

EEC/EU and Development Aid from Lomé to Cotonou

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Abstract

In 1957, an association agreement connected to the Treaty of Rome, laid the foundation for a policy of European development aid. Initially founded on the idea of a Euro-African free trade zone, it included almost exclusively Francophone African countries as part of a European Development Fund for investments of an economic or social nature. Beginning in the 1970s with the signing of the first Lomé Convention (1975), European development aid evolved considerably, with regard to both the number of countries involved and the instruments adopted. After being renewed three times, the Lomé Convention gave way in 2000 to the Cotonou Agreement, which made European aid compatible with the World Trade Organization and integrated the new priorities of the EU in the post-Cold War period.

Article

During negotiations for the Treaty of Rome, France made the association of its African colonies an indispensable condition for its membership in the European Economic Community (EEC). The association system, which was one of the final matters to be resolved by the Six, involved abolishing tariff and customs barriers between the EEC and associated countries, and creating a European Development Fund (EDF). The association system was defined in a 5-year convention which was connected to the treaty regarding the EEC. It included the African colonies of France, Belgium, Somalia, and certain Dutch overseas territories and as such essentially concerned Francophone Africa. In 1962, the henceforth independent African countries negotiated with the EEC over the renewal of the association convention signed in Yaoundé, Cameroon, on July 20, 1963. It was renewed in 1969 after the 5-year period had confirmed its essential characteristics.

In 1973, negotiations for the renewal of Yaoundé II, which countries from the African, Caribbean, and Pacific Commonwealth (ACP) joined after some hesitation (following Great Britain's membership of the EEC), provided an opportunity to profoundly reform EEC policy. The new convention, which was signed in Lomé on February 28, 1975, offered a number of important changes. The term convention of association was abandoned upon the request of ACP countries, which deemed it to be too connected to the colonial past. The EDF saw one of its largest increases (going from 1 bn to 3.15 bn ECUs) and ended tariff reciprocity; only exports from ACP countries could freely enter the Single Market, thereby

abandoning the principle of Eurafrikan free trade zones adopted in 1957. A system for stabilizing export receipts (Stabex) was created to ensure regular revenues for ACP countries; and sugar produced by ACP countries enjoyed the guarantees of the Common Agricultural Policy (CAP), up to a cap established every five years. The EEC also began to develop cooperation in industry. At first glance, the Lomé Convention seemingly met at least some of the aspirations of the New International Economic Order (NIEO), which was approved by the United Nations in 1974 and represents the central demands of the G77, the coalition of third world countries within the United Nations. However, the expectations of ACP countries were largely disappointed.

In 1979, Lomé was renewed a second time. Its primary innovation was the financial mechanism Sysmin, which was created to support mining production in ACP countries. It differs from Stabex, to which it is often compared, in that the funds must be invested in the mining sector, which proved of central interest to European countries, along with the tendency on the part of donor countries to control aid more tightly.

During the first half of the 1980s, the economic crisis, the drop in raw material prices, and rising debt weakened ACP countries. The European side included political tensions caused by discussions over the British contribution to the European budget. In this context, Lomé III (1984) signalled a major evolution. A number of new elements showed how the criterion of aid effectiveness was in the process of replacing ideas connected to NOEI. Firstly, the dialogue surrounding policies, which were introduced at the request of the Commission, imposed a preliminary discussion with beneficiary countries regarding the allocation of EC funds. This was accompanied by an expansion of planned aid. While the Commission's intention was to deepen dialogue in order to maximize the effectiveness of Community aid, European countries wanted to have greater control over the use of funds. The notion of development founded on agriculture and food self-sufficiency—and not on industry—began to impose itself, prompted by the famines that struck Africa. Finally, a reference to the principles of the United Nations Charter and to fundamental human rights was introduced in the convention's preamble despite opposition from ACP countries, who feared interference on the part of European countries.

These trends were confirmed with Lomé IV in 1989. The convention, which had a duration of 10 years but included a financial protocol of 5 years, provided for making aid subject to respect for human rights, as well as greater coordination with the World Bank and International Monetary Fund (IMF), whose fight against poverty was being pursued. A new form of aid was introduced: support for structural adjustment. New priorities included the environment, the role of women, decentralized cooperation, and promotion of the private sector.

After the Cold War, aid granted to ACP countries (whose relative importance decreased in comparison

to Latin America and Asia) was rescaled during the 1990s. In 1994, negotiations for the renewal of the Lomé IV financial protocol revealed that the EU henceforth had other priorities. There was also a certain weariness on the part of donor countries, which were discouraged by the results obtained up to that point. In response to what was seen as a poor use of aid, the decision was made to reinforce control over Community funds: aid was granted in two blocks, with the second block being subject to an evaluation of how the first block was used. At the same time, the principle of the political conditionality of aid was reinforced. In 1992, the Maastricht Treaty had already made Community aid subject to strengthening democracy and the rule of law, as well as respecting human rights and fundamental liberties. From that point forward, regard for these principles became an essential element of the convention, whose violation could lead to the suspension of agreements.

In a Green Paper in 1996, the Commission specified the founding principles of the convention that would have succeeded Lomé IV (which was set to expire in February 2000), in order to make it compatible with the rules of the new World Trade Organization (WTO). The negotiations began in September 1998 and ended in June 2000 with the signing of the Cotonou Agreement for a duration of twenty years. The agreement introduced a number of new elements: it allowed non-state actors (the private sector, trade unions, civil society) to take part in defining development strategies; trade policy was no longer seen as an instrument of aid but as an objective in and of itself; and the tariff advantages granted to ACP countries had to be gradually abolished because they conflicted with WTO rules. There were plans to replace them with economic partnership agreements based on the principle of reciprocity, although carrying out these agreements has been complicated, as most ACP countries fear opening their markets. Stabex and Sysmin were replaced by a long-term development fund that has operated in conditions that are more difficult to verify. Finally, the agreement contains clauses regarding cooperation in the prevention of weapons of mass destruction, the fight against terrorism, and support for the International Court of Justice, making it essential to coordinate the policy of cooperation with the Community's foreign policy, which developed after 1992 with the Maastricht Treaty and the CFSP (Common Foreign and Security Policy).

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