

Relations with the ACP States

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URL: http://www.cvce.eu/obj/relations_with_the_acp_states-en-e15ad5ba-2e50-4cdd-b655-27d9f26d6593.html

Last updated: 08/07/2016



Relations with the ACP States

The economic crisis that had beset Europe since the mid-1970s did not result in isolationism. In fact, the Lomé Agreements demonstrated that the European Economic Community (EEC) was prepared to cooperate with the poorest African, Caribbean and Pacific (ACP) States. At the Paris Summit in October 1972, the Nine (the Six, plus the three applicant countries, Denmark, Ireland and the United Kingdom) declared their willingness to step up their assistance and cooperation with the most deprived developing countries. However, several EEC Member States had other ideas. France, Belgium and Italy took the view that the EEC could not support all of the world's deprived regions and favoured a regionalist approach that gave clear preference to Africa. The Netherlands and Germany, soon to be followed by the United Kingdom, which traditionally favoured free trade and was very committed to protecting its trade relations with the Commonwealth, took a globalist approach, proposing that all developing countries be provided with in-kind or commercial aid. In July 1973, intergovernmental negotiations were launched between the Ministers of the Nine and those of the associated countries and of countries which could become associated in the future; a solution was found after 18 months of hard bargaining. The stakes were high, for in 1974 the ACP States sold 69 % of their exports to the EEC and purchased from the EEC 58 % of their imports.

The first Lomé Agreements were signed in the capital of Togo, the former German colony, on 28 February 1975 by the Nine and 46 ACP States. The Lomé Convention, which succeeded the Yaoundé Conventions of 1963 and 1969, was exemplary in its geographical ambition. The EEC's cooperation policy had to be adapted to the new international conditions created by the accession, from 1 January 1973, of the United Kingdom to the EEC and the consequences for the twenty independent Commonwealth countries. In institutional terms, the Lomé Agreements created an EEC-ACP Council of Ministers, Committee of Ambassadors, Consultative Assembly and Committee on Industrial Cooperation.

Lomé I provided, on a unilateral basis, free access to the Community's market for almost all goods originating in the African, Caribbean and Pacific States. The goods were admitted duty-free in unlimited quantities. EEC-manufactured goods could, on the other hand, be made subject to quotas and taxes, with the proviso that all EEC Member States were to be treated equally by the ACP States and enjoy 'most-favoured nation' trade status. The Lomé Agreements also created an industrial cooperation framework and an operational losses compensation scheme (STABEX) for agricultural products. When world market prices fell, the ACP States received interest-free, repayable compensation from the EEC. The gradual accession to the Lomé Convention of new States in the Indian Ocean, Pacific, Caribbean and even Oceania caused the EEC to decide in July 1976 to limit its aid policy to the developing countries and to exclude India, the South-East Asian countries and Latin America.

The second Lomé Convention was signed on 31 October 1979 with 59 ACP States. The Agreements laid the foundation for the System of Stabilisation of Export Earnings from Mining Products (SYSMIN), which allowed the EEC to provide urgent financial assistance to ACP States experiencing serious upheaval in the mining industry if it represented a major proportion of their total export volume over a period of four years. The endowment of the European Development Fund (EDF) under Lomé II was double that of Lomé I.