

SUVA DECLARATION

14 APRIL 1977

THE ACP COUNCIL OF MINISTERS :

RECALLING the declaration of Heads of State, Heads of Government and Government Ministers of ACP Countries manifesting the political will of the ACP States to strengthen cooperation among themselves for their individual and collective benefit ;

CONSIDERING the steps already taken to consolidate and strengthen the existing solidarity of the ACP Group in the conclusion of the Georgetown Agreement formally establishing the ACP Group ;

MINDFUL of the need to translate into practical action the principles of collective self-reliance and of self-determination by the ACP countries to reinforce their unity and capacity for joint action ;

HEREBY DECLARES THE ADOPTION OF THE FOLLOWING PROGRAMME OF ACTION.

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The Action Programme for Intra-ACP Cooperation

The Action Programme deals with six major sectors of cooperation among ACP countries, viz.:

- (1) Transport, communications and other services;
- (2) Trade;
- (3) Development of Intra-ACP Enterprises and Cooperation in production;
- (4) Development finance;
- (5) Technology, know-how, and technical assistance;
- (6) Cultural, Scientific and Educational Cooperation;

I. TRANSPORT, COMMUNICATIONS AND OTHER SERVICES

An essential complement to the development and strengthening of trade cooperation, as well as to the development of intra-ACP enterprises and cooperation in production, is the implementation of appropriate measures in the service sectors, particularly shipping, air and land transport, communications and banking, insurance and credit.

In respect of shipping and shipping services, the ACP would need to examine and to identify the particular measures necessary for assisting the following main areas :

- (i) the expansion of trade between the ACP countries;

- (ii) intra-ACP Cooperation in production;
- (iii) the stimulation of exports from ACP countries to third countries;
- (iv) cooperation in import policy and practise among ACP countries.

Relates studies on alternative means of transport and the creation improvement or adaptation of port facilities will also have to be undertaken.

The question of transportation is fundamental to the development of intra-ACP Cooperation, with regard to new trade flows between the ACP countries, much will depend on the availability and cost of the transport services. Thus the ACP will need to determine to what extent the lack of these services or their cost constitutes a barrier to the expansion of trade in ACP commodities. The ACP would also need to examine the existing and potential trade routes and the cargo flows estimates to determine the traffic demands in relation to the existing shipping tonnage owned by ACP States.

With respect to the stimulation of exports from ACP to third countries, and the coordination of export policies and practices by ACP States, studies will initially centre around the considerable savings that might be made by ACP countries from cooperative efforts in the bulk handling of homogenous cargoes moving in large quantities and the aggregation of mixed liner cargoes on a regional or sub-regional basis. Such investigations should also illustrate the economic feasibility of establishing or strengthening regional shipping lines serving the different areas of the ACP.

The importance of communications networks between the ACP countries as a basic precondition for the development of intra-ACP cooperation in trade production, is all but equalled by that of the services such as insurance, banking and credit. The machinery for increased functional cooperation between these sectors of the ACP States should therefore be considered at an early stage.

## 2. TRADE

Having regard to the need for a fair distribution of the benefits of such a programme among the regions of Africa, the Caribbean and the Pacific, measures in this area must be designed with a view to :

(i) the strengthening of the collective bargaining power of the ACP countries in their export and import trade with the industrialised countries and their ability to exploit more fully available opportunities in the markets of those countries;

(ii) the liberalisation of trade among the ACP countries and between the ACP countries and other developing countries. The mechanism for such trade liberalisation would be the adoption of an ACP-wide scheme for the provision of a distinct margin of advantage in favour of ACP and other developing country supplies from developed countries, care being taken to ensure an equitable distribution of the costs and benefits of

the scheme among the individual participating countries. The scheme need not necessarily aim at full trade liberalisation but could be restricted to immediate and realistic targets;

(iii) the full utilisation of those measures in the Lomé Convention (eg. as in Article 7(2)(b) of Title I) which offer direct support to the expansion of ACP trade, of the GATT protocol of December 8, 1971 relating to Trade Negotiations among Developing Countries and other international arrangements providing special support for intra-developing countries' trade.

(iv) the adoption of active measures of trade cooperation between the ACP States such as the conclusion of medium and long-term contractual arrangements as a means of directly expanding intra-ACP trade flows and of developing new trade flows. These arrangements can involve commitments to supply and purchase specific commodities within mutually agreed price ranges over given periods of time;

(v) strengthening of cooperation between ACP producers for joint action aimed at improving and stabilising prices, at cooperation in processing, at product improvement, at providing technical support and at direct marketing distribution and shipping. Such efforts would have the result of reducing the

traditional dependence on the marketing systems and distribution chances of the developed countries, especially those organised through the intra-firm transactions of transnational corporations and through commodity markets or exchanges controlled by the developed countries; and of increasing the share of the value added retained by ACP countries. Joint ACP marketing and market intelligence services should also be contemplated in this regard;

(vi) fully exploiting the provisions of the Lomé Convention relating to the accumulation of processing and cumulative treatment in respect of exports to the European Community;

(vii) identify the possibilities for the production of and the trade in goods deriving from the particular specialisation of ACP States and the scope for complementarity between various sectors of different ACP countries;

(viii) identifying the specific obstacles to the initiation and expansion of trade between the ACP countries and taking the necessary steps to overcome the obstacles;

(ix) initiating effective intra-ACP Cooperation in developing a system of payments arrangements for trade, initially by means of a network of clearing arrangements at the regional and sub-regional levels and through linkages between these arrangements, and by the development of

closer linkages between these arrangements, and by the development of closer links between the central banks of ACP countries with a view to furthering the principle of collective self-reliance.

3. THE DEVELOPMENT OF INTRA-ACP ENTERPRISES AND COOPERATION IN PRODUCTION

Central to the strategy for the achievement of the objectives of intra-ACP cooperation is the development of multinational intra-ACP enterprises for production. The development of such complementary productive capacity is a major precondition for the satisfactory development of the resource endowments of many ACP States, for the expansion and diversification of intra-ACP trade, as well as for the enhancement of the position of ACP trade in the markets of third countries.

Article 8(a) of Protocol N°2 of the Lomé Convention makes basic provision for financial support in the setting up of "regional and inter-regional enterprises"; such initial impetus as represented by these resources should be fully utilised in the achievement of this major objective.

The process of identifying opportunities for establishing such enterprises should be given immediate expert attention so that there can be early initiation of intra-ACP collaboration and negotiations for the establishment of appropriate intra-ACP enterprises in the fields of natural resources, technology, management, finance, markets etc. The balancing of the interests of participating



Countries should not be overlooked and emphasis might be more wisely placed on factor complementarity rather than on equity financing in the creation of these enterprises.

Collaboration should also be strengthened in relation to the development of infrastructure and services such as hydro-electric plants, road networks, telecommunications, water development, airline and shipping services, insurance, finance and banking institutions and technological and research services. Special concern for the benefits of the least developed, island and land-locked countries should continue to be a major preoccupation of such collaboration.

Regional and sub-regional plans for the production of food for home consumption should also be the subject of exchanges and collaboration between ACP countries.

As first step, inventories of possible Intra-ACP Enterprises in all these fields should be drawn up in cooperation with regional and sub-regional financial institutions - and if possible with national development banks. The gatherings of technical data essential to this exercise must be undertaken immediately, together with the organising and updating of relevant data available in U.N. Agencies and Financial institutions, such as the World Bank.

#### 4. DEVELOPMENT FINANCE

In the field of development finance, provisions already exist in the Lomé Convention under which direct

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financial support is available for the furtherance of intra-ACP cooperation. Apart from this, an early start should be made within the ACP Group to ensure greater collaboration and cooperation in respect of the individual aid programme now being established under the Lomé Convention. In addition, machinery can be instituted within the ACP Secretariat for maximising the benefits to ACP enterprises arising out of the provisions of the Convention relating to invitations to tender in respect of EEC-financed projects.

Other measures aimed at improving the availability of capital on terms more favourable to the ACP countries might be contemplated, and whenever possible with the cooperation of other developing countries. Intra-ACP cooperation, in the context of cooperation with other developing countries, could;

- (i) provide for balance-of-payments adjustments assistance,
- (ii) support stabilisation of commodity export prices at equitable and remunerative levels and
- (iii) serve as a framework for long-term development finance.

Experience regarding monetary and financial measures now in existence or under contemplation in various regions or sub-regions of the ACP could be shared on a systematic basis with a view to their deepening and widening for the benefit of the ACP States jointly and severally.

##### 5. TECHNOLOGY, KNOW-HOW AND TECHNICAL ASSISTANCE

Intra-ACP technical cooperation projects are a vital part of intra ACP cooperation. They are already

envisaged under the Lomé Convention and this can be used as a basis for the development and expansion of technology transfer among the ACP States. The measures to achieve this could include :

- (i) Increased flow of technologies and know-how evolved within the ACP or other developing countries;
- (ii) Exchange of information and expertise in respect of available technologies;
- (iii) Technical assistance, in particular through the exchange of experts, advisory services and training courses;
- (iv) the utilising of the services of engineering-design consultancy firms in ACP or other developing countries which could provide the appropriate technology and ensure the maximum component of indigenous equipment;
- (v) Collective efforts at joint projects for the acquisition and development of technologies for utilisation in more than one country;
- (vi) The elaboration of preferential arrangements for the development and transfer of technology among themselves and the establishing of regional and sub-regional centres for development and transfer of technology which could serve as essential links with centres in other countries.

A start can be made by preparing files on available expertise within the ACP countries, such files drawn up with the assistance of the regional and sub-regional groups as well as the information now available in regional and international organisations.

## 6. CULTURAL, SCIENTIFIC AND EDUCATIONAL COOPERATION

The development of programmes and the establishment of machinery within the ACP Group for educational,

scientific and cultural exchanges must be contemplated at an early date. In this regard, the ACP Secretariat, in collaboration with appropriate regional institutions, might initially be used as a clearing house for the exchange of information as to possibilities in this field.

As far as practicable, the initial steps in the realisation of these measures should give emphasis to and be built on regional cooperation.

In all undertakings in the context of the Action Programme, the problems of the least developed, landlocked, semi-landlocked and island countries must continually be borne in mind and therefore efforts must be made to define the measures which would be of benefit to those countries within the action programme of intra-ACP Cooperation.

THE ACP STATES ACCEPT THE ABOVE AREAS AND METHODS OF COOPERATION AS CONSTITUTES THE FOUNDATION OF THEIR EFFORTS AT COOPERATION AND SELF RELIANCE, A FOUNDATION ON WHICH THEY WILL STRIVE TO BUILD A STRONG AND UNITED BROTHERHOOD OF NATIONS.