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**KENYA - EUROPEAN COMMUNITIES
COOPERATION**

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INTRODUCTION

Kenya, which became independent in December 1963, has a sea coast on the Indian Ocean, and land borders with Somalia, Ethiopia, Sudan, Uganda and Tanzania. Its seaport at Mombasa serves a wide area of Eastern Africa, in addition to Kenya itself.

Kenya's economic expansion since independence has been among the best in Africa. This, coupled with political stability, has attracted considerable external investment. Agriculture is the most important sector of the economy, with coffee, tea and pyrethrum among Kenya's main exports.

Tourism is an important industry, centred on the coastal resorts on the Indian Ocean, and on the wildlife reserves and National Parks further inland. Tourism makes a substantial contribution to Kenya's economy.

KENYA AND THE LOME CONVENTION

Kenya was one of the original 46 ACP states to sign the First Lome Convention in 1975. But its formal links with the EEC date back to 1968, when the former East African Community (of which Kenya was a member) signed the Arusha Convention covering trade relations with the EEC.

Kenya hosted the first ACP-EEC Council of Ministers meeting after the signing of the Second Lome Convention on October 31, 1979. The Kenyan Minister of Economic Planning and Development, Dr. Onyonka, held the office of President of the ACP Council of Ministers from May 1980 to the end of January 1981. Another Kenyan, Mr. Okelo-Odongo, was elected ACP Secretary General at the Nairobi meeting in May 1980.

Since July 1981, Kenya is chairman of the Organisation of African Unity (OAU).

Kenya has had an embassy in Brussels, accredited to the European Community, since 1978. The Ambassador is Mr. J.G. Kiti. The Commission of the EC has had a Delegation in Nairobi since 1976. The Delegate is Mr. Jean-Paul Jesse.

THE ECONOMIC BACKGROUND

Kenya has a total land area of 583,000 square kilometres and a population of 15.32 million (1979 census) growing at the rate of 3.9 % a year. Gross national product (GNP) per capita was US Dollar 380 in 1980. The growth of real GDP (1976 prices) was an average 5.1 % per annum 1976-1979. GDP per capita rose at an annual rate of 2 % over the same period. The GDP share of various sectors of the economy is 34 % for agriculture, manufacturing 12.6 %, trade, restaurants and hotels 10.6 %, transport and storage 5.8 %.

From 1976 to 1978, the Kenyan economy expanded rapidly owing to high world prices

and high domestic output of the main exports, coffee and tea. During 1978-1979 world demand for these products slackened. However, imports and expenditure remained high. At the same time the price of oil and imported manufactured goods rose sharply. This precipitated a foreign exchange crisis in December 1978. Growth fell in 1979 to below 4 % (against 5 % in 1978) as a result of government measures to reduce imports and restrict the growth of money supply.

The 1979 - 1983 development plan aims to boost agricultural production by an average 4.7 % a year, and 24 % of government expenditure under the plan is earmarked for agriculture. Target growth in manufacturing is 9 % a year. The Kenyan government aims to encourage foreign investment and reduce its own extensive participation in industry. In the energy sector, new hydroelectric and geothermal power stations will come on stream in 1981 and 1983. Kenya plans to expand rail, road and port facilities and modernise its civil aviation fleet. Kenya is also considering setting up its own shipping line. EEC technical assistance is being provided to Kenya in establishing a comprehensive energy strategy. Financing of energy projects is under consideration.

The EEC is Kenya's most important trading partner both as a client and a supplier (see annexes). In 1978 the Community took 43 % of Kenya exports. The UK is Kenya's main market, followed closely by West Germany. The EEC accounts for 51 % of Kenya imports, with the UK by far the largest supplier. Coffee, tea and refined petroleum products are Kenya's main exports, accounting for 75 % of the total. Main imports are machinery and capital goods, crude oil and transport equipment.

RELATIONS UNDER LOME I

Financial and Technical Cooperation

The EEC's indicative aid programme for Kenya from the 4th European Development Fund (EDF) was 72 million ECU (712,296 million KSh.). However, total EEC aid to Kenya under Lome I was almost double this amount due to loans from and risk capital managed by the European Investment Bank (EIB), Kenya's participation in regional projects, and other instruments of cooperation within Lome and outside it.

Priority in the indicative aid programme has been given to rural development and energy projects. This has meant a concentration of aid on a few large scale projects designed to help Kenya achieve "take off". The main project under Lome I was the Upper Tana Reservoir and hydro-electric scheme, which will also benefit other projects downstream on the Tana, Kenya's only major river.

Despite the concentration on large projects, micro-projects involving community self-help have also proved especially successful in Kenya. This is due to a large extent to a well developed spirit of self help ("harambre") among local communities sound national and local administration and good communication.

Upper Tana Reservoir

The largest project under the indicative aid programme for Lome I is the Upper Tana Reservoir scheme. The total cost is an estimated 113 MECU, to which the EDF contributed 26 MECU (257,218 million KSh.) and the EIB 12 MECU (118,716 million KSh.). The UK provided bilateral aid of 15.6 MECU (154,331 million KSh.). West Germany 34.6 MECU (342,298 million KSh.), and the Kenyan government put up 24 MECU (237,432 million KSh.).

The reservoir at Masinga will provide water for a 40 MW hydroelectric power station and irrigation for up to 45,000 ha. of land. Its main purpose is electricity production. However, further studies will be carried out for various crops to be irrigated from the remaining water. So far cotton is the favourite, but maize, tobacco, coffee, tree crops, bananas, sugar and ground-nuts are also being considered.

The reservoir will help regulate the river flow which varies widely from an average minimum of 9.7 m³/sec during dry spells to an average maximum of 906 M³/sec during the rainy season. Regulating the flow to as near the annual average of 82 m³/sec as possible will provide greater security for the three downstream power stations at Gitaru, Kindaruma and Kamburu. Regulation of the river flow will also help reduce siltation at the considerably smaller reservoirs of the downstream power stations. The overall effect, with the inclusion of the 40 MW power station at Masinga, will be to raise installed power capacity from MW to 330 MW.

The reservoir will hold 1.5 billion m³ of water and cover 120 sq.Km. The river is held back by an earth fill dam 2.2 Km. wide and 53 m. high. Construction began in March 1978 and was completed in autumn 1980. Water storage began in October 1980. Completion of the power station, including installation of electrical switchgear, cabling, etc. is due second half of 1981.

Other large scale projects

- Bura Irrigation Settlement Scheme: Situated on the lower Tana River. The total cost is 85.2 MECU (842,884 million KSh.). The EDF contributed 10.6 MECU (104,866 million KSh.), and in bilateral aid the Netherlands contributed 7.7 MECU (76,176 million KSh.), and the U.K. 7.5 MECU (74,197 million KSh.). Part of the Tana River development programme, the project involves the irrigation of 6,700 ha. As yet unused land on the west bank of the river will be laid down to cotton production, with water supplied through a 19 km main canal and a 40 km subsidiary canal from the river.
- Machakos Integrated Development Programme: EEC aid for this project is 20 MECU (197,860 KSh.). The scheme is part of a long term programme to improve living standards in the Machakos region, which covers some 14,000 sq.Km between Nairobi and Mombasa. In the first 4-year phase, aid will focus on improving farm productivity, water and soil management. EDF aid will be used to purchase fertilisers, pesticides, seeds and animal dips for tick control. In addition, EDF credits will be used to construct and equip a new polyclinic at Machakos Provincial Hospital and four health centres in the area.
- Veterinary centres and cattle dips: The aim of the project is to strengthen animal health services in the coastal provinces through the provision of 8 veterinary centres and 135 cattle dips. The total cost of the scheme, 3 MECU, is being met by an EDF grant.
- Rural workshop clusters: The first phase of the scheme involves the construction of workshop clusters in rural centres at Bungoma, Kitui and Taveta and the provision of equipment. The second phase involves technical assistance to Kenya Industrial Estates, a semi-government organisation, for the development of small scale industries at these centres. The EDF is supplying a special loan of 800,000 ECU to cover construction and machinery cost (440,000 ECU) and a revolving loan fund for operating costs (360,000 ECU).

- Nairobi City Council (3 projects):

- . upgrading of health and hygiene conditions in Kawangware village through the provision of essential infrastructure and public services. EEC aid: 2,410,000 ECU.
- . Mathare Valley Settlement Scheme: part of the overall plan for redevelopment of the Mathare Valley, the project involves the provision of 540 fully furnished plots for family settlement. EEC aid: 1,375,000 ECU.
- . Dandora pilot workshop cluster: the scheme involves the construction of 40 small workshop units and the provision of basic workshop machinery and equipment, and initial raw materials. Assistance will also be given to set up cooperative management. The scheme will be used as a prototype for projects to train artisans and entrepreneurs in cottage industries. EEC aid: 215,000 ECU.

Micro-Projects

28 micro-projects were carried out under Lome I. The EDF contributed 1.8 MECU in the tripartite financing arrangement agreed for these projects. 198,500 ECU have been carried over to Lome II. Under Lome I, the Kenyan government provided 877,000 ECU and local sources 1.271 MECU.

Exactly half the projects involved the construction and equipment of schools for secondary and higher level education; 11 involved water supply, 2 were for irrigation, one for tree nurseries, and one for a health centre.

Almost all of the projects had been completed successfully by the end of 1980. Only one project, water supply at Jilore, had to be cancelled as no drinking water was found.

Industrial Cooperation

The European Investment Bank has approved 54.38 MECU in credits for industrial ventures in Kenya under Lome I. This includes 52.38 MECU from its own resources and 2 MECU in risk capital (EDF).

EDF interest subsidies to the above EIB loan operations amounted to 9.3 MECU.

Larger projects include: 1.1 ECU in risk capital and a 5.9 MECU loan in 1977 for the Kenya Furfural Company Ltd. for the construction of an acetic and formic acid factory using maize cobs as input. The EIB granted a 3 MECU loan to the East African Portland Cement Company in 1977 for the expansion of its Athi River cementworks. A loan of over 12 MECU was granted to the South Nyanza Sugar Company Limited in 1977 for a sugar cane plantation and processing plant at Awendo. Another 12 MECU loan was made available to the Republic of Kenya for the Tana River Development Scheme. The Kenya Tea Development Authority received a loan of 7.5 MECU in November 1980 to part-finance the construction of tea factories.

The EEC/ACP Centre for Industrial Development has provided assistance for feasibility studies, training and liaison with EEC firms for the creation of 6 industrial ventures in Kenya since it began operations in 1977.

REGIONAL COOPERATION

Kenya is participating in three projects financed from the 339 MECU regional cooperation fund under Lome I. They are a 10 MECU grant towards upgrading two border sections of the direct road between Kenya and the Sudan; a study for an integrated development programme in the Omo-Turkana border region of Kenya and Ethiopia; a training programme at the African Regional Labour Administration Centre (ARLAC) in Nairobi; and telecommunications links with some islands on the Indian Ocean.

Trade Cooperation

- Sugar: Kenya had a 5,000 ton export quota of refined sugar under the ACP-EEC sugar protocol. However, since domestic demand in the past was greater than supply; Kenya found great difficulty in delivering its quota. Since no sugar was delivered to the EEC in 1977/1979, the quota was reduced to 93 tons for 1978/1979 and subsequent years. Kenya has been pressing for the quota to be reinstated to the normal level on the grounds of force majeure in 1979.
- Meat: The 130 ton annual export quota for beef and veal has not been taken up on account of increased domestic demand. The quota benefits from a levy abatement if the exporter raises an equivalent export tax.
- Fishing flies: Kenya has obtained a derogation from the rules of origin for its manufacture of fishing flies.
- Trade promotion: A trade promotion programme costing 400,000 ECU (3,957 million KSh.) is under way and involves the provision of a marketing training adviser. Kenya also receives EEC assistance for participation in regional and international trade fairs.

Exceptional Aid

In August 1977 Kenya received 300,000 ECU (2,968 million KSh.) in EEC emergency aid for flood relief work. The Community also provided 1.6 MECU for locust eradication and control in East Africa. In June 1980 the EEC granted 120,000 ECU to drought victims in the north-western Turkana region. A further 1.2 MECU was given in October 1980 and March 1981 to purchase vehicles, materials and animals for the people of the Turkana region, under a large scale relief and rehabilitation scheme.

ASSISTANCE UNDER LOME II

A programming mission led by the Director General, Mr. Klaus Meyer, and including a representative of the EIB signed with the Kenyan authorities an indicative programme for between 74 and 90 MECU. In addition, the EIB announced 60 MECU as a guiding figure for loans from own resources with interest subsidy from EDF and/or risk capital from the same source. But EIB assistance may diverge from this guiding figure according to the fundable projects presented to it by the Kenya government.

So far the EIB has provided additional funds for the Furfural and the Bamburi portland cement projects.

The indicative programme lays strong emphasis on productive rural development, energy and mining, transport and communications and education and training. Projects under preparation include irrigation schemes like smallholder rice rehabilitation in Nyanza province, Kisii Valley bottom development, the Kerio Valley road (Sergoit-Tambach) and the Eldoret polytechnic.

Within the framework of the 115-140 MECU set aside in Lome II for regional projects in East Africa, Kenya has expressed interest in projects to promote cooperation with Uganda, Rwanda, Burundi (Mombasa-Kigali transport and communication links), with the Sudan (Kenya-Sudan road and telecommunications links) with Ethiopia (Omo-Turkana integrated telecommunications) with Somalia (Kenya-Somalia road), with Indian Ocean islands (fisheries, telecommunications), with Tanzania (Lake Victoria transport and fisheries). In addition, a number of OAU, UN and other regional institutions for training, research and pest control have asked for assistance.

Exceptional Aid - 300,000 ECU has been added to the 920,000 ECU already approved in Lome I for the Turkana rehabilitation programme.

Stabilisation of Export Earnings (STABEX) - the only transfer agreed for Kenya for coffee shortfalls in 1980 had to be adjusted because of limited total funds available for the year. Kenya is to receive 10.032.204 ECU.

AID OUTSIDE THE LOME CONVENTION

Food Aid

Since 1975 food aid comprising cereals, milk powder and butter have been regularly made available to Kenya both directly and through intermediaries (including U.N. bodies and non governmental organisations). In financial terms their aggregate value amounts to over 16 MECU. The 1981 direct allocations are for 15,000 tons cereals, 2,000 tons milk and 500 tons butteroil. Additional quantities will be channelled through intermediaries.

Counterpart funds generated from the sales of some of this food and are directed to rural development projects.

In a triangular operation, the European Communities have paid for food (sugar) purchased in Kenya for delivery to the Horn of Africa as emergency food assistance.

U.N. Emergency Assistance ("Cheysson Fund")

This aid was intended to assist developing countries afflicted by the oil crises. The EEC granted 8 MECU (79,144 million KSh.) in 1975-1976 to help Kenya pay essential imports. The Community also contributed to the U.N. Secretary General's Special Account of which 7 MECU (69,251 KSh.) went to Kenya.

North-South Dialogue Special Action (Paris Conference on International Economic Cooperation, CIEC)

This aid is channelled through the International Development Association, the soft-loan affiliate of the World Bank. Of the total EEC contribution of US Dollar 385 million, US Dollar 4 million will go to Kenya in balance of payments support.

Non-governmental Organisations

Under its programme for co-financing NGO projects in developing countries, the EEC granted 1.2 MECU for 24 small scale self help projects in Kenya between 1976 and 1979. Four projects were approved in 1980 and four more in the 1980 programme were under consideration at the end of the year. The projects include health, education, social and agriculture-related schemes.

K E N Y A

TOTAL AID PROVIDED UNDER KENYA/EEC COOPERATION

	<u>Amount earmarked</u>	
	<u>ECU million</u>	<u>Sh.K.mill.equiv.(1)</u>
I. <u>Under Lome I</u>		
- Indicative Aid Programme	72,0 (2)	802,8
- European Investment Bank (EIB)	53,6	597,4
. Global DFCK (2,0MECU)		
. Loan East African Portland Cement (3,0MECU)		
. Loan to Kenya Furfural Co.(6,9MECU) (incl. 1,1 risk capital)		
. Loan to South Nyanza Sugar(12,0MECU)		
. Global loan IDB (5,0MECU)		
. Loan for Upper Reservoir Scheme (12,0MECU)		
. Conditional loan KTDC (0,1MECU) (risk capital)		
. 2nd global loan DFCK (5,0MECU)		
. Tea factories (3) (7,5MECU)		
. Study extraction sodium fluoride (risk capital) (0,1MECU)		
- EDF interest subsidies to EIB operations 9,3 (9.252.807 ECU)		103,7
- Regional Projects		
. Kenya/Sudan Road (10,0MECU)		
. Study Ethiopia/Kenya Omo-Turkana Basin (0,35MECU)		
. Kenya/Somalia Road study (0,1 MECU)		
. African Regional Labour Administration Centre(ARLAC) (0,1 MECU)		
. Telecommunications Indian Ocean (7,96MECU)		
	18,51MECU	
- Exceptional Aid	1,3	14,9
. Nairobi Floods 1977 : 300.000 ECU		
. N.W. Kenya Drought 1980: 120.000 ECU		
. N.W. Kenya Emergency: 920.000 ECU assistance 1980		
	1.340.000 ECU	
TOTAL I	<u>136,2</u>	<u>1,518,8</u>

(1) Exchange rate: 1 ECU = Sh.K. 11.15 (1 Oct. 1981)

(2) Projects amounting to 98% have been approved by 1 October 1981

(3) Amounts indicated are those earmarked for the projects. Kenya's share of the total amount is not available.

October 1981

K E N Y A

TOTAL AID PROVIDED UNDER KENYA/EEC COOPERATION

	<u>Amount earmarked</u>	
	<u>ECU million</u>	<u>Sh.K. mill.equiv.(1)</u>
<u>II. Under Lome II</u>		
- Indicative Aid Programme (including 24.9 MECU special loans)	74 - 90	825.1 - 1003.5
- European Investment Bank (EIB)	7.55	84.2
. Kenya Furfural Co. Ltd. (1.55 MECU) (conditioned loan + risk capital)		
. Bamburi Portland Cement (loan 6.00 MECU)		
- EDF interest subsidies to EIB operations	-	
- Exceptional Aid	.30	3.3
. Turkana Rehabilitation (1981):300.000ECU		
- Stabex		
. Coffee 1980 10.032.204 ECU	10.03	111.8
	<hr/>	<hr/>
TOTAL II	91.88 - 107.88	1024.4 - 1202.8
<u>III. Additional financial facilities</u>		
- Food Aid Programme 1975/1981: direct	10.8 (4)	120.4
" " " : indirect	5.6	62.4
- U.N. Emergency Operation 1974/1975 (Cheysson Fund)	8.0	89.2
- Special Action Programme (USDol.15,0 mio)	13.2	147.2
- Non Governmental Organisations (NGO) (contributions approved of about 1,728,579 ECU, 32 projects over 1976-1981)	1.7	19.0
	<hr/>	<hr/>
TOTAL III	39.3	438.2
TOTAL GENERAL I + II + III	<u>267.38 - 283.38</u> =====	<u>2,981.4 - 3,159.8</u> =====

(4) Amounts indicated in Community Budget Prices

Octobre 1981 (in ECU)

KENYA: Indicative Programme Lome I

	Programmed	Approved	EDF Commission
Upper Tana Reservoir (4200.016.32.06)	26.340.0	26.340.0	17/05/77
Bura irrigation scheme (4.200.032.32.18)	10.618.0	10.618.0	17/05/78
Machakos Integrated Development Programme - The integrated Programme (M.I.D.P.) (4100.039.32.20)	17.700	17.700.0	14/07/78
- Medical Infrastructure (4100.061.32.21)	2.300	2.300.0	14/07/78
Cattle Dips/Veterinary Programmes (4100.035.32.04)	3.000.0	3.000.0	23/03/77
Nairobi Slum amelioration etc. projects:			
- Kawangware Improvement Scheme (4100.074.32.07)	2.410.0	2.410.0	17/05/77
- Mathare Valley Site and Services (4100.074.32.19)	1.375.0	1.375.0	24/05/78
- Dandorra Workshop Clusters (4100.018.32.15)	0.215.0	0.215.0	16/12/77
Training and Scholarships Multiannual Programme (4106.053.23.01)	2.300.0	2.300.0	24/06/77 16/09/80 21/01/81
Trade Promotion (4109.080.32.13)	0.400.0	0.400.0	10/10/77
Microprojects			
- 1. Tranche (4103.038.32.42)	0.556.5	0.556.6	28/09/77
- 2. Tranche (4103.038.32.25)	1.245.0	1.245.0	30/06/79
- 3. Tranche (4103.038.32.35)	0.620.5	0.620.5	9/11/80
Rural Workshop Clusters (4201.018.32.32) (Rural Industrial Development Programme)	0.800.0	0.800.0	10/06/79
Athi Basin Study ; (4505.032.32.26)	0.300.0	0.300.0	25/09/79
Valley Bottoms and Small Irrigation Scheme study (4505.032.32.27)	0.200.0	0.100.0 0.100.0	25/09/79 21/04/80
Geophysical Survey (4107.011.32.36)	1.000.0	1.000.0	07/04/81
Expertise Energy and Follow-up (4505.016.32.29)	0.220.0	0.140.0	14/03/80
Tse Tse Fly Control Study (4505.035.32.28)	0.030.0	0.030.0	03/01/80
Lamu District Programme study (4505.039.32.30)	0.300.0	0.300.0	20/05/80
Balance	70.0		
	<u>72.000.0</u>	<u>71.850.0</u>	

Note: Delegation costs + 2.5 mill. EUA not included in IP.

Oktober 1981 (in ECU)

K E N Y A:

Situation of engagements/payments of projects - Lome I

	<u>Programmed</u>	<u>Approved</u>	<u>EDF Committe</u>
<u>I. Financing under Indicative Programme</u>			
1. 4106.053.32.01 Training and scholarships multiannual Programme	2.300.000	2.122.415	999.755
2. 4505.070.32.03 Kawangware Improvement	-	-	-
3. 4100.035.32.04 Veterinary Centres and Cattle Dips	3.000.000	2.989.463	1.892.920
4. 4200.016.32.06 Upper Tana Reservoir Scheme	26.340.000	26.340.000	21.384.510
5. 4100.074.32.07 Kawangware Improvement Scheme	2.410.000	2.175.514	1.440.417
6. 4103.038.32.12 First annual Microproject Programms	556.500	556.500	429.177
7. 4109.080.32.13 Trade Promotion	400.000	367.937	150.561
8. 4110.018.32.15 Dandora Pilot Workshop Cluster	215.000	-	-
9. 4505.039.32.16 Machakos Integrated Development Scheme	-	-	-
10. 4505.074.32.17 T.A. Mathare Valley Site and Service Scheme	-	-	-
11. 4200.032.32.28 Bura Irrigation Settlement Scheme	10.618.000	10.618.000	3.691.785
12. 4100.074.32.19 Mathare Valley Site and Service Scheme	1.375.000	639.500	340.427
13. 4100.039.32.00 Machakos Integrated Development	17.700.000	13.035.541	8.699.334
14. 4100.061.32.21 Reinforcement of the medical Infrastructure	2.300.000	2.194.800	1.204.828
15. 4103.038.32.25 Second annual Micro Proj. Programme	1.245.000	1.245.000	991.481
16. 4505.032.32.26 Athi River Basin Prefeasibility	300.000	300.000	-

October 1981 (in ECU)

Situation of engagements/payments of projects - Lome I (Ctd.)

	<u>Programmed</u>	<u>Approved</u>	<u>EDF Committee</u>
17. 4505.032.32.27 Valley Bottom Devpt. Study	200.000	200.000	-
18. 4505.035.32.28 Tse-Tse fly control Preliminary St.	30.000	30.000	29.884
19. 4505.016.32.29 Energy Consultancy	140.000	140.000	63.050
20. 4505.039.32.30 Lamu District Planning Study	300.000	-	-
21. 4201.018.32.32 Rural Industrial Devpt. Study	800.000	-	-
22. 4103.038.32.35 Third annual microproject Progr.	620.500	620.500	-
23. 4107.011.32.36 Geophysical survey	1.000.000	-	-
I ZUSAMMEN	<u>71.850.000</u>	<u>63.675.170</u>	<u>41.418.129</u>
<u>II. Financing under Indicative Programme</u>			
1. 4101.010.32.02 Interest rate subsidies on EIB	279.294	279.294	274.873
2. 4101.014.32.05 Interest rate subsidies on EIB	336.734	336.734	232.145
3. 4101.013.32.08 Interest rate subsidies Kenya	871.319	871.319	743.536
4. 4101.019.32.09 Interest rate subsidies South Nyanza	2.297.075	2.297.075	2.297.075
5. 4104.091.32.10 Exceptional Aid to Rep. Kenya	300.000	300.000	299.064
6. 4300.013.32.11 Risk capital Kenya Furfural Co.	1.066.439	1.066.439	1.066.439
7. 4101.010.32.14 Interest rate subsidies Industr.	808.622	808.622	808.622
8. 4101.016.32.22 Interest rate subsidies (Upper reservoir)	2.339.310	2.339.310	2.339.310
9. 4300.020.32.23 Kenya Tourist Devpt. Corp.	100.000	100.000	100.000
10. 4101.010.32.24 Development Finance Cy.	809.488	809.488	809.488
11. 4104.091.32.31 Exceptional aid to Kenya	120.000	120.000	120.000
12. 4104.091.32.33 Exceptional aid to Kenya	920.000	920.000	426.530

Situation of engagements/payments of projects - Lome I (Ctd.)

	<u>Programmed</u>	<u>Approved</u>	<u>EDF Committee</u>
13. 4101.031.32.34 Interest rate subsidies Kenya	1.510.965	1.510.965	1.510.965
14. 4300.011.32-37 Risk capital Sodium Fluorid Study	80.000	80.000	26.044
15. 4111.008.32.99 Delegation Kenya	2.391.063	2.391.063	2.391.063
Total II	<u>14.230.309</u>	<u>14.230.309</u>	<u>13.345.153</u>
Total I + II	<u>86.080.309</u> =====	<u>77.805.479</u> =====	<u>54.763.282</u> =====

K E N Y A

LOME II Indicative Programme

signed 7th March 1980

Indicative amount 74-90 mio. ECUs equivalent to KShs 717-872 mio. comprising 24.9 mio. ECUs special loans.

Sectoral allocations

	%	Mio. ECUs
Rural development	34	25,16 - 30,6
Energy and Mining	27	29,98 - 24,3
Education and Training	11	8,14 - 9,9
Transport and Communications	14	10,36 - 12,6
Technical cooperation	7	5,18 - 6,3
Industrial and Trade Promotion	3	2,22 - 2,7
Reserve	4	2,96 - 3,6
	100	74,0 - 90,0

In addition,

The European Investment Bank (EIB) could envisage an amount of 60 mio. ECU (equiv. to KSh. 581 mio.) as assistance to be provided by virtue of Article 95 of Lome II.

EEC/KENYA TRADE BY COUNTRY

(in mio. ECU)	1975	1976	1977	1978	1979	1980
<u>IMPORTS</u>						
Germany	56.316	91.980	194.065	152.013	122.425	134.745
France	9.289	11.979	24.421	25.159	18.484	25.499
Italy	15.980	28.326	28.928	35.946	55.237	53.280
Netherlands	13.676	30.996	71.833	35.876	23.675	25.498
Belgium-Luxembourg	9.330	8.038	12.655	9.627	8.581	11.799
United Kingdom	65.589	90.329	171.097	131.548	131.138	187.233
Ireland	3.190	3.077	6.706	5.660	8.097	8.550
Denmark	4.218	6.092	11.293	5.558	9.195	9.799
Total EEC	177.592	270.821	521.000	401.398	376.832	456.403
<u>EXPORTS</u>						
Germany	50.066	72.661	105.544	159.793	103.052	126.202
France	16.123	23.907	66.774	53.926	45.153	59.573
Italy	20.466	26.220	47.703	63.018	50.915	70.731
Netherlands	12.361	13.754	22.937	18.683	26.141	35.321
Belgium-Luxembourg	10.093	12.065	14.534	23.796	23.258	20.407
United Kingdom	152.867	157.193	181.023	294.375	260.313	427.371
Ireland	6.112	0.342	0.849	1.243	1.223	1.531
Denmark	4.872	4.939	8.331	6.724	11.083	8.969
Total EEC	272.962	311.084	447.697	621.566	521.138	750.105

EEC/KENYA TRADE MAIN COMMODITIES

(in mio. ECU)	1975	1976	1977	1978	1979	1980
<u>IMPORTS</u>						
Food products	114.010	206.226	465.853	341.326	297.453	327.156
Beverages & tobacco	0.001	0.121	0.027	0.056	-	-
Raw materials	41.766	34.353	34.113	31.695	40.199	32.438
Energy products	4.884	0.878	1.903	4.162	10.978	60.289
Oil products	0.102	0.371	0.148	0.295	-	0.314
Chemicals	0.452	0.329	0.449	0.646	0.539	0.613
Manufactured goods	12.092	16.572	13.068	13.797	19.391	14.638
Machinery, Transport equip.	0.796	0.860	2.304	4.989	1.380	1.718
Other manufd.goods	1.130	1.042	1.396	2.274	2.399	2.600
Unclassified	2.356	2.066	1.737	2.132	3.662	15.171
Total	117.592	270.821	521.000	401.398	376.001	454.937
<u>EXPORTS</u>						
Food products	10.923	20.184	13.066	14.147	9.787	17.811
Beverages & Tobacco	2.415	3.426	3.844	4.530	3.262	5.011
Raw materials	3.028	3.236	6.509	3.609	5.394	7.414
Energy products	2.962	3.854	8.481	7.426	5.998	22.667
Oil products	1.319	2.747	1.262	2.641	3.693	3.347
Chemicals	39.015	47.868	77.069	73.870	81.840	99.519
Manufactd.goods	37.055	42.247	59.316	92.416	63.306	77.019
Machinery, Transport equip.	147.628	151.956	241.266	363.764	261.435	302.392
Other manufactd.goods	21.661	22.673	24.555	32.287	26.791	44.114
Unclassified	6.952	12.891	12.828	24.768	59.567	170.740
Total	272.962	311.084	447.697	621.566	521.073	750.034

OTHER PUBLICATIONS RELATED TO 'DEVELOPMENT'

Other EEC publications about the Community's relations with the Third World can be obtained from the following address:

Spokesman's Group and Directorate-General for Information
Publications distribution service, Room 2/84
Commission of the European Communities
Rue de la Loi, 200
B - 1049 Brussels (Belgium)

1. Dossiers

- The European Community and the Third World, Bruxelles, September 1977
- Europe and the Third World
A study on interdependence (by M. Noelke)
- Europe - Third World : The challenge of Interdependence (M. Nölke)
Edition 1980
- Lomé II - Special edition from the 'Courier' n° 58

2. "Information Series" and "Europe Information": (generally all Community languages)

- The European Community and the Textile-Agreements
special edition (June 1978)
- The European Community and the Arab World n° 169/79
- Europe-Tiers Monde: Rural Development
- Solar Energy: A new area of ACP-EEC Cooperation
- The EEC and the developing countries: Outside the Lomé Convention and the Southern Mediterranean
- Community Wine Imports
- Lomé II - Analysis chapter by chapter of the EEC-ACP Convention
- The development of trade between the European Community and the Arab League Countries
- Implications for the Southern Mediterranean countries of the second enlargement of the European Community (R. Taylor)
- Implications of the second enlargement for the Mediterranean and "ACP" policies of the European Community (E. Guth)
- The Question of Commodities in the North-South Dialogue
- Photovoltaic Energy as a Development Aid
- Tanzania - EEC Relations
- New forms of energies - facts and fictions
- The European Community and Southern Africa