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DEVELOPMENT

**FROM LOMÉ III
TO LOMÉ IV**

**REVIEW OF AID
FROM THE
LOMÉ CONVENTIONS
AT THE END OF 1989**

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Preface

Article 193.7 of the Third Lomé Convention provides for the preparation by the ACP States and their beneficiary regional organisations, together with the Commission (in collaboration with the European Investment Bank) of annual reports on the management of Community financial and technical assistance. These reports are designed to facilitate the ACP-EEC Council of Ministers, acting in the first instance through the ACP-EEC Committee set up under Article 193 of the Convention, in examining whether the objectives of financial and technical cooperation are being attained. The reports also look at any general and specific problems resulting from the implementation of that cooperation.

The present Article 193 report covering the period up to 31 December 1989 - with particular emphasis on the year 1989 - has been prepared by the Commission in collaboration with the Bank.

Chapter I Introduction and Overview of EDF implementation

1.1 Introduction

The beginning of the nineties represents an important landmark in development cooperation between the European Community and the ACP States. In December 1989, the Fourth Lomé Convention was signed and, as from 1 March 1990, the Lomé family now increased by 2 ACP States - Haïti and the Dominican Republic and with the prospect of the addition shortly of Namibia - is embarked on a new venture aimed at strengthening the social and economic framework of the ACP States.

The present report attempts to chart the progress made in the implementation of financial and technical cooperation under previous Lomé Conventions, notably Lomé III. After a brief overview of aid implementation in this Chapter including aid to ACP States from the general Budget of the Commission, **Chapter 2** looks at overall performance in respect of the different types of aid from the European Development Fund (EDF)(1) managed respectively by the Commission and by the European Investment Bank (EIB)(2). **Chapter 3** provides a sectoral analysis of the EDF. In **Chapter 4**, an examination is made of the performance of the different ACP States in implementing programmed aid. This is the first such analysis carried out in an "Article 193" report. It is intended to examine the achievements of ACP States in absorbing EDF aid while underlining the difficulties facing a number of States in their development efforts. **Chapter 5** looks at the procedural aspects of financial and technical cooperation. The analysis in this chapter attempts to identify bottlenecks at different phases of the aid implementation process. The conclusions arrived at set the scene for further examination of how best to speed up aid implementation. Chapter 5 also describes the progress made in evaluating how far aid achieves its objectives and how evaluation serves to guide future action.

On the policy front, 1989 was dominated by the Lomé IV negotiations and the present report would not be complete without a review of the main provisions and features of the new Convention insofar as they relate to financial and technical cooperation. This is done in **Chapter 6** which also points to other policy initiatives. Finally, **Chapter 7** summarises the conclusions to the report.

At the outset, it is necessary to be clear on one important issue. The analysis in this report is entirely based on financial data relating to amounts of aid decided by the Commission, sums committed in the form of contracts or disbursed. Comparisons are made between situations under different Conventions - Lomé I, II and III, between sectors, between

(1) A separate EDF has been set up under each Convention, the 4th EDF in the case of Lomé I, 5th EDF for Lomé II, and 6th EDF for Lomé III.

(2) For a description of the different types of aid see point 3 of the Annex to the present report. This Annex provides explanatory notes on the principal characteristics and procedures relating to the EDF.

different ACP States citing in each circumstances "above average" or "below average performance". Such comparisons are not intended to pass judgment on the aid implementation "performance" of individual ACP States. They should, moreover, be seen in the context of the mix of programmes and aid instruments discussed and of the aid objectives they are designed to meet. Analyses of payments in the case of inherently quick disbursing operations such as STABEX, Emergency aid or import support programmes will show different results from those of inherently slower spending rural development or major infrastructure programmes.

Above all, the Community aim is that financial and technical cooperation should be as effective as possible in achieving development objectives. High quality cannot be compromised. The purpose of financial analysis is to contribute to achievement of that aim. Where aid implementation is unduly delayed, interlinkages of operations are frustrated, costs are increased and quality is impaired. Figures on commitments and disbursements of aid must also be seen as measures of progress in realising physical operations which in turn are means for achieving qualitative and quantitative objectives.

1.2 Overview of EDF aid implementation

Table 1.1 summarises the progress made by 31 December 1989 in implementing financial and technical cooperation under the Lomé Conventions.

Table 1.1 (3)

EUROPEAN DEVELOPMENT FUND

Decisions, commitments and payments

	Cumulative result at 31.12.89		Year	
	mio ECU	% of envelope	1989 mio ECU	1988 mio ECU
Approvals				
4th EDF	3084	98.8	1	1
5th EDF	4586	97.4	36	133
6th EDF	5950	76.1	1305	2379
Secondary Commitments				
4th EDF	3037	97.1	9	10
5th EDF	4026	85.5	127	225
6th EDF	3408	43.6	1383	1356
Payments				
4th EDF	2984	95.4	31	36
5th EDF	3628	77.0	236	345
6th EDF	2293	29.3	1016	805

(3) Unless otherwise stated, all figures relating to the EDF contained in this report are drawn from the annual accounts of the Fund. The latest such accounts for the financial year 1989 are contained in the Commission Communication dated 11 April 1990 to the Court of Auditors, Parliament and the Council (COM(90) 148 final).

By the end of last year, more than threequarters of Lomé III aid had been approved, just under 44% had been committed in the form of contracts and over 29% disbursed (4). Activity under Lomé I was virtually completed in 1989 and operations under Lomé II were being wound down. Payments under Lomé II continue, however, to be significant.

The overall situation of Lomé III at end-1989 was as follows:

- . 77% of programmed aid had been approved - as compared with 69% and 65%, respectively for Lomé I and Lomé II after 4 years of operation of each of those Conventions.
- . 74% of non-programmed aid had been approved, including virtually all of the original STABEX envelope.
- . There was a rapid rise in secondary commitments and in payments in 1989 with the result that the rates of implementation of Lomé III aid as a whole, which previously had been running at rates below the corresponding figures for Lomé II and Lomé I have now almost caught up with the earlier Conventions (of Table 1.2). This improvement is, however, mainly attributable to non-programmed aid (notably STABEX). Rates of secondary commitments and payments for programmed aid although much improved as compared with end-1988, still trail as compared with Lomé II and I after 4 years.

It is worth noting also that when payments are related to secondary commitments, rather than to the Lomé envelope, disbursements of programmed aid under Lomé III are in fact slightly faster than under Lomé II. This undoubtedly reflects the emphasis on "quick disbursement" programmes - notably import support programmes discussed in the following chapter.

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- (4) Following the practice of earlier Article 193 reports a distinction is made between aid
- . approvals - sometimes referred to as decisions or
 - . primary commitments
 - . secondary commitments of aid relating to contracts awarded
 - . payments or disbursements of aid.

Table 1.2

Aid approvals, secondary commitments and disbursements under Lomé III at end 1989 compared with Lomé II and I after 4 years.

	Lomé III		Lomé II		Lomé I	
	mio ECU	% of Envelope	mio ECU	% of Envelope	mio ECU	% of Envelope
<u>Programmed aid</u>						
Approvals	3874	77.1	2049	64.9	1676	69.4
Secondary Commitments	1477	29.4	1246	39.5	992	41.1
Payments	834	16.6	702	21.9	517	21.4
<u>Non Programmed aid</u>						
Approvals	2076	74.3	1024	64.5	518	72.1
Secondary Commitments	1932	69.2	888	55.9	509	70.9
Payments	1459	52.2	743	46.8	469	65.3
<u>Totals</u>						
Approvals	5950	76.1	3073	64.7	2194	70.1
Secondary Commitments	3409	43.6	2134	45.0	1501	47.9
Payments	2293	29.3	1445	30.2	986	31.5

1.3 Overall aid to ACP States

Annex Table 1 shows the total aid - EDF, Budget and EIB - approved for each ACP in the years 1986 to 1989. Table 1.3 summarises the situation of countries which were allocated over 100 mio ECU in the period covered. The largest amounts went to Ethiopia Ivory Coast , Mozambique , Kenya , Sudan and Senegal . The main source of aid is national indicative programmes except in the cases of Cameroun, Ethiopia, Ivory Coast, Senegal and Sudan where STABEX aid was substantial. Food aid was also important in the case of Ethiopia and Mozambique and to a lesser extent in Sudan and Angola. The main recipients of emergency aid and aid to refugees were Ethiopia, Mozambique and Sudan. EIB own resources loans were largely concentrated on a few ACP States, the main beneficiaries being Nigeria, Kenya, Zimbabwe and Zaire .

Table 1.3
1986-1989

Community aid allocations to ACP states receiving more than 100 mio Ecu of aid, 1986-1989

(Allocations from Lane III and the Budget)

Country	Programmed Aid		Non-Programmed Aid		TOTAL Aid from		TOTAL AID	EIB loans Own resc
	Decisions of which Debt Progr.	Decisions	of which STABEX	TOTAL EDF	EC Budget			
Benin	77.0	27.0	24.6	17.6	101.6	0.8	102.4	
Burkina Faso	82.7	.	18.2	7.3	100.9	9.6	110.5	
Burundi	106.8	12.0	33.6	24.5	140.4	2.4	142.8	
Cameroun	75.0	.	135.2	135.1	210.2	6.1	216.3	
Centrafrique	63.4	7.0	37.8	27.3	101.2	1.6	102.8	
Cote D'Ivoire	38.0	.	301.3	294.2	339.3	1.2	340.5	41.1
Ethiopia	166.9	.	175.5	98.2	342.4	83.8	426.2	
Ghana	50.7	20.5	23.2	.	73.9	9.2	83.1	17.0
Guinee	105.7	12.5	57.7	.	163.4	7.3	170.7	
Kenya	125.4	42.0	79.9	59.8	205.3	11.7	217.0	69.0
Madagascar	80.2	19.8	37.8	4.5	118.0	18.7	136.7	
Malawi	101.8	54.7	34.4	11.9	136.2	7.9	144.1	9.5
Mali	136.0	25.0	41.6	20.3	177.6	14.8	192.4	
Mauritonie	57.8	7.0	35.3	0.0	93.1	13.1	106.2	
Mozambique	131.8	70.0	56.9	21.5	188.7	102.0	290.7	
Niger	120.0	14.0	35.2	6.6	155.2	7.9	163.1	
Nigeria	212.5	.	23.0	.	235.5	0.8	236.3	118.0
Ouganda	110.0	32.3	9.4	.	119.4	7.0	126.5	
Papua New Guin.	28.8	.	93.9	84.5	122.7	0.6	123.3	29.0
Rwanda	53.1	.	55.9	43.1	109.0	4.4	113.4	
Senegal	109.4	11.5	132.7	107.0	242.1	4.6	246.7	
Somalie	90.5	31.0	14.7	.	105.2	7.8	113.0	
Sudan	94.5	32.8	125.1	63.9	219.6	37.1	256.7	
Tanzania	141.8	24.5	43.4	8.9	185.2	21.7	206.9	
Tchad	89.0	9.5	51.8	40.4	140.8	11.9	152.7	
Zaire	155.6	30.0	9.1	.	164.7	14.7	179.4	50.0
Zimbabwe	72.1	.	11.7	.	83.8	3.6	87.4	62.0
Regional	518.9	.	53.7	.	572.6	1.5	574.1	21.0

*) Aid from the budget is Food Aid and Aid to NGO's.

2. Financial Results at end-1989

2.1 Programmed Aid(1)

2.1.1 Lomé I and II

By the end of 1989, virtually all of Lomé I programmed aid had been approved, almost 98% of approved aid had been committed and over 98% of commitments had been paid out. Only 132 mio ECU of programmed aid remained to be disbursed. Over 41 mio ECU of this shortfall in expenditure relates to 9 ACP States - Benin, Burkina Faso, Cameroun, Chad, Ivory Coast, Jamaica, Somalia, Sudan and Uganda.

As regards implementation of Lomé II programmed aid, approvals in 1989 amounted to 55 mio ECU bringing total approvals to over 97% of the envelope. Secondary commitments came to 129 mio ECU and total commitments to the end of the year were equivalent to 85% of the envelope - 5 percentage points up on the situation a year earlier. Payments last year totalled 203 mio ECU bringing total payments to 88% of commitments and 75% of approvals. For details of aid implementation by country, see Annex Table 2.

Despite the progress made in 1989, the absorption rate of programmed aid under Lomé II remains a matter for concern. Nine years after the coming into force of the second Lomé Convention, a total of 530 mio ECU of programmed aid remains uncommitted and over 830 mio ECU undisbursed. In the case of 6 small States (mainly Caribbean and Pacific islands) more than 10 % of the programmed aid envelope have yet to be approved. Some 16 mio ECU also remains undecided for Sudan. The ratio of payments to aid approved was below average in the case of 28 ACP States which between them accounted for over 400 mio ECU of the gap between approvals and disbursements. Included in this list are a number of ACP States with indicative programmes of 50 mio ECU or more - Nigeria, Cameroun, Burundi, Ivory Coast, Malawi, Somalia, Benin, Ghana, Zambia, Kenya, Senegal and Zaïre. The problems of implementation are reflected for most of these countries in low levels of both secondary commitments and payments.

(1) Whenever percentages are given in this report for rates of approval, commitment or payment these should, unless stated otherwise, be read as follows:

- . rate of approval= decision as % of envelope
- . rate of commitment= secondary commitments as % of decisions
- . rate of payment= payments as % of commitments.

About 340 mio ECU of the gap between approvals and disbursements under Lomé II relates to agricultural and rural development projects and programmes. The greater share of this sector in Lomé II (33,6 %) as compared with Lomé I (28,9 %) taken in conjunction with its relatively slow disbursement profile goes a long way to explaining the slower implementation of Lomé II as compared with Lomé I. States particularly affected are Burundi, Ivory Coast, Jamaica, Malawi and Uganda. A number of regional projects are also involved. The difference between approvals and disbursements was 180 mio ECU in the case of transport and communications, bridges and roads being notably significant (Benin, Cameroun, Ghana, Kenya, Malawi, Somalia and regional projects).

2.1.2 Lomé III

Annex Table 3 gives particulars of approvals, commitments and disbursements of Lomé III programmed aid classified by ACP State at the end of 1989. In analysing the implementation of programmed aid under Lomé III, the main point to be considered is the extent to which it was possible in 1989 to catch up on the gap between approvals and disbursements noted in last year's Art. 193 report(2).

Secondary commitments of programmed aid rose from 545 mioECU in 1988 to 766 mioECU last year, a rise of 40 %. Payments more than doubled in the same period - from 244 mioECU to 523 mioECU.

A factor contributing to the speeding up of implementation of programmed aid in 1989 was the debt programme for Sub-Saharan African together with import support programmes in a number of other ACP States which are discussed at point 2.1.3. below.

As regards decisions on programmed aid, there was a fall from 1537 mioECU in 1988 to 800 mioECU in 1989. By end-1988, the vast majority of the large sectoral and integrated programmes had already been approved. Almost three quarters of programmed aid was approved by the end of last year and almost 40 ACP States had virtually all their aid decided on. Lomé III is, therefore, in the winding down stage as far as decisions are concerned. It is, nevertheless, worth noting that in 32 States, less than 80% of programmed aid allocations had been approved by the end of 1989.

(2) cf Lomé III Mid-Term Review 1986-88 - pages 4/6

2.1.3 Import Support programmes and the special debt programme for Sub-Saharan Africa

Import support programmes (3) - those coming within the scope of Art. 188 of Lomé III and those covered by the special debt programme - represent the response of the Community to the severe debt problems of ACP States and involve contributing in the short term to the relief of their external financial problems through the provision of quick disbursing aid finance for sectoral and general import programmes. They also assist in solving internal problems through targetting the use of counterpart funds produced from the import programmes on specific expenditure objectives inside the ACP States (e.g. social expenditure, reduction of public debt).

The first import support programmes under Art. 188 of Lomé III were approved in 1987. The bulk of programmes have, however, arisen in the framework of the debt programme which effectively got under way in March 1988. The amount provided was 567 mio ECU(3) and the programme forms part of a wider debt action coordinated by the World Bank.

Table 2.1 shows the situation at end-1989 of the different import programmes as regards amounts approved and paid and type of programme (i.e. input or exchange facility). 44 programmes in all had been approved up to the end of 1989 of which 35 were covered by the debt programme. The 44 programmes related to 34 countries (25 covered by the debt programme), the amount of finance approved being 675 mio ECU (of which 547 mio ECU from the debt programme). 9 countries (Madagascar, Uganda, Mozambique, Malawi, Benin, Somalia, Kenya Sudan and Zaïre) benefitted from two or more import programmes.

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- (3) A description of the objectives of and procedures involved in import support programmes is contained at point 5 of the Annex to the present report.
- (4) The total of the debt programme (567 mio ECU) is made up of 307 mio ECU of additional resources (207 mio ECU from the Lomé III programmed aid reserve and 100 mio ECU covered by a Council Decision of 14.12.87) together with 260 mio ECU from the normal indicative programme allocations of ACP States.

Table 2.1
Sectoral and General Import Support Programmes
Situation of Approvals and Payments as at 31.12.89 (mio ECU)

Country	Approvals	Payments	Type
<u>(i) Debt Programme</u>			
Benin	(16.0	7.0	Import/Forex
	(11.0	8.9	Import
Burundi	12.0	3.0	Forex
Central African Rep.	7.0	-	Import
Chad	9.5	5.8	Import
Gambia	5.0	4.9	Import
Ghana	20.5	9.7	Import/Forex
Guinee Bissau	6.0	6.0	Forex
Guinee	12.5	5.0	Forex
Guinee Equatoriale	1.5	-	Import
Kenya	(35.0	34.6	Forex
	(7.0	-	Forex
Madagascar	(17.3	14.4	Import
	(2.5	-	Import
Malawi	(42.1	18.7	Import
	(12.5	7.5	Forex
Mali	25.0	15.2	Import
Mauritania	7.0	7.0	Forex
Mozambique	(40.0	21.6	Import
	(30.0	-	Import/Forex
Niger	14.0	1.2	Import
Sao Tomé e Principe	1.2	0.5	Import
Senegal	11.5	11.5	Import
Somalia	(15.0	14.8	Forex
	(16.0	-	Import
Sudan	(17.8	16.8	Import
	(15.0	-	Import
Tanzania	24.5	15.6	Forex
Togo	10.0	3.0	Import
Uganda	(17.3	17.3	Forex
	(15.0	15.0	Forex
Zaire	(10.5	10.5	Forex
	(19.5	11.8	Forex
Zambia	40.0	30.1	Import/Forex
Sub Totals Debt Prog.	546.8	317.4	
<u>(ii) Other import programmes</u>			
Angola	35.0	11.6	Import
Capo Verde	4.0	-	Import
Cameroun	15.0	7.7	Import
Ethiopia	10.5	3.2	Import
Guyana	15.0	4.0	Import
Jamaica	17.8	7.8	Import
Nigeria	10.0	-	Forex
Suriname	8.5	-	Import
Trinidad & Tobago	12.0	-	Forex
Sub Total (ii)	127.8	34.3	
Total Import Programmes	674.5	351.7	

All but 4 programmes related to sectoral import programmes, the exceptional 4 cases covering general import programmes.(5) The sectoral import programmes involved either financing of inputs (e.g. fertilizers, machinery, raw materials, oil, spare parts, seeds, pesticides, medicine, educational equipment) or provision of foreign exchange for allocation to either the public or private sectors for imports of designated goods (the so called "positive lists"). Of the total sectoral import programmes, 70% related to inputs, 30% to foreign exchange allocations.

1989 witnessed an acceleration of the implementation of import programmes. Table 2.2 compares the overall position of decisions, commitments and payments at the end of 1988 and 1989.

Table 2.2

Import Support Programmes - Situation at 31.12.88 & 31.12.89

	Decisions		Commitments		Payments	
	Total	Debt Progr.	Total	Debt Progr.	Total	Debt Progr.
end-1988	569	501	152	134	107	103
end-1989	675	547	446	396	352	303

Of the total of import programmes in operation up to 1989, 10 have been completed and most of the others will have been fully implemented by the end of 1990.

Difficulties have been experienced in implementing some programmes. Problems in introducing suitable procurement arrangements occurred in the case of the programmes in Angola, Mozambique, Burundi, Niger and Cape Verde. By and large, these difficulties have now been resolved. The Jamaican import programme was introduced to help relieve damage caused in 1988 by "Hurricane Gilbert". After some activity early on in the programme, interest on the part of the Jamaican authorities has since waned. In Sudan, the second set of import programmes represent the import element in larger telecommunication and railway construction programmes. By their nature, disbursements will be slower than under other import programmes.

(5) The low proportion of general import programmes is explained firstly by the fact that such programmes did not strictly fall within the framework of Art. 188 of Lomé III and secondly by the limitation to 60 mio ECU of the amount provided for these programmes in the Council decision of December 1987.

The delays in launching some programmes underline the importance of adequate technical assistance to set in place suitable procurement and tendering procedures as well as establishing appropriate bases for the use of counterpart funds generated by the programmes. A further prerequisite for speedy implementation is that delays in signature of financing agreements be kept to a minimum.

2.1.4 Regional Cooperation (6).

Regional cooperation plays an important role in Community development policy under the Lomé Conventions and 885 million ECU of programmed aid and 115 million Ecu for non-programmed aid and loans from the EIB was provided for regional aid in Lomé III. By the end of 1989, 519 mio ECU of this allocation had been approved, 210 mio ECU committed and 122 mio ECU paid out. In addition to programmed aid, non programmed aid comprising emergency aid and aid managed by the EIB (risk capital and interest subsidies on the Bank's own resources loans) totalling 54 mio ECU has been allocated under Lomé III to regional cooperation.

While the performance of aid approvals in the case of regional cooperation falls far short of that for national programmed aid - 59% approved as compared with 81% for national aid - the position as regards commitments and payments when related to total programmed aid approved is not very different as between regional and national aid(7). The shortfall in the case of approvals of regional aid is explained by the complexity of regional programmes which frequently involve a number of partners in different countries and, in the case of large projects, co-financing with several donors.

The main regional projects and their state of advancement are shown in Table 2.3. Many of the larger regional projects were approved in 1989 or late in the previous year. Little progress has yet been made in implementing them.

(6) The discussion here of regional cooperation relates to Lomé III. Regional aid under the 2 earlier Conventions has been virtually all approved. The rates of commitment and payment at the end of 1989 by reference to amounts approved were 100% and 94% respectively for Lomé I and 97% and 72% for Lomé II.

(7) The rate of commitments for regional aid is 58% compared with 56% for national aid, the rate of payment is 40% (38% for national aid).

Table 2.3

Lomé III Main Regional Projects(8)

Situation at end-1989

Project	Regions Affected	Date of Decision	Approved	Committed Paid	
				Aid	
(mio ECU)					
Karonga-Ibanda Road	Southern Afr.	29. 4.87	10.0	10.0	7.3
Rehabii. Port of Beira	"	3. 4.87	39.0	39.0	23.4
Northern Corridor Rd., Kenya	East Africa	28. 7.87	22.5	10.4	1.4
" Uganda	"	9.10.87	25.0	16.6	4.9
Central Corridor	"	22.10.87	11.0	5.3	3.5
Food Security	West Africa	25. 2.88	7.7	3.5	0.2
Agric. Prog.	Pacific	28. 3.88	6.8	1.5	0.1
Tourism Programme	"	5.10.88	7.4	3.9	0.8
West Indies University	Caribbean	28.11.88	6.2	0.6	-
Marine Resources Prog.	Pacific	21.12.88	10.7	1.0	0.5
Fouta Djalon River Basin	West Africa	21.12.88	30.0	-	-
Butane Gas	"	21.12.88	8.3	0.1	0.0
Photovoltaique Solar Energy	"	26. 4.89	34.0	0.0	0.0
Air Security School	"	19.6.89	7.0	-	-
Bequia Airport	Caribbean	13.10.89	16.5	-	-
OECS Third Level Education	"	8.11.89	6.5	-	-
Technology Transfer - CARDI	"	20.12.89	5.3	-	-
Prog. Desenciamement-Burindi	East Africa	20.12.89	22.0	-	-
Locust Control	West Africa	21. 1.88	5.2	5.2	4.5
Training Programme	"	23. 5.89	10.0	0.2	0.1
Rail Term. Isaka Corridor	East Africa	28. 3.88	9.0	5.6	-
Intelcom ii (Telecomm.)	West Africa	10.11.87	21.0	21.0	-
(Risk Capital)					
ASECNA, Madagascar	West&Central	26. 4.88	15.0	15.0	3.4
(Risk Capital)	Indian Ocean				
BDEAC II	Gen.Africa	6.10.88	5.7	5.7	-
(Risk Cap. & Own Res. EIB)					
EADB II	East Africa	8.12.87	6.0	6.0	0.5
(Own Res. EIB)					
BOAD II	West Africa	19.01.88	12.0	12.0	-
(Risk Cap. & Own Res. EIB)					

(8) Projects over 5.0 mio ECU and excluding programmes applicable to all ACP States e.g. Technical Cooperation (Courier magazine, Experts for ACP Secretariat), CDI.

An analysis by geographical region is contained in Table 2.4.

Table 2.4
Regional Aid as at 31.12.89

	mio ECU		
Region:	Decisions	Commitments	Payments
West Africa	121.0	15.1	6.6
East Africa	102.6	38.1	10.0
Central Africa	5.3	3.4	2.4
Southern Africa	65.7	55.4	33.9
Pacific	24.5	3.5	1.2
Indian Ocean	11.3	0.6	0.2
Caribbean	48.1	5.8	2.6
Reg. Combinations	19.0	6.2	3.2
All ACP	121.2*)	82.3	62.0
Sub Total Programmed	518.8	209.6	121.9
Non Programmed	53.7	53.6	11.3
EIB Own Resources	21.0	21.0	
Total	583.4	285.1	133.9

*) The "All ACP" item relates mainly to the budgets for the Centres for Agriculture Cooperation and for Development of Industry, to miscellaneous technical cooperation items, financing of the Courrier magazine, financing of experts for ACP Secretariat as well as other items not attributable to specific regions.

West and East Africa followed by Southern Africa have been the main regions affected by regional cooperation. This distribution is strongly influenced by large programmes such as the Corridor transportation programmes in East Africa, the Photovoltaic solar energy and telecommunications projects in West Africa and the Beira and Karonga-Ibanda projects in Southern Africa. As regards implementation, only in the case of Southern Africa have disbursements been significant, mainly due to progress on the 2 large projects in that region.

2.1.5 Microprojects

Microprojects continue to be an important element in implementation of EDF aid. 11 programmes in 9 ACP States were approved in 1989(9) the total amount involved being 17.7 mio ECU. By the end of last year, microprojects totalled 160 mio ECU of which over 40% related to programmes financed from the 6th EDF. Normally, programmes cover periods of between 18 and 36 months. In general, they complement other activities financed from programmed aid notably in relation to rural development. An evaluation of microprojects carried out in 1988 points to the general effectiveness of this aid instrument.

2.2 Non-programmed aid

2.2.1 STABEX

The difficulties in ACP States which resulted from the depression in commodities markets continued in 1989(10). It will be recalled that in 1988, eligible transfer requests greatly exceeded available STABEX resources under Lomé III. A Council Decision on 7 July 1988 to provide an additional 120 mio ECU for STABEX made it possible to cover almost 65% of eligible requests in that year.

In 1989, the Commission received 83 transfer requests from 33 ACP States in respect of the Stabex year 1988. 47 requests for a total amount of 761 mio ECU were considered eligible(11). Even when reduced - in accordance with the provisions of Art. 155 of Lomé III - to 631 mio ECU, eligible requests vastly exceeded the amount of STABEX resources available for 1989 - 190.4 mio ECU.(12)

(9) Gambia, Ghana, Guinea and Ivory Coast (2 programmes each), Niger, Papua New Guinea, Togo, Uganda, Zimbabwe.

(10) The management of STABEX in 1989 related for the most part to transfer requests for the year 1988.

(11) Rejections arose either because threshold levels of dependence were not reached, or no loss had been incurred or losses were less than the reference level. The high number of requests rejected in 1989 was due to presentation of requests by some countries for all or most of the products they export.

(12) Annual allocation (185 mio ECU) reduced by 25% (advance used to meet 1988 transfers) leaving 138.75 mio ECU to which should be added advance use of 1990 allocation and accumulated interest on STABEX account giving a total of 190.4 mio ECU.

In order to narrow the gap between resources and adjusted eligible requests, the ACP-EEC Council of Ministers (acting through the Committee of Ambassadors) decided on 28 July 1989 to provide an additional 125 mio ECU to the STABEX resources.(13).

The amount of resources finally made available (315.4 mio ECU) made it possible to cover 50% of eligible requests (as adjusted pursuant to Art. 155 of the Convention).

Details of the allocations made in 1989 and in the period 1986-89 are shown in Annex Table 4.

The principal beneficiary ACP States in 1989 were Ivory Coast and Cameroun. Papua New Guinee and Kenya also received significant amounts.

The principal commodities covered were coffee, cocoa together with cotton, copra, palm oil products and tea.

By the end of 1989, total STABEX aid approved under Lomé III(14) amounted to 1192 mio ECU as compared with the original allocation of 925 mio ECU for the full 5 years of the Convention. Virtually all the aid approved up to end-1989 was paid out by 31 December 1989. The principal beneficiary ACP States under Lomé III have been Ivory Coast, Cameroun, Senegal, Papua New Guinea and Ethiopia. Other significant recipients have been Kenya, Rwanda and Chad. The main product financed over the whole period 1986-1989 has been coffee.

(13) Composed of amounts left over (including interest) from Lomé I and II (20.6 mio ECU), EDF 6 interest (9.4 mio ECU) and amounts foreseen in the Third Lomé Convention to be used for SYSMIN (55 mio ECU) and for interest subsidies (40 mio ECU) on EIB loans.

(14) This figure of STABEX approvals is that shown in the EDF accounts at the end of 1989. It falls short of the figures in Annex Table 3 - 1236 mio ECU - which includes amounts in respect of which agreements have been signed but where no financial commitment had been entered in the accounts by the end of the year.

2.2.2 SYSMIN

1989 saw a significant increase in SYSMIN assistance to ACP States heavily dependant on the mining industry. By the end of the year, total aid from the so called "special financing facility" had risen to 103 mio ECU (i.e. 28.6% of the total envelope of 360 mio ECU⁽¹⁵⁾ provided for in Lomé III). This compared with approved aid of 66 mio ECU by the end of 1988.

15.7 mio ECU was approved in 1989 in the case of the phosphates industry in Togo while a request from Botswana for 21.7 mio ECU to aid the cupro-nickel industry was declared eligible. Two other requests were also received during the year. That from Senegal relates to the phosphates industry and the second from Papua New Guinea is the result of difficulties experienced in the Bougainville mines.

By the end of 1989, secondary commitments of SYSMIN aid under Lomé III totalled 20 mio ECU and slightly less than 10 mio ECU had been paid.

Not much progress was made in 1989 in implementating SYSMIN aid under Lomé II. Of total aid of 250.6 mio ECU approved, 172.5 mio ECU had been committed by the end of the year (169 mio ECU at end-1988) and 139 mio ECU disbursed (134 mio ECU at end-1988).

The slow progress in using SYSMIN aid has been commented on in past reports. The disappointing results are partly due to difficulties involved in bringing together industry rehabilitation programmes which, because of the scale of action involved usually entail financing by several donors. Add to this the frequent necessity to seek clarification of outstanding questions before final decisions.

It should perhaps be added that the SYSMIN procedures envisaged in Lomé II and III have proved cumbersome and one of the aims of the new Convention is to overcome the procedural problems of the past.

(15) Following the transfer of 55 mio ECU to finance STABEX aid in 1989 (see point 2.2.1 footnote (11) above), the total SYSMIN aid available under Lomé III was reduced from 415 mio ECU to 360 mio ECU.

2.2.3 Emergency Aid and aid to refugees and returnees

The level of Emergency Aid in 1989 at 42 mio ECU was much the same as in the previous year at 42 mio ECU. Once again, aid was allocated primarily for victims of drought and conflict in Africa. 18 million ECU was given to Sudan, primarily to finance airbridge operations transporting essential relief assistance to areas affected by the conflict in the southern part of the country. Funds were also made available for the population affected by drought and/or conflict in Ethiopia, Angola, Mozambique and Somalia as well as finance for emergency medical programmes in the light of epidemics in Ethiopia, Sudan, Angola and Sao Tomé e Príncipe. 500.000 ECU was decided to assist persons in ACP States in the Caribbean affected by the passage of "Hurricane Hugo" in September.

At the end of 1989, 115,3 mio ECU (55% of the total in the Convention for Emergency aid) had been allocated. 84 mio ECU of this total had been disbursed by the end of the year.

Of the total of 80 mio ECU provided in Lomé III for refugees and returnees, over 33 mio ECU was approved in 1989 bringing total allocations to 72 mio ECU. This covers 72 projects in 22 ACP States of which 30 projects in 14 ACP States were approved in 1989. The largest projects supported were in Mozambique and Ethiopia where funding of 14,0 MECU and 9.2 MECU respectively was provided to help with the provision of medical services, water, logistical support, rural development etc. Malawi, where there are over 800,000 refugees, received 5.7 MECU for 10 projects which covered such items as medical assistance, education and environmental rehabilitation. Other actions included the repatriation of refugees to Namibia from Angola, refugee integration projects in Belize and Papua New Guinea, aid to elderly and handicapped refugees in Zimbabwe and employment counselling for refugees in Kenya.

Disbursements of aid to refugees and returnees totalled 21 mio ECU at the end of 1989. The low payments rate is due to the fact that, as this form of aid was introduced for the first time in Lomé III, a certain delay in approving aid was inevitable. Most approvals took place in 1988 and 1989 and since programmes usually cover up to 2 years it may be expected that it is only in 1990 that the full weight of payments will be felt.

2.2.4 AIDS Control Programme

The EEC AIDS control programme was launched in July 1987 with the objective of supporting and strengthening national programmes in ACP States. The main aim is to prevent the occurrence of new cases of the disease by reducing transmission by way of blood, sexual contact or from mothers to unborn children.

The total amount pledged for the 3 year programme is 35 mio ECU. By the end of 1989, financing decisions covering 20.5 mio ECU had been taken covering 65 national projects together with 9 regional or global activities. By the end of last year, 5.2 mio ECU had been paid out. A preliminary evaluation of implementation has shown that the weakness of existing health systems and infrastructures represents a major constraint in most countries.

Coordination with the World Health Organisation is organised on a regular basis and Community action is also coordinated as necessary with Member States. This has been essential in relation to the drafting of AIDS control plans in each country and in defining the operational strategies to be adopted.

In November 1989, the Community AIDS programme was presented to the Council of Ministers which recommended its continuation beyond the initial 3 year period.

2.2.5 Financial and Technical Assistance for least developed, landlocked and island countries (LDLIC).

An inventory of special measures in favour of LDLICS was carried out in 1988 by a joint group of ACP/EEC experts working with the Commission. The main conclusions of this inventory were published in Section 2.8 of "Lomé III : Mid-Term Review 1986-88". Table 2.5 shows the position as regards aid approved in 1989.

Table 2.5

Lomé III - Aid approved for least developed,
landlocked and Island ACP States - position as at 31.12.89

	Least developed mio ECU	Landlocked mio ECU	Island mio ECU
Grants	363.5	248.9	39.8
Special Loans	4.5	12.5	9.0
Total National Ind. Prog.	368.0	261.4	48.8
Interest subsidies	5.8	8.7	9.8
Emergency aid	61.6	6.8	2.8
Risk capital	57.8	40.5	9.7
STABEX	38.5	20.0	6.2
SYSMIN	53.1	34.1	-
TOTAL AID	584.8	371.5	77.3

2.2.6 Cofinancing

At end-1989, some 25% of programmed aid under Lomé III (1126 mio ECU) related to over 100 projects cofinanced with other donors. More than 1000 mio ECU of cofinancing is involved, 400 mio ECU coming from Member States, 40 mio ECU from the EIB and at least 600 mio ECU from other donors. 33 projects have been cofinanced with Italy under the agreement with that country, the Italians contributing 113 mio ECU.

With increased application in the future of structural adjustment programmes, a higher volume of cofinancing with other donors - notably the World Bank - is to be expected and, indeed, several programmes involving such cofinancing are already in hand.

2.3 Aid administered by the EIB

General Overview

Details of EIB financing under Lomé III are given in Annex Table 5. In 1989, the Bank's lending from its own resources continued to be constrained by difficult economic circumstances in the ACPs, resulting in limited demands for financing of new projects. This has led to a continued stagnation in "own resources" lending, particularly to the African States, even in those countries such as Cameroun and Ivory Coast which in the past have benefitted substantially from EIB lending. Lending to the Pacific stabilised, while loans to the Caribbean rose four-fold compared to the previous year. In 1989, over a third of own resources lending went to the Caribbean and Pacific regions.

Notwithstanding these difficulties, EIB aid to ACP States in 1989 continued to be significant. In total, it came to 258.4 million ECU, of which 149.5 million ECU came from the Bank's own resources and 108.9 million ECU from risk capital. This brought risk capital lending under Lomé III to 86% of the amount available under the Convention. Of the 43 countries to which a minimum amount of risk capital resources had been granted, 34 have now reached or exceeded the minima indicated at the time of programming. By contrast, by the end of 1989, lending by the Bank from its own resources came to only 52% of the amount foreseen in the Convention.

3. Sectoral Breakdown of Community aid

3.1 Aid administered by the Commission

The report "Lomé III Mid Term Review 1986-88" showed the importance of rural development in Lomé III financing. By and large, the position was the same at the end of 1989 as Table 3.1 shows. Details of aid approvals 1986-89 classified by sector and sub-sector are shown in Annex Table 6.

Table 3.1

Sectoral breakdown of EDF aid approved up to 31.12.89

Major Sectors	Lomé II		Lomé III	
	mio ECU	%	mio ECU	%
Rural Production	1137	24.8	1978	33.2
Transport & Communications	838	18.3	846	14.3
Industrialisation	919	20.2	687	11.5
STABEX	630	13.8	1192	20.0
Others(*)	1051	22.6	1247	21.0
Total	4575	100.0	5950	100.0

(*) Others include emergency aid, aid to refugees, trade promotion, education and health.

Some changes, however, are to be noted. With the slowing down of the rate of aid approvals now that most of the major national programmes have been approved, and due partly to a reduction in STABEX from 552 mio ECU in 1988 to 273 mio last year, total approvals in 1989 amounted to 1305 mio ECU as against 2379 mio ECU in the previous year. The main sector affected by this fall was rural production where aid approved dropped from 832 mio ECU to 275 mio ECU. This resulted in a fall from 36.6% to 33.2% in the part of total Lomé III aid going to that sector. By contrast, aid to Transport and Communications rose from 176 mio ECU in 1988 to 209 mio ECU last year, mainly due to aid for roads and harbours. Aid for industrialisation fell from 233 mio ECU in 1988 to 134 mio ECU. It should again be emphasised that these changes must be seen in the context of the winding down of the decision rate on aid as approval of aid under Lomé III neared completion.

Turning to aid implementation, Table 3.2 shows for Lomé III the ratios of secondary commitments to decisions and of payments to secondary commitments as at the end of 1988 and 1989 respectively

Table 3.2
Lomé III - Secondary Commitments & Payment rates (1)
classified by sectors (%)

	Commitments/Decisions as at 31 December		Payments/Commitments	
	1988	1989	1988	1989
Rural Devel.	17	30	45	56
Transport & Communications	40	49	28	38
Industrial- isations	50	79	27	39
Other (incl. Stabex, Emergency Aid)	72	79	84	86

The big increases both in commitment and payment rates in the major sectors (other than Stabex etc. where decisions, commitments and payments virtually coincide) will be noted and reflect the comment earlier in this report that 1989 was the year in which Lomé III implementation took off. The increase in the payment rate for rural development is particularly noteworthy and brings out the fact that, once committed, the disbursement of aid for rural operations proceeds faster than in the case of transport and communications or industry. The commitment rate for rural development, although much improved in 1989, is still far short of other sectors and emphasises the task involved in speeding up aid commitment in that sector.

As regards the sectoral breakdown of regional cooperation, Lomé III saw a considerable shift in emphasis as compared with the earlier Lomé Conventions. Table 3.3 shows the position with respect to aid approved at the end of 1989.

Table 3.3
% Distribution of approved Regional cooperation
at end-1989 classified by sector

	Lomé I %	Lomé II %	Lomé III %
Transport & Communications	58	37	38.2
Industry, Energy, Mines	11	13	5.6
Rural Development	10	27	11.6
Training, health, water engineering	13	11	7.3
Trade Promotion	4	7	6.5
Various	4	5	1.3
Thematic Actions	-	-	14.4
Non-geographic			15.1
of which:			
CDI			6.7
CTA			3.7
ACP Sec.			1.9
Total	100	100	100

The drop in the share of rural development projects under Lomé III and the introduction of thematic actions and of projects not assignable to particular regions will be noted.

(1) For definitions of Commitment and Payment rates see footnote on page 8.

3.2 Aid administered by the European Investment Bank

Table 3.4 shows the pattern of sectoral lending by the EIB in 1989 and in the four years of operation of Lomé III(2).

Table 3.4
Sectoral Breakdown of EIB Financing 1986-89

	(mio ECU)				
	1986	1987	1988	1989	1986/89
Energy	52.0	73.7	63.1	10.0	198.8
Infrastructure	28.5	69.3	87.9	101.8	287.5
Industry	124.5	197.0	137.8	146.6	605.9
of which global loans etc.	27.5	103.5	23.1	46.2	200.3
Total	205.0	340.0	288.8	258.4	1092.2

As in the past, industry represented one of the key sectors of lending activity in 1989, accounting for 57% of the total. Agro-industry continued to be an important sub-sector, receiving 59 mio ECU (41% of total aid to industry). However, the biggest growth area within the industry sector was lending in the form of global loans and capital increases to development finance companies, which doubled in 1989. This reflects the Bank's policy of promoting private small and medium scale enterprises through local financial intermediaries. Well over half of this amount went to such intermediaries in the Caribbean region, linked to a resurgence of the private sector in that area.

Other industry sub-sectors to benefit from EIB operations were mining (13 mio Ecu), manufacturing (12 mio Ecu), textiles (12 mio Ecu) and other services (4 mio Ecu).

39% of total lending went to the infrastructure sector. The telecommunications sub-sector was of particular importance during 1989, accounting for almost half the total lending for infrastructure (49 mio ECU compared to only 0.1 mio ECU in 1988). Water services received 29 mio ECU, port development 22 mio ECU, and airport development 1.5 mio ECU.

There was a drop in resources allocated to energy (generally electricity), with only one project being financed in Africa. This is partly due to a slow down in the rates of growth in the ACPs in recent years leading to lower demand perspectives for power. However, there is also a timing aspect; more energy projects are currently in the pipeline.

(2) The figures in this section have been provided by EIB. For full details see Annex Table 4.

4. National Trends in implementation of programmed aid under Lomé III

Details of programmed aid under Lomé III are shown in Annex Table 2.

4.1. Aid approved

By-end 1989, 77% of total programmed aid had been approved - national aid 81%, regional aid 59%. 33 ACP States, whose total programmed aid allocation under Lomé III is equivalent to 55% of the envelope, had decision rates in excess of the average. 25 of these States, representing 42% of the programmed aid allocation, had decision rates in excess of 90%. Among the countries with all or virtually all aid approved are Senegal, Chad, Lesotho, Nigeria, Jamaica, Mali, Burundi and Niger.

The countries with less than 10% of aid approved were a number of Caribbean and Pacific island States. Some larger ACP States with a rate of decisions significantly lower than the average are: Ivory Coast (46%), Rwanda (50%), Ghana (52%), Angola (59%), Zambia (60%), Sudan (61%), Madagascar (64%).

High concentration of aid approvals in 1988 and 1989 is evident in many of the ACP States which have high rates of approval - Lesotho, Cape Verde, Nigeria, Mali, Burundi, Niger, Togo, Mauritania, Zimbabwe, Benin, Kenya. The consequence of this concentration of decisions is to delay the secondary commitment of such aid in the form of contracts. The extreme example of this is Nigeria where virtually all aid was approved in 1988 and 1989 but where the ratio of commitments to decisions was only 3% at the end of last year. The delays in this case are partly explained by the fact that programmed aid to Nigeria takes the form of special loans for which there have been delays in completing loan contract documents.

In a number of countries with high concentration of decisions in 1987, aid decided related to a small number of large programmes/projects which either represented a follow up to earlier similar programmes (e.g. road construction or maintenance works, railway rehabilitation, afforestation and irrigation programmes), or was related to the earliest of the large portmanteau rural development programmes (e.g. Tanzania, Senegal, Burundi, Kenya, Mauritania, Rwanda) or the first large import support programmes (Mozambique, Uganda)(1).

(1) For further discussion of the implementation of large programmes see section 4.4 below.

4.2 Secondary commitments

On average, 38% of aid approved under Lomé III had been committed in the form of contracts by end- 1989. The low average rate of secondary commitments reflects the fact that so much of aid was only recently approved and also that, in the case of large block decisions, a good deal of work is necessary after aid approval before implementation procedures commence.

Countries with the highest level of commitments(2) are for the most part islands whose total indicative programmes are less than 10 mio ECU. Of the 34 ACP States which had above average decision rates by end-1989, only Lesotho, Dominica, Sao Tome e Principe, Malawi and Grenada had secondary commitment rates in excess of 60%. 15 ACP States had very low commitment rates (i.e. less than 25% of decisions). These include a number of larger ACP - Mali, Liberia, Niger, Somalia, Ethiopia, Burkina Faso, Nigeria and Congo - which between them account for almost a quarter of national programmed aid under Lomé III.

Secondary commitments show strong concentration on 1989 (almost two thirds of all commitments). Some of the countries with high rates of decision figure strongly in the 1989 secondary commitments - Togo, Benin, Guinea, Mauritania, Zimbabwe. Even where the decision rate was low - Burundi, Mali, Niger, Somalia, Ethiopia, Burkina Faso - the bulk of secondary commitments were made in 1989.

These trends again underline the lag between secondary commitments and decisions under Lomé III

A comparison of the situation as regards implementation of programmed aid under Lomé II and Lomé III 4 years after each Convention came into force, shows that whereas average rates of decision, secondary commitments and payments(3) for Lomé III were 81%, 38% and 56% respectively, for Lomé II, they were 67%, 60% and 57% respectively. Thus while approval rates were a good deal higher under Lomé III, commitment rates were much lower and payments were about the same. To the extent that the higher approval rate under Lomé III is explained by the large block programme decisions, the problem is clearly the translation of decisions into secondary commitments. 31 ACP States had above average commitment rates after 4 years of Lomé II. Only 18 of these had higher than average commitment rates after 4 years of Lomé III. Among the countries with relatively high rates of commitment under Lomé II, and low rates under Lomé III are Burundi, Ethiopia, Mali, Senegal and Somalia. States with low rates of secondary commitments under both Conventions include Burkina Faso, Kenya, Niger, Nigeria and Zambia. However, what is most significant is the fall in the general level of commitment rates from Lomé II to Lomé III from 60 % to 38 %.

(2) over 60% commitment rates

(3) for definition of "rates" see footnote on page 8

4.3 Payments

The average ratio of payments to secondary commitments under Lomé III at the end of 1989 was 56.5%. 44 ACP States had payments rates of 50% or over and only 17 States had what might be regarded as low disbursement rates i.e. less than 40%. These include, however, a number of significant States - Burkina Faso, Rwanda, Niger, Congo, Burundi, Guinea, Nigeria and Togo.

In terms of timing, payments respond fairly quickly to secondary commitments. The cumulative payments/commitments ratios were 49% in December 1987, 44% at end-1988 and 57% at December 1989. The corresponding ratios of secondary commitments to decisions were 9%, 23% and 38% respectively.

4.4 Trends in implementation of large programmes and projects - a study of delays.

Annex Table 7 gives particulars(4) of programmes and projects financed under Lomé III where the amount approved exceeds 10 mio ECU. Seventy two programmes and projects in 36 ACP States are included.(5) 22 projects relate to roads, railways or other similar infrastructure. 46 large programmes for rural development are included. The programmes in Burundi, Central African Republic, Congo, Ethiopia, Guinea, Mali, Niger, Nigeria, Senegal and Tchad absorb 60% or more of national indicative programmes for these ACP States.

Of the 72 projects and programmes covered, 60 have had implementation hold-ups as evidenced by delays(6). Information available indicates that delays were in 15 cases attributable, at least in part, to work involved in developing the relevant projects and programmes after the decision to award aid had been taken. Notable cases in this category are the Mono rural development programme in Benin, the Sourou and Sissilli programmes in Burkina Faso, the rural development programmes in Burundi, regional development programmes in the Central African Republic, the agricultural livestock, cereals and Northern Corridor programmes in Kenya, all the Nigerian programmes, the Vermauri project in Papua New Guinea, and roads in Zaire.

(4) i.e. amount and date of approval, secondary commitments and payments up to end-1989. Import support programmes which were discussed in Chapter 2 are not included.

(5) Including 8 regional projects.

(6) The analysis of delays looked at movements in the EDF accounts i.e. either between the initial decision and first commitment of funds in the form of contracts, or between successive commitments or between commitment and payment. Where there was no movement in the accounts for over 6 months, the project was deemed to be "delayed". Projects are also considered to be delayed if the rate of commitment and/or the rate of payment is largely below the average for all Lomé III operations for programmed aid.

Internal political and economic problems have been indicated as reasons affecting delays in 28 cases e.g. the Benin roads programme, the Sourou and Sissilli projects in Burkina Faso, rural development programmes in Ethiopia, the Ghana transport infrastructure programme, SEDP in Liberia, projects in Niger, Papua New Guinea, Podor programme in Senegal, Juba Valley road in Somalia, programmes in Sudan.

Administrative difficulties in ACP States have been cited as contributing to delays in implementation in 26 cases including the Yaounde road construction programme in Cameroun, the Praia planning programme in Cape Verde, Livestock programme in Kenya, Hydroagriculture programme in Mali. Project administration in the broadest sense gave rise to delays in 28 cases. These include problems relating to project preparation (18 cases), to tendering procedures (5 cases), to project management (15 cases) or to combinations of these.

The above comments represent no more than a first outline of cases of delay based on an interpretation of the EDF project accounts. In order to better understand the causes of delays it will be necessary to examine in greater detail the procedures involved in EDF implementation and how these influence the rate at which aid is absorbed. A first step in this examination is taken in Chapter 5 following.

In concluding this chapter, attention is drawn to a number of large projects where good progress in implementation has been made - Boavida Hospital in Angola, Palm oil plantation in Ivory Coast, the infrastructure rehabilitation programme in Guyana, Blantyre-Lirangwe Road in Malawi, Nacala rail rehabilitation in Mozambique, Jebel Marra rural development programme in Sudan, Northern Corridor Roads in Uganda as well as a few regional projects - Karonga Ibanda road in Malawi and the rehabilitation of the Port of Beira in Mozambique. The projects in Ivory Coast, Malawi, the rail project in Mozambique and Uganda represent continuation phases of projects for which aid had earlier been approved.

Chapter 5 Aid Implementation and Evaluation

5.1 Tenders and Contracts

Annex Table 8 gives a breakdown of contracts by nationality of firms as at 31 December 1989. The first point of note which is shown in Table 5.1 is the change in the proportions of works, supplies and technical assistance contracts in successive EDFs.

Table 5.1

Distribution of Works, Supplies & Technical Assistance Contracts at 31.12.89

EDF	Works	Supplies %	Technical Assistance
4	57.0	24.7	18.3
5	49.2	29.8	21.0
6	34.8	28.2	37.0

The drop in the share of works contracts partly reflects the shift in emphasis from traditional construction type projects to rural development with its high emphasis on human resources. The mirror image of this is the increase in the share of technical assistance. However, the stage of implementation of different Conventions also affects the types of contracts placed, emphasis on technical assistance being relatively more important in the earlier stages of implementation, supplies and works later.

The high proportion of works contracts shown in Annex Table 8 as going to ACP/PTOMs will be noted - 62% under Lomé III (as compared with 54% a year earlier). The shares of these countries in other types of contracts continue to be low.

Table 5.2 shows the distribution of contracts under the 4th, 5th and 6th EDFs 1987 to 1989 classified by type of procurement procedure adopted in placing the contracts.

**Table 5.2 - EDF works and supply contracts 1986-89
classified by type of procurement procedure**

(percentages)

	EDF5		EDF6		EDF4,* 5 &6	
	Works	Supplies	Works	Supplies	Works	Supplies
International Tenders						
Open	13.3	46.8	36.9	41.8	27.5	43.3
Accelerated	13.4	0.1	6.3	-	8.7	-
Total	26.7	46.9	43.2	41.8	36.2	43.3
Other Procedures						
Restricted Tenders	9.4	10.0	2.5	12.0	5.2	11.4
Direct Agreement	5.8	6.3	0.9	8.7	2.6	8.1
Public Works Programmes						
- direct labour	49.2	35.8	53.4	36.8	52.9	36.4
Extensions of contracts	8.9	1.0	-	0.7	3.1	0.8
Total %	73.3	53.1	56.8	58.2	63.8	56.7
Grand Total %	100.0	100.0	100.0	100.0	100.0	100.0
mio ECU	170.4	126.76	305.2	239.2	491.6	375.5

* Detailed figures for EDF4 are not shown, the total value of contracts covered being only 16 mio ECU for works and 9.6 mio ECU for supplies.

At the outset, it is necessary to take account of the provisional nature of the figures included in Table 5.2. Collection of the statistics involved has just recently commenced. As a result, there have been delays in obtaining reports on contracts filled following international tenders. By contrast, reports on public works carried out by direct labour are fairly up-to-date. The consequence of this is that the total value of contracts covered in the table - 492 mio ECU for works, 376 million for supplies - is unexpectedly low and the proportions of contracts filled following international tendering appear as surprisingly small - 36% for works, 43% for supplies. The percentages for direct labour are particularly high.

Even allowing, however, for the preliminary nature of the statistics, the increasing trend towards allocation of aid towards operations carried out by direct labour is significant - 49% works, 35% supplies under Lomé II increased to 53% works, 36% supplies under Lomé III. Two explanations can be advanced for this trend. First there was the increase between the two Conventions in the ceiling below which direct labour could be used from 3.5 mio ECU under Lomé II to 4 mio ECU in the case of Lomé III. Second, direct labour mainly arises for rural works operations and the increasing priority given in Lomé III to rural development has inevitably led to greater use of direct labour. As regards the supplies element in such operations, the figures shown are to some extent arbitrary being based on a notional allocation in each direct labour estimate to cover the supplies element.

As regards other procedures, the table shows that restricted tendering accounts for only 5% of works and 11% of supplies contracts while direct agreement contracts are minimal (2%) for works and represent 8% of supplies contracts. Here again, however, the tentative nature of the statistics must be stressed.

5.2 Procedures for aid implementation

Point 10 in the Annex discusses the procedures involved in aid implementation. Once a decision to award aid is taken, there follows a succession of steps - financing agreement, loan contract in the case of special loans, tendering and contract placement leading to execution and disbursements.

The following paragraphs examine how some of these different stages have progressed in the case of Lomé III aid managed by the Commission. The purpose of this examination is to highlight problems involved in implementation which slow down the development process and, indeed, which may increase the costs involved in development.

5.2.1 Financing and Loan Agreements

A prerequisite for the implementation of decisions to award aid is the completion of a financing agreement with the ACP State(s) involved and, in the case of special loans, the signature of a loan contract.

Since the coming into force of Lomé III, a total of 423 financing decisions have been taken, 364 involving grants and 57 special loans. The total of financing agreements corresponding to these decisions was over 350 and 24 loan contracts have been completed.

As part of the analysis of the speed of implementation of EDF aid, an examination has been carried out of the lengths of time between:

- decision to award aid and completion of financing agreements (plus loan contracts in the case of special loans);
- signature of agreements/contracts and the placing of contracts (i.e. secondary commitments).

In the case of financing agreements, the time that elapses between opening of negotiations with the ACP and the signature of the agreement is normally less than 3 months. Over 70% of agreements are completed in this time. A further 23% of cases extend up to 6 months and the remaining 6% exceed 6 months. Some of the delays beyond 3 months may reflect the lack of immediacy associated with implementation of some projects and programmes pending completion of detailed implementation requirements.

Completion of loan contracts and the associated financing agreements is slower than in the case of the financing agreements for grants. Of the 57 special loan cases under Lomé III in hands or completed up to June 1981, 34 financing agreements (60% of the total) had been completed within 3 months, 15 (26%) took up to 6 months and 8 cases (14%) exceeded 6 months.

The delays in completion of loan contracts were longer. Of the 24 completed cases, 9 took up to 6 months, 7 between 6 and 12 months while 8 cases involved delays of more than a year. For the 33 cases still under examination, one third have been under examination for periods of up to a year from signature of the financing agreement and the remaining 22 cases for even longer periods.

The delays in the case of loan contracts reflect in many cases the fact that the financing decisions for the projects/programmes involved frequently combine a package of both grants and special loans. Where possible, the beneficiary ACP States tend to draw down the grant element first and it is only when this process is nearing conclusion that completion of the loan agreement becomes urgent.

Experience shows too that the process of negotiation of loan contracts is more time consuming than in the case of financing agreements. Problems may arise in establishing which Minister in the ACP State has borrowing power for the State, or in gaining acceptance of the conditions laid down in loan contracts. Particular technical problems may be associated with on-lending conditions to be applied to lines of credit or other types of "two phase" loans (e.g. Sysmin loans to governments which are on-lent to the mining companies).

Many of the problems associated with special loans will disappear with their suppression under Lomé IV. However, the difficulties associated with "two stage" financing referred to above may continue under Lomé IV to cause delays in the preparation of the relevant financing agreements.

Turning to the question of delays in implementation associated with financing and loan agreements, in over 50% of cases the first contract (i.e. secondary commitment) is placed within 3 months of the signature of the financing agreement. Indeed in over 10% of cases, placement of the contract awaits completion of the agreement. In a further 20% of cases, contracts are placed in 3 to 6 months while the remaining quarter involve delays exceeding 6 months.

5.2.2 Procurement and tendering

The application of tendering procedures involves several stages - preparation of tender dossiers, advertisement of tenders (in the different Community languages), adjudication of tenders, placement of contracts. Problems at each stage of the process can and do delay considerably the execution of operations financed by the EDF.

In order to obtain a preliminary appreciation of the extent of such problems, an examination has been made of tender files for supplies and works treated in 1989(1). This examination has concentrated on delays between:

1. the reception of the tender documents by the responsible services of the Commission and the publication of tenders;
2. publication and the closing date for acceptance of tenders;
3. opening of tenders and the approval of the tender evaluation.

At the outset, the tentative preliminary nature of this analysis should be stressed. The number of cases examined while constituting a representative sample does not give a full picture for 1989. Due to lack of information, two stages have not been covered - that between signature of the financing agreement and reception of documents and that between adjudication and signature of contract.

(1) A total of 136 files for which relevant data were available were included in the analysis - 116 supplies contracts and 20 works contracts. Virtually all ACP States were covered.

A reference period of 7 months has been deemed to be "normal" for supplies and 9 months for works - two months between reception of documents and publication of the tender, two months between publication and closing date (3/4 months for works), three months for evaluation and approval.

The analysis showed that for supplies contracts, in 56% of cases the procedures were completed within the 7 month reference period, a further 23% took up to 9 months and in 21% of cases the total delay exceeded 9 months. The position was much less satisfactory for works contracts. In only 30% of the 20 cases studied were the procedures completed within 9 months. The time period exceeded 9 months in 14 cases. The average time period for all cases is 8 months but this varies between 15 cases (mostly involving import support programmes) where the time periods were between 2 and 4 months and a further 15 cases which took more than 12 months (maximum 18 months).

An examination by sector showed long delays for water and sewerage, transport and communication cases with relatively shorter periods for rural production, health and education.

Examination of the 3 stages in completing the procedures shows that considerable delays can occur at the very first stage - preparation of tender documents for publication. Two thirds of works contracts studied required more than 4 months preparation. Delays are mainly due to problems involved in settling legal and technical aspects of tender documents. Less problems occur at this stage for supplies contracts and over 60% of cases are dealt with inside 2 months.

The time period between publication and the closing date for acceptance of tenders is generally 2 months for supplies, 3 months for works.

Evaluation and approval of tenders was achieved within 3 months for two thirds of all cases examined, the proportions being relatively high for both works and supplies contracts. However, in 9% of all cases the time period exceeded 6 months.

In general, the results of the analysis give grounds for some misgivings. In about one third of all cases covered, more than 9 months from the date of reception of tender documents was needed before the works and/or supplies contracts could be awarded. 44% of supplies contracts and 70% of contracts for works fell outside the reference time period. When the time prior to reception of tender documents and those involved in awarding the contract are added, it is clearly necessary to look more closely at ways for speeding up procurement procedures.

5.2.3 Disbursements

Frequent reference has been made to the slow rate of EDF disbursements. In order to ascertain the extent of the problem of slow payments, the Commission services carried out a sample survey of payments made in Europe in the first half of 1989(2). Almost two thirds of the payments related to those authorised by national authorising officers in ACP States and paid in Brussels, the remainder being payments which were both authorised and paid in Brussels.

With the exception of a very small number of cases of extremely long delays which were excluded from the analysis as being unrepresentative, the survey revealed the following results:

. the average delay from the moment of reception of payment requests and the debiting of the Commission bank accounts in Europe was 96 days in the case of payments authorised in ACP States and 37 days for those authorised in Brussels;

. the delays in the case of payments authorised in ACP States are divided between:

ACP administration	45 days
EC Delegation	8 "
Delivery to Brussels	9 "
Commission services	25 "
Debiting of bank accounts	9 "
	<hr/>
	96 "
	==

The delays shown in this survey - both those in Europe (3) and those in the ACP States - are clearly too long. In an effort to reduce delays arising in Brussels, the Commission services are at present in the process of introducing new procedures for shortening the time needed to make payments. A new computerised on-line accounting system (OLAS) is at present being installed for the EDF which will provide for closer monitoring of payment procedures and will attempt to reduce the time taken to clear payments in Brussels.

(2) The survey covered approx. 4300 payments and the 5% random sample amounted to 213 payments. Local payments in ACP currencies were not covered.

(3) While disbursements in Europe could be speeded up, it is nevertheless worth noting that EDF payments are dispatched more quickly than for Commission payments generally.

For payments authorised in ACP States, a pilot system has been introduced aimed at eliminating the delays between local authorisation and payment in Europe. What is involved is that once the payment is authorised by the national authorising officer and approved by the Commission Delegate, a telex payment instruction is issued through a bank in the ACP State to one of the Commission paying agent banks in Europe. This has the effect of cutting out the delay at present occasioned by the necessity of transiting all European payments through the Commission services in Brussels. Once the security of the pilot scheme has been guaranteed, the intention is to extend the new arrangement to all payments in foreign exchange which are authorised in ACP States.

Despite these changes, however, it is necessary to look more closely at the reasons for long delays in effecting payments. The ACP-EEC Council agreed at its meeting in Fiji in March 1989 to a joint study of payment delays. The launching and execution of this study will be a priority in the work programme of the Article 193 Committee for the period leading up to the next Council meeting in the first half of 1991.

5.3 Evaluation

Evaluation by the Commission is financed from the general Budget (Art. 9441) and covers 4 main types of work (1) sectoral evaluations (2) thematic and instrumental evaluations (3) global evaluations and (4) ad hoc evaluations. There are also complementary methodological studies designed to improve the effectiveness of evaluation procedures and to provide the necessary operational feedback. Annex Table 9 presents a list of reports finished in 1989. There were 48 reports in all - 2 sectoral, 3 thematic, 19 instrumental reports relating to the operations of Community aid, as well as 4 global, 9 ad hoc and 7 methodological evaluation reports.

Of the sectoral evaluations, basic principles relating to the fisheries sector were approved by the ACP-EEC Council at its meeting in March 1990. The important energy evaluation will be discussed at a meeting of experts later this year with a view to preparing basic principles to be presented to next year's Council meeting. The tourism study is still being examined.

Thematic evaluations related to the integration of women in development, the environment, the influence on development of sociocultural factors. The synthesis report on the rôle of women study will be completed shortly. The "sociocultural factors" evaluation has been absorbed into the half yearly reporting system on project effectiveness.

The evaluation of aid instruments covered microprojects, small projects cofinanced with non-governmental organisations, food aid, import support programmes, the C.D.I. trade promotion, regional cooperation. The evaluation of food aid related to triangular operations, to actions which can serve as substitutes for food aid and to the management of counterpart funds. The first study of import support programmes has underlined the importance of this financing instrument and has also documented the problems so far experienced in managing these programmes. The evaluation of the Centre for Development of Industry places stress on three aspects of the CDI - operational, institutional and internal organisation. In 1989, a global study of regional aid in Sub Saharan Africa was carried out while another covering the Indian Ocean region commenced.

Country evaluations related to Botswana, Niger, Central African Republic and Rwanda while the ad hoc evaluations included studies of the Caribbean Food Corporation, rural credit institutions in Mali, 2 livestock projects in Papua New Guinea, rural development in Cameroun, NGO projects in Zaire.

Apart from these specific operations, the Commission evaluation service has been concerned to improve the efficiency of development activities. This involved in 1989:

- . development of an integrated set of criteria for, on the one hand, examination of project financing proposals and, on the other, the ex-post evaluation of the projects involved;
- . introduction of the half yearly reports - the so-called "early warning" system;
- . coordination on evaluation with Member States on the basis of the Council of Ministers resolution of November 1987 and May 1989;
- . work consequent on the European Parliament Resolution of March 1989 on evaluation;
- . coordination on evaluation with the Development Assistance Committee of OECD.

Chapter 6 From Lomé III to Lomé IV

While the present report looks back on the way in which EC aid has been put into operation under previous Lomé Conventions, it is also appropriate to examine the implications for aid implementation of policy initiatives in the past year. By far the most important of these was the Fourth Lomé Convention signed in December 1989.

6.1 Lomé IV

The new Convention - which will run for 10 years instead of 5 for earlier Conventions - has substantially increased the volume of EDF aid for its first 5 years. Aid is up from 8500 mio ECU under Lomé III to 12000 mio ECU, an increase of 40% in nominal terms and over 20% in real terms after allowing for inflation. With the replacement of special loans by grants, more than 90% of the 7th EDF will be in the form of grants as against some 70% of the 6th Fund. In addition, loans from the EIB's own resources and risk capital will be made available on softer terms. As in the past, food aid and NGO cofinancing will be additional to Lomé resources.

An important innovation has been the provision of 1150 mio ECU for structural adjustment programmes being undertaken in a large number of ACP States. This Community initiative follows the successful import support programmes already undertaken under the special debt programme for sub-Saharan Africa and under Art. 188 of Lomé III which were discussed at point 2.1.3 in Chapter 2. The allocation of 1150 mio ECU now envisaged may be supplemented by a limited proportion of each ACP State's national indicative programme and by counterpart funds in ACP currencies generated from Community instruments. The Community programmes will be closely coordinated with those of other donors - most notably IMF and IBRD.

The new Convention provides that structural adjustment funds should be used for sectoral or general import programmes and the technical assistance related to such programmes. The counterpart funds generated by these programmes should be used, inter alia, for measures to alleviate the negative social consequences of structural adjustments.

In line with the Council Resolutions on adjustment (1), the Community envisages that the reform process should be carried out in a pragmatic and differential way which takes account of the peculiar characteristics and the policy options of individual ACP States.

(1) Resolution on the economic situation in sub-Saharan Africa (May 1988) and that on strengthening Community coordination in support of structural adjustment in the ACP States (May 1989).

Another new feature of Lomé IV is the substantial emphasis placed on encouraging private investment, including small and medium sized enterprises. With this in mind, the Convention urges use of:

- . technical assistance to provide help and advice for small businesses, to foster ACP chambers of commerce and to provide technical management training;
- . structural adjustment counterpart funds where appropriate e.g. in encouraging redundant civil servants to start up private businesses;
- . risk capital managed by EIB whose resources have been increased from 600 mio ECU to 825 mio ECU.

The Convention is also enthusiastic about grass-roots development projects such as those financed under microprojects programmes (see point 2.1.5 in Chapter 2) and recommends using a wider range of local partners - decentralised public authorities, firms, trade unions, teaching and research centres as well as NGOs co-operatives, rural and village groupings acting on their own or in combination with European counterparts - in order to foster such participatory development.

The increase in resources provided under Lomé IV taken in conjunction with the innovations in the Convention - both those referred to above and others such as the provision in Article 293 for retroactive financing from the EDF - as well as the continued priority attached to rural development, all have important implications for aid absorption by ACP States. A particular problem arises due to the inherent slow disbursement profile of many rural programmes. It is important that the future shape of such programmes should as far as possible take this into account and that financial decisions for multi-year development programmes should be phased so that funds provided will coincide with finance required to meet costs arising during the period covered by the first financial protocol to the Convention. The task involved in tailoring financial allocations in a way that will both enable sufficient overall programmes to be presented for financing and at the same time ensure the quality of the major programmes covered will present an important challenge to the ACP States and the Community as part of the Lomé IV programming exercise now under way.

At the same time, it is important that the experience gained in management of the debt programme and other import support efforts should contribute to speedy mobilisation of funds for structural adjustment purposes. In this regard, it will also be essential to ensure coordination with other donors, notably the Washington institutions and Member States, in order that adjustment reforms be implemented effectively.

6.2 Other policy initiatives

The main preoccupation of the Joint Assembly in respect of financial and technical cooperation in 1989 and the first half of 1990 related to triangular food aid (Resolution of January 1989) and to the rôle of the social partners in the implementation of the fourth Lomé Convention (September 1989). The European Parliament adopted a Resolution on Evaluation in March 1989. More recently (May 1990) the Parliament gave its consent to the fourth Lomé Convention.

The Article 193 Committee continued its work in 1989 and up to mid-1990. The most important achievement was the successful conclusion in March 1990 of negotiations on the General Regulations, Conditions of Contract and Arbitration Rules to apply to contracts financed from the EDF. These were approved by the ACP-EEC Council at its meeting in Fiji in March so ending the long drawn out examination of this complex package of legislation and clearing the way for a uniform set of rules to apply to EDF procurement.

On the basis of examination of the last Article 193 report, the Council also approved in Fiji a Resolution on the implementation of financial and technical cooperation under the Lomé Conventions.

Chapter 7 Conclusions

The first point that emerges from the present report is the success achieved in 1989 in advancing the process of approval of programmed aid under Lomé III. To this should be coupled the speeding up of aid implementation - secondary commitments and disbursements - as compared with 1988. Nevertheless, this latter success which is attributable, both to non programmed aid, and particularly STABEX, and to a lesser extent to import support programmes, conceals the slower rate of implementation of programmed aid generally under Lomé III as compared with Lomé II.

The payments gap in the case of Lomé II is also a matter of concern and by the end of last year over 830 mio ECU of the Lomé II envelope remained to be paid out.

The main explanation of the slowing down in aid absorption (as expressed in payments) is the relatively slow disbursement profile of agricultural and rural development programmes to which reference has frequently been made in past reports(1).

The analysis of the country patterns of aid implementation in Chapter 4 points to high concentration of aid decisions in 1988 and in 1989 and of a consequential lag in secondary commitments and payments. What is particularly significant is the general slow-down of secondary commitments as compared with earlier Conventions. Once decisions are translated into contractual commitments, payments follow on relatively speedily.

The first examination at point 4.4 of Chapter 4 of delays in implementing large programmes revealed that significant delays occurred at some stage or other in the case of 60 of the 72 projects covered. These were due either to delays in preparing project details following financing decisions, to internal political and economic problems in ACP States, to administrative difficulties and to factors attending project administration generally (preparation, procurement, management). The slow progress in implementing regional projects is also evident from Table 2.3. On the other hand, some important large projects which involve continuation of projects financed under earlier Conventions have made good progress. This again underlines the importance of "stage financing" under Lomé IV within the framework of large sector programmes to which reference was made at point 6.1 in the previous chapter.

(1) of "10 Years of Lomé", pages 70/71 and "Lomé III - Mid-Term Review 1986-88, pages 5/6.

The study of procurement and payments procedures in Chapter 5 constitutes a preliminary attempt to identify bottlenecks in aid implementation. The fact that in the case of one third of tenders, delays exceeding 9 months occur between reception of tenders documents and final adjudication and that for payments average delays exceed 3 months in the case of payments authorised in ACP States (over 5 weeks for those authorised in Brussels) are both matters for concern. The joint ACP-EEC study of payments agreed at the Council meeting in March 1990 will need to examine how to speed up these procedures. It is also important to examine how best to apply other measures (such as retroactive financing) to speed up the aid absorption capacities of ACP States.

In all of this, the Article 193 Committee - and its successor Development Finance Cooperation Committee - whose work this report is designed to assist have an important rôle to play. Past Resolutions of the ACP/EEC Council have drawn attention to the problems of delays and difficulties in the administration of EDF aid. Most recently the Council in its Resolution of March 1990 has called on the Article 193 Committee to strengthen its work arrangements with a view to more effective operation of the Committee. The provisions in the new Convention also envisage an important rôle for the future Development Finance Cooperation Committee in monitoring aid implementation. It is clear from the present report that much work remains to be done by the ACP States and by the Community institutions acting both on their own account and through those Committees to identify and eliminate obstacles in the way of speedy implementation of aid and to ensure that such aid is effectively applied. The challenge of helping ACP States to climb the mountain of economic and social development is great. We must all see to it that the path they will follow is a smooth one.

ANNEX

EXPLANATORY NOTES ON INSTRUMENTS AND PROCEDURES FOR IMPLEMENTATION OF FINANCIAL AND TECHNICAL COOPERATION UNDER THE LOME CONVENTIONS

1. List of ACP Countries

Angola	Madagascar#
Antigua & Barbuda*#	Malawi*+
Bahamas#	Mali*+
Barbados#	Mauritania*
Belize*	Mauritius#
Benin*	Mozambique*
Botswana*+	Niger**
Burkina Faso*+	Nigeria
Burundi*+	Papua New Guinea#
Cameroon	Rwanda*+
Cape Verde*#	St. Christopher & Nevis*#
Central African Republic*+	St. Lucia*#
Chad*+	St. Vincent & Grenadines*#
Comoros*#	Sao Tome & Principe*#
Congo	Senegal
Djibouti*	Seychelles*#
Dominica*#	Sierra Leone*
Equatorial Guinea*	Solomon Islands*#
Ethiopia*	Somalia*
Fiji#	Sudan*
Gabon	Suriname
Gambia*	Swaziland*+
Ghana	Tanzania*
Grenada*#	Togo*
Guinea*	Tonga*#
Guinea Bissau*	Trinidad & Tobago#
Guyana	Tuvalu*#
Ivory Coast	Uganda*+
Jamaica#	Western Samoa*#
Kenya	Vanuatu*#
Kiribati*#	Zaire
Lesotho*+	Zambia+
Liberia	Zimbabwe+
Dominican Republic (added in Lomé IV)*	
Haiti (added in Lomé IV)*#	
Namibia (will be added in Lomé IV)*	

* Least developed ACP States # Island ACP + Landlocked ACP

2. List of organisations associated with implementation of regional cooperation.

SADCC	:	Southern Africa Development Coordination Conference
PTA	:	Preferential Trade Area
CEAO	:	Economic Community of West Africa
ECOWAS	:	Economic Community of West African States
CILSS	:	Inter State Committee in the fight against drought in the Sahel
OMVS	:	Organisation for exploitation of the resources of the Senegal river
ASECNA	:	Association for air navigation security in Africa
CARICOM	:	Caribbean Community
OECS	:	Organisation of Eastern Caribbean States
SPEC	:	South Pacific Economic Commission
IOC	:	Indian Ocean Commission

3. The European Development Fund (EDF) Principal Characteristics and Procedures

Each ACP-EEC Convention provides for a general envelope of aid to be allocated from the EDF during the Convention. In addition, it provides for loans by the European Investment Bank (EIB) from its own resources which may benefit from interest rate subsidies from the EDF.

Aid from the EDF consists of

- (i) Programmed aid (65% of total EDF aid)
 - grants, representing the bulk of financial aid
 - special loans (40 year duration, 10 years grace, interest at 1% - 0.50% for least developed ACPs, under Lomé III)*
- (ii) Non-programmed aid
 - stabilization of export earnings from agricultural commodities (STABEX)
 - special financing facility for mining products (SYSMIN)
 - emergency aid
 - risk capital (managed by EIB)**
 - interest subsidies on loans from the own resources of the EIB

Details of the amounts provided under the various aid headings under Lomé I, II and III and those to be provided in Lomé IV are as follows:

	million ECU			
	Lomé I	Lomé II	Lomé III	Lomé IV
Total Convention	3513	5384	8916	12000
EDF	3123	4710	7816	10800
- grants	2188	2965	4880	7995
- special loans	449	525	600	-
- risk capital	96	275	600	825
- STABEX	390	669	1376	1500
- SYSMIN	-	276	360	480
EIB "own resources" loans	390	685	1100	1200

* Special loans will no longer be provided under Lomé IV, EDF aid taking the form of either grants (92%) or risk capital (8%).

** Under Lomé III, part of the amount provided for risk capital has been included in the national allocation of the indicative programmes for least developed ACP States.

The procedures for allocation of non-programmed aid are based on the relevant provisions contained in the corresponding Articles of the Lomé Conventions.

At the beginning of each Convention, the Commission informs each ACP State of the total programmed aid to be allotted to it.

The award of programmed aid is very much dependent on the EDF decision cycle. Broadly speaking, five distinct stages can be identified:

1. Preparation of indicative programmes by ACP States in agreement with the Commission and the EIB;
2. Project preparation by the ACP States and their examination by the Commission;
3. Project approval by the Commission of a project financing proposal, following favourable opinion of the EDF Committee*;
4. Project execution on the basis of Contracts awarded by the ACP States, generally following invitation of international tenders open to firms in the Member States and ACP States;
5. Payments of aid to contractors. Such payments are made in European currency to contractors in the Member States or in national currency, where the contractors are nationals of the ACP State concerned, or in respect of local costs incurred by contractors from Member States.

While there is some overlapping between the five stages discussed above (some of the stages also apply to non programmed aid), most of the programming of aid takes place in the early years of each Convention, approval and commitment stages are spread out over several years and payments may be made over a number of years. In this regard, while each Lomé Convention runs for up to five years,** the Community legislation (the Internal Agreement and the Financial Regulation) relating to each EDF remains in force until the funds provided by the relevant Convention are paid out.

* The EDF Committee is composed of representatives of the Member States and is chaired by the Commission representative.

** Lomé IV will run for 10 years, the financing provided for in the financial protocol relating to the first 5 years of the Convention.

4. Lomé III : Programming based on support for sectoral policies.*

Lomé III envisaged more precise definition than in the past of programme content and also stressed the importance of the work done in preparation for programming.

On the question of content, it was jointly established that rigour and coordination were increasingly necessary in the management of domestic resources and also in the use of funds from external sources. The Community and the ACP States considered that the best way of securing this coordination and of making cooperation more effective was to situate a growing proportion of its operations in the context of support for sectoral policies because:

- such an approach enables Community operations to be more closely adjusted to the priority sectoral objectives established by each of the ACP States;
- support for sectoral policies makes it possible to use a very wide range of forms of aid (aid for maintenance, technical assistance, training, etc.) in addition to investment projects;
- such support means that for each operation, over and above its own merits, greater weight is given to its contribution to the success of the sectoral policy, so maximising its economic impact.

For this to succeed, the bulk of the Community financial resources placed at each State's disposal must, in the first instance, be focused on a limited number of sectors, or even a single sector. Without such concentration, there is a danger that Community operations would be thinly spread over a large number of highly diversified objectives and that they would have little chance of securing maximum economic impact.

Secondly, this approach means that, on the basis of exchanges of views between representatives of the ACP State and the Commission, the measures and operations most likely to ensure the attainment of the objectives which the ACP State has set itself for the sector concerned have to be specified, irrespective of whether the measures have to be taken by the ACP State itself or on the responsibility of the Community.

Lastly, it presupposes effective coordination between the Commission and the main providers of funds (including, obviously, the Member States) in order to ensure that operations in the focal sectors receiving Community aid are coordinated and complement each other.

It is laid down in the Convention that certain individual operations may be identified, in addition to the focal sectors, in the case of the continuation of projects which were begun under the preceding Convention and which are clearly deserving of priority.

* By and large, the principles applicable to Lomé III programming will apply also to Lomé IV.

Support for sectoral policies involves a far more demanding approach than in the past, and this has meant a change in the programming process.

The programming mission is now preceded by a preparatory stage of vital importance. Thus, a few weeks after the signing of the third Convention, the Commission notified each ACP Head of State of the amount of the programmable envelope for which his country would be eligible.

This notification reflects the contractual nature of the relations between the Community and the ACP States: the amount of aid is known at the outset, and this assures stable and predictable relations, and no extraneous considerations interfere.

With this notification as starting point, and on the basis of an analysis of the social and economic situation in each State conducted by the Commission in conjunction with the main providers of funds, exchanges of views commence between the Commission delegate in each ACP State and the representatives of the State concerned in order:

- to ensure that the Community is aware of the development objectives and priorities of the State concerned;
- to identify the focal sector or sectors for Community aid;
- to seek the most appropriate ways and means of attaining the objectives set.

The Commission for its part has always considered it self-evident that these exchanges of views could not be used to call into question the choices made as regards social organisation, the development model and overall development policy, or the sectoral priorities set by each State. Nor could they be used to launch discussions on each State's macro-economic policy.

It is not until this preparatory work has been completed that the programming mission, led by the Commission, and with the participation of the European Investment Bank, goes to each ACP State.

The indicative programme of Community aid is then drawn up with the national authorities; it sets out the sectors chosen, and within this framework, the indicative guidelines for Community aid; it identifies the most appropriate ways and means of implementing them, and determines the operations to be conducted outside the context of support for sectoral policies.

While the compilation of the indicative programme thus marks the end of a process, it is neither possible nor advisable for this document to fix, once and for all, all the conditions, measures and operations to be applied by the State and the Community in order to attain the objectives set. Programming must be sufficiently flexible to enable the action taken to be constantly adjusted in line with the objectives.

5. Import Support Programmes

The import support programmes provided by the Commission like those run by other donors are designed to lighten the burden of external financing needs which weigh heavily on the beneficiary countries. They consist of general import programmes covering all economic needs or sectoral import programmes for selected sectors. Through the programmes, foreign exchange is provided to finance a minimum of import needs in return for structural or sectoral reforms undertaken by the recipient country. Import programmes can in a second stage reduce the budgetary problems of the State by providing counterpart funds which can be used to finance selected budgetary costs. Import programmes are quick disbursing both by their nature and because of the speedy procedures involved in their execution.

Sectoral import programmes (SIP) are divided into:

- Imports in kind
- provision of foreign exchange (forex) to import specified goods (the "positive list").

SIP in kind serve to finance imports of goods. More than 50% of Commission programmes were drawn up with the specific objective of aiding one or more targetted sectors particular regard being had to the need to assist social sectors such as health and education which were hard hit by structural adjustment.

A forex SIP based on a positive list of eligible imports presupposes a realistic exchange rate policy together with a transparent system for allocation of foreign exchange to importers. The choice of this type of programme has in general been influenced by the desire for quick execution and for the best possible sectoral impact. A forex SIP requires both significant analysis of the economic situation of the country as well as close cooperation between the government and financial authorities in establishing an effective management system.

General Import programmes (GIP) involve provision of foreign exchange for all products with the exception of those set out in a "negative list". Establishment of a GIP presupposes effective implementation in the country of macro-economic reforms. In principle such programmes are implemented in 8-12 months.

Both GIP/SIP in forex have a number of common features:

- . they require a central institution to organise and control the programmes. This is generally supported by technical assistance which may be provided jointly by a number of donors;
- . they also generate counterpart funds whose use is decided jointly by the Commission and the National Authorising Officer;
- . they require close monitoring by the Commission Delegate and the ACP authorities for the duration of programmes.

Implementation of import support programmes demands close coordination with other donors, notably with the World Bank and the Member States. This implementation has also served as an opportunity for the Commission to intensify its dialogue with the ACP States involved while helping them in particular, as a counterpart to the provision of funds necessary to finance imports, to decide on sectoral reforms which might contribute to solving the problems with which they are faced.

6. STABEX

STABEX - the system for stabilisation of export earnings from agricultural commodities - was first introduced in Lomé I with the objective of providing funds to ACP countries to cover shortfalls in earnings brought about by fluctuations in prices or output of agricultural products exported to EEC countries.*

A total of 390 million ECU was provided for the system in Lomé I and this was increased to 660 million ECU in Lomé II and to 1376 under Lomé III**. Twenty-nine products were covered under the first Convention; this was extended to 44 under the second Convention and to 48 under Lomé III.

Eligibility for assistance is based on the two following criteria:

1. A product is eligible if, the year prior to the year of application, it represented 6% of a country's total export earnings to all destinations.***
2. A country is eligible if there has been a drop in earnings of at least 6% - as compared to an average for the four years preceding the year of application.***

Transfers have been used to maintain financial flows in the sector concerned or for the purpose of promoting diversification.

ACP countries are required to give an account of what is done with the aid funds.

STABEX aid usually takes the form of grants although, in some cases - notably in the more developed ACP States - aid may be given as interest free loans.

Where the trend in exports which give rise to STABEX transfers subsequently permits it, the ACP States concerned shall help replenish the resources of the system.****

* While, in general, STABEX takes into account only exports to the EEC, by derogation from the general rule, in the case of 13 ACP countries which, because of their geographical situation do not have the EEC as a natural outlet, exports to all destinations are taken into consideration.

** Including increases of 120 mio ECU and 125 mio ECU agreed by the Council in July 1988 and July 1989 respectively.

*** 1.5% in the case of least developed ACP States.

**** Replenishment will no longer apply under Lomé IV.

7. SYSMIN*

The "Special Financing Facility" or SYSMIN system was first provided for in Lomé II to assist ACP States heavily dependent on mining exports to the Community to remedy the harmful effects on their incomes of serious temporary disruptions affecting the mining sector. 276** million ECU was provided for the Facility in Lomé II, and 360** mio ECU in Lomé III, taking the form of special loans (40 years duration, 10 years grace, interest at 1% - 0.50% for least developed ACPs).

The products covered by SYSMIN are copper and cobalt, phosphates, manganese, bauxite and alumina, tin, iron ore. Countries can apply for SYSMIN aid if the relevant products have, on average, represented more than 15% of their total exports for 4 years (10% for least developed countries).

Award of aid follows case by case analysis of possibilities for reestablishing viable operations in the sector concerned. Most SYSMIN aid involves cofinance with other donors e.g. European Investment Bank, World Bank Group, African Development Bank.

8. Financial assistance administered by the EIB

Financial assistance administered by the Bank consists of loans from its own resources (mainly from borrowings on the capital markets) and aid in the form of risk capital from EDF resources.

In accordance with the division of responsibilities between the Commission and the EIB provided for under the Convention, financing applications with respect to productive projects or action programmes in industry (including agricultural processing), mining and tourism, and energy production schemes linked to investment in these sectors are submitted to, and appraised by, the Bank. The EIB is also empowered to finance infrastructure projects of benefit to the economy in such sectors as transport and telecommunications. In providing loans, the EIB takes into account the economic and financial situation of the ACP country concerned as well as factors which can give assurance that the debt will be serviced. The Bank makes the granting of loans conditional upon the receipt of suitable forms of security and requires a guarantee from the country concerned or other first-class guarantees. Loans from the EIB's own resources generally attract interest rate subsidies for which an overall sum is set aside out of EDF grant funds (167.5 mio ECU under Lomé III). The interest rate subsidy is 3%, but when necessary it is automatically adjusted so that the interest rate actually borne by the borrower will be neither less than 5% nor more than 8%.

Risk capital may be granted through the acquisition of holdings or by means of quasi-capital assistance. Holdings taken in the capital of enterprises or development banks in the ACP States are of a temporary and minority nature and are destined for transfer, at an appropriate time, to nationals or institutions of the ACP

* Under Lomé IV, SYSMIN aid shall take the form of grants to ACP States to be on-lent to mining companies.

** These figures take account of adjustments to the figures originally provided in Lomé II and III.

States. Quasi-capital assistance may be provided in the form of loans subordinated to the redemption of other bank claims or in the form of conditional loans whose repayment, maturity and interest payments depend on the attainment of the level of return or production expected from the project. This capital is a form of financial aid particularly well-suited to the difficult financial situation and economic conditions facing the majority of the ACP States. The total provided in Lomé III for risk capital is 600 million ECU.

9. Cofinancing

A. Forms of cofinancing

Lomé III provides for two types of cofinancing, joint or parallel, preference being given to the solution that is best from a cost and efficiency viewpoint:

- joint financing: all financing resources are placed in a common fund and disbursements made according to the progress of the project and in proportion to the respective contributions;
- parallel financing: each financial contribution is assigned from the outset to a separate part of the project, which is treated independently of the others.

There is, however, a definite preference for joint financing, which avoids competition between different sources of financing and makes it possible to rationalise financial procedures and checks.

B. Cofinancing procedures

Lomé III lays down (Article 200) that "with the agreement of the parties concerned, necessary measures shall be taken to coordinate and harmonise operations of the Community and of the other cofinancing bodies in order to avoid an increase in the number of procedures to be implemented by the ACP States and to allow those procedures to be made more flexible". This point is crucial since, under Community rules, participation in invitations to tender, in other procedures for the award of contracts and in the contracts themselves, is normally confined to Member States and ACP States. Article 232.7 of Lomé III provides, however, for participation by non-Community and non-ACP countries in contracts financed by the Community where the Community participates in the financing of regional or interregional schemes involving such third countries and in the joint financing of projects with other providers of funds.

10. Financing and Technical Cooperation - Implementation Procedures.

Financing Agreement : The legal instrument which determines the rights and obligations of the beneficiary ACP State(s) and the Community in respect of projects and programmes aided by the EDF. The agreement which is signed by the Government(s) concerned and the Commission covers financing provisions, rules relating to tendering and placement of contracts and contains a technical description of the aided project and of the manner in which aid is to be implemented.

Amounts provided for in financing agreements which remain unspent are recycled into the EDF allocations for the ACP States concerned.

Loan Contract: Where aid to projects consists of special loans, the financing agreement is completed by a loan contract with the borrower which sets out the conditions for execution and reimbursement of the loan and of interest obligations. Where the special loan is made to a body other than an ACP Government, it must be covered by a guarantee agreement with the Government.

Tendering and Contracts: The fundamental principle applied to competition for EDF contracts is that of equal opportunity for bidders in the Community and in the ACP States. Only in exceptional cases are third countries permitted to bid (e.g. where projects involve cofinancing with such countries). Normally, competition takes the form of open international tendering. Contracts are awarded by the authorities of the ACP country concerned with the approval of the Commission Delegate. In exceptional cases (e.g. where a bid although not the lowest, is considered by the national authorities to be economically the most advantageous) the Commission may decide to accept that bid.

Despite the general practice of international tendering, Lomé III also provides for restricted tendering, contracts by direct agreement or performance of contracts through public works departments in the case of operations relating to emergency aid, and to actions of urgent or minor nature. In order to benefit ACP bidders for EDF financed contracts, an accelerated tendering procedure may be applied to works worth less than 4 million ECU* and a preference of 10% on works contracts and of 15% on all supplies contracts is given to ACP firms.

Payments Procedures: The basic concern of the Commission in respect of EDF payments is that each beneficiary State should not have to prefinance EDF aid from its national budget. With this in mind, payments are made directly to firms who supply goods and services; this is true both in respect of payments in ACP currencies authorised locally and for payments in European currencies authorised by the Commission.

In the case of supply contracts, 60% may be paid to the supplier, where he provides a bank guarantee, at the time of signature of the contract, a further 30% on provisional acceptance by the authorities of the ACP State and the last 10% on final acceptance.

* Less than 5 mio Ecu under Lomé IV

Annex Table 1

Community Aid to ACP Countries ; LOME III - Situation as at 31.12.89 (Mio EDU)

Country	Programmed Aid		Non Programmed Aid					Aid from			Loans from		
	Aid of which Approved Debt	Program	Aid of which Approved	STA BEX	SYS MIN	SPEC AID*)	INT. SUBS	RISK CAP.	TOTAL EDF	EEC Budget: Food Aid	Budget: NGOs	TOTAL AID	EIB own Resources
Angola	59.8	.	11.9			7.9		4.0	71.7	20.4	1.2	93.3	
Antigua/Barbuda	0.4	.	1.5					1.5	1.9	0.0	0.2	2.1	
Bahamas	2.6	.	3.3				3.3	0.0	5.9	0.0	0.0	5.9	17.6
Barbados	2.0	.	1.6				0.6	1.0	3.6	0.0	0.3	3.9	3.0
Belize	7.9	.	2.5			1.2	0.3	1.0	10.4	0.0	0.8	11.2	2.5
Benin	77.0	27.0	24.6	17.6		0.5		6.5	101.6	0.3	0.5	102.4	
Botswana	23.5	.	31.5		21.7	0.9	3.9	5.0	55.0	4.7	0.9	60.5	24.0
Burkina Faso	62.7	.	18.2	7.3		0.4		10.5	100.9	4.2	5.3	110.5	
Burundi	106.8	12.0	33.6	24.5		1.1		8.0	140.4	1.5	0.9	142.8	
Cameroun	75.0	.	136.2	135.1		0.1		1.0	211.2	3.6	2.4	217.3	
Cabo Verde	24.5	.	3.0					3.0	27.5	8.4	0.8	36.6	
Centrafrique	63.4	7.0	37.8	27.3		0.5		10.0	101.2	0.4	1.2	102.8	
Comores	17.9	.	9.1	7.1				2.0	27.0	1.9	0.2	29.2	
Congo	36.7	.	26.0					26.0	62.7	0.9	0.7	64.2	
Cote D'Ivoire	38.0	.	301.3	294.2		0.3	6.8	0.0	339.3	0.1	1.2	340.5	41.1
Djibouti	14.5	.	2.7			0.7		2.0	17.2	3.0	0.1	20.4	
Dominique	6.0	.	3.8					3.8	9.8	0.2	0.4	10.3	
Ethiopia	166.9	.	175.5	98.2		46.3		31.0	342.4	75.6	8.2	426.2	
Fidji	9.3	.	5.5	0.3		0.3	3.9	1.0	14.8	0.0	0.4	15.2	22.5
Gabon	19.2	.	3.2	3.1		0.1		0.0	22.4	0.0	0.1	22.5	
Gambia	20.0	5.0	18.5	12.6		0.2		5.7	38.5	0.2	0.3	39.0	
Ghana	50.7	20.5	23.2				3.2	20.0	73.9	7.3	1.9	83.1	17.0

Grenade	4.6	.	4.6	1.8			2.8	9.2	0.2	0.2	9.7		
Guinee	105.7	12.5	57.7		35.0	0.1	22.6	163.4	4.5	2.8	170.7		
Guinee Bissau	33.0	6.0	3.0	2.9		0.1	0.0	36.0	7.0	2.6	45.5		
Guinee Equator.	4.5	1.5	10.6	6.6			4.0	15.1	1.4	0.9	17.4		
Guyane	17.4	.	4.3			0.3	4.0	21.7	3.9	0.4	25.9		
Jamaica	40.0	.	7.3			1.2	6.1	0.0	47.3	1.4	0.4	49.0	31.3
Kenya	125.4	42.0	79.9	59.8			12.6	7.5	205.3	5.9	5.8	217.0	69.0
Kiribati	0.6	.	2.5	2.5				0.0	3.1	0.0	0.0	3.1	
Lesotho	41.5	.	9.6	3.1				6.5	51.1	5.3	0.3	56.7	
Liberia	30.9	.	0.0					0.0	30.9	0.1	0.2	31.2	
Madagascar	80.2	19.8	37.8	4.5		0.3		33.0	118.0	15.4	3.3	136.7	
Malawi	101.8	54.7	34.4	11.9		8.8	1.7	12.0	136.2	7.4	0.5	144.1	9.5
Mali	136.0	25.0	41.6	20.3		0.8		20.5	177.6	9.9	4.8	192.4	
Mauritius	24.0	.	14.0	3.0		0.1	4.4	6.5	38.0	0.0	0.1	38.1	28.0
Mauritanie	57.8	7.0	35.3	0.0	18.0	0.8		16.5	93.1	12.2	1.0	106.2	
Mozambique	131.8	70.0	56.9	21.5		26.4		9.0	188.7	97.6	4.5	290.7	
Niger	120.0	14.0	35.2	6.6	12.5	1.8		14.3	155.2	6.8	1.1	163.1	
Nigeria	212.5	.	23.0			1.1	21.9	0.0	235.5	0.0	0.8	236.3	118.0
Ouganda	110.0	32.3	9.4			7.4		2.0	119.4	3.8	3.3	126.5	
Papua New Guin.	28.8	.	93.9	84.5		0.7	5.2	3.5	122.7	0.0	0.6	123.3	29.0
Rwanda	53.1	.	55.9	43.1		0.8		12.0	109.0	0.5	3.9	113.4	
St.Chris.&Nevis	0.0	.	4.3			2.8		1.5	4.3	0.0	0.0	4.3	
St.Lucie	7.4	.	3.2				1.2	2.0	10.6	0.0	0.0	10.6	6.0
St.Vincent	5.4	.	3.6			0.1	0.7	2.8	9.0	0.0	0.0	9.0	3.0
Salomon Islands	10.3	.	28.2	27.7		0.5		0.0	36.5	0.0	0.2	38.7	
Samoa West	0.8	.	14.0	9.8				4.2	14.8	0.0	0.3	15.1	
Sao Tome&Princip	5.8	1.2	3.8	1.6		0.1		2.1	9.6	1.5	0.4	11.5	
Senegal	109.4	11.5	132.7	107.0		1.9		23.8	242.1	1.8	2.8	246.7	
Seychelles	4.7	.	0.3				0.3	0.0	5.0	0.0	0.0	5.0	1.5
Sierra Leone	33.7	.	0.1			0.1		0.0	33.8	4.0	1.0	38.8	
Somalie	90.5	31.0	14.7			1.7		13.0	105.2	4.6	3.2	113.0	
Sudan	94.5	32.8	125.1	63.9		49.2		12.0	219.6	32.8	4.3	256.7	
Suriname	10.6	.	0.3			0.3		0.0	10.9	0.0	0.1	11.0	
Swaziland	25.4	.	9.6			1.5	1.1	7.0	35.0	0.0	0.2	35.2	6.0
Tanzania	141.8	24.5	43.4	8.9		0.0		34.5	185.2	17.0	4.7	206.9	

Tchad	89.0	9.5	51.8	40.4	3.2	8.2	140.8	10.0	1.9	152.7			
Togo	58.4	10.0	38.5	13.5	15.7	9.3	96.9	0.5	0.9	98.3			
Tonga	0.2		5.6	3.8		0.3	5.8	0.0	0.0	5.8	2.0		
Trinidad&Tobago	12.7		2.3			2.3	15.0	0.0	0.0	15.0	12.0		
Tuvalu	0.9		0.1	0.1		0.0	1.0	0.0	0.0	1.0			
Vanuatu	6.6		17.0	16.4	0.6	0.0	23.6	0.0	0.0	23.6			
Zaire	155.6	30.0	9.1		1.3	7.8	164.7	8.8	5.9	179.4	50.0		
Zambia	54.9	40.0	11.7		1.2	10.5	66.6	5.5	2.8	74.8			
Zimbabwe	72.1		11.7		0.5	11.2	83.8	0.0	3.6	87.4	62.0		
Regional project	518.9		53.7		10.3	2.7	40.7	572.6	0.0	1.5	574.1	21.0	
Total	3874.0	546.8	2076.2	1192.5	102.9	186.5	101.5	492.8	5950.2	402.4	98.8	6451.5	576.0

*) Special Aid = Emergency Aid + Aid to Refugees

Annex Table 2

LOME II --- Programmed Aid

Decisions, commitments and payments
Situation as at 31.12.89, mio ECU

Country	(1) decisions	(2) commitments	(3) payments
Angola	0.0	0.0	0.0
Antigua/Barbuda	2.7	1.7	1.3
Bahamas	2.0	1.6	1.2
Barbados	2.8	2.3	2.3
Belize	5.5	0.6	0.3
Benin	55.1	41.3	35.3
Botswana	23.0	20.4	16.5
Burkina Faso	81.9	77.9	70.6
Burundi	76.7	59.6	47.4
Cameroun	68.9	43.0	40.6
Cabo Verde	16.0	15.2	14.4
Centrafrique	48.9	45.1	41.1
Comores	14.4	11.8	9.7
Congo	31.3	31.1	30.7
Cote D'Ivoire	56.6	48.6	35.0
Djibouti	5.4	4.9	4.5
Dominique	3.8	3.5	3.2
Ethiopia	140.2	131.5	127.3
Fidji	10.9	10.9	10.2
Gabon	14.4	14.3	13.7
Gambia	14.0	11.8	9.8
Ghana	60.0	46.2	40.2
Grenade	3.4	3.2	3.2
Guinee	79.5	66.5	61.1
Guinee Bissau	20.8	18.9	18.1
Guinee Equator.	8.3	7.9	7.5
Guyane	14.6	13.5	13.0
Jamaica	26.3	17.6	14.6
Kenya	85.6	73.2	59.8
Kiribati	3.8	3.1	2.8
Lesotho	29.2	21.4	20.3
Liberia	30.0	19.4	15.7
Madagascar	73.7	66.6	61.2
Malawi	75.7	54.6	47.0
Mali	93.1	82.1	70.2
Mauritius	20.4	19.6	18.1
Mauritanie	38.6	36.0	32.1
Mozambique	0.0	0.0	0.0
Niger	80.2	73.0	67.0
Nigeria	47.8	31.0	18.7
Ouganda	87.5	74.1	66.6
Papua New Guin.	20.1	19.6	16.4
Rwanda	77.8	75.1	72.1
St. Chris. & Nevis	2.2	2.0	1.9
St. Lucie	3.6	3.6	3.6
St. Vincent	3.7	3.6	3.3

Salomon islands	12.0	10.8	7.4
Samoa West	6.2	6.2	6.2
Sao Tome&Principe	4.0	3.9	3.9
Senegal	66.0	59.7	48.7
Seychelles	3.6	3.5	3.4
Sierra Leone	48.4	40.8	30.3
Somalia	78.9	58.4	49.5
Sudan	87.3	83.4	79.1
Suriname	12.8	4.5	2.6
Swaziland	18.1	14.8	12.7
Tanzania	120.6	113.0	101.9
Tchad	63.5	56.6	53.8
Togo	42.0	38.4	35.0
Tonga	3.0	2.8	2.8
Trinidad&Tobago	9.3	5.0	3.9
Tuvalu	1.0	0.9	0.9
Vanuatu	4.4	4.3	4.2
Zaire	101.1	83.3	75.7
Zambia	57.3	48.9	38.4
Zimbabwe	48.8	40.2	32.0
TOUS ACP	10.1	0.6	0.5
Regional	575.5	479.8	422.4
Total	3034.3	2568.7	2264.9

Annex Table 3

LOME III --- Programmed Aid

Decisions, commitments and payments
Situation as at 31.12.89, mio ECU

Country	(1) decisions	(2) commitments	(3) payments
Angola	59.8	39.3	17.2
Antigua/Barbuda	0.4	0.1	0.1
Bahamas	2.6	1.6	0.8
Barbados	2.0	0.3	0.2
Belize	7.9	0.9	0.6
Benin	77.0	40.3	23.2
Botswana	23.5	12.7	4.6
Burkina Faso	82.7	9.5	3.6
Burundi	106.8	29.9	8.3
Cameroun	75.0	29.3	16.4
Cabo Verde	24.5	1.3	0.7
Centrafrique	63.4	34.1	14.0
Comores	17.9	5.3	1.5
Congo	36.7	0.7	0.2
Cote D'Ivoire	38.0	23.7	12.3
Djibouti	14.5	4.7	1.5
Dominique	6.0	6.0	4.6
Ethiopia	166.9	30.5	16.4
Fidji	9.3	4.6	0.3
Gabon	19.2	15.5	10.9
Gambia	20.0	11.3	8.2
Ghana	50.7	20.5	13.6
Grenade	4.6	4.5	3.9
Guinee	105.7	52.5	14.4
Guinee Bissau	33.0	16.8	10.3
Guinee Equator.	4.5	1.2	0.3
Guyane	17.4	9.6	5.6
Jamaica	40.0	11.7	9.9
Kenya	125.4	46.9	39.2
Kiribati	0.6	0.4	0.2
Lesotho	41.5	25.4	13.4
Liberia	30.9	7.3	3.8
Madagascar	80.2	48.0	26.0
Maiawi	101.8	69.3	47.7
Mali	136.0	33.7	19.3
Mauritius	24.0	4.0	2.1
Mauritanie	57.8	23.0	10.2
Mozambique	131.8	56.7	43.6
Niger	120.0	27.1	8.9
Nigeria	212.5	6.5	1.6
Ouganda	110.0	62.7	43.8
Papua New Guin.	28.8	4.0	2.8
Rwanda	53.1	22.0	8.2
St. Chris. & Nevis	0.0	0.0	0.0

St.Lucie	7.4	1.9	1.2
St.Vincent	5.4	2.1	1.3
Salomon Islands	10.3	7.4	3.4
Samoa West	0.8	0.8	0.3
Sao Tome&Principe	5.8	4.6	2.4
Senegal	109.4	38.0	24.7
Seycheilles	4.7	1.3	0.8
Sierra Leone	33.7	13.0	6.7
Somalie	90.5	18.3	16.5
Sudan	94.5	38.1	31.5
Suriname	10.6	1.0	0.7
Swaziland	25.4	10.1	3.4
Tanzania	141.8	73.0	45.3
Tchad	89.0	44.8	23.2
Togo	58.4	34.5	6.3
Tonga	0.2	0.2	0.1
Trinidad&Tobago	12.7	0.5	0.3
Tuvalu	0.9	0.3	0.2
Vanuatu	6.6	1.8	0.5
Zaire	155.6	61.2	36.5
Zambia	54.9	20.0	16.5
Zimbabwe	72.1	37.3	15.1
Regional	518.9	210.5	122.1
Total	3874.0	1476.1	833.4

Annex Table 4

STABEX transfers 1989 classified by country and by product

<u>Transfers STABEX 1989 by Country and by Product</u>		
<u>Country</u>	<u>mio ECU</u>	<u>% of total transfers</u>
Ivory Coast	115,1	36,5
Cameroun	74,7	23,7
P.N.G.	19,4	6,2
Kenya	19,1	6,2
Rwanda	18,1	5,7
R.C.A.	8,3	2,6
Togo	7,6	2,4
Malawi	7,4	2,3
Benin	7,2	2,3
Chad	7,0	2,2
Ethiopia	9,7	3,1
Mali	4,7	1,5
Solomon Islands	3,9	1,2
Gabon	3,1	1,0
Guinee Equ.	2,1	0,6
Vanuatu	2,1	0,6
Others*	5,9	1,9

	315,4	100,0
<u>Products</u>	<u>mio ECU</u>	<u>% of total transfers</u>
- Coffee	151,6	48,1
- Cocoa	95,9	30,4
- Cotton	21,6	6,8
- Copra	12,3	3,9
- Palm oil	12,1	3,8
- Tea	10,3	3,3
- Timber	4,3	1,4
- Other	7,3	2,3

	315,4	100,0

* 9 countries receiving less than 2 mio ECU.

STABEX LOME III : decisions at end-1989
by beneficiary country

<u>Country</u>	<u>mio ECU</u>	<u>% of total</u>
Ivory Coast	294,2	23,8
Cameroun	135,1	10,9
Senegal	107,0	8,7
Papua New Guinea	101,3	8,4
Ethiopia	98,2	8,1
Sudan	63,9	5,2
Kenya	59,8	4,8
Rwanda	43,1	3,5
Chad	40,4	3,3
Other	287,3	23,3

	1.236,0	100,0

Annex Table 5

Lomé III : EIB finance to ACP States to end-1989

mio ECU

Region/Country	Own Resources				1986/89	Risk Capital				
	1986	1987	1988	1989		1986	1987	1988	1989	1986/89
<i>Southern Africa</i>	2.5	47.0	16.0	36.0	101.5	5.0	27.7	30.0	4.0	66.7
Angola							4.0			4.0
Botswana		11.0	13.0		24.0		5.0			5.0
Lesotho						3.5			3.0	6.5
Malawi	2.5	4.0	3.0		9.5	1.5	2.5	8.0		12.0
Mozambique							3.0	6.0		9.0
Swaziland				6.0	6.0		3.0	3.0	1.0	7.0
Zambia							10.2	13.0		23.2
Zimbabwe		32.0		30.0	62.0					
<i>Western Africa-Sahel</i>						13.5	41.3	37.4	12.0	104.2
Burkina Faso								4.5	6.0	10.5
Cape Verde								3.0		3.0
Chad								2.2	6.0	8.2
Gambia								5.7		5.7
Mali								20.5		20.5
Mauritania							15.0	1.5		16.5
Niger								14.3		14.3
Senegal						13.5	12.0			25.5
<i>Coastal Western Africa</i>	41.2	46.9	45.0	43.0	176.1		13.5	16.5	38.8	68.8
Benin							6.5		7.0	13.5
Ghana	17.0				17.0		7.0		13.0	20.0
Guinea Conakry								16.5	6.0	22.5
Guinea Bissau									3.5	3.5
Ivory Coast	24.2	16.9			41.1					
Liberia										
Nigeria		30.0	45.0	43.0	118.0					
Sierra Leone									9.3	9.3
Togo										
<i>Eastern Africa</i>	15.0	37.0	28.0	18.5	98.5	18.8	71.0	36.7	30.4	156.8
Burundi						3.0		2.5	6.5	12.0
Comores							2.0			2.0
Djibouti								2.0		2.0
Ethiopia								21.0	10.0	31.0
Kenya		27.0	25.0	17.0	69.0		7.5			7.5
Madagascar						3.3	15.5	5.7		24.4
Mauritius	15.0	10.0	3.0		28.0	3.5	3.0			6.5
Rwanda									12.0	12.0
Seychelles				1.5	1.5				1.5	1.5
Somalia								13.0	2.4	15.4
Sudan						9.0		13.0		22.0
Tanzania							7.0	3.5	8.0	18.5
Uganda							2.0			2.0

(Annex Table 5)

Region/Country	Own Resources			1989	1986/89	Risk Capital			1989	1986/89
	1986	1987	1988			1986	1987	1988		
Central Africa	50.0				50.0	14.0	2.1	16.0	10.0	42.1
Cameroun										
Gen. African Republic									10.0	10.0
Congo						10.0		16.0		26.0
Equatorial Guinea						4.0				4.0
Gabon										
Sao Tomé e Príncipe							2.1			2.1
Zaire	50.0				50.0					
Total Africa	108.7	130.9	89.0	97.5	426.1	51.3	155.6	136.6	95.2	438.7
Caribbean	21.5	16.9	6.0	31.0	75.4	2.0	8.1	2.8	13.4	26.3
Antigua & Barbuda									1.5	1.5
Bahamas	8.5	9.1			20.6					
Barbados				3.0				0.1	1.0	1.1
Belize		2.5			2.5		1.0			1.0
Dominica							3.8			3.8
Grenada							1.8		1.0	2.8
Guyana									4.0	4.0
Jamaica	10.0	5.3		16.0	31.3					
St. Christ. & Nevis							1.5			1.5
Ste Lucia	3.0		3.0		6.0	2.0				2.0
St Vinc. & Grenadines			3.0		3.0			2.8		2.8
Suriname									3.0	3.0
Trinidad & Tobago				12.0	12.0				2.9	2.9
Pacific	20.5		12.0	21.0	53.5	1.0	1.6	7.7	0.3	10.6
Fiji	3.5			19.0	22.5	1.0				1.0
Kiribati										
Papua New Guinea	17.0		12.0		29.0			3.5		3.5
Solomon Islands							0.1			0.1
Western Samoa								4.2		4.2
Tonga				2.0	2.0		1.5		0.3	1.8
Tuvalu										
Vanuatu										
Regional Projects		6.0	15.0		21.0		21.0	19.7		40.7
TOTAL	150.7	153.7	122.0	149.5	576.0	54.3	186.2	166.8	108.9	516.2

Annex Table 6

Lomé III: Total Approvals, Commitments and Disbursements at 31 December 1988 classified by Major Sectors and subsectors and by main beneficiary ACP States

<u>Sector/Subsector and main * beneficiary ACP States</u>	<u>Approved</u>	<u>Total aid Committed mio ECU</u>	<u>Disbursed</u>
<u>Rural Production</u>	1978,1	595,2	331,2
General	375,9	118,3	84,7
Angola	35,2	16,6	11,7
Kenya	88,4	40,2	38,3
Liberia	27,0	5,8	3,2
Nigeria	138,7	1,3	0,5
Sudan	10,1	2,4	0,9
Plantations	72,7	25,7	4,7
Ethiopia	38,1	0,6	0,1
Ivory Coast	20,9	17,9	10,6
Farm Drainage	172,7	26,0	13,5
Chad	15,0	6,9	4,3
Madagascar	21,3	8,9	5,1
Mali	62,0	0,8	0,1
Niger	63,6	6,2	1,8
Agriculture	291,0	111,8	78,2
Cameroun	15,0	12,1	7,7
Ethiopia	53,4	14,2	11,0
Malawi	49,3	30,0	22,3
Sudan	27,7	15,0	11,8
Togo	12,3	2,4	0,3
Zambia	24,8	2,5	1,6
Regional	53,1	21,9	15,1
Cooperatives	23,5	21,0	5,2
Zimbabwe	23,5	21,0	5,2
Livestock rearing	33,1	7,4	2,8
Cent.Afr. Republic	10,0	4,3	1,3

* Beneficiary ACP States are listed where the amount approved is 10 mio ECU or more.

Sector/Subsector
and main beneficiary
ACP States

	<u>Approved</u>	<u>Total aid Committed</u> <u>mlo Ecu</u>	<u>Disbursed</u>
Fisheries	40,0	12,5	7,1
Ethiopia	7,5	0	0
Regional	12,3	2,3	1,2
Forests	62,2	33,5	19,5
Cen.Afr. Republic	25,0	18,3	9,0
Uganda	12,1	1,1	0,5
Integrated Programmes	867,1	212,8	84,6
Benin	16,5	1,1	0
Burkina Faso	77,0	7,0	2,6
Burundi	66,8	8,3	2,3
Cameroun	25,7	14,0	6,6
Ivory Coast	11,0	0,5	0
Cen. Afr. Republic	20,3	10,5	3,2
Congo	36,0	0	0
Ethiopia	50,2	6,4	0,9
Guinee Conakry	70,0	30,8	6,7
Guinee Bissau	23,8	8,3	2,2
Mali	44,4	6,3	2,3
Mauritania	35,0	2,2	0,3
Niger	21,6	6,3	3,6
Rwanda	51,0	20,1	7,8
Senegal	97,0	26,5	13,2
Chad	28,0	0,6	0
Tanzania	94,0	31,6	19,7
Zaire	61,0	21,9	8,7
Zimbabwe	14,0	0	0
Other	39,9	26,5	20,6
Sudan	18,2	17,2	17,0
<u>Transport & Communications</u>	845,9	418,1	157,8
General	39,3	15,6	7,1
Guyana	17,0	9,1	5,3
Roads and Bridges	582,2	259,8	106,9
Benin	28,1	18,1	6,4
Burundi	17,8	6,2	1,5
Cameroun	31,0	0,0	0,0
Chad	20,9	18,9	8,3
Ghana	21,8	3,1	2,4
Kenya	14,9	4,6	0,1
Lesotho	10,3	9,8	2,9
Madagascar	10,1	7,5	0,1
Malawi	27,4	21,2	15,5
Mauritania	15,0	13,4	2,7
Mozambique	11,5	0	0
Niger	15,0	9,4	0,9
Papua New Guinea	19,0	0,0	0,0
Sierra Leone	17,5	8,7	5,3
Somalia	50,7	50,6	0,7
Uganda	24,3	16,7	5,6
Togo	23,2	17,3	0,2
Zaire	47,0	5,3	4,9
Regional	142,4	82,0	37,0

<u>Sector/Subsector and main beneficiary</u>	<u>Approved</u>	<u>Total aid Committed</u>	<u>Disbursed</u>
<u>ACP States</u>		<u>mio ECU</u>	
Railways	50,9	30,8	22,9
Mozambique	25,7	22,7	18,9
Sudan	11,7	0,5	0,3
Regional	11,0	5,3	3,5
Ports and Rivers	39,4	29,3	7,8
Ethiopia	10,0	10,0	0,2
Airports	49,4	23,4	4,9
Regional	32,5	15,7	3,8
Telecommunications	79,5	59,2	8,0
Sierra Leone	10,0	2,7	1,0
Senegal	12,0	12,0	6,4
Togo	9,3	0	0
Regional	27,2	21,6	0,3
Other	5,0	0	0
Industries	687,4	544,0	213,3
General	151,4	119,9	62,8
Mauritania	12,9	4,4	2,4
Tanzania	13,3	13,2	5,8
Zambia	10,5	10,5	6,0
Regional	49,5	33,4	25,9
Extractive and Metals	157,7	78,2	28,6
Botswana	21,7	0	0
Ethiopia	21,0	21,0	15,4
Ghana	13,0	13,0	0
Guinee Conakry	51,6	16,6	3,0
Mauritania	11,5	11,5	7,1
Niger	12,5	5,3	1,0
Togo	15,7	0	0
Chemicals	30,5	24,3	17,0
Zambia	18,2	12,0	11,8
Manufacturing	56,1	54,5	22,3
Tanzania	12,0	11,1	1,8
Agro Industry	70,3	69,9	15,9
Congo	16,0	16,0	4,6
Madagascar	11,0	11,0	1,6
Nigeria	9,2	9,2	0
Energy projects	133,2	118,0	40,4
Benin	16,0	8,0	7,0
Cen.Afr. Republic	10,0	10,0	0
Madagascar	15,5	15,5	2,3
Mali	21,0	20,4	6,6
Niger	14,3	14,3	0

<u>Sector/Subsector and main beneficiary</u>	<u>Approved</u>	<u>Total aid Committed mln ECU</u>	<u>Disbursed</u>
<u>ACP States</u>			
Mining & energy exploration	77,8	74,5	25,9
Mauritania	18,0	14,7	9,1
Somalia	13,0	13,0	4,6
Tanzania	16,5	16,5	3,7
Artisanat	6,7	1,0	0,4
Other	3,8	3,8	0
Social Dev. (Educ. & Training)	176,7	60,3	24,7
General	38,5	13,6	5,3
Infrastructure	42,5	11,1	3,9
Regional	21,4	2,1	0,8
Training	79,7	20,7	8,3
Nigeria	30,0	4,6	0,9
Other	16,0	14,9	7,2
Health	113,1	49,5	16,2
General	73,5	31,1	9,3
Angola	19,5	19,0	3,5
Nigeria	33,0	0	0
Chad	12,0	8,9	8,3
Infrastructure	37,9	17,5	6,3
Other	1,7	0,9	0,7
<u>Water Engineering, Urban Infrastructure & Housing</u>			
Village water engineering	145,2	69,4	12,4
Water Supplies	26,6	6,3	2,6
Congo	70,1	42,9	6,0
Uganda	10,0	10,0	0
Uganda	19,5	0	0
Urban sanitation Urban Improvement	14,9	13,3	1,1
Cape Verde	27,9	1,5	0,5
Cape Verde	19,8	0,6	0,4
Other	5,8	5,4	2,3
Trade promotion	78,7	49,8	34,5
General	16,0	9,9	5,0
Regional	12,5	7,0	2,6
Structures & Trade Policies	17,4	17,4	17,3
Uganda	17,3	17,3	17,2
Exhibitions & Expositions	14,1	8,9	5,6
Regional	13,4	8,5	5,5
Tourism	17,7	6,6	2,3
Other	13,5	7,0	4,3

<u>Sector/Subsector and main beneficiary ACP States</u>	<u>Approved</u>	<u>Total aid Committed mio ECU</u>	<u>Disbursed</u>
<u>STABEX</u>	1192,3	1192,3	1192,0
Benin	17,6	17,6	17,6
Burundi	24,5	24,5	24,5
Cameroun	135,1	135,1	135,1
Cent. afr. Republic	27,3	27,3	27,3
Ivory Coast	294,2	294,2	294,2
Ethiopia	98,2	98,2	98,2
Gambia	12,6	12,6	12,6
Kenya	59,8	59,8	59,8
Malawi	11,9	11,9	11,9
Mali	20,3	20,3	20,3
Mozambique	21,5	21,5	21,5
Papua New Guinea	84,5	84,5	84,5
Rwanda	43,1	43,1	43,1
Senegal	107,0	107,0	107,0
Solomon Islands	27,7	27,7	27,7
Sudan	63,9	63,9	63,9
Chad	40,4	40,4	40,4
Togo	13,5	13,5	13,5
Vanuatu	16,4	16,4	16,4
Other	72,8	72,8	72,5
<u>Emergency Aid</u>	115,3	104,8	83,6
Ethiopia	37,1	26,7	25,9
Mozambique	12,4	12,4	10,9
Sudan	28,2	28,2	19,3
<u>Other</u>	617,3	325,2	227,5
Multisectoral Programmes	389,8	239,4	171,2
Benin	11,0	11,0	8,9
Burundi	12,0	11,9	3,0
Ethiopia	10,5	6,4	3,2
Ghana	20,5	13,7	9,6
Guinee Conakry	12,5	12,5	5,0
Jamaica	17,8	7,9	7,9
Madagascar	17,3	17,3	14,4
Malawi	12,5	12,5	7,5
Mali	15,0	13,8	9,6
Mozambique	30,0	0	0
Niger	14,0	2,1	1,2
Nigeria	10,0	0	0
Senegal	11,5	11,5	11,5
Somalia	31,0	14,8	14,8
Sudan	15,6	0,2	0
Tanzania	24,5	24,3	15,6
Togo	10,0	8,7	3,1
Uganda	15,0	15,0	15,0
Zaire	24,0	23,4	16,3

<u>Sector/Subsector and main beneficiary ACP States</u>	<u>Approved</u>	<u>Total aid Committed mln ECU</u>	<u>Disbursed</u>
Refugees and repatriates	51,5	15,6	9,4
Programming & General Technical Assistance	28,1	22,1	11,6
Regional	15,7	13,7	7,6
Actions against drought and desertification	87,0	2,2	0,8
Regional	82,6	0,7	0,3
Actions against natural disasters	40,0	27,7	21,6
Mozambique	40,0	27,7	21,6
Other	20,9	18,2	12,9
TOTAL	5949,7	3408,9	2293,1

Annex Table 7

LOME III Situation at 31.12.89				
Projects costing more than 10 MIO ECU				
Country and project	Date of Approval	--- mio ecu approved	--- mio ecu committed	--- paid
Angola				
-Boavida Hospital	11.88	19.5	19.0	15.5
Benin				
-rehab.road Infrastru	10.87	24.3	14.3	2.7
-rur.dev.prov Mono	10.88	16.5	1.1	0.1
Burkina Faso				
-Integr.progr.Sourou	2.88	44.0	7.0	2.6
-rur.dev.Sissili	5.89	31.5	0.0	0.0
Burundi				
-soc-econ dev.Cankuzo	12.87	34.8	7.7	5.5
-soc-econ dev.Mugamba	5.89	32.0	0.6	0.2
Cameroun				
-rur.dev.Benoue	12.87	25.0	14.0	6.6
-road constr.Yaounde	10.88	30.0	0.0	0.0
Cabo Verde				
-rehab.villa praia	12.87	19.8	0.6	0.5
Central Africa				
-Nat dev elevage	7.87	10.0	4.3	1.3
-reg.dev.Nord	7.87	25.0	18.3	9.0
-Reg.dev.centre/south	6.88	20.3	10.5	3.2
Congo				
-Fedar pool+cuvette	6.88	36.0	0.0	0.0
Cote D'Ivoire				
-Palm plant.villa	1.87	20.9	17.9	10.6
-Cattle rearing	5.89	11.0	0.5	0.0
Ethiopia				
-Rur dev North shewa	9.87	24.0	4.7	0.6
-Rur dev South Shewa	6.88	26.2	1.7	0.3
-Peasant coffee prod	12.88	28.5	0.6	0.1
-Padep central shewa	6.88	51.9	14.2	11.0
Ghana				
-Transport Infr.prog	4.87	21.0	2.5	2.0
Guinee				
-rur.dev.Maritime	7.87	40.0	19.0	3.9
-rur.dev.UpperGuinee	7.87	30.0	11.9	2.8
Guinee Bissau				
-rur.dev.East Prov	12.87	23.8	8.3	2.2
Guyane				
-infra.rehab IRP	5.88	15.0	7.3	4.0
Kenya				
-Agr Livest res progr	7.87	20.0	3.9	1.5
-North Corr Transp	7.87	14.5	4.5	0.0

-Cereals sect ref (Excl. SIP)	4.88	30.0	1.6	1.0
Liberia				
-South East Dev Prog	10.87	22.0	5.8	2.6
Madagascar				
-Route RN4	9.87	10.0	7.4	0.1
Malawi				
-Blantyre -Lir road	7.86	21.5	15.4	15.0
Mali				
-Food strat progr.	11.87	17.0	5.0	2.2
-Food secur.progrSreg	3.88	21.4	0.3	0.1
-Amen HyAgr Off Nig	7.89	61.2	0.0	0.0
Mauritania				
-Road mainten.progr.	9.87	15.0	13.5	2.7
-Reg dev Gorgoi	1.88	35.0	2.2	0.3
Mozambique				
- reh Nacala railph2	1.87	25.0	22.0	18.3
Niger				
-Maintenance RN1	4.87	15.0	9.4	0.9
- Petite Irrig Progr.	4.87	21.6	6.3	3.6
-Irrig ValFleuve Nig	6.88	63.6	6.2	1.7
Nigeria				
-Oil Palm Belt rurdev	6.88	58.8	1.1	0.4
-NE Arid zone dev pro	7.88	35.0	0.2	0.1
-Sokoto desert	11.88	30.6	0.0	0.0
-Middle Belt Prog	11.89	33.0	0.0	0.0
Ouganda				
-North Corr Roads	10.87	23.5	16.0	5.3
-Kampala Infrastructu	11.89	19.5	0.0	0.0
Papua New Guin.				
-Br river Vermauri Ro	10.88	11.8	0.0	0.0
Rwanda				
-Food strat.supp.Prog	12.87	51.0	20.1	8.0
Senegal				
-Reg supp.Prog.Podor	7.87	97.0	26.5	13.2
Sierra Leone				
-Fadug Kubal road	12.87	17.5	8.7	5.3
Somalie				
-Juba valley road	7.89	50.6	0.0	0.0
Sudan				
-Jebel Marra rurdev	2.87	15.8	7.9	6.3
-Nuba Mount rurdev	7.87	11.5	6.7	5.2
-Railways sup prog	11.88	11.5	0.3	0.2
Tanzania				
-Food sec agri	1.87	21.0	9.0	6.2
-Coffee prod mark agr	1.87	23.0	9.9	7.3
-Vehic trac pepair	1.87	26.0	6.5	3.2
-Feder road maint	1.87	10.0	0.1	0.1
Tchad				
-Reinfor.mainten.capa	4.87	19.5	17.5	7.0
-Reinfor.health syst.	6.87	12.0	8.9	4.6
-rurdev.Conc zone	6.87	15.0	6.9	4.4
-Ader reg.dev.prog	3.89	28.0	0.6	0.0
Togo				
-rurdev. De Bassar	7.88	10.3	2.4	0.3

-Rehab road infrastr. Zaire	4.89	23.2	17.3	0.2
-Rurdev Kivu	7.87	40.0	21.7	8.3
-Roadconstr.Mat-Kins	12.87	22.5	0.4	0.1
-Road Oso-Osok	12.87	19.5	0.0	0.0
-Apek Prog Zambia	11.88	25.0	6.3	0.3
-Smallh devpr Copperb	6.87	12.0	2.3	1.6
-Smallh dev Centr pro Zimbabwe	9.88	12.4	0.1	0.0
-AssAgri FinCor	4.88	23.5	21.0	5.2
-Small scale Irr prog	11.89	14.0	0.0	0.0
Regional				
-Karong Ibanda road	4.87	10.0	10.0	7.3
-reh Port Beira Moz	4.87	39.0	39.0	23.6
-North CorrTran Kenya	7.87	22.5	10.4	1.4
	10.89	5.9	0.0	0.0
-North CorrTran Ugand	10.87	25.0	16.6	4.9
-Corr Centr Progurg	10.87	11.0	5.3	3.5
-Pac Reg Marin Res de	12.88	10.7	1.0	0.5
-Reh.Fouta Djalon Bas	12.88	30.0	0.0	0.0
-Sahel energ solair	4.89	34.0	0.1	0.0
-Bequia Airport	10.89	16.5	0.0	0.0
-TranBurun Progr.	12.89	22.0	0.0	0.0

ANNEX TABLE 8

EDF contracts classified by nationality of firm as at 31 December 1989

Nationality of firms	Works		Fourth EDF Supplies		Tech. Assistance		Total	
	mECU	%	mECU	%	mECU	%	mECU	%
Belgium	66.9	5.3	26.7	4.9	29.8	7.3	123.3	5.5
Denmark	2.3	0.2	3.5	0.6	9.6	2.3	15.4	0.7
Germany	91.7	7.2	101.7	18.5	87.4	21.4	280.8	12.6
France	287.3	22.6	130.1	23.7	75.8	18.5	493.3	22.1
Ireland	1.5	0.1	0.1	0.0	9.0	2.2	10.6	0.5
Italy	104.7	11.1	76.1	13.8	49.6	12.1	266.4	11.9
Luxembourg	0	0.0	0.0	0.0	5.2	1.3	5.2	0.2
Netherlands	34.2	2.7	28.2	5.1	29.9	7.3	92.3	4.1
United Kingdom	56.0	4.4	113.3	20.6	63.6	15.6	232.9	10.4
ACP/OCT	580.3	45.6	45.6	8.3	46.4	11.3	672.3	30.1
3rd Countries	10.3	0.8	24.8	4.5	2.7	0.7	37.8	1.7
TOTAL	1,271.3	100.0	550.0	100.0	409.0	100.0	2,230.3	100.0
%	57.0		24.7		18.3		100.0	
<u>Fifth EDF</u>								
Belgium	38.7	3.4	25.3	3.7	42.4	8.7	106.4	4.6
Denmark	0	0.0	1.8	0.3	17.4	3.6	19.2	0.8
Germany	86.5	7.6	125.9	18.3	106.8	22.0	319.3	13.8
Greece	0	0.0	0.9	0.1	12.3	2.5	13.2	0.6
France	248.0	21.9	143.5	20.9	97.9	20.2	489.4	21.2
Ireland	0	0.0	11.0	1.6	12.3	2.5	23.3	1.0
Italy	103.0	9.1	67.0	9.8	48.1	9.9	218.1	9.5
Luxembourg	0	0.0	2.1	0.3	7.8	1.6	9.9	0.4
Netherlands	5.1	0.4	46.3	6.8	33.7	6.9	85.1	3.7
United Kingdom	84.7	7.5	167.5	24.4	78.7	16.2	330.8	14.3
ACP/OCT	546.0	48.2	86.0	12.5	28.2	5.8	660.3	28.6
3rd Countries	21.9	1.9	9.2	1.3	0.0	0.0	31.1	1.3
TOTAL	1,133.8	100.0	686.7	100.0	485.7	100.0	2,306.2	100.0
%	49.2		29.8		21.0		100.0	
<u>Sixth EDF</u>								
Belgium	10.4	3.4	25.9	10.6	29.1	9.1	65.3	7.6
Denmark	0	0.0	0.9	0.4	19.8	6.2	20.7	2.4
Germany	14.8	4.9	27.7	11.4	50.0	15.7	92.6	10.7
Greece	0	0.0	0	0.0	5.0	1.6	5.0	0.6
Spain	0	0.0	7.5	3.1	4.5	1.4	12.0	1.4
France	26.9	8.9	43.8	18.0	59.0	18.5	129.7	15.0
Ireland	0.0	0.0	1.0	0.4	6.5	2.0	7.4	0.9
Italy	36.8	12.2	14.7	6.0	28.8	9.0	80.3	9.3
Luxembourg	0	0.0	0.2	0.1	5.0	1.5	5.2	0.6
Netherlands	0	0.0	40.8	16.7	27.6	8.6	68.4	7.9
Portugal	0	0.0	28.0	11.5	14.5	4.5	42.4	4.9
United Kingdom	23.8	7.9	40.9	16.8	51.6	16.1	116.4	13.5
ACP/OCT	188.5	62.6	11.5	4.7	18.3	5.7	218.3	25.2
3rd Countries	0	0.0	1.0	0.4	0.1	0.0	1.0	0.1
TOTAL	301.2	100.0	243.8	100.0	319.7	100.0	864.7	100.0
%	34.8		28.2		37.0		100.0	

Annex Table 9

List of 1989 Evaluation Reports of EDF financed aid.

A. Sectoral Evaluations

1. Evaluation des programmes de développement rural des Vème et VIème FED, pour l'Afrique occidentale et centrale selon leurs diverses composantes techniques. September 1989
2. Evaluation study of the tourism sector November 1989

B. Thematic Evaluations

3. Evaluation thématique de l'intégration des femmes dans le développement rural April 1989
4. Thematic Evaluation of integration of Women in Rural Development - Field Mission to Botswana Sheep and Goats Development Project Draft
5. Thematic Evaluation of integration of Women in Rural Development - Project Hydraulique villageoise de Zinder, Niger Draft
6. Thematic Evaluation of integration of Women in Rural Development - Field mission to Kenya Draft
7. Support to the Thematic Evaluation of integration of Women in Rural Development. November 1989

C. Instrumental and Instrumental related evaluations

8. Evaluation of general and sectoral import programmes financed by the European Community August 1989
9. Evaluation du Centre pour le Développement Industriel Février 1989
10. Centre for the Development of Industry - Report of the evaluation mission to Papua New Guinea October 1989
11. Centre for the Development of Industry - Report of the evaluation mission to Fidji October 1989
12. Centre for the Development of Industry - Report of the evaluation mission to Western Samoa October 1989

13. European Community triangular food aid - An evaluation June 1989
14. Evaluation des opérations de substitutions monétaires à l'aide alimentaire - Mali, Niger, Soudan, Tchad Décembre 1988
15. Evaluation de l'utilité de l'aide alimentaire en produits laitiers à la Tunisie Avril 1989
16. Evaluation de l'aide alimentaire directe en produits laitiers de la Communauté Economique Européenne à l'Equateur Août 1989
17. Evaluation of EEC Emergency, Rehabilitation and Food Aid to Soudan: 1985/88 January 1989
18. Rapport final sur la gestion des fonds de contrepartie engendrés par la vente de l'aide alimentaire de la CEE Août 1989
19. Evaluation de la politique de coopération régionale dans les ACP Mars 1989
20. Evaluation de la politique de coopération régionale dans les ACP Novembre 1989
21. Evaluation of Regional Cooperation in Africa South Sahara October 1989
22. Evaluation des programmes de microréalisations financés par le FED sous Lomé II en Côte d'Ivoire Juin 1989
23. Evaluation des programmes de microréalisations financés par le FED sous Lomé II en Burundi Juin 1989
24. Synthèse de l'évaluation des microréalisations exécutées sous Lomé II Avril 1989
25. Evaluation of EEC Financial & Technical Assistance Projects for Developing Countries in Latin America & Asia - Evaluation report: Construction of fertiliser gardens, Bangladesh January 1989
26. Evaluation of the EC's annual trade fair programme for ACP countries and OCTs November 1989
- D. Global Evaluations
27. Evaluation de l'aide au développement de la Communauté Européenne au Rwanda January 1989
28. Evaluation de l'aide au Développement de la Communauté Européenne au Niger Juillet 1989

29. Evaluation of EEC aid to Botswana Juin 1989
30. Evaluation de l'aide de la CEE à la République Centrafricaine Juin 1989
- E. Ad hoc Evaluations**
31. Evaluation du projet ONG "Solidarité Paysanne" au Zaïre Août 1989
32. Evaluation du projet de Développement rural communautaire dans la région de Bafut (Cameroun) Mars 1989
33. Evaluation of Carribean Food Corporation performance and viability March 1989
34. Beef Cattle ranching project, and Livestock and Crop Development in Huris region (Papua New Guinea) February 1989
35. Evaluation d'un projet de fabrication mécanique de beurre de Marite au Mali Août 1989
36. Evaluation of concern Tanzania and Project co-funded by the EEC December 1988
37. Evaluation du projet de Caisses Populaires d'épargne et de crédit en zone cotonnière (Mali) Juin 1989
38. Evaluation du système d'alerte précoce (SAP) financé par la C.E. au Tchad Janvier 1989
39. Evaluation de l'image de l'aide communautaire dans les pays ACP Novembre 1989
- F. Reports with regard to methodology**
40. Recherche sur les outils méthodologiques pour l'identification, le suivi et l'évaluation de petits projets de développement Septembre 1989
41. Evaluation of the Fisheries Development Projects of the EEC - Support Measures (a management software programme) January 1989
42. Proposition de méthodologie pour la prise en considération des aspects socio-culturels dans le développement Mars 1989
43. La dimension socio-culturelle et le système des clignotants Septembre 1989

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| 44. | Bilan des évaluations de l'aide au développement de la CEE | Août 1989 |
| 45. | Evaluation of Project Preparation and Evaluation Criteria within EEC | November 1989 |
| 46. | EEC Commission and Member States review of effectiveness of Feed Back Mechanisms - First Country Report : Danemark | October 1989 |
| 47. | EEC Commission and Member States review of effectiveness of Feed Back Mechanisms - Second Country Report: Federal Republic of Germany | November 1989 |
| 48. | EEC Commission and Member States review of effectiveness of Feed Back Mechanisms - Third case study: the EEC Commission | December 1989 |
| G. | Outgoing Evaluations (EDF financed) | |
| 49. | Sectoral Import Programme for Mozambique | Janvier 1989 |