

The mid-term review of the Lomé IV Convention: heralding the future?

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Introduction

Although under increasing criticism and discussion, the Lomé Convention is still the most significant instrument of European Union (EU) development cooperation. It brings together 15 EU member states and 70 countries in Africa, the Caribbean and the Pacific (the ACP) in a preferential trade and development cooperation relationship. At present the Lomé Convention is in force in its fourth version, previous ones having been negotiated every five years since 1975. The provisions of Lomé IV, however, apply for a period of 10 years, from 1990 to 2000. The financial package attached to the Convention when it was signed, the seventh European Development Fund (EDF), only covered five years.

At the conclusion of the negotiations of Lomé IV, the parties agreed that a mid-term review (MTR) would be undertaken after the first five years in order to see if any modifications were necessary. They also agreed that a new Financial Protocol was to be concluded for the second five year period.¹ At the time, many perceived the MTR as a process entered into mainly for the latter purpose, and as an opportunity to look marginally at the provisions of Lomé IV, based on the experiences of the first five years of operation. Certainly it was not seen as a forum to reopen discussion on the fundamentals of Lomé. In reality, however, it turned out quite differently, as in fact the European Commission presented a number of proposals which would lead to far-reaching changes.² Thus the MTR was of crucial importance for the future of ACP–EU relations.

The official joint negotiations in the context of the MTR took off in November 1994. Although some important progress was made in relation to a number of pertinent problems soon after its start, the MTR reached a stalemate, and was even suspended in February 1995.³ The main stumbling block was the inability of the EU member states to come to a common negotiating position on the size of the financial package for the second phase of Lomé IV. This difficulty was apparently rooted in different views on the future of EU development cooperation. Ultimately, agreement was reached during an EU Heads of Government meeting in Cannes in June 1995 and the MTR was formally concluded in Mauritius in October 1995.

After some general remarks on the nature and the evolution of ACP–EU cooperation, this paper will present an analysis of the MTR process, an overview

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of some of the most significant topics in the negotiations (including development cooperation management, market access to Europe, decision making, human rights and democracy), and the positions adopted by the various actors involved. In the final section, some conclusions will be drawn on the implications of the MTR for the future of Lomé or any type of successor agreement after the year 2000. This is an issue on which debate is heating up and formal negotiations should begin late in 1998. In addition, we will consider the more global lessons to be learned from this major case of North–South cooperation about EU development cooperation in general and changing attitudes towards Less Developed Countries (LDCs) within the donor community.

The nature and present state of the Lomé North–South relationship

Particularly during the New International Economic Order (NIEO) epoch of the 1970s, the Lomé Convention was widely referred to as a landmark in the history of development cooperation, and as a model for North–South relations. In retrospect, this assessment was only partly correct. The strong points of Lomé were from the outset, and still are, its contractual nature,⁴ the fact that it is based on the idea of joint decision making and management, and its attempts to come to an integral approach on development. The latter is demonstrated by the increase in subjects and areas of cooperation over the years and by its focus on both trade and aid.

The weak points obviously include the high level of bureaucracy in the administration of Lomé, the stagnation in the actual spending of Lomé money,⁵ and its failure to contribute to bringing about substantial development in the majority of ACP countries. Throughout the duration of the Lomé Conventions, the economies of most ACP countries have undergone a process of steady deterioration.⁶ Critics point to the entire conception and structure of the Lomé relationship in perpetuating dependency and underdevelopment in the recipient countries. Lomé preferences have encouraged many ACP states to remain heavily dependent on a few traditional primary exports that are not competitive on world markets. The rules of origin of the Lomé Convention, as well as other aspects of EU trade policy, have not facilitated the export of processed products from the ACP countries to Europe. Between 1976 and 1992 the share of manufactured goods in ACP exports to the EU rose only from 20% to 27%.⁷ Likewise, particularly in Africa, the emphasis on trade with the EU has in the past worked against the development of viable regional trade and cooperation links. At the same time countries in the Mediterranean, Asia and Latin America, which overall enjoy fewer preferences than the ACP, have all gained larger shares of the EU market. For a considerable number of ACP states, the financial instruments of the Convention have therefore become a much more important dimension of Lomé development cooperation than the trade instruments. For all these reasons, the viability of the Lomé Convention model of association has been challenged in many quarters.⁸

Changes in the global geopolitical context and economy since Lomé I was signed in 1975 have clearly brought about changes in ACP–EU relations, in various ways. The bargaining positions of both groups of countries have shifted considerably. At the time of the Lomé I negotiations the ACP countries were in

a relatively strong position *vis-à-vis* the EU. In the aftermath of the oil crisis, the EU had a strong interest in reaching agreement with the ACP on securing a steady supply of raw materials. In exchange, it had to make some substantial concessions, including the non-reciprocity of trade preferences. The latter was viewed as a major breakthrough for the Lomé Convention compared with the previous Association Agreements between the EU and African countries. Strengthened by this success, the ACP Group was formalised in June 1975.⁹

As mentioned before, most ACP countries' economies deteriorated dramatically, particularly during the 1980s, to the point where they are now weaker than ever before.¹⁰ Lomé trade preferences were eroded by the results of various GATT negotiating rounds, and by the establishment of the Generalized System of Preferences. Between 1970 and 1993 the ACP share in EU imports from the rest of the world dropped from 8.9% to 3.1%. By 1993 they accounted for only 5.6% of the EU's imports from developing countries.¹¹ The ACP Group also faced many internal problems. It is an extremely diverse group of countries, which at times have very different opinions and priorities. The ACP Secretariat in Brussels is understaffed and lacks sufficient financial resources to render adequate support to the Group.

Meanwhile, the EU was increasingly confronted with serious internal problems like growing unemployment, rising inflation, difficulties with the launching of the European Monetary System, the rising expenditure of the Common Agricultural Policy (CAP) and enlargement questions. The Community of nine at the time of Lomé I has grown into a Union of 15 countries today. Obviously this expansion has changed the European political landscape. For the new members the strong position of the ACP as traditional EU partners in trade and development cooperation has not been self-evident. Thus there were growing internal as well as external pressures for the EU to extend greater assistance to other, non-ACP, countries for example in Asia and Latin America.

The end of the Cold War has, on the one hand, reduced the geopolitical importance of some ACP countries and, on the other hand, presented Central and Eastern Europe as compelling new partners for the EU. Likewise, the Southern Mediterranean has gained greater priority because of its proximity and strategic significance. EU member states are in a period of budgetary restraint, with fewer resources available for development cooperation. There are clear tensions between the historical direction of their aid and the new imperatives of building political and economic stability in their immediate neighbourhood, and expanding cooperation with large market economies in developing countries.¹²

The foreign and development cooperation policy of the European Union is therefore in a state of transition. Article 130u of the Maastricht Treaty on European Union spelt out the guidelines for a global development cooperation policy, which included a focus on poverty alleviation and on fully integrating developing countries into the international economy. Since 1992 the Union has been further refining these principles and debating on their application to its relations with the developing world. There are divided opinions on EU priority areas in the rest of the world. Similarly, there are tensions between unilateralism and the EU multilateral process. There has been some discussion about the respective roles of the Commission and the member states in administering

development cooperation. While the Commission has argued for greater coordination and rationalisation of policy, most states have been opposed to relinquishing complete control of such a major instrument of their bilateral relations with the developing world. They have also questioned the Commission's institutional capacity to manage huge areas of development cooperation unilaterally.

The ACP states are also in the process of finding their positions in the changed global context, and thus their own domestic and foreign policy emphases may shift as well. In this respect, there is a marked trend towards a deepening regionalisation of international relations in such ACP areas as the Caribbean, Southern Africa and the Pacific.

There are two other main issue areas with implications for the Lomé model of development cooperation. The first relates to the overall future for development cooperation and preferential market access for LDCs under the current neoliberal international economic regime. Second, many new dimensions of conditionality are emerging in contemporary international relations, including, among others, human rights and democracy, environmental considerations and the role of the state versus non-state agents in the development process. The Lomé IV negotiations already introduced many of these themes into ACP-EU relations, and the MTR has taken them a lot further.

The mid-term review of the fourth Lomé Convention

In view of the tremendous changes that have been taking place in both the European and ACP environments, it is not surprising that the mid-term review of Lomé IV turned into quite a different process from the fairly routine activity that it was originally envisaged to be.

A study conducted by the European Centre for Development Policy Management (ECDPM) in 1993 outlined two broad viewpoints on Lomé and the significance of the MTR.¹³ One school of thought contended that the Lomé partnership had become an anachronism. It had degenerated into a paternalistic and clientelistic arrangement which ultimately did not benefit either of its parties. The only way to redeem the relationship would be through a fundamental revision of the entire basis for cooperation. In this exercise, the Lomé Convention should no longer be seen as a unique form of association, but should be brought into line with the EU's development cooperation policies in other regions. Thus it would have to conform to the relevant sections of the Maastricht Treaty on European Union. The value of the Lomé relationship would depend on the new criteria formulated by a European Union that is constructing its future relations with developing countries based on an assessment of their economic and political significance in a changing international context.

The other school of thought included many countries within the ACP Group itself. They adopted a defensive stance, aimed at preserving indefinitely the Lomé status quo as it has evolved during the past 20 years. In between these two extremes in the MTR debate, a range of viewpoints has been presented by different actors, in the first place aimed at influencing the 1995–2000 phase of Lomé IV. This phase was seen by many as an essential prelude to whatever form of ACP-EU cooperation might emerge in the 21st century.

Indeed the schools of thought described above still apply today, but now in the context of the post-Lomé IV debate.

The Commission's proposals

The substance of the MTR negotiations began to take shape in September 1993, when the Cabinet of the Commissioner for Development widely circulated a draft negotiating brief. The then Commissioner for Development, Mr Manuel Marin, also gave a series of press conferences on his proposals for the MTR.¹⁴ It is noteworthy that the MTR process was strongly influenced by the personality and thinking of Manuel Marin, who became the latest in a long line of Development Commissioners to leave his stamp on the development policy of the EU. His ideas broadly conformed to the first approach outlined earlier. His proposals focused on four areas:

1. Establishing a closer link in the text and in the programmes of Lomé IV between development cooperation and democracy, good governance and the rule of law, as well as strengthening the human rights provisions of the text. It was argued that the 'democracy clause'¹⁵ and suspension mechanisms in the case of violations were already a standard part of agreements concluded with other countries, among others in Latin America and Central and Eastern Europe. Another element of promoting democracy and civil society would be decentralised cooperation, ie establishing development partnerships with the private sector and with other non-governmental actors (NGOS).
2. Improving the development policy dialogue between the partners and ensuring that the results of cooperation were in line with the EU's policy objectives. Somewhat euphemistically stated, this meant in practice giving the EU greater control by introducing performance-related tranching of the disbursement of development finance, and by reserving special allocations in the aid budget for financing programmes in the areas to which the EU attached priority. The Development Commissioner also felt that ACP-EU dialogue would be enhanced if the ACP were subdivided into regional groups which would conduct separate discussions with the EU on economic cooperation and development policy.
3. Improving the efficiency and the speed of implementation of Lomé projects and programmes. The Commission attributed the problems of development cooperation to the structural weaknesses of ACP governments. It therefore proposed to take over extensive areas of the project preparation and appraisal process, involving the ACP administrations mainly in the initial drafting of projects and in the final approval of preparatory studies. It would recruit most of the technical expertise for projects. These proposals amounted to far greater centralisation of the development cooperation decision-making and implementation processes in Brussels.
4. With regard to the new Financial Protocol for the Eighth EDF, the Development Directorate recommended that more EDF resources should be set aside for special allocations, either for the exclusive use of the Commission, or to be made conditionally accessible to ACP states. These allocations would

finance the EU's priority areas of institutional reforms associated with good governance and the rule of law, projects in the area of 'sustainable development',¹⁶ increased roles for the private sector and for NGOs in development, and the recruitment by the Commission of technical assistance for project and programme implementation.

The Commission's draft proposals reflected the prevailing international atmosphere of concern with themes of democratisation and human rights. They focused the ensuing debate on how such concerns should be further reflected in development cooperation. Their attempt to introduce wide-ranging new conditionalities was likewise reflective of the changed power relations between the EU and the ACP at a time of global reduction in Official Development Assistance coupled with numerous new contenders for such assistance. Some observers have pointed out that this deepened the trend that had started with Lomé IV and which had the effect of linking large segments of assistance to structural adjustment programmes.¹⁷

The Development Directorate's draft played a major role in shaping the issues that were subsequently raised in preparation for the MTR negotiations. It elicited responses not only from other EU organs like the Council of Ministers and the Parliament, but also from the ACP and from a cross-section of European development agencies.

Responses to the Commission's proposals

The Council of Ministers and the European Parliament. Both the Council and the Parliament seemed to agree on the need for greater flexibility in the use of Lomé development funds. There was a general perception that the programming system had become an obstacle to efficiency, and to the achievement of EU development cooperation policy.¹⁸ Although it met with initial resistance from some Council members,¹⁹ the Commission's proposal to switch to performance-related tranching of programme funds was accepted, subject to a few cosmetic changes. Likewise, the Commission's proposal to reserve some funding for priority areas was accepted by the Council on condition that this would entail no additional commitment of resources.²⁰

Both the Council and the Parliament appeared to receive with some scepticism the Commission's diagnosis of the reasons for the inefficient administration of Lomé development cooperation. Both made reference to the 'Post-Fiji Study' conducted by Price Waterhouse in 1992,²¹ which identified administrative shortcomings on the part of both the ACP governments and the Commission. They emphasised the need for this report's conclusions to be taken into account. Ultimately, the Council apparently approved a shifting of greater managerial responsibility for financial and technical cooperation to the Commission, but with the following proviso:

On condition that {the proposals} were accompanied by an improvement in the Commission's internal procedures, and greater transparency in the operations of its departments.²²

It should be noted, however, that in the subsequent negotiations some EU member states still held to the view that the Commission did not have the technical capability to administer very large development cooperation programmes effectively. This justified their proposal for a shift of resources from multilateral to bilateral aid administration.²³

Finally, with regard to the Commission's emphasis on democracy and human rights, the Council of Ministers stipulated that these issues should be combined with support for the principles of good governance, the establishment of market economies and the development of the private sector in ACP countries.²⁴ On the controversial subject of suspension of development cooperation in cases of human rights violation and the breakdown of democracy, France became the author of a useful proposal for consultation mechanisms and procedures which would involve the EU, the ACP and the country concerned. This consultation formula would later be accepted in the course of the Joint Negotiations.²⁵

The European Parliament had also been concerned about the possible negative effects of development cooperation suspension measures, particularly when adopted without consultation with the country concerned. The MTR Working Group of the Parliament therefore supported the French formula, on the grounds that it would increase the opportunity for dialogue on the difficult issues of democracy and human rights in the ACP countries concerned, would increase the transparency of the suspension process, and would facilitate other constructive measures to restore human rights and democracy in the target country.²⁶ While the Parliamentary representatives strongly supported the promotion of democracy and human rights in ACP countries, they emphasised the need for clear definition of these concepts, and for a clear distinction to be made in the text of the Convention between the issues of democracy and human rights, and the question of market reform *per se*.²⁷

On the whole the Parliamentary Working Group raised many critical issues. It questioned the Commission's ability to administer most areas of financial and technical cooperation singlehandedly and expressed doubts about whether such measures would lead to an overall improvement in the system. It also signalled the extent to which the proposals departed from the fundamental principles of equal partnership and sovereignty on which the Lomé Convention had originally been based. It emphasised the need to preserve those elements of the relationship and the integrity of the Lomé institution in general. In this respect the Parliament's views somewhat approximated the positions outlined by the ACP and by many European non-governmental development organisations (NGDOS).

The ACP group. The initial preparation of the ACP for the MTR appears to have been reactive rather than proactive and reflected these countries' keen awareness of the unfavourable international and domestic circumstances in which the negotiations would be taking place. In contrast to the negotiations of Lomé II and III, when there were major protestations about national sovereignty, they now accepted the idea of strengthening the human rights provisions, and the addition of a 'democracy clause' to the Convention.²⁸ However, they emphasised the need for clear, mutually accepted definitions of the concepts of democracy,

human rights, good governance and the rule of law. They were mainly concerned with clarifying the procedures and criteria according to which suspension would take place, and with setting up a consultation mechanism that would consist of both EU and ACP representatives.

The principal objective of the ACP, in the context of the ever deteriorating economic situation of many members of the group, seemed to be the preservation and, if at all possible, the improvement of the benefits that they enjoyed under the first financial package of Lomé IV. They were keen to include the issue of debt reduction in the negotiations, and to convert an even higher percentage of Lomé assistance from loans to grants.²⁹ As far as strengthening the private sectors in their countries was concerned, they were willing to make larger amounts of Lomé resources available for the private sector, as long as this consisted primarily of risk capital. They wished to reserve the grant aid for the public sector and for NGO activity. Some ACP delegations also felt that the EU's proposals failed to distinguish between the role and dynamism of the private sector in different ACP regions, and that it was necessary to develop a differentiated approach, rather than formulate across-the-board prescriptions that would not be relevant for all ACP states.³⁰

Issues of sovereignty came to the fore only when the Commission's proposals for altering the development cooperation implementation procedures were considered. In general, ACP countries were firmly opposed to the Commission's bid to assume control of much of the project preparation, appraisal and implementation processes, and the recruitment of technical assistance. Likewise, they strongly resisted the proposal to disburse development assistance in performance-related tranches, viewing this as detrimental to their development planning. They perceived these to be major violations of the established Lomé principles of equitable partnership, respect for ACP sovereignty and the predictability of resource flows.³¹

The ACP countries felt that the Commission's idea of special financial allocations for priority project areas was acceptable as long as they came from an increased European Development Fund and did not reduce the existing amounts for National Indicative Programmes (NIPs). However, they challenged the Commission's concept of sustainable development. It was argued that many of the Commission's proposals would reduce ACP control over their development process, and would further erode indigenous managerial capabilities. This would undermine sustainable development, particularly in the area of human resource development.³²

The ACP viewed with suspicion the Commission's proposal to hold separate subregional development policy dialogues. While it was acknowledged by some countries that it might sometimes be necessary to discuss region-specific issues, it was felt that the proposal could destroy the unity of the ACP bloc and its collective bargaining power, eventually transforming the relationship into the kind of regional dialogues and types of cooperation conducted between the EU and the Latin American or Asian regions.

At first the ACP seemed unwilling to bring trade issues into the MTR. They wished to restrict the negotiations to a narrow range of issues and thought it unwise to reopen controversial trade preference issues in the current international

climate, when the legality of the Lomé Convention itself was being challenged within the GATT/World Trade Organisation (WTO).³³ However, as preparations for the MTR progressed, some ACP states took the view that more emphasis should be placed on the trade dimension of ACP–EU cooperation, in the context of the changing global political economy. It was therefore agreed to include in the negotiations issues such as improving market access and the EU’s rules of origin.³⁴

Non-governmental responses. The other kinds of interest groups to join the debate on the MTR of Lomé IV have been non-governmental actors of various kinds, including NGOs in Europe, ACP private sector organisations and European research institutes on development policy.

The European NGOs consistently challenged the Commission’s approach to the MTR in a series of thoughtful discussion papers.³⁵ They showed the extent to which the proposed changes would erode the principles of the partnership enshrined in Article 2 of the Convention—equality, sovereignty, interdependence and the right of each state to determine its own development path and policy. They argued that the changes would fundamentally alter the nature of Lomé, and transform it into a donor-driven system of conditionalities. While opposing this approach, they conceded that there were defects in the partnership formula that had evolved over the years. They therefore supported moves towards redefining the role of the state and incorporating all sectors of civil society in the development process. However, they raised the critical question of whether the Commission’s support for ACP NGOs was really aimed at their empowerment, or at making them instruments of EU policy in ACP countries.³⁶

The NGOs opposed the Commission’s move to assume many of the responsibilities formerly carried out by the ACP in the implementation of development assistance. They argued that this would further compound the delays and inefficiency of the implementation process. They also stated that depriving the ACP of responsibility would not promote good governance, or the building of sustainable local capacity. They opposed both performance-related tranching of development assistance and the special incentive financial allocations, feeling that these practices would cause Lomé to degenerate into a ‘carrot and stick’ approach to development cooperation.³⁷

The development agencies voiced particular concern on the issue of sanctions relating to democratisation. They signalled the difficulties of formulating universally accepted definitions of democracy and operational criteria for evaluating the functioning of a democratic system. They also emphasised the need for joint ACP–EU consultation and decision making on sanctions, rather than unilateral, arbitrary decisions by the EU.

The NGO’s analytical papers undoubtedly influenced some of the other actors in the MTR process, including the European Parliament and the ACP negotiators themselves. They provided a useful perspective on the evolution of Lomé. The practical experience of the NGOs themselves enabled them to make a valuable contribution to the debate on the achievements thus far, and on future objectives of ACP–EU development cooperation.

Other, more narrowly focused inputs came from private sector bodies, such as the Caribbean Council for Europe.³⁸ They concentrated on the concrete issues of financial flows. They were generally opposed to the tranching of development aid, arguing that it would wreak havoc with national planning systems. Naturally, such bodies expressed great interest in the new proposal for decentralised cooperation and more private sector-led development. However, they also emphasised the need for country and region-specific approaches, given the different local economic environments in each ACP case.³⁹

Finally, a future-orientated analysis of Lomé IV was published by the ECDPM, after having been commissioned by the Belgian Presidency of the EC Council in 1993.⁴⁰ It elaborated three possible scenarios for the MTR, based on the prevailing perceptions of Lomé, to which reference was made earlier. It emphasised the European priorities in the negotiations, namely: 'getting value for money, flexibility in the allocation and management of Lomé resources, accountability, priority of productive investments, diversification of partners (including private sector)'.⁴¹

The underlying thrust of this study was towards exploring whether Lomé had a future after the year 2000. European development policy is undergoing an inevitable process of reformulation, which is gradually dismantling the bases for geographic and historical differentiation and establishing a global framework for cooperation. However, within this process, there is still scope for different mechanisms to cater to the needs of specific country groups. The report concluded that Lomé might only survive if the MTR were to take bold steps to redress the shortcomings of development cooperation. The latter would include modernising the partnership and emphasising issues of good governance and policy coherence, improving the financial and technical instruments of Lomé, and improving the administrative capabilities of both the ACP and the Commission. Other supportive actions could be taken in the areas of debt relief and trade provisions. The ECDPM report pointed out the need to reconcile Lomé provisions with the GATT/WTO and to address the negative effects of the CAP on ACP economies. It concluded in an open-ended way that, in addition to incorporating such elements into the second phase of Lomé IV, the ACP and the EU should begin a frank discussion on their mutual perceptions of the relevance and the future of Lomé in a changed international political economy.

The views expressed by the various types of NGO actors and research institutions cannot be discounted. They undoubtedly played an active role in influencing the gist of the MTR negotiations. They have since taken the lead in the debate on the feasibility of successive Lomé Conventions or alternative ACP-EU arrangements, so much so that this discussion is even tending to obscure the actual operation of the post-MTR phase of Lomé IV.

The mid-term review process

Ultimately, the MTR lasted longer than anticipated. Negotiations began in earnest in May 1994, while the Joint Negotiations were formally opened in November 1994. It was optimistically expected that they would be completed early in 1995. However, instead the negotiations were suspended in February 1995, primarily

because the member states of the EU failed to reach agreement among themselves on the amount of the financial package for Lomé 1995–2000.

A minimum of 13.3 billion ECUS was required to keep EDF funding under the second Financial Protocol of Lomé IV consistent with the level of financing provided in the first Protocol.⁴² However, four major EU actors, namely the UK, Germany, Italy and the Netherlands, were reluctant to increase their contributions in line with inflation. All four countries wield considerable influence for different reasons. The first three are among the largest EU member states and, indeed, Germany has in the past provided 26% of the EDF funding, while the UK has a historical relationship with many of the ACP countries. The Netherlands has traditionally featured prominently for its strong commitment to development cooperation. In June, the EU Heads of Government finally agreed on this minimum figure, considerably less than the 15.8 billion ECUS originally sought by the ACP Group, or the 14.6 billion proposed by the French presidency. The difficulties involved in reaching this outcome reflect the different foreign policy priorities held by EU member states, the levels of donor fatigue towards the ACP, as well as reservations about multilateral administration of a large share of their development assistance. Nonetheless, the actual figure provided is an increase of 21.6% over the 1989–94 figure. As has previously been the case, and in line with its bilateral foreign policy concerns, France was the large EU member most favourably disposed to increasing the levels of resource flows to the ACP.⁴³ France is now the largest EDF contributor, followed by Germany, while the UK's contribution fell by 8%.

A number of general conclusions can be drawn about the results of the MTR, and the direction of ACP–EU relations in the latter part of the 1990s. Somewhat ironically after all the earlier debate, in the end it has proven easiest for the parties to reach agreement on the areas of the Convention which relate to democracy, human rights and good governance. Agreement on some new principles was reached in the MTR negotiations in early December 1994, reflecting an emerging consensus on the link between human rights, democracy and development. This also demonstrates the extent to which the political climate and agenda have changed in some ACP states during the present decade, and the fact that there is a significant number of long established stable functioning democracies among the ACP.

Human rights and democracy have been on the Lomé agenda since the late 1970s.⁴⁴ Their initial invocation was mainly in a negative context, but gradually positive incentives were emphasised too. Lomé IV for the first time included a human rights clause in its main text, which explicitly linked human rights to development and stipulated that Lomé cooperation should contribute to the promotion of these rights (Article 5).⁴⁵ At the request of ACP states resources could be allocated to special projects for the promotion of human rights. No references were made to democracy, good governance or to procedures for suspension of cooperation. Nonetheless, the EU has increasingly resorted to the unilateral suspension of Lomé benefits because of (alleged) violations of human rights or democratic principles in a particular ACP country.

Following the MTR, the revised version of Article 5 of Lomé IV now expressly links development policy and cooperation not only to respect for human rights

but also to the recognition and application of democratic principles, the consolidation of the rule of law and good governance.⁴⁶ Whereas the latter is only a particular aim of cooperation activities, respect for human rights, democratic principles and the rule of law are included as 'essential elements' of the Convention, which underpin relations between the ACP and the Union and all provisions of the Lomé Convention, and govern the domestic and international policies of both parties.

Consensus was also reached on the principle of a suspension clause attached to these essential elements. In the future, there will thus be a clear and mutually agreed upon legal basis in the Lomé Convention to suspend it. The clause leaves room for full suspension of Lomé cooperation, although previously the EU usually only suspended development assistance, leaving trade preferences untouched. Unless there is special urgency, any such measure shall be preceded by a joint consultation procedure. This new consultation mechanism should create greater transparency in this area. It institutionalises an established practice and gives ACP countries a role in decision making which so far they have lacked. On the other hand, the formulation of the essential elements and the suspension clauses leaves a lot of room for interpretation by the parties and for selective application. No definitions are given of the concepts to be applied and no criteria are set or announced to be developed in the future.

It also seems that the concept of ACP–EU development dialogue, which first appeared in Lomé III, will now be widened to include political issues, foreign policy and security. This is similar to what pertains in the EU's relations with Latin America and Southeast Asia. Regional and subregional dialogue will not become a formal procedure within Lomé IV, because of ACP opposition and strong commitment at the time to preserving the integrity of the group as a whole. Despite this, there is a growing tendency towards the constitution of consultative groups on a geographical basis. One prominent example is the establishment of the Cariforum Group in 1990. There is an undoubted need for regional and subregional caucuses of this nature, to facilitate regional programme management, to address political issues specific to the region in question and to complement the unwieldy consultation process within the large and heterogeneous ACP grouping. Indeed, regionalisation of the ACP is one post-Lomé scenario that seems to be receiving growing consideration and support from some quarters within the EU and from some ACP interests.

The major sticking points in the MTR negotiations were the bread and butter areas of trade, development finance and development cooperation implementation procedures.⁴⁷ Certain broad trends can be discerned. A series of minor adjustments and concessions have been made on trade matters. Within the limits of the Community's Common Agricultural Policy (which is very slowly being relaxed), the ACP have gained higher quotas for some of their products and tariff reductions in the range of 16% on some others.⁴⁸ Likewise, the Lomé rules of origin have been slightly relaxed in specific instances to provide greater market access to Europe. Greater emphasis has been placed on putting into effective operation the Treaty's provisions on trade development and on regional cooperation. The concept of regional production and trade cooperation, in particular, has been stretched to include countries in each ACP region which are not

members of the ACP group. Designated products originating from these countries, which have then undergone specified levels of processing in ACP states, may be accepted into the EU under ACP preferences.⁴⁹

What does this tell us about Lomé's future as a trade mechanism? In the first place, while they may offer some marginal advantages for the duration of Lomé IV, such concessions cannot be viewed in isolation from the impact on specific ACP tropical agricultural exports of the Single European Market, and of the conclusion of the GATT Uruguay Round of trade talks. These two factors are causing ever growing difficulties for ACP procedures of bananas, coffee, cocoa, oil seeds, jute and hard fibres, spices and tobacco, as they confront stiffening competition from Latin American and Asian producers, brought about by falling tariff barriers.⁵⁰ In the case of bananas, the constant legal challenges to the EU regime in the WTO have added to the current market uncertainties for ACP producers, and have underlined the fact that the era of preferential trade regimes for commodity exports from developing countries is fast drawing to a close.

The new concessions indicate a recognition of, and adjustment to the realities of regional bloc formation in the global economy, and an attempt to integrate ACP economies with those of more competitive actors in their geographic zones. It should be noted that the EU is presently discussing free trade agreements with South Africa and with Mexico, countries in the vicinity of the Caribbean and Southern African ACP states. Such agreements may well have eventual implications for the trade regimes with the ACP states in those regions. On the whole, the MTR agreement emphasises trade development for the ACP, but steers this development in the direction of greater regional cooperation and developing competitiveness in a liberalised global trading system. In the aftermath of the MTR, as the debate on post-Lomé arrangements begins, there is a growing tide of opinion in the EU against Lomé-type trade preferences, and in favour of greater reciprocity from some, if not all of the ACP states.

The most immediate impact of the MTR will be felt in changes to the system of development cooperation. The objectives and priorities of the EU's cooperation policy will feature more prominently in the design of programmes of assistance. Likewise, a system of performance-related, phased programming has come into effect, with the ACP states being offered 70% of their projected NIP in the first tranche.⁵¹ Given the emphasis that is being placed on 'performance-oriented cooperation',⁵² combined with the limited absorption and management capacity of many ACP member states, several states may not qualify for the release of subsequent tranches. This will mean a substantial fall in the overall amount of development assistance provided to them under the Lomé Convention. The tranching system will almost certainly have a drastic impact on slowing down and reducing EU-ACP aid flows—a reduction which may be compounded should there be numerous cases of suspension of development cooperation under the democracy and human rights provisions during the second term of Lomé IV.⁵³ Finally, a shift in the division of labour for programme implementation is foreseeable, in which greater responsibility will be transferred to the Commission. However, it is less drastic than in the Commission's original proposal, and the Commission may itself come under pressure from EU member states to improve its performance in administering development cooperation.

Conclusions

In summary, three sets of conclusions can be drawn from our survey of the mid-term review of Lomé IV. The first concerns the immediate future of the ACP–EU relationship, while the second focuses on the EU's approach to development cooperation in a new era. The final remarks relate to Lomé's significance amidst the changing function of development cooperation in North–South relations as a whole.

Although the MTR was conducted with little fanfare, it indicated important qualitative changes in the ACP–EU relationship. The nature of the Lomé institution has been considerably modified. It is now more of a donor-driven mechanism of development assistance, based on a growing number of political and economic conditionalities. This represents the culmination of a long-term shift in power relations between the parties, from the mid-1970s to the mid-1990s.

The MTR, moreover, served as a sounding-board for some of the key issues in the debate on the nature of post-Lomé IV relations between the EU and the ACP. While relations with the developing world remain important to the EU, the locus of their interest has shifted. For the first time in the history of Lomé, there is a zero increase in the levels of resources made available for development financing, despite the increase in the number of EU member states from 12 to 15. In the present context of resource scarcity, the provision of development assistance can no longer be justified to EU tax payers as a moral obligation, and is even more heavily contingent on political, strategic and economic considerations than in former years. Such considerations include new geopolitical realities, changing EU membership and the increasing economic marginalisation of most ACP countries, despite over 20 years of trade and development assistance. Inevitably, the importance and relevance of the Lomé institution as one of the principal frameworks for EU relations with developing countries has been reduced. Significantly, aid analysts have signalled that EU allocations for the CIS, East and Central Europe and the Mediterranean are projected to increase substantially over the next five years.⁵⁴

At the same time, certain economic and geopolitical realities remain. For most ACP countries the EU is the largest donor, and under Lomé IV over 90% of the EDF was in the form of non-repayable grants. For many African states EU development assistance and preferential markets will remain crucial. At the moment, it is impossible to see their early successful emergence from structural adjustment programmes, or a short-term ability to compete effectively in global markets. For some, an abrupt end to development finance and to protected markets would be economically catastrophic, and would undoubtedly lead to a higher rate of national disintegration. Their proximity dictates an ongoing EU interest in their political and economic stability as an integral aspect of European security. It is instructive to note that one of the ideas which has been thrown into the post-Lomé IV discussion concerns the use of a future Convention for supporting conflict management and preventative diplomacy initiatives, especially in Africa.⁵⁵

This suggests that at least certain Lomé instruments are likely to remain after

the year 2000, specifically in the context of European relations with sub-Saharan Africa. These may include some elements of preferential trade, as may be negotiated for Least Developed Countries under the GATT/WTO regime, humanitarian relief and (reduced levels of) development assistance subject to many new conditionalities, presumably aimed at redesigning state and society in the recipient countries.

Similarly, in the case of ACP states in the Caribbean and the Pacific, there is still considerable dependence on Lomé facilities, especially since most of these countries are vulnerable microstates. In the Caribbean in particular, many Eastern Caribbean states are dependent on the EU market for 50% or more of their export earnings.⁵⁶ Their future relationship with the EU will also depend largely on geographical realities, and will be determined differently by virtue of the same. Already there is a perception in those areas that Lomé, in its current form, with particular reference to non-reciprocal trade preferences and to the privileged partnership position of the ACP, is of finite duration.⁵⁷ They recognise that their future relations with the EU, while continuing to be influenced by a singular colonial history, will be more integrated into the EU's overall cooperation policies towards their respective regions. Consequently, they appear to be taking the initiative themselves to move towards closer incorporation into their immediate geopolitical zones.⁵⁸ Nonetheless, representatives of various interest groups from these states seem acutely aware of their advantages within the current ACP framework and voice unease at the prospect of being marginalised within alternative groupings in their geographical regions. Predictably, their policies towards the EU will also seek to preserve and further develop aspects of their present economic and political relationship with the Union.⁵⁹

The MTR negotiations were a further demonstration of the EU's difficulties in formulating a common foreign policy. There is a clear trend towards a global development cooperation policy, managed multilaterally through the central organs of the Union. One indication of this is the post-Lomé IV proposal to include the EDF in the EU budget, along with development assistance allocations to other groups of countries and subject to scrutiny by the European Parliament.⁶⁰ However, there are still tensions between bilateralism and multilateralism.⁶¹ Many member states have specific development policy interests because of their geographical location or history and wish to retain control over their development cooperation budgets. Therefore, despite the general trend towards a global development cooperation policy administered out of Brussels, there will still be strong elements of bilateralism which will characterise relations of individual member states with certain countries and regions. This tendency might have the counterbalancing effect of influencing future ACP–EU relations in the direction of continuity, rather than change.

Our final observation concerns the future of Lomé-type instruments in contemporary North–South relations. Lomé is a child of its time. Both its importance and its shortcomings have become clear in its 20 years of existence. Given the new international situation, the new trends in development cooperation, and the heterogeneity of the ACP, it is unlikely that the EU would view the Lomé Convention in its present form as an appropriate framework within which

to face the challenges of the next century. The EU Development Commissioner has stated clearly that Lomé IV is 'the last of the Conventions as we know them'.⁶² Neither Lomé's trade preferences, nor its system of development cooperation are entirely suited to the emerging international context. International trade liberalisation, as well as regionalisation of trade flows, have made many of the preferences meaningless, or almost impossible to defend. Many Lomé countries are slowly confronting this reality. Moreover, although the system of development cooperation is still very much needed, there are many problems in its operation. There are clear indications that ACP countries will in future enjoy considerably less privileged access to the development cooperation resources of the EU. Within this scenario, efforts have to be made to improve the instruments, and increase the efficiency and effectiveness of Lomé, as well as to prepare the ground for different patterns of cooperation between the ACP and the EU.

Nonetheless, given the nature of the relationship, and its long history, it might also be argued that EU-ACP relations will continue to be special. Among the ACP members are many of the world's Least Developed Countries and microstates. These countries are among the world's most vulnerable, and are experiencing the greatest problems in their attempts to adjust to the post-Cold War economic and political order. Little thought is being given to their accommodation within this order and many continue to slide deeper into marginalisation. Despite the prevailing economic orthodoxy, these countries will continue to require at least some degree of protection and stabilisation. The EU, as a leading actor in development cooperation and with the experience gained from the Lomé instrument, will still have relevance for North-South relations.

Even though new forms of cooperation may well materialise after the year 2000, the Lomé experience will remain important. The evolution of its objectives, approach, specific instruments and provisions has influenced other trade and development cooperation relationships. One major example is the dialogue and later the treaty provisions on human rights and development, which paved the way for standard inclusion of human rights provisions as essential components in EU external cooperation agreements. More generally, the Lomé concept of a development dialogue led eventually to provisions on political dialogue.

The post-Lomé debate should entail a genuine effort to build on the experience gained, identifying the good points to be retained as well as the weaknesses to be discarded. The mid-term review of Lomé IV has provided a clear and useful basis for this exercise. There are early indications that all parties, including the EU, the ACP, NGOs and other interested bodies are already engaging in frank and constructive discussions on the future direction of their cooperation. Events will unfold and key decisions will be made rapidly during the course of the next two years.

The drift of the post-Lomé debate is reflected in recent comments by Dieter Frisch, former Director of the European Commission's Department for Development Cooperation, DG-VIII. On the one hand he has called for negotiations on further cooperation to start from a clean slate, without ACP perceptions of entitlements from the past conventions. Aid amounts should be determined by criteria such as countries' needs, debt levels, economic and political reforms and

good governance.⁶³ On the other hand, Mr Frisch is also one of the defenders of the Lomé institution, who points to its many positive aspects over the years:

We should proceed to examine future relations without any complexes: Lomé has been the proper framework for cooperation between the EEC and the ACP group since 1975 and has been reviewed and updated every five years. In many respects it has acted as a pilot scheme for other forms of cooperation. It has introduced original schemes (such as Stabex); it has also broken new ground in crucial areas such as the economic and political liberalisation process—structural adjustment and democratisation... It is not a question of defending Lomé on conservative grounds, but rather reacting to a certain fashion that seeks to portray Lomé as a post-colonial anachronism. The Lomé IV Convention, which was revised in 1995, is up-to-date. Nevertheless, it will need a thorough review as we approach the year 2000—as, no doubt, will the EU's entire development policy.⁶⁴

Notes

- ¹ Article 366 of the Fourth Lomé Convention describes the MTR procedure. It required notification of any review proposals not later than 12 months before expiry of the first five-year period of Lomé IV. Renewal of the Financial Protocol is provided for in Article 4 of the Financial Protocol. The text of Lomé IV, including Protocols and Annexes, was reprinted in *The Courier*, 120, March–April 1990, yellow pp 1–186.
- ² See, eg European Research Office, *Principles and Features of the Lomé Convention: Implications of the Commission Proposals*, Lomé IV Review Briefing, Brussels, 1994.
- ³ See A Oyowe, 'Negotiations suspended in Lomé IV mid-term review', *The Courier*, 150, March–April, 1995, yellow p 1.
- ⁴ In the sense that it is a binding treaty negotiated between groups of developed and developing countries. That feature introduced a relatively high level of stability into ACP–EU relations, as the EU committed itself to providing certain trade preferences and a set amount of development assistance during each Lomé five-year period.
- ⁵ On the latter issue, see European Research Office, *The Effectiveness of Lomé Assistance*, Lomé IV mid-term Review Positions Series, Brussels, 1994.
- ⁶ See J Ravenhill, 'When weakness is strength: the Lomé IV negotiations', in I William Zartman (ed), *Europe and Africa: The New Phase*, Boulder, CO: Lynne Rienner, 1993, pp 40–42. He points out that 33 of the ACP states are among the 41 UN-designated Least Developed Countries. By 1987, total ACP debt was \$130 billion, of which \$102 billion was owed by sub-Saharan African countries, and the overall debt service ratio was over 34%. Almost half of the group have been implementing IMF/World Bank Structural Adjustment Programmes.
- ⁷ See Commission confidential study for MTR, as quoted in Carol Cosgrove, 'Has the Lomé Convention failed ACP trade?', *Journal of International Affairs*, 48(1), 1994, p 227.
- ⁸ For in-depth analyses, see eg J Ravenhill, *Collective Clientelism: the Lomé Conventions and North–South Relations*, New York: Columbia University Press, 1985; E Grilli, *The European Community and the Developing Countries*, Cambridge: Cambridge University Press, 1993; M Davenport, 'Africa and the unimportance of being preferred', *Journal of Common Market Studies*, 30(2), 1992, pp 233–251.
- ⁹ The Georgetown Agreement, concluded on 6 June 1975, laid down the objectives of the ACP Group and created an organisational structure, including a Council of Ministers, a Committee of Ambassadors and a General Secretariat.
- ¹⁰ See Ravenhill, 'When weakness is strength', pp 41–42.
- ¹¹ Figures taken from ACP Doc 26/068/96, Brussels, 23 August 1996, p 9. Other estimates of the ACP's current share in EU total imports go as low as 1.5%. See Cosgrove, 'Has the Lomé Convention failed ACP trade?', p 223.
- ¹² See discussion by Jos Jonckers, '“Recompromising” development aid for the future', *The Courier*, 158, July–August 1996, pp 64–67.
- ¹³ J Bossuyt, G Laporte & G Brigaldino, *European Development Policy after the Treaty of Maastricht: The Mid-Term Review of Lomé IV and the Complementarity Debate*, ECDPM Occasional Paper, Maastricht, 1993.

- ¹⁴ Press Release of the European Commission, IP(93) 736-09, September 1993; Europe Agence Internationale, No 6060, 9 September 1993; Europe Agence Internationale, No 6061, 10 September 1993; and M Marin, 'The European Union's development cooperation policy', *The Courier*, 145, May-June 1994, p 78.
- ¹⁵ In essence, such a clause stipulates that development cooperation between the EU and its cooperation partner is contingent upon respect for democratic principles in the beneficiary country. Increasingly, suspension provisions and procedures are attached to democracy clauses, just like to human rights clauses. These allow for suspension of cooperation in the event of a manifest breakdown in or violation of (one of) these elements.
- ¹⁶ Sustainable development was defined by the Commission to mean projects and programmes on human resource development, women and population issues and environmental management.
- ¹⁷ T Parfitt, 'The decline of Eurafica? Lomé's mid-term review', *Review of African Political Economy*, 23(67), 1996, p 57.
- ¹⁸ For a full discussion of the perceptions of implementation problems, see ACP-EEC Joint Assembly Working Party Interim Report on the Second Phase of Implementation of the Fourth Lomé Convention, AP 1093/B, 2 February 1994, pp 4-16 and Bossuyt, Laporte & Brigaldino, *European Development Policy after the Treaty of Maastricht*, pp 20-28.
- ¹⁹ ACP-EEC Joint Assembly Interim Report, p 12.
- ²⁰ *Ibid*, pp 12, 22.
- ²¹ *Final Report on the Causes of Delay in the Implementation of Financial and Technical Cooperation*, drawn up by Price Waterhouse on behalf of the EC Commission and the ACP Secretariat, November 1992.
- ²² ACP-EEC Joint Assembly Interim Report, p 16.
- ²³ Interviews in Brussels with ACP officials.
- ²⁴ ACP-EEC Joint Assembly Interim Report, p 26.
- ²⁵ *Ibid*, p 27.
- ²⁶ *Ibid*, p 28.
- ²⁷ *Ibid*, p 26.
- ²⁸ In discussions with a number of ACP diplomatic representatives and officials in Brussels, the view was expressed that such stipulations fitted in with their own values and with a changing international climate.
- ²⁹ ACP Sub-Committee on Development Finance Cooperation, 'Revamping the Instruments', Doc DFC-NEG 03, Brussels, 20 October 1993.
- ³⁰ Interviews with ACP delegates.
- ³¹ ACP-EEC Joint Assembly Report, p 12.
- ³² These sentiments are expressed in DFC-NEG 04, 20 October 1993, ACP Secretariat, Brussels; ACP-EEC Joint Assembly Interim Report, p 18.
- ³³ Bossuyt, Brigaldino & Laporte, *European Development Policy after the Treaty of Maastricht*, p 38. In fact, after considerable diplomatic discussion, Lomé IV obtained a waiver from the Most Favoured Nation Principle under Art XXV (5) of the General Agreement on Tariffs and Trade for the duration of the 10 year treaty. See the 4th ACP-EEC Convention of Lomé GATT Council Decision C/W/820, 10 November 1994.
- ³⁴ The Caribbean states, in particular, took the approach that their major interest lies in trade. See Cariforum Doc CF/SM 94/01/02, Caricom Secretariat, Georgetown, Guyana, February 1994.
- ³⁵ See eg European Research Office, *The Mid Term Review of the Lomé Convention: The Commission's Proposals, A Preliminary Assessment*, Brussels, November 1993.
- ³⁶ *Ibid*, p 12.
- ³⁷ *Ibid*, pp 20-22.
- ³⁸ See reference in ACP-EEC Joint Assembly Interim Report, p 12.
- ³⁹ Gleaned from discussions with ACP officials and Caribbean private sector representatives.
- ⁴⁰ Bossuyt, Laporte & Brigaldino, *European Development Policy after the Treaty of Maastricht*.
- ⁴¹ *Ibid*, p 17.
- ⁴² See 'EU in disarray over Lomé aid funding', *Caribbean Insight*, 18(3) 1995.
- ⁴³ See Ravenhill, 'When weakness is strength', pp 46-47, 56-57.
- ⁴⁴ For a more elaborate analysis of the human rights and democracy issue, see K Arts, 'Implementing the right to development? an analysis of European Community development and human rights policies', in P Baehr, L Sadiwa & J Smith (eds), *Yearbook on Human Rights in Developing Countries 1996*, The Hague/Oslo: Kluwer, Law International/Nordic Human Rights Publications, pp 37-71.
- ⁴⁵ For its text, see 'Fourth Lomé Convention', *The Courier*, 120, March-April 1990, yellow p 12.
- ⁴⁶ For its text, see 'Fourth Lomé Convention, as revised by the agreement signed in Mauritius on 4 November 1995', *The Courier*, January-February 1996, yellow pp 11-12.
- ⁴⁷ Discussions with ACP representatives, April 1995.
- ⁴⁸ See M Lowe, 'Lomé IV—the next five years and beyond', Briefing Paper I, Caribbean Council for Europe, Seventh Europe/Caribbean Conference, Port of Spain, Trinidad, 23 November 1995, pp 4-5; and T Parfitt, 'The decline of Eurafica?', p 63.

- ⁴⁹ See 'Protocol 1, Art 6(5) of the Revised Lomé IV Convention', *The Courier*, 155, January–February 1996, yellow p 107. In the case of the Caribbean, countries so designated include Cuba, Colombia, Venezuela and the Central American countries. For Africa they are Algeria, Egypt, Libya, Morocco and Tunisia (and possibly South Africa); for the Pacific it is Nauru.
- ⁵⁰ See Ravenhill, 'When weakness is strength', p 43; and Lowe, 'Lomé IV', p 4.
- ⁵¹ Article 282, revised Lomé IV.
- ⁵² See, among others, speech by Professor Joao de Deus Pinheiro, EU Commissioner for ACP–EU Cooperation, Seventh Europe/Caribbean Conference, Port of Spain, Trinidad, 23 November 1995, p 4.
- ⁵³ There were eight such suspensions during the first five years of Lomé IV, ie more than 11% of the total number of the ACP states.
- ⁵⁴ Parfitt, 'The decline of Eurafrica?', p 62. See also Europe Agence Internationale, No 6510, 28 June 1995; and *Bulletin of the European Union*, 28(6), 1995, p 37.
- ⁵⁵ ACP Doc 26/080/96 (Provisional), *Information Note to Facilitate Discussions on the Issues Pertaining to the Future of ACP–EU Cooperation under the Lomé Convention*, Brussels, 19 August 1996; Jamaica Ministry of Foreign Affairs, *Working Document for National Consultations on the Future of ACP/EU Relations*, 2–3 September 1996.
- ⁵⁶ For details, see P Sutton, 'The European Community and the Caribbean: Main dimensions and key issues', in Sutton (ed), *Europe and the Caribbean*, London: Macmillan, 1991; and 'The Lomé, Caribbean and the European Community', SELA Document, op cit.
- ⁵⁷ This observation applies particularly to the Caribbean, where the future of the traditional relationship with Europe has been one of the major foreign policy debates in recent years. A divergence of views has existed between states such as Jamaica, which are eager to enter The North Americas Free Trade Agreement (NAFTA) at all costs, and parts of the Eastern Caribbean, where the primary consideration has been not to jeopardise commodity trade preferences in the EU market. These differences are gradually being negotiated, and compromises arrived at, as trends in hemispheric trade relations and in Europe become clearer.
- ⁵⁸ See, for example, the signing of the Cartagena Memorandum of Understanding, 25th July 1994, in Cartagena, Colombia; and the subsequent establishment of the Association of Caribbean States (ACS) in August 1995, a trade and cooperation grouping of all the territories of the Caribbean Basin area. The new EU policy of providing market access for cumulative production within the wider Caribbean region may be used to support the consolidation of the ACS.
- ⁵⁹ This process was clearly embarked on at the Seventh Europe/Caribbean Conference in Trinidad in November 1995. The Caribbean Council for Europe Statement on the Outcome of the Conference noted that: (1) there should continue to be a regional basis to the Caribbean–EU relationship which should preserve some of the non-trade benefits of Lomé—regional, in this context, seems to connote the Caribbean by itself, rather than in a Latin American context; (2) the private sector should have a central role in the process of elaborating a future relationship; (3) while it was accepted that preferences would be phased out, there should be adequate transitional mechanisms for regional stability to be maintained; (4) Cariforum was the most logical body from which to develop a negotiating position and dialogue with Europe on a post- Lomé relationship, and it should be institutionally strengthened for the task.
- ⁶⁰ ACP Doc 26/080/96 (Provisional), *Information Note to Facilitate Discussions*.
- ⁶¹ See Bossuyt, Laporte & Brigaldino, *European Development Policy after the Treaty of Maastricht*, pp 8–9; and J Hilhorst & S Sideri, *The Coordination of the Objectives of the EU's Development Policy*, ISS Working Paper Series, 190, March 1995.
- ⁶² J de Deus Pinheiro, cited in *The Courier*, 150, March–April 1995, p 6.
- ⁶³ 'Partnership 2000: Rethinking ACP–EU Relations', seminar organised by Directorate General for Development (DG-VIII), in Abidjan 29–30 April 1996. See ACP/61/047/96, Brussels, 6 June 1996, p 5.
- ⁶⁴ Dieter Frisch, 'The future of the Lomé Convention: initial reflections on Europe's Africa policy after the year 2000', ECDPM Working Paper No 11, Maastricht, 1996, p 2.

