with some improvements, of which three shall be mentioned. First, the existing preferential arrangements are to be improved, with new concessions for some products, including the controversial items, beef and rum, not to mention the inclusion of several new products, such as tomatoes, onions and carrots. Secondly, the range of trade promotion schemes is to be increased markedly and fundings doubled to 40 MUA. Thirdly, formulae have been devised for making procedures for exemption from the rules of origin more flexible, objective and effective, particularly for the least developed ACP, without risking too great a deflection in their trade flow *(33)*. These measures will no doubt facilitate some trade expansion. However, it is doubtful whether they can restore the level of real preference that ACP exports initially enjoyed in the Community, or lower the growing competition that ACP products now face there. Hence, these measures are unlikely to result in any dramatic expansion in ACP–EEC trade, or for that matter to affect adversely Third World trade in general with the EEC.

Aspects of Financial and Technical Cooperation

Having touched upon the main features of the new Convention, it is in order to examine in some detail the Financial and Technical Cooperation Title. The entire structure of ACP–EEC relations hinges on this Title, for the volume of aid made available predetermines the scope for development in the ACP states. And rapid development is, of course, the professed goal of the Convention arrangement. There is no need to deal with the areas of agreement on this Title, for this has been done elsewhere *(34)*. However, some persistent disagreements are highlighted below. The focus is then shifted to the comparative size of EDF V and EIB IV, and to the issue of aid determination.

Disagreements. From the inception of Lome, the ACP states sought effective participation in the administration and control of the key Convention institutions, chiefly the EDF. The demand for representation was initially made in 1974, but to no avail *(35)*. This demand was again put forward in July 1978 in the Contact Group, but once more rejected. However, the EEC spokesman there did indicate the Community's readiness to grant the ACP states a consultative status, in general, regarding the management of the EDF, and effective participation in the EDF's reconsideration of previous unfavourable decisions on requests for project financing. And indeed provisions are included in Lome II to this effect. But what this means in fact is that the ACP states have not been conceded an effective say in the overall management of the EDF, and there is no way in which they can reverse the EEC's position.

There are a number of other issues over which disagreements appeared at the beginning of the renegotiations and which have not been resolved by Lome II *(36)*. One is the decentralization of power. The ACP group has been demanding that wider powers be conferred upon the National Authorizing Officer: powers which will enable them to recruit consultants, place orders for equipment and make on-the-spot decisions on the financing of projects not exceeding 3.5 MUA. This devolution of power, the ACP reasons, should impart needed flexibility into the aid arrangement and narrow the growing lag between commitment and disbursement of EDF assistance. The EEC, however, has strongly opposed decentralization, which it fears, with some justification, might result in a significant increase in the ACP influence over the entire technical assistance programme.

Another issue is the award of EDF contracts to third countries. The ACP have consistently pressed for complete freedom to award contracts to (non-ACP) LDCs. Their reasoning is that this would stimulate intra-Third World cooperation, and facilitate regional development – a professed aim of both the old and the new Conventions. The EEC for its part has blocked this from the start, but has stated its readiness to consider individual case, while reserving the right to veto any purchases of equipment by the ACP from non-associated LDCs.

Finally, the effects of Financial and Technical Cooperation on the population remain an unresolved issue. Given Europe's recent concern with welfare aspects of development in the LDC, the EEC has demanded the inclusion of a reference in the Aid Title to the effect that technical and financial cooperation must benefit the population as a whole in the recipient state

This has, of course, been rejected by the ACP as prejudicial to their sovereignty. Several ACP spokesmen have described the EEC move as a roundabout attempt to link the Community's aid to human rights *(37)*, an attempt which they had originally rejected. Here they may have a point. ACP agreement to the EEC's proposal would give Brussels *carte blanche* to interfere in their internal affairs, without conferring upon the ACP reciprocal rights in relation to the domestic affairs of the Nine. This is especially true with regard to policies affecting the ACP immigrant population there, a matter in which many of them have strong interests. In light of the stalemate on this issue, the EEC has let it be known that it is reserving the right to make a unilateral declaration on this matter and to have it set out in the Preamble to the new Convention. The ACP states on their part attempted to obstruct this, but were unsuccessful.

The overall volume of aid: aid determination. The issue of the size of the EDF V and EIB IV was resolved at the June Ministerial meeting, although not to the satisfaction of the ACP. From the inception of the negotiations in August 1978, the ACP sought consultation on the criteria to be considered for the purpose of setting the overall volume of aid. This was, however, rejected and the EEC claimed the right to determine unilaterally the size of the aid package. In practice, however, the ACP do have a marginal influence on the EEC's decision.

The ACP request to be consulted by the EEC in the determination of aid is inextricably linked to their concern with the preservation of the value of the resources allocated to financial and technical cooperation as a matter of established right. The maintenance of the volume of resource flow requires, in their judgement, periodic upwards adjustments of the overall aid package, taking into account certain objective criteria. However, they are far from specific on what these should be. The EEC's response is that objective criteria are bound to be controversial. Jean François-Poncet, the French Minister of Foreign Affairs, conveyed this in his Opening Address to the Brussels Ministerial Meeting in June 1979:

> *No one ever agrees on criteria. . . According to the criteria used, according to which indices are taken as a reference – those which are put forward internationally in one place or in another – we arrive as we might well expect, at answers which do not agree with each other (38).*

Moreover, Claude Cheysson, the Commissioner for Development Cooperation, contended in May 1979 that «. . . objective criteria are irrelevant . . . for the determination of aid is political . . . and to an extent must proceed from considerations of the recession in Europe and the region's balance of payments» *(39)*. Of course, aid determination cannot be nonpolitical. But need the political be entirely domestic and the sole determinant at that? The answer is no. Yet the EEC negotiators have allowed internal Community politics to dictate the aid package of the new Convention. They have completely ignored the Nine's global political commitments to increase their overseas development assistance (ODA) to 0.7% of GNP by the end of the decade and to work for a more just world economic order. Consequently, the volume of aid for Lome II was arbitrarily set by the Community at 5,100 MUA in December 1978, while the 10,000 MUA requested by the ACP was rejected. This led to the suspension of the Conference. But later, after considerable ACP pressure, the EEC found it necessary to increase its offer marginally to 5,607 MUA, an amount which the ACP had no choice but to accept. The increase of the aid package in absolute terms, from 3,466 MUA in Lome I, to 5,607 in Lome II, is no doubt sizeable. In percentage terms, it has risen by 47.3% in MUA, or, more drastically, by 56.2%, when measured in the devalued US dollar.

During the negotiations on aid, Community spokesmen have stressed that the size of the EEC's resource transfer should not only be measured by its direct aid flow, but must also take account of the indirect benefits derived by the ACP from certain provisions in the Convention. These include: food aid of approximately 350 MUA under Lome I, which is likely to rise to 700 MUA under Lome II; abatement of the beef and veal key levy to the tune of 100 MUA in 1975–1980, which is expected to rise to 150 MUA in 1980–1985; and, the subsidy over and above the world price implicit in the price the Community pays for sugar – which, it is estimated, will yield 700 MUA by the end of Lome I. This is projected to be in the order of 1000 MUA in Lome II. Further, the Community contends that the ACP stand to gain 500 MUA from EEC co-financed ventures during Lome I. The new Convention, it is submitted, with its special provisions on investment promotion: and investment protection will result in a substantial increase in the number of co-financed ventures. This is conservatively estimated to produce 1,000 MUA of investment, the bulk of which, it is hoped will be energy and mining *(40)*. Indirect transfers are thus estimated to be 1,650 MUA in 1975–1980, and they will rise to 2,850 in 1980–1985. Combined with direct transfers, resource flow is projected to increase from 5,116 to 8,452 MUA. The fact that the ACP have not questioned these estimates perhaps indicates agreement with the EEC's arithmetic.

Whatever the merits of the above calculation, the fact remains that neither the direct nor indirect capital flows envisaged under the new Convention will maintain the true value of the resources the EEC allocated to financial and technical cooperation under the old Convention. In real terms, there is a dramatic decline in aid allocation under Lome II. Inflation, particularly since the 1974–1975 crisis, running at a rate of at least 10.0% per annum in the EEC and 15.0% in the ACP, has cut deeply into the real value of aid. This is not being helped by the growing time lag between aid commitment and disbursement. In addition, when the price increases on capital goods (14.0% per annum) *(41)* are considered and, given that 62.0% of all aid is used for equipment acquisition, the real value of the EEC's resource flow slumps further. Given these considerations, equipment and services costing 100 MUA in 1975 will, by ACP estimates, cost 225 MUA in 1980. On this basis, to maintain the real value of aid under Lome II, the EEC would have had to offer 7,799 MUA, which is 2,192 more than the EEC is ready to give, and 3,001 below what the ACP have demanded *(42)*.

The ACP quest to have the principle of the preservation of the real value of aid reaffirmed by the Community is understandable. After all, the EEC Council of Ministers had committed itself to this in the 1963 Declaration of Intention and reaffirmed it in 1973 *(43)*. In 1973 the EEC assured the

AAMS that they would not lose their established rights and privileges, or levels of benefits, as a result of the expansion of the Association. At the same time, the Associables were told that they would be entitled to the same rights and privileges as the AAMS had hitherto enjoyed. And, in fact, the EEC did endeavour to abide by its commitments in the Convention of Lome in 1975. Yet, from the outset of the present negotiations, the Community has rejected the principle of preserving the established rights of the ACP. Consequently, the Nine have not felt impelled to consider any objective criteria in the determination of aid. The ACP, in contrast, see acceptance of these as the only possible way of ensuring that the volume of resource flow is maintained in real terms. And indeed this does make some sense. But then how does one proceed in establishing such criteria?

Any criteria for the determination of aid must take into account three elements:

(1) the rate of inflation in the EEC and in the ACP;
(2) the size of the population in the ACP states; and
(3) the principle of supporting definite growth targets in the ACP region.

The last element can easily become a matter of controversy and need not be insisted upon here. Also, reliable data on the rate of inflation in the ACP states are difficult to obtain and one need not consider it here. Relying on the rate of inflation in the EEC and on the population trends in the ACP states, both of which are accessible, the author attempts, below, an evaluation of the EDF V – not the overall aid package – in keeping with the principle of established rights. In this exercise, Yaounde II is used as a point of departure.

Population. Yaounde II comprised 19 states. At the mid-point of this Convention in 1972, they had a combined population of 87.6 million. The 46 states of the Convention of Lome had at mid-point, in December 1977, a population of 300.8 m. This amounted to 243.0 % more than Yaounde II. For Lome II, with a potential membership of 58 countries, the population at mid-point, i.e. 1982, is forecast at 367.3 m. There will therefore be a 22.0 % increase over 1977 *(44)*.

Inflation. According to the Community's own statistics the rate of inflation between 1972 and 1977, in percentage terms, has been as follows:

1973	1974	1975	1976	1977
7.3	13.6	13.6	10.6	10.6

Cumulatively, inflation had risen by 69.38 % in 1977 compared to 1972 *(45)*. The annual per capita contribution in real terms should therefore have been:

$$\frac{900 \times 1.6983}{87.6 \times 5} \quad : \ 3.47 \text{ MUA in 1977 } \mathit{(46)}$$

Using both factors, inflation and populations, the size of the EDF IV calculated for 5 years should be:

3.47 MUA x 5 x 300.8 m : 5,218 MUA

and not 3,000 MUA, which was the actual size *(47)*. On the assumption that the cumulative rate of inflation for 1980 – 1985 will be in the same order as that of 1973 – 1977, i.e., 69.38 % and given the anticipated increase in ACP population, one arrives at the following size for the EDF V:

3.47 x 5 x 1.6938 x 367.3 : 10,823 MUA

However, the amount earmarked for the EDF V is 4,542 MUA – less than half the amount required to maintain a level of resource flow between 1980 and 1985 comparable to that of Yaounde II, i.e., between 1970 and 1975.

Moreover, if one takes into account the new measures envisaged in Lome II, such as the minerals arrangement, the special aid to the LDLLIC, etc., the basic sum would have to be increased from 10,823, by about 10 % to 12,000 MUA. This appears large in absolute terms, but it represents only 0.13 % of the projected GNP of the Ten in 1980 – 1985. Therefore, a commitment on the EEC's part to maintain the level of real resource flow will pose no serious financial problems to the member countries' economies. Moreover, it would help to arrest the widening economic gap between the ACP and the EEC and would probably result in a substantial expansion of trade between the two regions.

Unfortunately, this is unlikely to happen during Lome II, since the volume of overall aid, both EDF V and EIB IV, has already been fixed at 5,607 MUA. Not being in a position to alter this, the ACP are now seeking to coerce the EEC to absorb within the Community's administrative budget the 180 MUA earmarked for the administration of the new Convention, thereby freeing the sum in question for productive ventures. At the moment, it is difficult to predict how this matter will be resolved.

Tables I to III *(48)* summarize the known characteristics of the Lome II aid package, and compare these with Lome I. The most striking feature of Table I is the dramatic increase in the role of the EIB. Its credit facilities have risen from 390 to 885 MUA. But 280 of this is earmarked under Article 18 of the Financial and Technical Cooperation Title as loans for energy and mining projects. Another element in both Tables I and II is the administrative budget or delegation cost. In Lome I it amounted to 87 MUA and, according to the Commission, was absorbed into the EC operational budget. In the new Convention, however, the whole of the administrative cost of the Lome arrangement is to be met from the aid package. The ACP states have opposed this and hope to reverse it at a later date *(49)*.

STABEX is increased from 382 to 550 MUA. Clearly, it has not kept pace with the overall increase in the aid programme. If one takes into consideration the expansion in the range of products now coming under the stabilization scheme (from 34 to 44) and the rate of inflation, there has been a drastic cut in real terms in the resources being made available under the new Convention for the stabilization of export earnings. True, 280 MUA have been earmarked for MINEX; but this is not intended to stabilize export revenues.

Also, in Lome II, the ratio of grants to credits is further tilted in favour of the latter. Loans, based on interest rates of 1.0 to 10.0 %, will

Table I

The Lome Aid Package
(in MUA)

	Lome II	Lome I
Aid Project	3,592	2,694
STABEX	550	382
Minerals	280	-
Total EDF	4,542	3,079
Admin. Budget	180	-
EIB	885	390
Grand Total	5,607	3,466

account for 1,949 MUA between 1980 and 1985 compared to 890 MUA between 1975 and 1980. The switch away from outright grants to interest-bearing credits further reduces the level of real resource flow to the ACP from the EEC. However, the ACP states are hoping that the trend of decreasing concessionary terms begun with Lome I, a trend which David Wall and Michael Dolan have persuasively demonstrated *(50)*, can be arrested and perhaps even reversed. They are committed to seeking a transfer of EIB resources, in particular, half of its subsidized loans, 342.5 MUA, to the EDF in the course of Lome II. There is, however, little chance of this move succeeding.

The EEC's blunt refusal to recognize the principle of preservation of the value of resource-flows and its concomitant rejection of objective criteria for aid determination have meant that the Lome II aid package has been to an extent arbitrarily determined. It has certainly been overly influenced by the narrow domestic political considerations of the day in the Community, while previous EEC global political commitments have been conveniently disregarded.

As a result, the EDF V, is in real terms, less than half the value of EDF IV. This drastic reduction in the EEC's real resource flow, coupled with mounting ACP resource needs, will not help to bridge the increasing disparities in economic growth between the two regions, to which the World Bank has recently drawn attention. The Preamble to the new Convention nonetheless states this to be a vital aim. One way out of this predicament, if the EEC is indeed genuinely interested in putting the Association arrangement to work in the interest of Third World development, is for it to accept the principle of maintaining the real value of resource flows, based on objective criteria such as population and inflation, in the determination of its aid to the ACP. Of course, factors internal to the EEC ought and no doubt will continue to provide a backdrop to the determination of aid to the ACP. Conversely, however, one would expect the Community to give due consideration to its global commitments.

TABLE II
THE ALLOCATION OF THE LOMÉ AID PACKAGE
(in MUA)

	Lomé II					Lomé I		
	EDF	EIB	EIB	EEC BUDGET	TOTAL	EDF	EIB	TOTAL
Project Aid	3712	685	–	–	4397	2606	390	3015
Energy and Mining Projects	–	–	200	–	200	–	–	–
STABEX	550	–	–	–	550	382	–	382
Minerals	280	–	–	–	280	–	–	–
Delegations	–	–	–	180	180	87	–	87
TOTAL	4542	685	200	180	5607	3075	390	3466

TABLE III
BREAKDOWN OF THE LOMÉ AID PACKAGE
(in MUA)

	Grants	Transfers	Special Loans	Risk Capital	EIB Subsidized Loans	EIB Loans Art. 18	TOTAL
			Lomé II				
Project aid	2928	–	504	280	685	–	4397
Mining & energy	–	–	–	–	–	200	200
STABEX	–	550	–	–	–	–	550
Mineral products	–	–	280	–	–	–	280
Delegations	180	–	–	–	–	–	180
TOTAL	3108	550	784	280	685	200	5607
			Lomé I				
Project Aid	2100	–	430	95	390	–	3015
Mining & Energy	–	–	–	–	–	–	–
STABEX	–	382	–	–	–	–	382
Mineral products	–	–	–	–	–	–	–
TOTAL	2100	375	430	95	390	–	3466

Conclusion

There can be no doubt that Lome II is not as generous as its predecessor, and that at best its results are mixed. There are, to an extent, mitigating reasons for this. Above all, the backdrop to the negotiations has not been as favourable as it was to Lome I. Also, despite some increase in the structural power of the ACP, the states have not been able to use their bargaining power as effectively as they had in 1974–1975. In 1978–1979 the EEC too found itself in the midst of a deepening economic crisis and could not have readily made concessions – whereas in 1974–1975, the effects of the crisis of late 1973 were yet to be felt fully. Notwithstanding these factors, Lome II does, to a degree, reinforce the achievements of its predecessor and it contains certain new elements. These include the MINEX scheme and the provisions concerning fishing and shipping. Apart from their limitations, they do provide considerable scope for short-term development in the ACP states. And it is now incumbent upon the latter to devise adequate policies, in the context of their overall developmental strategies, to realize the opportunities inherent in Lome II.

The new features of Lome II clearly point in two directions. First, the new Convention evinces a certain ongoing readiness on the part of the EEC to talk with the ACP on economic issues of mutual concern and, to an extent, to act on these. The same, however, cannot be said of Japan, the USA and the USSR in relation to any grouping of states in the periphery, or to the Third World in general. And there can be no doubt that the ACP states, on balance, have been gaining more from Lome than the non-Associates from any other existing arrangements. For instance, under Lome II the Associates will obtain approximately 8.8 billion US dollars – a 56.6% increase over Lome I. Against this, US aid, both bilateral and multilateral, to the ACP is expected to rise by 28.0% to 1.9 billion, and more pertinently, to the LDCs as a whole by only 33.0%, to 19.6 billion, over the period 1980 to 1985. Worse than this, Japan's total aid commitment is projected to expand by only 31.0% and that of the USSR to fall in absolute terms *(51)*. Secondly, a major element in the breakthrough of Lome I was the emphasis placed on industrial promotion in the ACP states: the focus in Lome II has no doubt shifted to minerals, agriculture, fishing and shipping. This, combined with the EEC's failure to liberalize further in industrial trade suggests a certain similarity between Lome II and Yaounde. But it is premature to conclude from this that Lome II represents a return to a Yaounde-type relationship between the EEC and the ACP.

Some observers, such as Peter Coffey and F.A.M. Alting von Geusau, *(52)* who saw Lome I as a path-breaking exercise to be followed by a succession of comparable changes leading ultimately to the establishment of a NIEO will be disappointed at the limited – though not insignificant – changes that Lome II envisages. Coffey's often repeated suggestion that the Community should concede at least joint management of the EDF as evidence of its intention to press ahead with drastic changes in ACP–EEC relations has, so far, gone unheeded. Similarly, Alting von Geusau's proposal for major modification to the Industrial Cooperation Title, aimed at further restructuring of ACP–EEC ties, has been ignored. Moreover, their conclusion that the significance of Lome I lay equally in the possibility of it being emulated by others appears to have been too hasty. To date, neither the US nor Japan have shown a readiness to adopt the EEC's development cooperation policy, nor have any of the non-associated LDCs pressed for such a policy. Whether observers like Coffey and Alting von Geusau will now rethink their positions, particularly on the viability of bargaining in restructuring ACP–EEC ties such as Siri and Amoa, the limited achievements of Lome II provide further confirmation of the ineffectiveness of bargaining in redressing inequitable relations between the strong and the weak. Furthermore, the failure of Lome II to make more substantial headway could weaken the position of advocates of negotiated incremental changes in North-South relations, and strengthen those espousing confrontation as the sole remaining option in the remodelling of the world economy and in the establishment of a NIEO.

Lome II certainly embodies elements of the specific demands which the ACP, and, more important, the LDCs as a whole, have been voicing since 1974, both at the CIEC and UNCTAD, as being vital in restructuring the world economy and in the establishment of a NIEO. However, there is a potential danger that certain measures which the new Convention envisages, particularly STABEX, with its emphasis on export income stabilization, could be used by powerful EEC members to subvert the proposed integrated commodity scheme, which stresses export price stabilization. This scheme, which is more comprehensive than STABEX, promises a more far-reaching and global solution to the international commodity problem. It is, therefore, in the ACP's vital interest to ensure that it is not undermined by any Community action. Similarly, the EEC for its part ought to guard against this possibility. Failure to do so could reinforce the widespread suspicion that it is acting entirely from narrow domestic considerations while disregarding its world commitments, thus alienating the Third World and encouraging confrontation in North-South relations. Moreover, it is ill-advised for the EEC to project the special Lome arrangement, or any facet of it, as the final answer to the Third World's quest for global reform. It should seek to maintain a balance in its development cooperation policy between the regional and global dimensions, and strive to advance simultaneously the attendant measures that these entail.

FOOTNOTES

(1) ACP–EEC Convention of Lome II, *The Courier*, 1979, Vol. 10, No. 58, pp.1-48 and *Draft Text Concerning the Successor Agreement to the Lome Convention*, ACP/556/79, (secr. Reneg.), Rev. 1, Brussels, 12th June 1979, pp. 5–10.

(2) C. Twitchett, «Lome II Signed», *Europe* 1980, Vol. 20, No. 217, p. 9.

(3) «Lome: Unhappy Truce», *Africa Confidential*, 1979, Vol. 20, No. 22, pp. 3–4.

(4) *A Post-Bahamas ACP Evaluation Report*, ACP/349/79 (Secr.), Rev. 2, Brussels, 12th April 1979, p. 5.

(5) «The European Community and Rural Development», *The Courier*, 1979, Vol. 10, No. 57, p. 76.

(6) *Assessment Report of the ACP/EEC Ministerial Conference Held on 24, 25 and 26 May 1979* in Brussels, ACP/521/79 (Secr.), Brussels, 8th June 1979, p.24.

(7) «ACP–EEC Convention of Lome II», *op. cit.*, p. 99.

(8) Except those producing iron ore. A limited arrangement existed in Lome I to assist them. See *ACP–EEC Convention of Lome*, EEC, Brussels, 1975, Article 17.

(9) *Main Features of the New EEC–ACP Convention*, ACP/530/79 (Secr.), Brussels, 27th June 1979, p. 2.

(10) *Assessment Report of the ACP–EEC Ministerial Conference Held on 24, 25 and 26 May 1979 in Brussels*, ACP/521/79 (Secr.), Brussels, 8th June, 1979, p. 14.

(11) R Jenkins, «Europe and the Third World: The Political Economy of Interdependence», *The Round Table*, 1978, Vol. 68, No. 272, p. 312.

(12) *Ibid.*, and *The Courier, loc. cit.*, pp. 29–31.

(13) «eyeing The Mines», *New African*, 1979, Vol. 15, No. 12, p. 63.

(14) *Multinational Corporations in World Development*, UN, DESA, ST/ECA, 190, N.Y., 1973, Chap. 1.

(15) *L'internationalisation du Capital-elements critiques*, Paris, 1977, p. 42.

(16) «The ACP–EEC Convention of Lome II», *loc. cit.*, p. 17.

(17) «Europe and the Developing Countries», *Grindlays Bank Review*, 1975, Vol. 21, No. 1.

(18) See «Lome: Unhappy Truce», *Africa Confidential*, 1979, Vol. 29, No. 22, p. 4.

(19) For details, see G. Corea, «UNCTAD V Will Tackle Structural Change», *Africa*, 1979, Vol. 8, No. 90, pp. 66–67. See also G. Goodwin, «The UNCTAD Common Fund – Challenge and Response», *The World Today*, 1977, Vol. 33, No. 11, pp. 425–430.

(20) S. Siri, «Lome Convention: EEC's Brand of Neo-Colonialism», *Economic and Political Weekly*, 1978, Vol. XIV, No. 15, p. 695.

(21) C. Lankowski, *National Capital in the EEC: The Struggle Over the Lome Convention*, prepared for the Annual Meeting of the American Political Science Association, Washington, September 1977, p. 27.

(22) *Main Features of the New ACP/EEC Convention, op. cit.*, p. 6.

(23) G. K. Amoa, «Relations Between Africa and Europe in Historical Perspectives», *University of Ghana Law Journal*, 1976, Vol. XIII, No. 2, p. 32.

(24) *A Post-Bahamas ACP Evaluation Report*, ACP/349/79 (Secr.), Rev. 2, Brussels, 12th April 1979, p. 44.

(25) P. Blackburn, «Europe Looks South: A New ACP–EEC Trade and Aid Convention», *Europe*, 1979, Vol. 20, No. 215, p. 29.

(26) *Summary Report of the Outcome of the Presidential Contact Group*, ACP/520/790 (Secr. Reneg. II, Brussels, 16th June, 1979, p. 12.

(27) «ACP–EEC Convention of Lome II», *op. cit.*, p. 105.

(28) See «Economic and Technical Cooperation», *Africa Research Bulletin*, 1979, Vol. 16, September 15–October 14, p. 5284.

(29) See Table II.

(30) *Main Features of the EEC/ACP Convention, op. cit.*, p. 3.

(31) V. Cable, «Britain, the New Protectionism and Trade with the Newly Industrialising Countries», *International Affairs*, 1979, Vol. 55, No. 1, pp. 1–17.

(32) See *The EEC and the Developing World: A Changing Relationship*, The Catholic Agency for World Development and the Irish Commission for Justice, London, 1977, p. 11.

(33) *Assessment Report on the Overall Results of the Negotiations in the Field of Trade Cooperation*, ACP/PG – nkm/Rev. 1, Brussels, 27th July, 1979, pp. 1–3.

(34) C. Twitchett, *op. cit.*, pp. 19–22; «The Main Provisions of the New Convention» *The Courier*, 1979, Vol. 10, No. 58, pp. 26–27.

(35) P. Coffey, *The External Economic Relations of the EEC*, London, 1976, pp. 74, 94.

(36) *ACP/EEC Negotiations: Financial and Technical Cooperation*, ACP/486/79 (Secr. Reneg. FTC) Rev. 2, 20th June, 1979, pp. 1–2.

(37) J. Palmer, «New Lome Pact Conference – Row on Human Rights Issue», *The Guardian*, 25th July, 1978, p. 3.

(38) *Summary Report of the Outcome of the Presidential Contact Group*, ACP/520/790 (Secr. Reneg.) Rev. 1, Brussels, 5th June, 1979, p. 54.

(39) *Ibid.*

(40) *Ibid.*, p. 56.

(41) *Ibid.*, p. 12.

(42) *Financial and Technical Cooperation*, ACP/486/79 (Secr. Reneg.), FTC/Rev. 1, Brussels, 5th June 1979, pp. 101–104.

(43) *Memorandum of the Commission to the Council on Future Relations Between the Community, the Present AAMS State, and the Countries of Africa, the Caribbean, the Indian and Pacific Ocean Referred to in Protocol 22,* Commission of the European Communities, (COM. (73) 500f), Luxembourg, 1973, p. 4.

(44) Data extracted from *World Population Trends and Policies: 1977 Monitoring Report*, UN, N.Y., 1979, Vols. 1 and 2 (ST/ESA/SER.A/62/Add. I).

(45) Extracted from «Monetary and Financial Situation», *The Economic Situation of the Community*, (CEC, Luxembourg), 1978, No. 2; 1977, No. 2; 1976, No. 2; 1975, No. 2.

(46) The size of the EDF III during Yaounde II was 900 MUA.

(47) This supports the contention of Michael Dolan (of Carleton University) regarding the entire Lome I aid package – namely, that in real terms it is not as advantageous to the ACP as the aid package of Yaounde II was to the AAMS. (See «The Lome Convention and Europe's Relationships with the Third World: A Critical Analysis», *Journal of European Integration*, 1978, Vol. 1, No. 3, pp.379–381). At the same time, it refutes the converse argument advanced by Isebill Gruhn of the University of California. (See «The Lome Convention: Inching Towards Interdependence», *International Organization*, 1976, Vol. 30, No. 1, pp. 257–259).

(48) Tables I and III are taken from *Draft Texts on the Successor Arrangement to the Lome Convention*, ACP/556/79 (Secr. Reneg. FIN), Brussels, 6th July, 1979, pp. 103–105.

(49) *Assessment Report of the ACP/EEC Ministerial Conference Held on 24, 25 and 26 May 1979 in Brussels, op. cit.*, pp. 27–28.

(50) D. Wall, *The European Community's Lome Convention: STABEX and the Third World's Aspirations*, Guest Paper No. 4, Trade Policy Research Centre, London, 1976, p. 13; M. Dolan *loc. cit.*, pp. 379–381.

(51) Cited from *Summary Report of the Outcome of the Presidential Contact Group*, 5th June 1979, *op. cit.*, p. 14. The bilateral and multilateral aid of the Ten is expected to rise by 40.0% to 42.7 billion U.S. dollars.

(52) See F.A.M. Alting von Geusau, (ed.), *The Lome Convention and a New International Economic Order*, Leyden, 1977.

RESUME

L'auteur se propose de faire une évaluation préliminaire des accords ACP–EEC dans le cadre de la convention signée entre ces deux groupes et communément appelée Lome II. Il insiste en particulier sur les différents chapitres qui la composent et étudie l'approche adoptée par les pays de la CEE pour déterminer l'aide aux pays ACP. Il fait remarquer dans l'introduction que ces accords ont été négociés et signés dans un contexte marqué par un affaiblissement de la force structurelle des pays ACP, affaiblissement qui résulte d'une rupture fondamentale entre les pays francophones et anglophones du groupe. Cette situation a été créée par les pays de la CEE en général et par la France en particulier tout en maintenant voire en renforçant la cohésion de leur groupe. D'autre part les pays de la CEE ont pris part à la négociation en partenaires forts ne craignant plus la rivalité Sino-Soviétique dans les pays du Tiers-Monde.

Ensuite, analysant dans une deuxième partie les acquis de Lomé II, l'auteur passe en revue les nouveaux chapitres tels l'agriculture et l'investissement, la pêche et la navigation, la coopération industrielle, la coopération commerciale, les points de désaccord, le volume global de l'aide accordée aux pays ACP et sa détermination et les problèmes de population. A chaque chapitre il nous livre le contenu des accords et nous en montre les points faibles (quand on pense en termes d'avantages pour les pays ACP).

En conclusion, après avoir rappelé le contexte dans lequel les négociations ont eu lieu (les pays ACP n'ayant pas pu faire plein usage de leur capacité de négociation et les pays de la CEE ne pouvant pas faire trop de concessions par suite d'une crise économique profonde) l'auteur souligne qu'en gros la convention de Lomé II renforce dans une certaine mesure les acquis de la précédente et contient des éléments nouveaux. Ces éléments concernent les projets miniers ainsi que des dispositions pour la pêche et la navigation. Outre ces cas limités, elle offre une grande perspective pour un développement à court terme dans les pays ACP. Il appartient maintenant à ces derniers de mettre en place des politiques adéquates dans le cadre de leur stratégie globale de développement pour tirer le maximum de profits de ces accords.