

(30X)

Namibia: Notes for ACP Negotiating Brief

I - General

1. Namibia wishes to be associated with Lome IV talks. If present process goes as scheduled independence is likely before the end of 1989. At that point it is envisaged that independence government will probably wish to be a party to Lome IV. The decision will be much better informed and much easier if Namibia has been associated with the talks.
2. Namibia accepts the broad framework of the Lome's. It assumes that if it joins the ACP at the end of 1989 or early 1990 it will:
 - a. have a country allocation for indicative programming between Namibia and EEC;
 - b. be in the Southern African region and share in the Southern African regional allocation whose programming with EEC is handled by SADCC.
3. Because of lack of experience and the fact that until November there will not be an elected government, Namibia proposes to raise only 3 specific issues:
 - a. rehabilitation vote (EEC not European Development Fund/Lome)
 - b. beef quota (and possibly mutton quota)
 - c. fishing contracts

II - Rehabilitation Vote

4. EEC made a substantial initial year of independence rehabilitation vote to Zimbabwe (outside the Lome II frame) to assist in putting the economy and society back on its feet. Namibia seeks similar initial support.
5. Namibia wishes the allocation to be ECU 40,000,000 for 1990 with the possibility of utilising any balance not committed in 1990 in 1991.

6. The initial problems Namibia will face include:
 - a. replacement of vehicles and rolling stock likely to be removed by departing RSA state and settlers;
 - b. spares and maintenance equipment for vehicles and rolling stock;
 - c. improvement of port facilities at Luderitz and Swakopmund;
 - d. key spares (e.g. telecommunications, electricity generation and transmission, major water system units);
 - e. resettling and rehabilitating facilities for over 200,000 displaced persons especially in Otjiwarongo-Ondangua-Ondwedive triangle in Ovambo district near Angola border;
 - f. resettling and providing access to livelihood for about 100,000 returning refugees.

7. Detailed programming and allocation of funds will not be practicable until more on the spot, at the time data is to hand and an elected government exists.

8. In addition Namibia will be seeking food aid from the EEC and other donors. There is a structural grain deficit of up to 100,000 tonnes of maize and 40,000 tonnes of wheat. While better pricing and allocation of support services can narrow the production/consumption gap this will take several years to show substantial results.

9. NOT FOR EEC. The vagueness is partly deliberate. We should try to hold an "Emergencia" Conference not later than December 1989. At that we can - I think - get a good deal of specified grant aid. Then we can programme EEC money to gaps. If we have engineering study we may include Swakopmund reopening at "Emergencia" or see whether SADCC (SATCC, i.e. Transport and Communications Commission) would hold such a conference for us to use its contacts and technical backup.

III - Beef (Mutton) Quota

10. Namibia's rural economy like Botswana's is based on cattle (and secondarily sheep). The normal year output is of the order of 100,000 tonnes although drought and war have reduced this in recent years. The dominant export market has been and is RSA.
11. Namibia wishes to adjust its import sourcing (now up to 90% RSA) structurally. This will probably mean withdrawal from the Southern African Customs Union Arrangements. That would allow EEC to expand its share of an over \$500 million a year import market from marginal to leading supplier. However, Namibia cannot act in this way unless it has an assured alternative beef market as RSA will certainly react by limiting Namibian imports to small or token levels. Indeed loss of access to the RSA market is probable whatever Namibia does.
12. Namibia therefore seeks a 50,000 tonne a year basic beef quota. That is about 50% of normal output and less than past sales to RSA. It is absolutely larger than the Botswana quota but about the same on a per capita basis (as the true Namibian population is probably of the order of 1,700,000) and lower as a % of total production base.
13. The actions of settlers in the past few years and at independence will damage the short term output capacity. Therefore, at independence the new government will wish to negotiate actual levels for 1990-1994. These cannot now be determined as settler slaughter of or departure with herds is not forecastable. However, as a very tentative preliminary estimate a 1990 quota of 25,000 tonnes rising to 40,000 in 1994 may prove reasonable.
14. Southern Namibian ranches sell substantial quantities of mutton, almost all to RSA. Alternative marketing strategies cannot be determined until independence.
15. Therefore, there is a need for an interim Namibian mutton quota - say 5,000 tonnes a year for 1990-1992 with the possibility of extension. In

addition the independent government is likely to seek EEC technical assistance on identifying and evaluating market possibilities outside EEC, notably in the Middle East.

16. FOR ACP NOT EEC. Namibia's case for a quota is analogous to that of Botswana at the time of Lome I. The 50,000 tonnes is roughly comparable given Namibia's larger population and past output.
17. The Botswana and Swaziland and subsequently Zimbabwe quotas appear to have begun a process of prying open the EEC market for ACP beef. A Namibian quota is more likely to further than to hinder this process.
18. For EEC a Namibian beef quota will be a specific political decision and an economic (i.e. with a large quota Namibia can much more easily leave SACUA - a shift that should raise EEC exports to Namibia by at least \$100 million a year) one. As 50,000 tonnes is much less than one day's EEC beef consumption, the request and decision are in practice unlikely to prejudice beef quotas or quota prospects of other ACP states.

IV - Fish

19. The government of independent Namibia will be interested in negotiating fishing agreements setting quotas (by species) and fees and including research, training and local landing provisions. The EEC fishing agreements - which are of course parallel to not part of Lome - appear broadly appropriate as a means to that end.
20. No detailed negotiations can take place before independence for two reasons:
 - a. more data - available only in Namibia - are needed;
 - b. there are significant political and economic/conservation issues requiring decisions by the elected government.

21. In general:
 - a. offshore quotas and fees can probably be set/negotiated fairly soon after independence;
 - b. desired training, research, vessel provision and local landing needs may take longer to articulate which should not be an insuperable barrier to interim agreements;
 - c. inshore waters (where stock recovery after RSA 'slaughter fishing' is a high priority) will probably be closed to non-Namibian (or under contract to Namibia) vessels for several years.

V - Negotiators

22. Once we achieve associate status at ACP/EEC Lome talks we can expect the ACP - if briefed - to hold a watching and on key issues speaking brief for us. However, it would be desirable to have at least one person of our own at all the key talks and to have Secretary level representation at the Brazzaville (March) Round.
23. We could ask Commissioner's Office (preferable to Council) to send:
 - a. Lucia Hamutenya (lawyer/economist/SWAPO)
 - b. Chris Garvey (experienced/SWAP supporter)
 - c. and a reliable Scandinavian to be the "associate delegation". Presumably after 1 April Comrade Lucia will be unavailable. In that case Chris is about the nearest to a Namibian we can send.
24. If we:
 - a. get "associate status" promptly;
 - b. have team at main working meetings in Brussels;

c. have a Secretary at Brazzaville to nail down or hang out our main points (outlined above).

Then a watching brief delegation able to brief the government in November should be adequate.

25. For Brazzaville logical candidates would appear to be Comrade Ben Amathila or Comrade Hidipo Hamutenya if Ben's schedule prevents and Hidipo's permits attendance.

R. H. Green

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