Cotonou: Slowly Undoing Lomé's Concept of Partnership

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Introduction

Calling itself expressly a "Partnership Agreement" the new Treaty signed at Cotonou differs conspicuously from the former Lomé Treaties, most conspicuously by the fact that - declarations apart - the idea of real partnership is now largely absent. After a quarter of a century the EU has finally been able to move decidedly towards the situation it had initially wanted when signing Lomé I, but was unable to force on ACP countries then.

In contrast to the final outcome in 1975 the EU had initially wanted agreements with several groups of associated countries. The establishment of the ACP Group (Africa, Caribbean, Pacific) in Georgetown foiled the European approach of parallel negotiations with regional groups (Frisch 1996, p.61). Brussels wanted to preserve reverse preferences, as enshrined in the Yaoundé Conventions. US pressure - rather than ACP power - forced the EU to discontinue this practice seen by the US as a means to secure advantages in ACP markets. The informal "Casey-Soames understanding" committing the EEC not to insist on reverse trade preferences any longer paved the way for Lomé I (Raffer 1999, pp.132f).

Blocking the demand for a New International Economic Order, the EEC made far reaching concessions. ACP countries were granted an unprecedentedly strong position, including a contractual right to aid. Lomé I was the best arrangement SCs ever got from any group of
donors, the one which might justifiably be described by the word partnership, even though the EEC remained the one partner with the exclusive right to decide in most financial matters. The great innovation was Stabex, the STABilisation of EXport revenues (cf. Raffer & Singer 1996), deliberately offered as an alternative to Southern demands for commodity price stabilisation. Like an insurance scheme it conferred contractual rights of compensation for export earnings shortfalls of selected commodities. Special regulations for bananas, rum, and most notably sugar were laid down. The Sugar Protocol guaranteed a minimum sugar price linked to the price of beet sugar within the EEC for a quota of roughly 1.22 million metric tons per year. Thus ACP exporters participated automatically in intra-EEC policies preserving European farmers’ incomes, another unique feature.

The European Commission (1996, p.9) frankly acknowledged that such generosity was based on the concern to defend ... economic and geopolitical interests in the age of the Cold War ... the international situation ... European anxiety at the first oil crisis, i.e. a fear of raw material shortages and a desire to hold on to valued overseas markets, united with geostrategic interests ....

Fear and self-interest, as well as the bargaining power of Sub-Saharan Africa (Frisch 1996, p.61) produced a result quite different from what the EU had wanted. The history of Lomé after 1975 has been characterised by a continuous and tenacious roll-back of the
concessions once granted (cf. Raffer 1998, 1999; Raffer & Singer 2001). The new Treaty is the rail points setting the course towards realising the EU's initial, pre-Lomé ideas. The WTO proves a helpful means to abolish remaining Lomé instruments.

Initially scheduled to be signed in Suva, Cotonou had to be chosen after some delay caused by the political situation in Fiji, bringing the Convention geographically closer to Lomé than intended. One should recall that ethnic frictions in this country are a colonial legacy. Indians were brought into Fiji as indentured labourers (a euphemism for temporary slaves) to work in sugar production. Fiji’s present problems show very clearly which strong and long-lasting effects colonialism has in the countries that suffered under it.

This paper presents a brief description of the main elements of the Cotonou Treaty, drawing special attention to those changes that have effectively rolled back Lomé. Finally, the concept of partner(ship) pursuant to Cotonou is discussed. Mentioned 52 times in only 100 Articles - and nine times in the Annexes - it is definitely a crucial concept. In spite of this lip service this relation has become so unequal that "partnership" can only be understood in an Orwellian sense.

The Cotonou Treaty

The new Treaty was concluded for 20 years, with Financial Protocols for five year periods pursuant to Article 95. Pursuant to para 4 of Annex I (the Financial Protocol) "The overall amount of the present Financial Protocol, supplemented by transferred balances from previous EDFs, will cover the period of 2000 - 2007", which does not look like a five-year
period at first sight, but seems connected with Article 93.3. Pursuant to this article Cotonou shall enter into force on the first day of the second month following the date of deposit of instruments of ratification of the member states, at least two thirds of the ACP states, and of the instrument of approval by the Community. One may thus expect Cotonou to start not before 2002, if the Commission - known for its inefficiency and delays (cf. IDC 2000) manages to deposit its approval by then.

Financial Resources

Remaining funds from previous EDFs are to be transferred to EDF 9 and used in accordance with the new conditions. Lomé is finished immediately, well before the money stipulated for it is spent. The new Financial Protocol amounts to Euro 15.2 billion (Lomé IV/2: Euro 14.625 billion). Assistance under EDF 9 is - according to Annex I - "up to" Euro 13.5 billion over five or possibly seven years, an increase of 4.1 per cent in nominal terms, if the whole maximum amount should be available. Even with modest inflation this means a remarkable reduction in real terms, more pronounced yet on a per caput base. At the present weak exchange rate of the Euro this means noticeably less than the two pints of beer and the packet of chips per head in an average London pub used by the ACP Council President to illustrate the impact of Lomé IV/2 (The Courier, No. 155, January/February 1996, p.4). The meaning of "up to" - an innovation in EU-ACP conventions - must be interpreted with disbursement backlogs, the Commission's "efficiency" and the shift in "geopolitical interests" in mind, which cannot be reassuring to ACP countries.
An enquiry into the effectiveness of EU aid by the International Development Committee of the House of Commons found that the average delay in disbursement of committed funds had increased from 3 to 4.5 years during the last five years. By the end of 1999 the backlog of outstanding commitments had reached over Euro 20 billion. For some programmes this backlog was equivalent to 8.5 years of "payments". (IDC 2000, p.xvi) Disbursements for the less bureaucratic Lomé I (signed in 1975) were not completed until 1990, when Lomé IV was signed (Greenidge 1999, p.111). According to Commissioner Nielson ACP countries fared better than the Mediterranean programme regarding the general overall time lag (IDC 2000, p.37) even though some states have practically collapsed in Africa. Lomé's partnership concept was efficient in comparison with other EU actions "unhampered" by such partnership.

Adding remaining Lomé resources to those stipulated under Cotonou has to be seen in connexion with these considerable backlogs. They make any expectation that all Cotonou funds would actually be spent quite unlikely. The phrase "up to" is very likely to result in a considerable reduction of actual disbursements. The Financial Protocol demands an assessment of the realisation of commitments and disbursements. This will serve as the basis to re-evaluate resources needed in the future. If past record is any guidance that should result in a nominal reduction of funds - lots of unspent money would be a good reason to argue that too much was granted at Cotonou, and that commitments should be brought more in line with actual absorption. As the Commission can influence speed by dragging their feet a clear element of moral hazard has been built into the treaty. The repeatedly criticised slowness of the EU's aid administration led to a reform plan launched
in May 2000 (Commission 2000a, see also 2000b), but it remains to be seen whether it will actually become considerably more efficient, particularly so in the ACP case.

Efficiency aspects apart, "up to" must also be seen with the shift of the EU's "geopolitical" interests in mind. It would not freeze-in money in favour of one group, but allow shifting resources easily. Inter-Press Service reported on 17 May 2000 about a proposed shift in EU resource flows. The EU Commissioner for External Relations told reporters that stabilising the Western Balkans, in particular Kosovo, was a priority, and that the Commission was proposing cuts in commitments in most other external actions to finance this. For reconstruction of the Balkans Euro 5.5 billion were immediately promised, even before concrete projects were assessed. According to the Commissioner "we had to raid other parts of the budget" (IDC 2000, p.25). The British Secretary of State for International Development saw it as "raiding money that would otherwise be used for development of the poorest" (ibid., p.5). Cotonou seems tailor made to facilitate further "raids".

ACP money was already shifted to finance another purpose, namely for HIPC II. This allocation of EDF resources means using money that was already promised and committed for one purpose in a totally different way. ACP countries had to agree - as they were legally entitled to this money - which they did in the middle of tough negotiations on the new arrangement. Some ACP countries spoke against it, pointing out that not all HIPCs are ACP members, but they did not prevail. For the EU it was not any additional expense and a simple and agreeable way of getting rid of parts of the backlog.
Euro 2.2 billion are allocated to the Investment Facility, which the Commission had proposed (Raffer 1999). Loans under this Facility - a term strongly recalling the IMF - will be administered by the EIB, like Euro 1.7 billion of loans from its own resources. This brings the share of grants down from 92.29 per cent (EDF8) to 83.7, more than doubling the share of loans. Euro 10 billion, the envelope for long term development, are grants. A special allocation for regional co-operation and integration (Euro 1.3 billion) underlines the shift away from raw material policy, for which no special allocation exists any longer. Regional integration shall be "encouraged and supported" to "foster the integration of the ACP countries into the world economy in terms of trade and private investment" pursuant to Article 1.

Dealing with post-emergency action Article 73 demands that the transition from the emergency phase to the development phase must be eased, that the affected population should be re-integrated, and that the causes of crises should be removed as far as possible. Recalling that they had advocated a relief-development continuum (Raffer & Singer 1996, pp.195ff) Raffer & Singer (2001, pp.114f) welcomed the EU’s intention to connect emergency action with long term development and crisis prevention.

*Trade*

Trade provisions are strongly shaped by WTO agenda. Economic and trade co-operation shall be implemented in full conformity with WTO provisions (Art.34.4). Liberalisation, privatisation, and support for the private sector have become as dominant as within the WTO, even though many ACP countries do not have a competitive private sector. Chapters
on trade in services and trade-related areas corroborate this impression. TRIPS are fully integrated (Art. 46) including the protection of patents on plants. Like in the respective WTO treaty no appropriate protection of traditional knowledge or clauses against so-called "bio-piracy" are stipulated. The clause from the TRIPS agreement that countries may decide not to allow patenting of plants and animals is not referred to. The tendency to go beyond the WTO, visible in the first proposals by the Commission (cf. Raffer 1999) is occasionally reflected in the Convention. Article 50 contains the agreement to enhance cooperation regarding trade and labour standards, an issue SCs had struggled to keep out of the WTO agreements. The reason was an understandable fear that such clauses might be used as "justification" for protectionist actions. Since 1995 the EU's GSP has already discriminated on the basis of environmental and social standards, although the WTO system does not recognise these criteria as justifying preferential treatment. Claiming this to be "fully compatible with WTO rules" (Commission 1999, p.5) - wisely avoiding any reference to a precise clause - the EU intends to use this arrangement more frequently. One could thus imagine the new "partnership" agreements to incorporate such preferences. Passages of the Cotonou Treaty, such as Art.32, Art. 20.1(e), and Articles 49 and 50 might be understood as paving the way. Liberalisation in the field of information and communication technology will benefit the EU more than the ACP side. Art.43.3 obliges ACP countries to participate fully and actively in any future international negotiation in this field, which restricts their options. A "need" is also stipulated for ACP states to participate in multilateral trade negotiations. Compared with earlier formulations that seemed to prepare the field for making ACP countries accept unspecified future multilateral treaties -
such as the now shelved MAI, not negotiated by ACP-countries - this formulation looks less binding.

Particular emphasis on private financing of infrastructure investments (Art.75(f)) is demanded. One might ask whether poor people, even small ACP firms, are really able to pay for these facilities if market fees are charged, as suggested by "revenue generating infrastructure". This will certainly be less of a problem to European investors who are to be encouraged. The text uses the word diversification only twice. Art.21, however, speaks of the diversification of enterprises. Only Art.28 uses it in relation to ACP economies heavily concentrated on raw material exports. Diversification strategies - necessary to enable many ACP countries to benefit adequately from preferential market access - are not seen as important enough to merit more attention, although the Commission (1998a, p.53) found "lack of supply capacity and competitiveness of most ACP countries which renders them unable to cope with external demand and competition". Liberalisation is easily granted under such conditions, and a one way street. Free Trade Areas (FTAs) must therefore be expected to reflect mainly if not solely European interests - to soften the pressures of globalisation on Europe, as the Commission formulated, giving European exporters an advantage over other industrialised countries. This does not suggest development considerations as the main reason. Frisch (1996, p.68) points out that FTAs would serve European export interests better than the Lomé arrangement.

To guarantee WTO-compatibility of FTAs by including substantially all trade ACP countries would have to liberalise substantially. The Commission did not expect
noteworthy impacts of FTAs on its Common Agricultural Policy. A preparatory period until the end of 2007 was foreseen to negotiate trade agreements (now called "partnership agreements") on this new basis. Art. 37 allows the option of not entering into such agreements, in which case the possibilities for a new trade framework, equivalent to the present situation and in conformity with WTO rules are to be examined. Art. 37.9 is the legal base of the EU's "Everything [sic!] but Arms" initiative. As intended before Lomé I the ACP group will thus finally be split into regional groups, in all likelihood many more than three. Several FTAs will allow Brussels to target restrictions more specifically on items the EU does not wish to liberalise, thus remaining more protectionist. Beef can for instance remain subject to restrictions only for country groups that actually do or could export it but liberalised vis-à-vis countries unlikely to export any. Effective liberalisation can thus be minimised by splitting. If all ACP countries formed one FTA with Brussels that would not be possible.

The new WTO regime shaped by the EU and the US will apparently serve to cleanse trade relations from disliked historical obligations. The EU did not try to protect the Lomé model during WTO negotiations. The present result may thus be welcome. With the WTO many specificities of Lomé, such as non-reciprocity can be undone without unpleasant new negotiations. Emphasising the need "to achieve respect for the relevant WTO rules" while "securing to the extent possible the benefits provided through the commodity protocols" the Commission (1996, p.34) noted that a waiver for Lomé would be unlikely. What securing to the extent possible precisely means can be guessed from a passage on the challenges of Caribbean countries, which includes "the move away from trade protection (bananas, sugar,
rice etc.) to open, competitive trade" (ibid., p.32a). Meanwhile a waiver is obviously seen as more likely, but Commodity Protocols are the other characteristic element of Lomé where it remains to be seen to what extent they can survive WTO-conformity tests. Falling product prices - because of agrarian reforms within Europe, as the Commission (1998a) envisaged, or for other reasons - would reduce export values, increasing the share of liberalised trade to WTO compatible levels. "A decrease of 30% in guaranteed prices for sugar or beef and veal alone would" increase "total liberalized imports to 89%" in the case of the SADC countries (ibid., p.13). As "such elements" would make an FTA "perfectly feasible" one should not be surprised if the economic value of the protocols should become obsolete.

The best known case of WTO scrutiny is bananas. A panel ruled that Lomé's banana system "violated the world trade rules in several ways" (Courier No.164, 1997, p.9). Duty free preferences covered by a WTO waiver were not condemned. The licensing system provided an incentive to companies to import higher cost ACP fruit, but no appropriate waiver for it had been demanded. However, waivers are only granted for limited periods of time. Producers fear that maintaining their market shares on trade preferences alone would at least be very difficult. It remains to be seen how long the main scope of the banana protocol, to secure present treatment, will be able to survive. Producers are now encouraged to diversify, although, Greenidge (1999, p.113) points out, bananas have already been produced by ACP states in pursuit of diversification.
The banana case is pathbreaking in another way as well. It was the first time that the US had ever used Section 301 in connexion with a product not exported by it. Chiquita exports bananas from Latin America. In a ten page report on that case *Time* (7 February 2000, pp.36ff) described how donations and campaign contributions from people connected with the exporting firm, Chiquita, flowed generously. The magazine also connected these flows with actions of the US government, claiming that they had influenced them in this unprecedented case. It argued that the US Trade Representative's decision regarding bananas was "sharply at odds with its handling of similar agricultural issues". It compared negotiations with Japan to allow US companies an import share of 3 per cent for US rice with Chiquita's 20 per cent market share in Europe for non-US bananas that caused a trade war. Finally, it pointed out that US importers big enough to finance lobbying were not hurt by US sanctions - in contrast to smaller US firms.

Preferential access to the European market for sugar and rum at prices much higher than world levels are unlikely to survive WTO scrutiny. The really unique but costly arrangement of guaranteed prices connected to intra-EU prices and of guaranteed purchases of sugar (Article 5) can be abolished because goal posts were moved from outside the playing field of new EU-ACP negotiations without the political embarrassment of denouncing the Protocol pursuant to Art.10. Reaffirming the importance of commodity protocols Article 36.4 speaks of the necessity to review them "in particular as regards their compatibility with WTO rules, with a view to safeguarding the benefits derived therefrom." They are subsumed under the heading "new trading arrangements". This might indicate that they are to become part of trade treaties, losing their status as special protocols. Like in the
case of reciprocity a preparatory period can be expected, but it must be doubted whether the essence and thus the benefits will survive.

Migration

Migration is strongly emphasised by the Convention, another example for the shift towards accommodating European interests more explicitly. Art.13 makes this issue "the subject of in-depth dialogue in the framework of the EU-ACP partnership". ACP countries are obliged to readmit nationals deported from Europe without further formalities. The same obligation is stipulated for the EU as well. But one may assume that less Europeans will be expelled from ACP countries to EU members reluctant to allow them to return than vice versa. The EU, on the other hand, has great problems with immigrants from ACP countries. Not only from there. Dearden (1999) concludes that concerns about migration pressures have been an important reason for Europe's re-orientation towards economies in transition. The EU's increased attention to the Southern Mediterranean is also influenced by migration concerns.

The Forgotten Debt Overhang

Although overindebtedness is a pressing problem for ACP countries no initiatives are stipulated, but "business as usual" is to continue in spite of its dismal record. Money may be used in support of Structural Adjustment, the level of indebtedness is one criterion for assessing resource allocation. The latter would be compatible with present practice of bailing out IFIs with bilateral resources as well as with re-allocating money to HIPC II or a future HIPC III. Art. 66.1 explicitly allows using EDF resources for debt relief - in the case of "initiatives approved at international level" - which means that debt reduction will
normally not be additional but be fully charged to the aid account. The Community's commitment to "examine" how non-EDF resources could be mobilised in support of such initiatives contains no real, economic obligation whatsoever. Pursuant to 66.2 the EU may - but need not - grant assistance to improve debt management.

Under the heading "support for debt relief" Article 66.4 finally states that the EU intends to do nothing to remove the debt overhang:

Given the seriousness of the international debt problem and its impact on economic growth, the parties declare their readiness to continue to exchange views, within the context of international discussions, on the general problem of debt, and without prejudice to specific discussions taking place in the relevant fora.

This inactivity regarding the debt overhang means that - like in the past - indebted countries will not have the resources to "improve the coverage, quality of and access to basic social infrastructure and services and take account of local needs and specific demands of the most vulnerable and disadvantaged" (Art.25), let alone for "improving health systems and nutrition, eliminating hunger and malnutrition". The special attention demanded by this Article to ensure adequate levels of public spending in the social sectors is likely to remain lip service, a conclusion corroborated if one considers the amounts of aid.

*Political Conditionality*
Defining essential elements Article 9.2 includes "an executive that is fully subject to the law". Within the EU the executive branch makes "laws" behind closed doors. Europol, the European police force is above the law. Its members cannot be held accountable for anything they might do. The Commission has failed to present the annual reports pursuant to the 1991 Council Resolution under the heading of human rights over years (IDC 2000, p.41), a fact, which one British MP contrasted with the EU's promoting good governance and democratisation in other countries. Irregularities led to the forced resignation of the Santer Commission, an event Africans in particular liked to discuss in connection with political conditionality. But its own performance does not keep the EU from demanding standards that are not met in Europe from ACP countries, and from reserving the contractual right to appropriate measures, including the suspension of the Convention if these standards are violated according to its understanding.

Apparently, it is now largely forgotten that the inclusion of human rights into Lomé III was an ACP demand directed against the EEC states that were in a close economic (and political in some cases) embrace with the Apartheid regime of South Africa. For this reason the EU insisted that it be relegated to an annexe rather than being incorporated in the body of the text. Today the tables have turned somewhat.

(Greenidge 1999, p.116)
Unlike in the case of Apartheid South Africa, human rights have now become a genuine concern of the EU's. As all demands subsumed under political conditionality are fairly opaque, and the EU is largely free to decide what it considers a breach of obligations with regard to essential elements this introduces an element of arbitrariness in favour of the EU. Technically, ACP countries could also demand consultations and adopt appropriate measures pursuant to Art. 96. But since measures by the EU against any ACP-country are likely to be much more effective than the other way round, and any ACP country might fear to get less money under the Treaty if it invokes Article 96, it seems safe to assume that only the EU is likely to use the mechanisms and possibilities introduced by the essential elements clause.

**An Orwellian Concept of Partnership**

The EU's verbal attitude towards partnership has experienced a distinct U-turn. In its *Green Paper* the Commission (1996, p.39) expressed strong doubts about the further viability of the principle of partnership, arguing that it "has come up against a number of difficulties". It "has proved hard to put initial intentions, based on the principle of equal partners, into practice". Among the reasons that "seriously undermined" partnership were "growing conditionality" or the Community's tendency to decide for recipients "like other donors". By arguing so the Commission used its own undermining of partnership to justify its abolishment. Different perceptions between the country and the EU would make joint aid management time-consuming and less effective. Suffice this to show that heavy criticism of partnership was one strategy to underpin demands for changes undoing Lomé.
Naturally, diplomatic lip service was paid even then: "Partnership is undoubtedly still the ideal form of cooperation relations and any future agreement between the EU and the ACP States must endeavour to restore it." (ibid.). One might note that a partnership in need of being restored does logically not exist at the time when this need exists. Thus it could hardly be the cause of problems. But while logic was evidently not seen as essential, the Commission had clear views of what would be essential for this "restored" partnership: its power to decide flexibly and on short notice, as well as allocating aid according to "merit" and unrevealed "performance criteria" (ibid., pp.70f) rather than according to contractually fixed entitlements.

In practice, suggestions by Southern partners were not necessarily welcome. When post-Apartheid South Africa wanted to join Lomé, Brussels had already the idea of a free trade area with the Republic, viz. the new modell. Confronted with South Africa’s demand of full membership – the “old” model - the EU was "dismayed" (Lister 1999, p.150). Lister saw this as a reason to ask whether the EU actually wants "more dialogue ... or simply more effusive agreement with its policies."

Now popular within the DAC, the catchword "partnership" is used frequently by the Convention, and ranked before gender issues and sustainability. The EU was apparently able to overcome its reservations against partnership and the number of difficulties it supposedly poses. It has embraced the word "partnership" fully - although not necessarily the underlying concept of equality. The new, "restored" concept is quite Orwellian, as closer analysis of the real power structures in Cotonou proves.
Like in the case of all treaties in the past the real decision power rests with Brussels.

As before the Commission "shall be responsible for taking financing decisions on projects and programmes" (Article 57.5). But the EU's legal obligations have largely been abolished. Remnants of contractual allocations such as for Stabex are gone. Even the amount of money to be spent under the new EDF 9 is no longer fixed, in marked contrast to all previous conventions. Thus the Commission may simply exert pressure by threatening to allocate less resources, a measure which should be quite effective in the case of debt ridden countries.

Unsurprisingly, the Commission's wish to consider "merit" has prevailed. Art. 3 of Annex IV (Implementation and Management Procedures) states: "Resource allocation shall be based on needs and performance". Although "performance shall be assessed in an objective and transparent manner" the parameters listed leave a lot of leeway: "progress in implementing institutional reforms, country performance in the use of resources, effective implementation of current operations, poverty alleviation or reduction, sustainable development measures and macroeconomic and sectoral policy performance". These "parameters" are themselves undetermined, but no clear connexion between them and funds allocated exists either. Even an excellent assessment of performance does not entitle the country to any specific resources or increases in allocations. Similarly, "needs" are to be "assessed on the basis of criteria pertaining to per capita income, population size, social indicators and the level of indebtedness, export earning losses and dependence on export earnings ...." Art. 3.1(a) of Annex IV does not even specify which criteria, nor which social indicators are to be considered. As "pertain" means "having reference, relate to" according
to the Oxford English Dictionary, and there is a virtually unlimited set of social indicators practically any possible criterion logically pertains somehow to social indicators. Ultimately, the Commission thus has absolute carte blanche to allocate money. Arbitrariness has de facto become part and parcel of the "Partnership Agreement".

The annual review process, which makes co-operation "sufficiently flexible" (Art. 5.1) has finally introduced donor flexibility beyond the two-tranche model of Lomé IV/2, as was intended by the EU (cf. Raffer 1999). Resource allocation subject to decisions "on a year-by-year basis" (Commission 1998b, p.32), aid depending on a "global evaluation" instead of specific conditions, whose compliance could be checked more easily (ibid., p.33), and a political dialogue "as flexible as possible" have now become reality. The Commission's wish: "It must be possible to conduct dialogue at the level and the moment most relevant" (ibid., p.10) is fulfilled. On top of annual operational reviews a mid-term review and an end-of-term review are stipulated. The latter are especially important as the Community "may revise the resource allocation in the light of current needs and performance of the ACP State concerned" (Art.5.7; see also Art.11) after these are completed. The poor remnants of contractuality, a tranche to which the ACP country was entitled under Lomé IV/2 once the decision on the tranche had been made, is finally gone. The present "partnership" is an Orwellian relation where one partner has no rights at all, the other perfect arbitrariness. It is not a horse and rider relation, as the rider also depends on the horse as a means of transport while ACP countries appear to be a historical burden the EU might not be unhappy to get rid of.
The complicated planning structures introduced by Lomé III, frequently criticised as long as this was considered opportune to argue for changes, have not been simplified. As the real decision power rests with the EU, all these complicated proceedings are a nuisance rather than any help. They must be a particular drain on human and other resources in the case of small as well as poor countries. The Chief Authorising Officer (appointed by the Commission) commits, clears, authorises and keeps accounts of expenditures (Art. 34, Annex IV). (S)he prepares tender dossiers, approves the proposals for the placing of contracts subject to the powers exercised by the Head of Delegation, and is generally responsible for managing resources. The Head of Delegation has, e.g., the right to approve tenders before the National Authorising Officer issues them and contracts, or to endorse contracts and estimates pursuant to Art.36. One has to ask what distinguishes National Authorising Officers from apprentice-secretaries under unusually strict control by their boss. Apparently, the Commissioner for Development characterised this new system succinctly in his foreword to the Commission's (1996) *Green Paper*: "The post-colonial era is coming to an end". Announcing a new era of quasi-colonial dependence, this was perfectly right.

One might even doubt whether the Commission would be prepared to honour contractual commitments if violating them appears of advantage. Although the Maastricht Treaty demands consistency, and the *Green Paper* repeatedly invoked its importance the Commission (1996, p.46) refused expressly and steadfastly any commitment to coherent and consistent policies:
consistency ... that is the external effects of policies other than development cooperation, can in any case never become an international commitment on the part of the Community. ... consistency remains a matter of judgement. The Treaty of the European Union answers these concerns by imposing the principle of consistency, particularly with regard to its external activities (Article C of the Treaty) and explicitly with regard to development cooperation (Article 130v).

Although it is argued that the Maastricht Treaty must be respected to the digit behind the decimal point in the case of austerity policies politically justified by the common currency, and WTO discipline is keenly cited to justify changes, the Commission declared publicly that it has no intention whatsoever to obey the Maastricht Treaty when it comes to aid (cf. also *ibid.*, p.ix). Cotonou stipulates clearly that Brussels will not obey the principle of coherence. This is a change to Lomé IV whose Art.15a inserted in 1995 demanded coherence. Cotonou's Art. 12 allows ACP "partners" to voice their concerns. But if the Commission "does not accede to the ACP States' submissions" it will advise them "as soon as possible giving its reasons." Adequate information is to be provided in advance "whenever possible". Maastricht is no longer mentioned, but the right to inflict damage is now an integral part of the "Partnership Agreement".

On the other hand it would have been easy to simplify structures by introducing self-monitoring of recipients. Since the Treaty fixes the maximal amount of money available Cotonou could have been used in a pioneering way to test self-monitoring, as successfully
done by European recipients under the Marshall Plan, in the case of ACP-countries. Pointing at the economic success of Marshall aid Raffer & Singer (1996, p.197f) proposed this as a model for aid in general, which, however, would reduce donor power. Raffer (1998, 1999) specifically recommended simplifying Lomé procedures by self-monitoring. Obviously, this would have meant too much partnership. While acceptable between the US and Western Europe after the War, such equality between partners was apparently out of question for "developing countries".

**Conclusion**

After a quarter of a century and a long and tenacious process of rolling back the far reaching concessions granted by Lomé I under special circumstances, the new Cotonou treaty is the decisive step in restoring the situation the EEC had originally wanted when negotiating the first Lomé Convention:

- The initially envisaged agreements with several groups of associated countries will be realised by 1 January 2008 (Art. 37.1)
- The system of reverse preferences is to be re-established with the help of the WTO-system - which was also shaped by the EU. It allows the EU to return to the old and preferred arrangement, and to open ACP countries to European export interests.
- Stabex, the most far reaching concession of Lomé I, is finally gone. Financial support against export earnings volatility may be expected to be discontinued soon.
- WTO compatibility will also in all likelihood serve as the means to undo commodity protocols. Bananas seem to be just the start.
Replacing fixed financial allocations by a ceiling for payments under Cotonou invites reduced disbursements. Simply by dragging their feet the EU can pay much less than the maximum stipulated, a clear case of moral hazard. Considering the Commission's inefficiency, the substantial backlogs of disbursements as well as the "geopolitical" shift of EU-interests to neighbouring regions one may expect actual payments to fall well below the ceiling stipulated. This, in turn, would certainly provide a very good argument for reducing resources further.

While a good mirror of changing North-South relations EU-ACP relations may be said to have changed even more dramatically. Lomé I was the closest SCs ever came to their demands for a NIEO. The present treaty continues to roll back what was once agreed in a period of anxiety, catching up with the neoliberal zeitgeist. The EU has now turned a normal donor, although a donor with more than normal leverage vis-à-vis the ACP group, and joint institutions to keep up the appearance of partnership. Post-colonialism is indeed over. Considering the shift in EU interest towards stabilising the Balkans, ACP countries might on the other hand be lucky that the Convention is signed, even though it remains to be seen how much money to finance development will actually be forthcoming.

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