SEVENTH PARLIAMENT OF GUYANA – FIRST SESSION – (1998-1999)

NATIONAL ASSEMBLY

NOTICE PAPER

No. 66 (M25 Govt 21) **Published 22.7.99**

The following Notice has been received:

MOTION

THE ACP-EU NEGOTIATIONS ON A POST-LOME IV AGREEMENT

The Minister of Foreign Affairs to move the following motion:

WHEREAS the Government of Guyana became a State Party to the Georgetown Agreement, which on June 6, 1975 established the Group of African, Caribbean and Pacific States that is referred to as the ACP Group; and

WHEREAS Guyana, as a member state of the ACP Group, has been a signatory to and beneficiary of the various Trade and Aid Cooperation Agreements known as the LOME Conventions negotiated between the ACP Group and European Community (EC) since 1975; and

WHEREAS the Fourth LOME Convention (LOME IV), concluded for a period of ten years from March 1, 1990 to February 29, 2000, provides in Article 366 that "Eighteen months before the end of the total period of the Convention, the Contracting parties shall enter into negotiations in order to examine what provisions shall subsequently govern relations between the Community and Member States on the one hand, and the ACP State on the other"; and

WHEREAS the Caribbean Community (CARICOM) Heads of Government, considering the express need for the region to develop cohesive regional positions regarding the various external negotiations such as the post-Lome IV Negotiations and for the Region to approach these negotiations as a group, established in April 1997 the Caribbean Regional Negotiating Machinery (RNM); and

WHEREAS the Caribbean Community (CARICOM) Heads of Government has delegated responsibility for management of the Regional Negotiating Machinery to the Prime-Ministerial Sub-Committee on External Negotiations of which Guyana is a core member with Jamaica (Chairman), Barbados, Trinidad and Tobago and St. Lucia (OECS); and

WHEREAS following the establishment of the Regional Negotiating Machinery (RNM) and at the initiative of the Heads of Government, CARICOM member states established "National Advisory Commitees" to complement the work of the RNM at the national level, that is to facilitate effective (national) coordination and preparation at member-state level of the region's external trade and economic negotiations; the operations of the national committees being integral to the RNM and function within the framework of the evolving regional strategy; and

WHEREAS on September 1, 1997 Guyana's national committee, the National Advisory Committee on External Negotiations (NACEN), was established under the Chairmanship of the Minister of Foreign Affairs and comprises representation from the public and private sectors, labour and academia; and

WHEREAS the NACEN, which is served by a small secretariat in the Ministry of Foreign Affairs, functions within the structured policy framework of that Ministry as a principal vehicle in the stated economic diplomacy thrust of the Government of Guyana, given existing trends in hemispheric and global trade and economic policy matters; and

WHEREAS the Caribbean Regional Negotiating Machinery, in collaboration with the Caribbean Group of Ambassadors in Brussels, has been spearheading the Caribbean's preparations for the ACP-EU Post-Lome IV Negotiations as well as the Caribbean's contributions to the ACP-wide preparations; and

WHEREAS the Prime-Ministerial Sub-Committee on External Negotiations, in July 1998, agreed on the allocation of Ministerial responsibilities for the post-Lome IV Negotiations with the CARIFORUM grouping as follows:

Sector of Negotiations		Lead Country	Alternate
(a)	**Political and Institutional**		
	Political Dialogue	Trinidad and Tobago	Jamaica/Guyana
	Institutional	Suriname	Belize
(b)	**Trade**		
	Structure and Services	The Bahamas	Barbadps
	The Trade Regime	Jamaica	OECS/Trinidad & Tobago
	Commodities	**Guyana**	OECS
(c)	**Development Finance**	OECS	Haiti
(d)	**Private Sector Issues**	Dominican Republic	Trinidad & Tobago
	Investment		

Other Related Issues

Capacity Building	Barbados	OECS
Human Resource Development		
Technology		
Entrepreneurship		

WHEREAS the Government of Guyana, as a member of the Caribbean Group, CARIFORUM, of the ACP Group, has fully participated in and endorsed the ACP's preparations and Negotiating Strategy for the negotiations between the ACP Group and the European Union (EU) for a post LOME- IV Convention; and

WHEREAS in 1997 the European Commission issued a "Green Paper on relations between the European Union and the ACP countries on the eve of the 21st Century - Challenges and options for a new partnership" which sets out the European Commission's proposals for a new EU Cooperation Policy with the ACP Group of States; and

WHEREAS the European Union Council of Ministers, on June 29, 1998, in considering the European Commission's "Green Paper" issued "Negotiating Directives for the negotiation of a development partnership agreement with the ACP countries" and authorised the Commission to open negotiations with the ACP Group of States on the basis of the following key proposals of the European Union:

- **Principles and Objectives**

  The future partnership will be based on four fundamental principles:

  - Ownership: The ACP Governments will determine their own strategies and models in accordance with essential elements to be laid down in the Convention.

  - Participation and Shared Responsibility: The partnership will include a wide (r) range of actors - government, private sector, labour, NGOs etc;

  - Dialogue, contract rather than conditionality and the fulfilment of mutual obligations

  - A differentiated approach: Cooperation procedures and priorities will be tailored to a partner's level of development, its needs and long-term development strategy; and

WHEREAS the Heads of State and Government of the ACP Group, at their first Summit in Libreville, Gabon on November 7, 1997 issued the Libreville Declaration setting out broad guidelines for the ACP's preparations for the negotiation of a post-LOME IV Agreement and instructing the ACP Council of Ministers to establish, by January 1998,

i. A work programme on a negotiating mandate and strategy and
ii. Mechanism for monitoring and reviewing the negotiations; and

WHEREAS pursuant to the Libreville Declaration the ACP Group issued on September 30, 1998 the 'ACP Group Negotiating Mandate' which states inter alia:

- "These directives, which take account of the Spirit and letter of the Libreville Declaration are intended to provide a basis for the negotiations. During the negotiations, it will be necessary for the two parties to define the modalities for the negotiation and conclusion of the new Agreement.

- "Accordingly, the discussions which are to commence in September 1998 should be an initial political encounter for reaching an Agreement on the nature and scope of the negotiations for a successor Agreement to LOME IV and will respect the principle that nothing is agreed until everything is agreed"; and

WHEREAS the ACP and the European Union commenced discussions at Ministerial and officials' levels from September 30, 1998, based on an agreed organizational structure for the negotiations, with the first Ministerial Negotiations convened in Dakar, Senegal on February 8-9; and

WHEREAS the ACP Group, in September 1998, agreed on an ACP Negotiating structure for the Post-Lome IV Negotiations which assured the CARIFORUM Group five positions – four (4) at Ministerial levels and one at Ambassadorial level as follows:

A.	The ACP Troika	Barbados (**Ministerial**) in the capacity of immediate past-President
B.	The ACP Bureau	In the normal rotation, St. Kitts & Nevis replaced Barbados as providing the Caribbean **Minister** on the ACP Ministerial Bureau.
C.	The Negotiating Groups:	
i.	Central Negotiating Group	A combination of the Troika and the Bureau with, therefore, the Caribbean members of each.
ii.	Trade	Lead position: Jamaica (ACP **Ministerial** spokesperson)
iii.	Development Finance	No. 2 position: St. Vincent & The Grenadines **(Ministerial)**
iv.	Private Sector & Investment	No. 2 position: Dominican Republic **(Ambassadorial)**

WHEREAS Negotiations for a Post-Lome IV Agreement cover four broad areas: Political and Institutional matters; Economic and Trade Cooperation; Private Sector and other Development Strategies; and Development Finance Cooperation; and

WHEREAS in all these areas there are many points of convergence between the ACP and the EU based on the respective Negotiating Mandates and the initial encounters in 1998; and

WHEREAS there remains major differences between the two sides after the First Ministerial Negotiating Meeting in Dakar, Senegal on February 8-9, 1999 as follows:

- First, **the Political and Institutional matters**. The issue of the 'essential elements' and the principle of **good governance**.

- The EU sees 'good governance' as an essential element in the new Agreement and which will be related to the continuation or suspension of benefits in the monitoring of the performance of ACP States. The ACP supports the principle of good governance but not as an essential element in any new arrangement. In other words the 'good governance' principle or requirement should not be used as a pretext by the EU to trigger sanctions (suspensions of benefits).

- The ACP supports the principle of good governance but objects to any inclusion of issues such as gay rights, capital punishment etc;

- On the matter of surveillance or monitoring – that is, who determines conditionalities and whether such conditionalities are met or not – mutual agreement and participation of both parties (and not the EU

only) will be necessary;

- The issue of **development** should be underscored in the partnership arrangement. On this question the issue of debt should be properly addressed. For example, clear distinction must be made between indebtedness to the European Union (EU) and (bilateral) indebtedness by the ACP States to EU States. Indebtedness to the EU is small, largely as a result of the mostly grant aid assistance being extended to the ACP States.

- The **Financial contagion** issue should be considered as part of the reality and the need to address the issue of (financial) safety nets.

- Second, **the Trade issue**. The EU has proposed a roll-over of current preferential arrangements under Lome IV until 2005 and that the successor agreement to be concluded should provide for Alternative Trade Arrangements (ATAs) **in the form of Regional Economic Partnership Agreements (REPAs) to be negotiated and enter into** effect as from 2005. These REPAS would be negotiated between the EU and each of the five ACP regions (or with individual countries that are not members of any integration grouping). The REPAs would provide for the progressive introduction of free trade with and reciprocity to the EU.

- Before finalising a position on the EU's proposed alternative trade arrangements (ATAs) the ACP countries need to obtain better information and achieve a clearer understanding of the following issues: the EU's intention with respect to the extent and timing of future revisions of the Common Agriculture Policy (CAP); Impact of

import competition on vulnerable/sensitive sectors; fiscal revenue losses and fiscal adjustment possibilities; scope for further EU tariff reductions within the period of the roll-over of LOME preferences; and key issues relating to the new round of WTO Trade Negotiations.

- The ACP considers it essential, before embarking on alternative trade arrangements (ATAs) with the EU, to consolidate their economic development on the basis of the current market access arrangements. As such a **roll-over period of ten (10) years** has been proposed during which ATAs should be considered in 2004, to be implemented in 2010. This would allow sufficient (transition) time to build the competitiveness of CARIFORUM/ACP exports as well as to assess the possible impact of the progressive introduction of free trade including scope for amending the WTO's definition of free trade areas (so as to exclude a higher percentage of sensitive exports). The proposed date of 2004 for consideration of ATAs will coincide with the timing of the EU's review of its Generalised System of Preferences (GSP).

- LOME IV provisions on Services should be activated during the roll-over period.

- Third, **development finance**. The EU has proposed the rationalisation of the several financial instruments (such as Stabex, Sysmin, structural adjustment, and debt relief) into two facilities. One would be devoted to all forms of long-term development and the other to be operated by the European Investment Bank, to provide support to the Private Sector.

- The major difference in the concept of rationalisation of the instruments is that, in the case of the EU, rationalisation means a reduction of instruments while for the ACP it means maintaining the existing instruments but improving and simplifying the procedures for more efficient disbursements and programme. This is clearly so in the case of the Stabex and Sysmin instruments.

WHEREAS with respect to Protocols and special arrangements regarding the trade in commodities the positions of the European Union and the ACP, respectively, are as follows:

- **RUM**

- **EU Position:** Given the fact that the present tariff quota will be abolished in the year 2000, the rum Protocol will not be reviewed. However, in view of the importance of this product for several ACP countries, the Community will state its readiness to examine any specific request which might be presented by the ACP with regard to this product.

- **ACP Position:** In light of the EU's unilateral decision of 24 March 1997 to eliminate duties on rum between 2000 and 2003 and the declaration by the Council and the Commission to safeguard ACP access to the market, it will be necessary to achieve a new arrangement before 2000. This should include an integrated package of measures aimed at providing transitional protection,

including marketing and other forms of assistance to enhance the industry's global competitiveness. The ACP has already tabled a detailed proposal which was prepared by the West Indies Rum and Spirits Producers Association (WIRSPA)

- **RICE**

- **EU Position:** The EU proposes a roll-over of the current arrangements provided for under Annex XL until 2005.

- **ACP Position:** The OCT route for ACP rice exports to the EU should be discontinued and the quota for ACP traditional rice exporters for rice shipped directly to the EU should be substantially increased annually up to 2005 and, thereafter, all quantitative restrictions remove There should also be further significant reductions in the levy for exports through the direct route and a programme of long-term assistance for ACP producers to improve their efficiency in production, milling and transportation. The ACP has already tabled a detailed proposal which was prepared by the Caribbean Rice Association (CRA).

NATIONAL ASSEMBLY

ORDER PAPER

FOR THE 36TH SITTING OF THE NATIONAL ASSEMBLY OF THE FIRST SESSION (1998-1999) OF THE SEVENTH PARLIAMENT OF GUYANA TO BE HELD AT 2.00 P.M. ON FRIDAY, 29TH OCTOBER, 1999 IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, GEORGETOWN

BUSINESS FOR SITTING

PRAYERS.

OATH OF A NEW MEMBER-

MESSAGES FROM THE PRESIDENT-

ANNOUNCEMENTS BY THE SPEAKER-

PRESENTATION OF PETITIONS-

PRESENTATION OF PAPERS AND REPORTS, ETC.-

By the Minister of Finance:

(i) Financial Paper No. 3/1999 - Supplementary Estimates (Current and Capital) totalling $8,862,531,741, for the period ending 31st December, 1999.

(Circulated)

(ii) Financial Paper No. 4/1999 - Supplementary Estimates (Current and Capital) totalling $415,149,071, for the period ended 5th October, 1999 - Advances made from the Contingencies Fund.

(Circulated)

QUESTIONS TO MINISTERS-

STATEMENTS BY MINISTERS-

PERSONAL EXPLANATIONS-

/...2

REQUESTS FOR LEAVE TO MOVE THE ADJOURNMENT OF THE ASSEMBLY ON DEFINITE MATTERS OF URGENT PUBLIC IMPORTANCE-

MOTIONS RELATING TO THE BUSINESS OR SITTINGS OF THE ASSEMBLY AND MOVED BY A MINISTER-

Suspension of Standing Order No. 68(1)

The Minister of Agriculture and Parliamentary Affairs to move the following motion:

BE IT RESOLVED:

That this National Assembly approve of the suspension of Standing Order No. 68(1) to enable the following Financial Papers to be considered at the sitting of the Assembly on Friday, 29th October, 1999:-

(i) Financial Paper No. 3/1999 - Supplementary Estimates (Current and Capital) totalling $8,862,531,741, for the period ending 31st December, 1999.

(ii) Financial Paper No. 4/1999 - Supplementary Estimates (Current and Capital) totalling $415,149,071, for the period ended 5th October, 1999 - Advances made from the Contingencies Fund.

/....3

INTRODUCTION OF BILLS -

PUBLIC BUSINESS

MOTIONS

1. CONSIDERATION OF FINANCIAL PAPER NO. 3/1999

Assembly to resolve itself into Committee of Supply.

In Committee of Supply

The Minister of Finance to signify the recommendation or the consent of the Cabinet and to move the following motion:

BE IT RESOLVED:

That this Assembly approve of the proposals set out in Financial Paper No. 3/1999 - Supplementary Estimates (Current and Capital) totalling $8,862,531,741, for the period ending 31st December, 1999.

2. CONSIDERATION OF FINANCIAL PAPER NO. 4/1999

Assembly to resolve itself into Committee of Supply.

In Committee of Supply

The Minister of Finance to signify the recommendation or the consent of the Cabinet and to move the following motion:

BE IT RESOLVED:

That this Assembly approve of the proposals set out in Financial Paper No. 4/1999 - Supplementary Estimates (Current and Capital) totalling $415,149,071, for the period ended 5th October, 1999 - Advances made from the Contingencies Fund.

F.A. NARAIN
Clerk of the National Assembly

PARLIAMENT OFFICE,
Public Buildings,
Georgetown

26th October, 1999