



منظمة الوحدة الإفريقية

ORGANIZATION OF AFRICAN UNITY

ORGANISATION DE L'UNITÉ AFRICAINE

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Bruxelles, le 19 octobre 1998

A : **Monsieur Mohamoud DAAR**
Economiste Principal

De : 
Wawa Ossay LEBA
Directeur

Objet : *le rapport de la 68^e session du Conseil des Ministres*
ACP

J'accuse bonne réception du rapport que vous avez élaboré à l'issue des travaux de la 68^e session ordinaire du Conseil des Ministres ACP.

Ce rapport appelle de ma part les remarques ci-après :

1. Ce document est en fait un compte-rendu très sommaire de la session et non un rapport.
2. Dans votre énumération aucune mention n'a été faite sur d'autres éléments importants tels que les aspects commerciaux (les préférences, les protocoles et autres arrangements, le Stabex et le Sysmin).



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Brussels, October 12, 1998

MD/tg

TO : MR. WAWA OSSAY LEBA
Director

FROM : MOHAMOUD ABDI DAAR
Senior Economist

Subject : Report on the 68th Session of the ACP
Council of Ministers and the opening
of the ACP-EU Negotiations

Please find herewith attached report on the 68th session of the ACP Council of Ministers and on the formal opening of ACP-EU negotiations for future cooperation agreement held between September 28 - October 1, 1998.

3. Aucune mention sur les résultats de la session (résolutions, décisions, etc.).
4. Aucune indication sur la composition du futur bureau et des groupes de négociation.
5. En tant que OUA, quelles stratégies proposez-vous pour le futur des négociations.

Il faudra préparer un dossier complet à transmettre au siège avec les annexes.

Collaboration.

**REPORT ON THE 68TH SESSION OF THE ACP COUNCIL
OF MINISTERS, HELD AT THE ACP SECRETARIAT,
SEPTEMBER 28 - October 1, 1998**

The 68th session of the ACP Council of Ministers was held at the ACP Secretariat from September 28 to October 2, 1998. The meeting of ACP Council was opened on Monday, September 28 at 10 a.m. by Honorable Ms. Billie a. Miller, Deputy Prime Minister and Minister of Foreign Affairs, Tourism and International Transport of Barbados, President-in-Office of the ACP Council of Ministers. After electing its Bureau and adopting its agenda, the President-in-Office of the ACP Council of Ministers made a statement in which she welcomed ACP delegates to this important meeting.

Since the purpose of this meeting , which was held on the eve of the opening of the negotiations for a successor Agreement to Lome IV, was to review and prepare the position of the ACP Group, it had discussed the ACP Negotiating Mandate for the first two days of its meeting. Throughout its discussion and debate of the Negotiating Mandate, the Council considered the document therein by theme and paragraph by paragraph and made a number of amendments.

During its discussion, it is pertinent to say that the Council expressed its satisfaction of the Negotiating mandate and congratulated the ACP Working Group and the Secretariat for having prepared such a comprehensive document which shows in style and substance the serious efforts made and which takes all ACP interest on board. Various speakers pointed out that the Negotiating Mandate which is a sound basis for the negotiations represents also in letter and spirit the Libreville Declaration and underlines the solidarity and unity which the ACP Group of States called for in the Libreville Declaration;

In the course of the general debate, the Council dwelt on a number of issues in the Negotiating Mandate such as the issue of Free Trade Areas (FTAs) which should be carefully studied to protect ACP Markets. Similar suggestions were also made with respect to EU proposals on Generalized System of Preferences (GSP) as well as WTO principles and objectives which favour industrialized countries and fall short of fulfilling ACP interests. The ACP Group should have open and frank discussion with the EU on all these issues. A number of speakers also said that at this juncture, the ACP Group should use its political potential to influence economic direction and re-shape international opinion towards ACP needs.

Some of the most contentious issues were "essential principles" contained in para. 12 under political dialogue. This paragraph which says "the ACP Group is committed to the values of democracy, the rule of law, respect for human rights and good governance as set out in the existing Convention ..." However, the ACP States do not accept the unilateral withdrawal of development assistance whenever the EU considers that any of the essential principles have not been respected".

During its deliberations of this issue, various delegates who spoke were all in agreement that the observance of human rights were important for development and should be encouraged. Nevertheless, serious concerns were expressed about the interpretation of these concepts. Some speakers called for re-definition of these concepts since there is no consensus on their definition. The evaluation of democracy, human rights, good governance and the rule of law should be based on the traditional and social values of each country. Speakers said that these essential principles in ACP-EU future cooperation agreement should not give the EU free hand to unilaterally suspend or terminate development cooperation programmes with governments, when it considers that these principles are violated. They pointed out future political dialogue should not be based on conditionalities that would impede the economic and social development of ACP countries.

Another issue which was debated at great length by the ACP Council was Decentralized Cooperation. This deals with ACP civil society including private sector and decentralized agents. This paragraph says that "Consideration should be given to the situation of more EDF financed projects being channeled through ACP civil society organizations in areas in which these organizations have a comparative advantages ... within the framework of objectives and priority set by the state".

There was a heated debate on this issue, some countries strongly objected to this principle of giving access of the EDF resources to ACP civil society and maintained that this would undermine political and economic objectives of ACP States. On the other hand, they pointed out that agents of ACP civil society should be given access to the EDF to carry out projects within priorities determined by ACP States. At the end of its deliberations, the Council decided to retain the paragraph which allows agents of civil society to access EDF resources.

It would be recalled that the principle of decentralized cooperation was introduced and incorporated into Lome IV Convention. This principle allowed actors in the development process, apart from the states, to utilize the Lome funds. It was seen as a way of promoting basic social and economic network in ACP States and to contribute to the establishment of a basic democratic structure. With that in mind, decentralized cooperation was to provide the possibility of financing

measures implemented by NGOs. At present, there is a strong belief that it was unable to achieve the desired results.

The opening of the negotiations for a successor Agreement to Lome IV

On September 30, 1998, the formal opening of the Negotiations for a Development Partnership Agreement between the ACP and EU took place at the main building of the European Parliament in Brussels under the co-Presidency of the Hon. Ms. Billie A. Miller, Deputy Prime Minister and Foreign Affairs, Tourism and International Transport of Barbados, President-in-Office of the ACP Council of Ministers and President of the Council of the European Union, Mrs. Ferrero Waldner of Austria.

In her statement, Mrs. Waldner welcomed all participants to the opening session in her capacity as President-in-Office of the Council and on behalf of the EU. She said that since June 1998, the EU has prepared the negotiations with great enthusiasm and adopted its negotiating brief for the future relations between the ACP and the European Union.

Speaking about the future agreement, the speaker said that the EU would maintain its "Contractually enshrined relations of solidarity beyond the year 2000". The principle objectives of the agreement would contribute to peace, security and stability as well as the eradication of poverty and integration of the ACP States into the global economy. She added that the principle of partnership would be provided and extended to include political dialogue on all questions of common interest. The speaker said that within the new dimensions of political dialogue, principles of **good governance, respect for human rights, democratic principles and the rule of law** would form pre-conditions for sustained and balanced development.

The co-President said that the second important element in EU's relations with the ACP would be re-orientation of EU development cooperation. Emphasis would be put on growth, social policies and regional cooperation, the building of institutions, protection of environment and equal treatment of women in ACP countries. To implement these goals, existing rules and instruments must be simplified. To attain a flexible development cooperation, the following should be carried out :

1. existing instruments should be grouped into two different facilities;

2. a system of programme planning would determine need and level of development. Goals and performance criteria agreed upon would determine further cooperation.
3. past reforms agreed upon jointly with partner country would be continued.
4. administration of Community (EU) aid should be simplified.

The speaker also pointed that there would be a new approach to trade and economic partnership. The EU's aim in this regard would be to strengthen the capacities of ACP States and to enable them play an important part in international economic system. Hence, regional integration and cooperation would be encouraged for long-term investment, growth of trade and increase of employment. The EU therefore suggests negotiations of Free Trade Areas (FTAs) and in some cases GSP which would be compatible to WTO rules.

The second opening statement was made by Professor Pinheiro, Commissioner for Development (DGVIII) who said that an active policy for development cooperation with the ACP countries is an important element of the EU relations with the rest of the world. He said the EU wants to establish a new partnership, a new framework of political and economic relations and development aid with the ACP Group. Prof. Pinheiro spoke about changes in the international scene, globalization, the advent of information and communication society and the need to fight against exclusion and poverty. He said, considering OECD countries' declining aid effort and the rise of conflicts and humanitarian emergencies, the EU must increase effectiveness of its cooperation with ACP countries.

The speakers said EU's major concern would include the following :

- stable and democratic environment....;
- sustainable development and eradication of poverty;
- trade and investment;
- regional integration and cooperation.

It should be stated therefore that after making thorough analysis, the two above speakers on behalf of EU Member States and the Commission spoke almost about the same issue that they said would underpin the following negotiations between the ACP and the EU.

Opening statement made by the ACP co-President

Having said this, the most spectacular development was the statement made by ms. Miller on behalf of the ACP Group of States. Her statement was spectacular and the most comprehensive because in her 31-page statement, she dealt forcefully and in details with all the important issues which are of great concern to the ACP Group, that would be discussed during the negotiations.

The speaker underscored the following points :

- Geographical coverage and ACP solidarity;
- Enlargement of the EU and planned integration of CEE States in the EU;
- Differential and the special treatment of differentiated categories among the ACP including the LDCs;
- Poverty eradication and education of inequality between North and South;
- Trade and globalization and problems of reciprocity;
- Preferential access complemented by enough resources for diversification for commodities to promote PMDT activities;
- Elimination of NTBs (non-trade barriers) and other restrictions;
- Regional Free Trade Areas (FTAs);
- Regionalization on the basis of the Libreville Declaration;
- Flexibility of WTO rules;
- Investments and Private Sector development;
- The role of civil society;
- Democracy and the rule of law;
- External debt-burden of ACP countries;
- Conflict prevention, post-conflict situations and the need for adequate resources to deal with such issues;
- Promotion of gender equality;

- The structure of future Convention and improvement and simplification of procedure and instruments available for disbursing assistance.

Speaking about poverty, the ACP co-President re-affirmed that the ACP has of necessity to be Committed to the fight against poverty.... It shares the EU's espousal of poverty alleviation as an essential attribute Post-Lome arrangements. She said that the ACP Group which has adopted unanimously its negotiating mandate is to make the negotiations a success.

In conclusion, after thanking the EU and the delegates for attending the ceremonial opening of the negotiations, the ACP co-President informed the meeting that the ACP Group was already established its negotiating groups and requested the EU to do the same as early as possible.

Consequently, the meeting was adjourned at 6 p.m.

On Thursday, October 1, 1998, the ACP Council continued its consideration of its agenda and considered reports :

- from the Ministerial Committee on Article 75;
- from the Ministerial consultations on bananas;
- from the Ministerial Committee on sugar.

With respect of the Ministerial Committee on Article 75, the meeting was briefed by H.E. Mr. Alain Gauze, Minister for Promotion of International Trade of Côte d'Ivoire and Chairman of this Committee. The Chairman spoke to the Council specifically on :

- EU draft directive of chocolate and
- follow-up to the negotiations in the area of Commodities.

The EU's new directive of April 1996 replaces the old EU directive of July 1973 and sets out certain prerequisites concerning the preservation of the quality of cocoa-butter-based chocolates. Furthermore, the meeting was informed that since there is no consensus among the EU Member States, the Commission draft cannot be considered by the EU Parliament.

Regarding commodities, the Minister said that his Committee decided to make the following recommendations :

- Attraction of European direct investment development of trade, private sector and regional integration.
- Enhancement of human resources (education, training etc...).

- Development of transport, infra-structure.

The next meeting of the Ministerial Committee will take place in Bern, Switzerland, at a date to be announced subsequently. The meeting took note of this information.

Likewise, the Ministerial spokesmen on sugar (Mauritius) and banana (Côte d'Ivoire) briefed the Council on the ongoing negotiations with the EU and WTO on these issues, which the meeting took note of. Subsequently, the ACP Council adopted resolution on sugar and bananas.

In the evening, before concluding its 68th Session, the Council considered the ACP budget, the issue of arrears and other administrative matters. It also took note of the ACP Assembly project, which would be set up at the end of 1999.

Conclusion

In my view, the 68th session of the ACP Council was well prepared. It was preceded by a number of important meetings which the ACP General Secretariat successfully convened. The role of the OAU Group and certainly the OAU Office and its input were significant.. Since May 1998 the following conferences were held at the ACP House :

- the ACP Ministerial Conference on Trade, May 13 - 15, 1998;
- the ACP Ministerial Conference on Finance and Monetary Affairs, June 26 - 27, 1998;
- The Fourth ACP National and Regional Authorizing Officers' meeting, September 7 - 10, 1998.
- The first ACP Foreign Ministers Conference, September 25 - 27, 1998.

The Council took note of the decisions of the above-mentioned meetings. It is pertinent to say that the outcome and results of these conferences were an important input into the Negotiating Mandate of the ACP Group which should strengthen ACP position in the forthcoming negotiations.

ACTIVITIES IN THE ECONOMIC FIELD

I. Regional Integration and Economic Cooperation

An important development in this area was the meeting of the Working Party on regional cooperation of the ACP-EU Joint Assembly which was held on 26 and 27 January, 1998, in Brussels.

On that occasion, the meeting heard statements from the President of the Commission of the West African Economic and Monetary Union (WAEMU), the Executive Secretary of the Economic Community of West African States (ECOWAS) and the Secretary of the Permanent Committee for Drought Control in the Sahel (CILSS). The speakers briefed the Working Group on the programme of activities of their respective organization.

It should be noted that the next meeting of the Working Group will be held in Mauritius during the 26th Session of the ACP-EU Joint Assembly where, further discussions will take place and a comprehensive report on this subject will be submitted by the organizers.

II. Agricultural Cooperation and Commodities

During this period, the ACP Committee on Commodities of which, African countries form the biggest component continued to deal with the following issues :

- (i) *the use of vegetable fat other than cocoa butter in the manufacture of chocolate;*
- (ii) *follow-up of the recommendations of the 9th UNCTAD;*
- (iii) *the strategy for implementing, processing, marketing, distribution and transport (PMDT), (Articles 72 and 73 of the Convention).*

As far as the use of vegetable fat other than cocoa butter in the manufacture of chocolate is concerned, it would be recalled that the EU Commission had adopted, in 1996, a directive which permitted European Union the use of vegetable fats instead of cocoa butter for upto 5 % of the total weight of a chocolate product..

Since that time, the ACP Group continued to express its concern about this situation and in subsequent meetings at the level of ACP-EU Council

of Ministers, the ACP Group reiterated its request that the EU insist on modifying Directive 73/24 on chocolate products unless certain conditions were met. Consequently, the matter was Referred to the European Parliament, at the end of 1997, for further discussion. Last October, the Parliament made amendments to the EU directives which are favourable to the ACP and the matter is now being followed up at the levels of the EU Council and Commission.

With regard to the follow-up of the Midrand Declaration (9th UNCTAD Session), it would be recalled that the ACP Group had requested that the recommendations made in the area of commodities during that session, in 1996, should be implemented, namely;

- (i) *Members of the Common fund should consider fulfilling their pledge for the second window of the fund to promote diversification in ACP countries' economies;*
- (ii) *the Common Fund should be urged to use resources of the first window.*

To that end, ACP countries proposed that the resources of the First Window should be utilized by way of transferring it to the Second Window to finance development programmes. The most important development in this area therefore is the adoption, in December 1997, of a five-year plan (1998-2002) by the Board of Governors of the Common Fund. This measure is supposed to promote the efficiency of the Fund.

As concerns the use of resources of the First Window, the following proposals were agreed upon :

- (i) *the transfer of the shares from the First Window to the Second Window. In its decision since last December, the Board of Governors decided to transfer Ecus 12 million to the Second Window;*
- (ii) *the extension of the Programme relating to the net earnings of the First Window to include measures financed through loans;*
- (iii) *the reallocation of part of the shares of the First Window to developing countries.*

III. Implementation of Articles 72 and 73 of the Convention

These articles deal with the promotion of investments and increasing participation in the PMDT of ACP products. Article 72 of the Convention provides for information and publicity campaigns for European businesses to invest in African and other ACP countries. This matter is being followed-up by the ACP Group.

Finally, it is to be noted that the various ACP sub-committees on Trade Cooperation, Finance Development, Stabex, Industrial Cooperation, LDLCS, Commodities are now re-activated and started having discussions in order to draw-up a memorandum for the negotiations which will commence in September 1998.

IV. Activities in the Political field

During the period under review, the conference on Palestine, organized by the United Nations Committee on the Exercise of the Inalienable Rights of the Palestinian People, in cooperation with the Organization of the Islamic Conference and the League of Arab States, was held in Brussels between February 24 - 25, 1998, under the chairmanship of H.E. Mr. Ibrah Deguène Ka, Ambassador and Permanent Representative of Senegal to the United Nations, in New York and Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People.

The high-level conference was attended by eminent personalities, members of the UN Committee on Palestine, representatives of governments, inter-governmental and non-governmental organizations. As the Chairman of the conference stated, the main purpose was to re-launch the Peace process and strengthen the mobilization of European and international public opinion in order to ensure that the rights of the Palestinian people are respected and realized in practice. H.E. President Yasser Arafat also made a comprehensive report about the situation in Palestine and the Middle East.

At the end of its deliberations, the Chairman and the other co-sponsors made a press release in which the conference supported the exercise by the Palestinian people of their inalienable rights, including the right to self-determination and the establishment of their State. It reaffirmed that these were basic prerequisites for the successful resolution of the Arab-Israeli conflict, the core of which, is the question of Palestine.

The conference also stated that the peace process in the Middle East has come to a stalemate because of Israel's non-compliance with international law, UN resolutions and the agreements signed with Palestinian Liberation Organization (PLO) and because of Israeli inhuman practices and measures which continue to violate the

fundamental rights of Palestinian people, including the expansionist policy of illegal settlements and the economic blockade of the Palestinian territory.

Cuba's request to accede to the Georgetown Agreement and Lome Conventions

During this period under review, it is to be noted that, the Government of Cuba has made an official request for accession to the Georgetown Agreement and the Lome Convention. At this stage, the application of Cuba is under active consideration by the ACP Group.

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Report on the 68th Session of the ACP Council of Ministers held at the ACP Secretariat, September 28 - October 1, 1998

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