

COMMISSION OF THE EUROPEAN COMMUNITIES

THE DEVELOPMENT COOPERATION POLICIES
OF THE EUROPEAN COMMUNITY

FROM 1971 TO 1976

April 1977

A bibliographical slip can be found at the end of this volume

(C) Copyright ECSC/EEC/EAEC, Brussels and Luxembourg, 1977

Printed in Luxembourg

Reproduction authorized, in whole or in part, provided
the source is acknowledged.

Catalogue number: CG-22-77-184-EN-C

C C N T E N T S

	<u>Page</u>
Introduction	1
I. <u>TRADE</u>	4
1.1. Trend of trade between the Community and the developing countries from 1971 to 1975	4
1.2. Development of the Community's Generalized System of Preferences (GSP)	5
1.3. Multilateral Trade Negotiations	6
1.4. Agreements concluded with developing countries under the Multifibre Arrangement	7
1.5. Trade cooperation under preferential agreements	8
1.5.1. Lomé Convention	8
1.5.2. The Cooperation Agreements with the countries of the Southern Mediterranean	9
1.6. Trade cooperation within the framework of non- preferential agreements	10
1.7. Trade promotion	11
II. <u>COMMODITIES</u>	12
2.1. Market access	12
2.2. Pricing policy	13
2.3. Stabilization of export earnings	13
2.4. The ACP-EC Sugar Agreement	16
III. <u>TRANSFER OF FINANCIAL RESOURCES</u>	17
IV. <u>FOOD AND AGRICULTURE</u>	22
V. <u>INDUSTRIAL AND TECHNOLOGICAL COOPERATION</u>	25
5.1. Industrial cooperation	25
5.1.1. General remarks	25
5.1.2. Industrial cooperation under the regional agreements concluded by the Community	27
5.2. Technological cooperation	30
VI. <u>ACTION ON BEHALF OF THE LEAST DEVELOPED COUNTRIES</u>	31

*

* *

On November 8, 1976, the Commission was requested by a Council Resolution on the coordination and harmonization of development cooperation policies within the Community to draw up an annual report on the development cooperation policies of the Community.

At mid-December, 1976, it was decided that the Community would provide an overall contribution, in addition to those of individual Member States, to the third two-yearly appraisal of the progress made in the light of the Second International Development Strategy as adopted by the UN General Assembly on 24 October 1970 in Resolution 2626 (XXV).

In view of the fact that it appeared useful to start the reporting on the development cooperation policies of the Community by looking backward to a period longer than one year, it was agreed that the Community's Second Development Decade appraisal, which covers the period 1971-1976, be the basis of a first report on the development cooperation policies of the European Community.

The data included in this report are as available on March 1, 1977.

*

* *

Introduction

The awareness on the part of the Community and its Member States of the problems of cooperation with the developing countries and their practical work in the cooperation field have been strengthened over the period in question.

The Member States have increasingly coordinated their cooperation efforts in the Community context and more and more often have expressed themselves in concerted fashion at major international meetings.

A chronological survey of a number of important events shows that, as far as the Community is concerned, the period 1971-1976 began with the implementation in 1971 of the generalized system of preferences (GSP), which constitutes a first step towards what was to be referred to later as a "more just and more equitable economic order".

In 1972 the Declaration of the Conference of Heads of State or Government of the European Community gave the Community and its Member States the task of progressively implementing a global cooperation policy on a worldwide scale, while pursuing and strengthening the cooperation that was already being developed in a regional context.

The same year saw the beginning, in the Community, of the special meetings of the Council devoted to the problems of development cooperation. Since that time these meetings have been held regularly.

With the enlargement of the Community in 1973, its responsibilities towards the developing countries greatly increased, as is evidenced by the negotiations with a number of developing countries and groups of developing countries that followed enlargement, by the extension since then of the various cooperation instruments available to the Community and by the positions in international fora which reflect these new responsibilities towards the Third World adopted by the Community and its Member States.

In 1974 the Council of the European Community adopted resolutions on close coordination between the Member States and the Community, at both the design and the implementation levels, at an operational level and with regard to the attitudes to be taken within the competent international fora on development cooperation. Another resolution was concerned with the principle of Community financial and technical aid to non-associated developing countries, a principle that has since been translated into practical programmes.

Again in 1974, the Community gave proof of its determination to intensify its efforts to promote development at a world level by proposing an "international action in favour of the developing countries hit by the recent trends of international prices". Action along these lines was subsequently undertaken in accordance with the conclusion of the sixth special session of the United Nations General Assembly - a session in which the Community played a substantial part.

After negotiations that had continued throughout 1974, the Lomé Convention was signed early in 1975, and entered into force in April 1976. This agreement concluded between 46 (now over 50) developing countries and the Community is intended, in the words of its preamble, to provide "a new model for relations between developed and developing States". By the innovations that it has introduced (for example in the fields of the stabilization of export earnings and industrial and technological cooperation), by its global approach and by its spirit of cooperation between equal partners, the Lomé Convention has indeed become a model in many respects.

The year 1976 saw the conclusion of global cooperation agreements with the Maghreb countries and three Mashrek countries and the getting off the ground of the Euro-Arab Dialogue. In 1976 too the Community and its Member States acted as a single unit in the context of the Conference on International Economic Cooperation (CIEC), and took a common stand on all problems of development cooperation.

This chronological review of a few landmarks in the development of EC-LDC relations necessarily omits numerous important events, such as the conclusion of trade cooperation agreements with a number of Asian and Latin American developing countries, the extension of food aid, and so on. These aspects are dealt with in greater detail in the following sections.

Although this report follows a conventional pattern, dealing in turn with :

- 1) trade, particularly trade in manufactured products, and export promotion
- 2) commodities, including Stabex and the sugar agreement under the Lomé Convention
- 3) the transfer of resources
- 4) food and agriculture
- 5) industrial and technological cooperation
- 6) the least developed countries,

the Community attaches the greatest importance to an overall approach to cooperation. It is by using the various instruments of cooperation in conjunction that the optimum development effect can be achieved - an approach that has been taken furthest in the Lomé Convention. The sectional presentation of this report unfortunately does not permit this overall view to be given sufficient prominence.

I. TRADE

1.1. Trend of trade between the Community and the developing countries from 1971 to 1975 (1)

The Community is by far the largest export market for the developing countries, absorbing over 32 % of their total exports. In addition, the developing countries are major suppliers of the Community market, accounting for 44 % of the Community's imports in 1975.

Total trade between the Community and the developing countries was worth 93,000 million EUA in 1975 (US \$ 115,000 million).

The Community's imports from the developing countries rose from 23,000 million EUA in 1971 to 55,000 million EUA in 1975, an annual increase of 24 % (15 % without oil and oil products). For manufactured products alone (2), the increase was 25 %, due in particular to the performance of exports of textile products and clothing between 1972 and 1975. The value of the Community's imports of textile products and clothing from the developing countries grew over the period 1972-1975 from 1,200 million EUA to 2,600 million EUA (28 % per annum) (3).

These results should be emphasized since they were achieved despite a drop in the Community's imports as a result of the 1974/75 recession. They were achieved thanks to the Community's deliberate policy to improve access for manufactured products from the developing countries under the GSP and under the Multifibre Arrangement, which entered into force on April 1, 1974 (see sections 1.2. and 1.4.).

(1) Data supplied by the Statistical Office of the EC.
The conversion rates between the European unit of account and the US dollar for the period in question are as follow :
1971 : 1 EUA = \$ 1.0475; 1972 : 1 EUA = \$ 1.1216; 1973 : 1 EUA = \$ 1.2287; 1974 : 1 EUA = \$ 1.1910; 1975 : 1 EUA = \$ 1.2407; 1976 : 1 EUA = \$ 1.1180.

(2) Excluding non-ferrous metals.

(3) Expressed in US dollars, these figures are even higher. For example, the annual increase in the Community's imports from the developing countries is over 26 %, for manufactured products alone it is over 27 % and for textiles over 30 % per annum (from 1972 to 1975). On the other hand they hide the exceptional increase of Community imports from LDCs between 1973 and 1974, which was due to a commodity boom.

1.2. Development of the Community's Generalized System of Preferences
(GSP)

The Community's generalized system of preferences, which started operating on July 1, 1971, has enabled the developing countries not linked with the Community by preferential agreements or conventions to achieve a total volume of exports worth 1,800 million EUA, including 340 million EUA of agricultural products in 1975. The Community scheme, which must be considered as one of the main instruments of the European Community's development cooperation policy has been constantly and progressively improved over time. The volume of preferential import opportunities made available by the Community between 1971 and 1976 has in fact increased ninefold. Even though this spectacular increase is due in part to the fact that since January 1, 1974 the figures have been boosted by the inclusion of the three new Member States (Denmark, Ireland and the United Kingdom), it is nevertheless enormous and provides proof of the Community's desire to make the maximum use of this instrument of development cooperation.

It is difficult to give full and exhaustive figures for the utilization of the preference scheme given that at least during the initial phase of its operation there was no monitoring by the Community customs authorities of a large part of the imports benefiting under the preferential arrangements.

It is possible, however, to gauge the constant improvements made in the scheme by considering the following aspects :

- the opportunities for preferential imports of processed agricultural products increased from 45 million EUA in 1971 to 1,000 million EUA in 1976. For the same products, the number of tariff headings covered by the preferential arrangements went up from 147 in 1971 to 241 in 1976.
- For industrial products other than textiles, the import opportunities made available under the preferential arrangements expanded from 490 million EUA in 1971 to 4,500 million EUA in 1976; over the same period, the number of sensitive products subject to quotas was reduced from 53 to 13.

- The preferential import opportunities for textile products rose from 19,429 tonnes in 1971 to 79,131 tonnes in 1976.
- The rules of origin applied under the system of preferences were improved and a special effort was made to favour the member countries of regional economic groupings - since 1974 the notion of origin has been interpreted more widely in their respect.
- In order to help the beneficiary countries to make better use of these preferential advantages, the Community has organized seminars each year in a number of countries to provide business with information on the export opportunities available to it.

As regards utilization of the preferential advantages, the figures show that in 1975 the beneficiary countries' exports to the Community under the preference scheme totaled 1,800 million EUA, including 340 million EUA of products subject to tariff quotas and 620 million EUA of products under ceiling surveillance. For that year the utilization rate of the opportunities available was 49 %.

The Community intends to make further improvements to its preference scheme by going ahead with the action undertaken during the period under review (1971-1976). Reference should be made in this connection to the Council Decision of March 3, 1975, in which the Council expressed its resolve to continue improving the preferences progressively through:

- greater use of the Community scheme;
- better administration;
- appropriate improvements and adjustments to the scheme itself.

These improvements will have to take particular account of the poorest developing countries. The Council also considered that the preferences would have to be applied for a further period after 1980.

1.3. Multilateral Trade Negotiations

Tropical products were designated a special priority sector in the Tokyo Declaration of September 1973, which was designed to open the GATT Multilateral Trade Negotiations.

In April 1976 the Community presented to GATT its offer of trade concessions to the developing countries for tropical products, thereby responding to the requests made to it by more than twenty Asian and Latin American developing countries which wished to obtain access to the Community market for their products. The Community's offer embraces approximately 180 products, including important products such as coffee, cocoa, tobacco, spices, refined vegetable oils, flowers and crustaceans, and covers exports from developing countries not belonging to the Lomé Convention worth approximately 2,200 million EUA. Some tariff reduction offers involve cuts in duties on the basis of the most-favoured-nation clause and others take the form of improvements or extensions to the generalized system of preferences. In practical terms, approximately 150 agricultural products will benefit from new tariff suspensions not applied in previous years, either because new products are added to the list of products covered by the Community's generalized system of preferences or because improvements are made to the preferential rates for products already on the list. The offer also provides for the removal of certain residual quantitative restrictions as requested by the developing countries.

In order to take into account remarks made by the developing countries with regard to certain specific duties on a number of tropical products, the Member States which levy such duties have the intention either not to raise their level in the future or to give favourable consideration to this problem.

The Community's offer became effective on January 1, 1977. These measures constitute the first substantial result of the Multilateral Trade Negotiations.

1.4. Agreements concluded with developing countries under the Multifibre Arrangement

The Arrangement regarding International Trade in Textiles concluded within the framework of GATT to promote the orderly development of trade with particular attention being paid to the situation in the developing countries entered into force on January 1, 1974. The Community acceded to the Arrangement in March of the same year. It decided moreover that the conclusion of bilateral agreements under the Arrangement with the

main suppliers would constitute the best way of achieving its objectives. By the end of 1976, thirteen bilateral agreements had been concluded, mostly with developing countries.

These agreements are designed to achieve progressive liberalization of trade while avoiding the risks of market disruption by ensuring the orderly and equitable development of this trade, and to contribute to a more balanced distribution of imports within the Community. They are based on the principle of voluntary restraint by the exporting countries, but exercised solely with regard to those products for which a real danger of disruption has been noted (selectivity criterion). The exporting countries undertake to respect certain ceilings, it being understood that temporary import operations and craft products are excluded from the voluntary restraint ceilings. Each of these ceilings has an annual rate of increase, the increases being allocated according to a scale designed to enable the Member States that are small-scale importers progressively to import greater quantities. For products not covered by the bilateral agreements all existing restrictions are suspended, either immediately or under a programme of progressive elimination. Negotiations are in prospect with a further two supplier countries.

1.5. Trade cooperation under preferential agreements

The period under review has seen the transition from the Yaoundé Convention to the Lomé Convention and from various limited agreements to the cooperation agreements with the countries of the Southern Mediterranean.

1.5.1. Lomé Convention

In the trade field, the most important change as compared with the preceding Convention is that the European common market has now been thrown open to imports from the Community's partners in the Convention without reciprocity.

And so, since July 1, 1975 imports into the Community of virtually all products originating in the ACP States have been free of customs duties, quantitative restrictions and measures having equivalent effect.

The ACP States' obligations are limited to according most-favoured-nation treatment and to non-discrimination between Member States. There is a derogation from this principle, however, in favour of other ACP States and other developing countries. Consequently the ACP States are quite free to apply more favourable treatment to imports from one or more developing countries than that which they apply to imports from the Community.

The Lomé Convention expires on March 1, 1980 but is renewable.

1.5.2. The Cooperation Agreements with the countries of the Southern Mediterranean

The Cooperation Agreements with the Maghreb (Algeria, Morocco and Tunisia) and Mashrek (Egypt, Jordan and Syria) (1) countries - for which negotiations were successfully completed in 1976 - ensure that those countries will have access to the Community market for an unlimited period for all primary commodities and all industrial products originating in the countries in question, subject to some temporary restrictions (up to the end of 1979). Such guaranteed access is obviously of fundamental importance for ensuring the profitability of investments in the countries concerned.

As regards agricultural products, on the other hand, most but not all products have been accorded privileged access, and there are in addition certain precautions (quotas, import-timetables and so on).

A similar agreement exists with Israel. Negotiations on its different aspects were successfully completed between mid 1975 and early 1977.

The Agreements do not involve any immediate obligation of reciprocity, but the liberalization of trade remains their ultimate objective when the gap between the respective levels of development of the partners has been reduced. In the meantime, exports from the Community to these

(1) Negotiations for a fourth agreement - with Lebanon - were completed in February 1977.

countries will be given most-favoured-nation treatment, although provision is made for exceptions in favour of other developing countries or in the context of the economic integration in the respective regions.

Specific dates - 1978 and 1983 - have been set, within the framework of an ongoing institutionalized dialogue, for the examination of the results of the Agreements and any improvements that can be made.

These Agreements, which fall within the context of the Community's Mediterranean policy, are also evidence of the strengthening of cooperation links between the Nine and the Arab world. This strengthening should be further reinforced through the Euro-Arab Dialogue, which got off the ground in May 1976, the date of the first meeting of its General Committee.

1.6. Trade cooperation within the framework of non-preferential agreements

The Community has concluded non-preferential trade cooperation agreements with India (April 1974), Brazil (August 1974), Mexico (November 1975), Sri Lanka (December 1975), Pakistan (July 1976) and Bangladesh (December 1976). Joint Committees were set up under each of these agreements in order to enable the contracting parties to examine at regular intervals the progress made in reciprocal trade.

Furthermore, mention may be made here of the EC Commission-ASEAN Joint Study Group on trade cooperation between the member countries of the Group, which held its first meeting in 1975. Lastly, the Commission has established working relations with a number of regional integration groups in Latin America : the Latin American Free Trade Association (LAFTA), the Andean Group, the Central American Common Market, and the Institute for Latin American Integration. Technical assistance schemes already undertaken (provision of experts, vocational training in Europe) concerned in particular the legal aspect of integration (Community regulations and standards), the customs union, economic interpenetration, regional policy, statistics.

1.7. Trade promotion

The opening-up of markets is not always sufficient to enable the developing countries to make full use of the opportunities provided for selling their products on the markets of industrialized countries, for there are other barriers to trade penetration, such as deficiencies in the marketing network, lack of adequate information and contact between firms, unsuitability of a product for consumers' requirements. Marketing and trade promotion schemes to help overcome such barriers are therefore a necessary adjunct to "market access" measures.

Consequently, in the 1971-1976 period the Community strongly expanded its activities in the different areas of trade promotion for the products exported by developing countries. These measures, which were originally reserved for the developing countries which had concluded agreements with the Community, have been progressively extended to all developing countries since 1975.

The measures include the following :

- marketing studies and studies on how to improve the marketing and packaging of food products (tropical fruit and vegetables) and forestry products (sawn tropical timber);
- technical assistance for the establishment of structures to foster foreign trade;
- aid for participation by the developing countries in trade events in Europe and elsewhere. Between 1971 and 1976, the Community financed the construction and fitting out of 577 stands at 93 international fairs and specialized shows, 73 of which were in the Member States;
- training courses for directors of stands and for foreign trade officials from the developing countries;
- the concerting of efforts between producers and exporters in the developing countries and trade firms and organizations in the Member States: for example, the establishment in 1973 of the Liaison Committee for fruit and vegetables (COLEAMA) with the aim of facilitating the importation into the Community of certain kinds of African fruit and vegetables;

- general information : leaflets, specialized brochures, specifications of products, seminars on ways and means of trading with Europe, meetings among professionals.

II. COMMODITIES

The Community's activity and major decisions taken in this field in the period under review may be described as follows :

2.1. Market access

The Community has confirmed its resolve to achieve the general objective of liberalizing trade, in particular as regards imports from the developing countries. Its action in this direction can best be illustrated by a few figures : between 1971 and 1975, imports from the developing countries rose from 23,000 million EUA to 55,000 million EUA, with raw materials of agricultural origin increasing from 1,700 million EUA to 2,200 million EUA, mineral fertilizers from 1,200 million EUA to 2,200 million EUA, and mineral fuels from 11,000 million EUA to 33,000 million EUA.

The Community market would seem to be substantially open to primary products from the developing countries.

The Community's policy on this question was set out in the statement it made to the Raw Materials Commission of the CIEC. On that occasion the Community emphasized that measures to be taken in the context of the multilateral negotiations in GATT would enable real progress to be made in the area of market access. The Community reaffirmed, referring to the various resolutions and decisions adopted in Tokyo on September 12, 1973 and to its statements within the MTN, that it fully intended to stand by the undertakings into which it had entered, above all as regards the measures relating to the developing countries.

On the specific points concerning agricultural products, the Community stressed the positive aspects of the common agricultural policy and its influence on trade and the stabilization of international markets. Imports of agricultural products into the Community have grown constantly,

the major increase being in imports of products covered by the common agricultural policy. Moreover, the stable internal market now constituted by the Community has exerted a favourable influence on the market for agricultural products in a number of cases.

In the context of the GATT multilateral negotiations, the Community has declared its readiness to negotiate on the various aspects of trade in agricultural and food products, with the aim of achieving an expansion of trade on the basis of stable world markets, and has tabled proposals to that end in the appropriate fora.

2.2. Pricing policy

The Community and the Member States have participated in the international agreements on tin, cocoa and coffee with the aim of moderating the excessive fluctuations in the prices of primary products. In general terms, the Community stated in the CIEC that a market can be stabilized only through a combination of various instruments, with or without a buffer stock. Product characteristics and market structures are of themselves sufficient to determine whether and under what conditions international coordinated stockpiling could be a suitable instrument.

2.3. Stabilization of export earnings

The Lomé Convention negotiations resulted in the establishment by the Community and its partners of an export earnings stabilization system (STABEX) with the objective "of remedying the harmful effects of the instability of export earnings and thereby enabling the ACP States (1) to achieve the stability, profitability and sustained growth of their economies".

Stabex applies to the ACP States' earnings from exports to the Community of certain primary products on which their economies depend. If the level of those earnings falls below the reference levels (based on a four-year rolling average), the difference, within certain financial limits, is made up by the Stabex Fund, generally in the form of interest free loans (but see below).

(1) The developing countries which are partners in the Lomé Convention (African, Caribbean and Pacific States).

The Stabex system is an innovation that guarantees the right to financial compensation where export earnings fall below pre-established reference levels. But it is not simply a compensatory financing mechanism of the IMF type; it is a trade mechanism, which differs from the former chiefly for the following two reasons :

- a) it is an agreement on a product-by-product basis (1);
- b) it is in the nature of a contract by means of which a group of industrialized countries has agreed to reduce the adverse effects of the operation of raw-material markets on the economies of less developed partner countries.

The principle features of the Stabex-system

The following are the main points of the system :

Financial appropriation : 375 million EUA for the duration of the Convention, divided into five annual instalments of 75 million EUA, residual amounts being carried over automatically to the following year; the authorized annual amount may be increased in certain circumstances in the form of advanced drawing on the tranche of the following year.

Products covered : 12 primary products (groundnuts, cocoa, coffee, cotton, coconut products, palm and palm kernel products, hides and skins, wood, bananas, tea, sisal, iron ore) and certain of their by-products.

Dependence threshold : for a product to be considered, it must have accounted in the preceding year for at least 7.5 % of total exports to all destinations; this amount is reduced to 5 % in the case of sisal and to 2.5 % for all the least developed, landlocked or island ACP States.

Activation threshold : for an ACP State to be eligible for a transfer, its actual earnings from exports to the Community of a given product must normally be at least 7.5 % below the average of corresponding earnings for the preceding four years (or at least 2.5 % below the average in the case of the least developed, landlocked or island countries).

(1) Whereas IMF financial compensation relates to total export earnings within a macroeconomic framework such as the balance of payments.

Nature of transfers : as a general rule they are interest-free loans which are repaid by the recipient States when certain conditions are met concerning increased export earnings. The twenty-four poorest ACP countries, however, receive the transfers in the form of grants.

A balanced operation

On July 8, 1976, the Commission and 17 ACP States signed 25 transfer agreements for a total value of over 72 million ECU compensating the countries in question for a drop in export earnings from one or more primary products in 1975. The most original mechanism provided for in the Lomé Convention was thus brought into operation.

The results of this initial operation illustrate the value - to countries largely dependent on their exports of primary products - of a guarantee that covers not only falls in production due to weather or other natural conditions but also a drop in sales resulting from cyclical fluctuations.

Right from its first year of application the nature of the protection Stabex affords is clearly illustrated : it gives protection not only against export losses resulting from a business slump - in this instance a drop in demand (68 % of transfers) - but also against losses due to a fall in production as a result of natural circumstances or disasters (32 % of transfers).

A satisfactory balance is also found in the distribution between transfers in the form of grants to the poorest countries (56 % of the total) and transfers in the form of "loans" (44 %) to countries which have undertaken to help replenish the funds.

Substantial support for export earnings

As a proportion of the recipient country's export earnings, a transfer payable under Stabex represents a contribution whose significance varies according to the losses suffered, the importance of the product or products in question in the context of the country's total exports, and the structure of its exports (the Community's share of total exports from the country in question).

In a number of cases this contribution is appreciable. For example, 1975 Stabex transfers as a proportion of total export earnings (all products to all destinations, 1974) amounted to 24 % for Benin, over 13 % for Niger, 6.5 % for Ethiopia and 5.5 % for Burundi.

The impact of Stabex emerges even more clearly when 1975 transfers made in respect of a given product are compared with export earnings in 1974 (all destinations) from the same product. The following may be taken as examples : 63 % for cotton from Burundi, 39 % for coffee from Togo and groundnuts from Niger, 33 % for hides and skins from Somalia and Burundi, 27 % for cotton from Benin and hides and skins from Ethiopia.

2.4. The ACP-EC Sugar Agreement

The agreement reached by the ACP countries and the Community on sugar involves specified quantities to be supplied by the ACP exporters and to be purchased and imported by the Community at a guaranteed minimum price. The undertakings were given for an indefinite period and are not linked to the duration of the Lomé Convention, although they form an integral part of the Convention.

It is necessary to emphasize the original nature of this agreement from the angle of commercial policy and pricing policy.

Under the first heading, the sugar agreement provides the exporting ACP countries with a guaranteed market that is invaluable for the regular progress of their development; and it provides the Community with a guarantee of delivery without interfering with freedom of marketing within the Community.

From the viewpoint of pricing policy, the agreement introduces a link with Community prices since the guaranteed price is negotiated with the ACPs within a Community price range, which is the subject of annual proposals drawn up by the Commission in the light of current economic conditions.

This agreement represents the practical realization to some extent in a specific sector of the partners' hope for a less unstable and more equitable economic order.

III. TRANSFER OF FINANCIAL RESOURCES

3.1. The total volume of official and private resources transferred to the developing countries by the Member States of the Community increased from \$ 6,756 million in 1971 to \$ 15,242 million in 1975 - an average annual increase of 22.6 %. The share of Official Development Assistance (ODA) in these transfers increased from 41.3 % (average for 1969-1971) to 43.5 % (average for 1973-1975). In 1975 official assistance amounted to \$ 6,012 million as against \$ 2,991 million in 1971 (1).

Seen as a proportion of the combined GNP of the Member States of the Community, total transfers and ODA rose respectively from 0.95 % and 0.42 % in 1971 to 1.14 % and 0.45 % in 1975.

Hence, the international target has been reached for total flows, both by the Member States taken as a whole and by most of them individually.

Although the overall ODA contribution is still below the target set for the Second Development Decade, it should be noted that most of the Member States have improved their individual performance considerably. They have managed to attain an overall percentage of 0.45 % of GNP, which is well above the average for the industrialized countries (0.36 % of GNP), in spite of the fact that some of them have not yet been able to accept all the aspects of the 0.7 % target. One Member State has even reached - and indeed gone beyond - that target, while the remainder have undertaken, within the Council of Ministers of the European Communities, to make efforts to that end which will be the greater the further they are from reaching the target (2).

(1) These figures refer to the consolidated performance of the Community Member States through bilateral, Community and other multilateral channels.

(2) Situation in 1975 : Belgium 0.52 % of GNP; Denmark 0.58 %; France 0.62 %; Federal Republic of Germany 0.40 %; Italy 0.11 %; the Netherlands 0.75 %; United Kingdom 0.37 %; Luxemburg and Ireland : not available.

3.2. As far as terms are concerned, points to note are the increase in the proportion of ODA in total financial transfers - which is in itself an improvement in the quality of those transfers - and the fact that the financial terms of the ODA itself have been improved (more so by the Member States of the Community than by other donor countries).

This improvement is due mainly to a considerable increase in the proportion of straight grants in ODA commitments, which rose from 61 % at the beginning of the Decade to 76 % in 1975 and which is reflected, in view of the financial terms of the loans, in a substantial increase in the overall grant element of ODA commitments - from 82 % in 1971 to 91 % in 1975 - to which all the Member States have contributed, moreover. It should be noted that the figure of 91 % is not only above the average for the industrialized countries (88 % in 1975) but is also well above the 84 % target set by the members of the OECD's Development Assistance Committee (DAC) for their ODA.

3.3. In 1975 over 28 % of net ODA disbursements were made through multi-lateral channels, of which 17 % via Community institutions and 11 % via the other multilateral finance organizations.

As regards the distribution of the Member States' bilateral ODA, taking as a guiding-mark the LDCs whose per capita GNP is \$ 200 or less (though this does not represent an official LDC category), 40 % of gross disbursements has gone during the last few years to these countries. Over the same period the most seriously affected developing countries (MSAs) have received 33 % of the Member States' aid while the least developed countries (LLDCs) have received 11 %.

3.4. The annual volume of net disbursements of the Community's financial effort proper is now about 660 million ECU (1), of which ODA accounts for nearly 625 million or 95 % as against 251 million in 1971.

(1) Equivalent to \$ 740 million.

This financial effort, which is funded by contributions from the Community budget, the European Development Fund (EDF) and the European Investment Bank (EIB), will increase during the second half of the Decade, mainly because of the entry into force, in 1976 and 1977, of the financial provisions of the Lomé Convention (1) (commitments amounting to 3,572 million EUA for the period 1976-1980) and of the cooperation agreements with a number of developing countries in the Mediterranean region (commitments amounting to 639 million EUA for the period up to 1981).

Aid granted by the Community outside the framework of contractual relations will also increase : this applies to food aid (2) and to financial and technical assistance to non-associates. In 1976 the Community budget set aside for the first time the sum of 20 million EUA for financial and technical assistance and 6 million EUA for other schemes (export promotion, regional integration, microprojects implemented by non-governmental organizations). The corresponding figures for 1977 will be 44 million EUA and 9.2 million EUA.

The Community's effort takes a great variety of forms, which means that it can be adapted to the widely differing problems and situations of the developing countries. For those countries that have signed the Lomé Convention, Community aid can help to carry out projects and programmes aimed essentially at furthering the economic and social development of those countries. Financial aid granted outside the framework of contractual relations between the Community and developing countries has in the past been concentrated on food aid and certain forms of technical assistance (export promotion, regional integration). It has now broadened its scope, first through the Community's contribution of \$ 292 million to the United Nations Emergency Programme and then through the inclusion in the Community budget of the sum stated above (20 million EUA in 1976, 44 million EUA in 1977), which will be used in the main to develop food production in Asia and Latin America, primarily through directly financed projects, though co-financing with Member States or International or Regional Agencies is not precluded.

(1) Including the decisions connected with it.

(2) The food aid programme is described in section 4.3. below.

From the geographical point of view, 54.3 % of Community aid has gone to developing countries in Africa south of the Sahara, 33.3 % to Asian developing countries and 5.2 % to Latin American developing countries (percentages based on 1975 disbursements).

Looking at the various groups of developing countries, it can be seen on the basis of 1975 disbursements that 75 % of Community aid has gone to those countries whose per capita GNP is \$ 200 or less, 77 % to the most seriously affected countries (MSAs) and 39 % to the least developed countries (LLDCs). On the basis of average disbursements for 1969-1973, the corresponding figures were 62 %, 64 % and 33 % respectively. This evidences the improvement in the quality of Community aid proper during the first half of the present Decade - a trend which is bound to continue in the second half.

3.5. European Development Fund (EDF) - Nine months after the entry into force of the Lomé Convention 104 financing decisions had been taken involving a total of 407.3 million EUA (13.2 % of the total amount available). Disbursements in favour of the ACP countries under the fourth EDF totalled approximately 139 million EUA in 1976. These results indicate that the rates of commitment and disbursement are higher than under the earlier EDFs.

Much has been done as regards the programming of aid, in accordance with Article 51 of the Lomé Convention. For most of the ACP States an indicative programme has been drawn up on the basis of the priorities set by each of the States concerned, which gives the latter as precise a picture as possible of the aid they will receive during the period covered by the Convention. Thus, a dialogue has been started which embraces not only the programming of the aid but also the appraisal of the projects, the preparation of the financing decisions and the execution and final evaluation of the projects.

The priorities set by the recipient ACP States emerge clearly from a sectoral breakdown of all the indicative programmes. The largest share of programmed aid goes to rural development (36.5 %), while 12 % goes to industrialization, 27 % to economic infrastructure and 15 % to social infrastructure.

Moreover, about 10 % of the total Funds provided for in the Lomé Convention has been reserved for the financing of regional projects, which is an indication of the special backing the Contracting Parties wish to give to regional cooperation under the Convention.

Special emphasis has been placed on close coordination between the action taken by the Commission and the bilateral aid supplied by the Member States and on the strengthening of contacts with other providers of funds, whether bilateral or multilateral.

The Commission has been able to play a special part in the setting up of cofinancing operations by looking after the technical details and carrying out the economic analyses or attending to the administrative and financial procedures. This has helped to bring about a form of triangular cooperation between the ACP, the Community and its Member States and the OPEC countries. Among the cofinancing operations in which the OPEC countries are participating, mention should be made of the CFCCO railway (Congo), the Sélingué dam (Mali), the port of Douala (Cameroon), the Kpong dam (Ghana), the Tana river development project (Kenya), the Golwein-Gelib road (Somalia) and the CIMAO clinker plant, a regional project involving Ivory Coast, Ghana and Togo.

3.6. Maghreb, Mashrek and Israel Agreements - The overall cooperation agreements with the three Maghreb countries and three of the Mashrek countries - for which negotiations were successfully completed during 1976 in the context of the Community's Mediterranean policy - include financial protocols expiring in 1981 and involving the sums of 339 million EUA for the Maghreb and 270 million EUA for the Mashrek, of which a very large proportion is in the form of concessional flows.

A financial protocol was recently added to the 1975 cooperation agreement with Israel. The protocol stipulates that 30 million EUA will be placed at that country's disposal by the EIB over a period ending on October 31, 1981.

IV. FOOD AND AGRICULTURE

4.1. During the reference period covered by this report, the Community and the Member States allocated a large volume of funds to the development of agricultural and food production and to food aid. During the second half of the present decade the total of these funds will be substantially increased.

At the same time, the Community and the Member States also contributed actively to international efforts being made in this field, as is shown, for example, by their participation in the work of the World Food Conference and the World Food Council, the nine Member States' national contributions to IFAD and the contribution the Community decided to make in 1976 to the research programme being run under the auspices of the Consultative Group on International Agricultural Research (grant of nearly \$ 2.5 million to ICRISAT), and the proportion of Community food aid channelled through international organizations such as the WFP, UNRWA, ICRC, etc. (33 % in 1976).

4.2. During the period 1971-1975 the Community as such devoted over a third of its total financial aid commitments to schemes for the development of agricultural and food production (1), the amount involved being about 400 million EUA. These schemes have been carried out in the main under the third EDF, but also in the context of the United Nations Emergency Programme and the emergency aid for the drought-stricken countries of the Sahel.

In addition, there are the schemes carried out in this field by the Member States. Over the reference period their bilateral aid schemes accounted for about 8 % of their total ODA commitments (a sum of the order of 1,500 million EUA) : during 1974 and 1975 this percentage increased to over 10 %.

This means that during the period 1971-1975 the Community and the Member States together allocated approximately 1,900 million EUA to this vital sector.

(1) In the DAC's broad definition of the term.

Over the last two years some important decisions have been taken enabling the Community between now and the end of the decade to step up and broaden the scope of its operations in this field. The commitments which the Community as such is likely to make for the development of the food and agriculture sector over the period 1976-1980, whether they be under the Lomé Convention (which expires on March 1, 1980) or in the form of aid to non-associated developing countries (which are the subject of annual budget appropriations) or under the agreements signed with the Maghreb and Mashrek countries and Israel (whose financial protocols expire on October 31, 1981) - and in spite of the fact that aid under the latter agreements has not yet been programmed - can already be estimated at about 1,100 million EUA.

The Member States' bilateral and multilateral contributions will come on top of this. Their contributions towards the constitution of the starting capital of the IFAD alone amount to around \$ 200 million.

4.3. Food Aid from the Community and its Member States has been supplied only in the form of gifts and has gone to both associated and non-associated countries. Most of the aid goes to promote economic development, in which case it is sold on the local market and thus backs up the balance of payments. The remainder either takes the form of schemes designed to improve the level of nutrition of the poorest sections of the population or is supplied as emergency aid to victims of natural disasters or comparable events.

The food aid supplied by the Community and its Member States increased over the period 1971-1976.

This trend is due first of all to the increase in cereals food aid granted under the Food Aid Convention, which increased from 1,035,000 t in 1971 to 1,287,000 t as from 1974 following the accession of new Member States to the Community. There is also the fact that the range of products supplied by the Community has been expanded to include, notably, sugar (for UNRWA's annual distribution programmes) and, in particular, milk products, which have been supplied regularly and in increasing quantities since 1972.

In 1976 the Community's and the Member States' aid commitments amounted to 318 million EUA (at world prices), of which 240 million was accounted for by aid supplied by the Community as such (1), whereas the corresponding sums spent in 1971 were 104 million EUA and 35 million EUA (2) respectively. It should be emphasized, however, that the figures for the base year (1971) are relatively low because no new decision was taken during that year in respect of milk products since a 1970 decision involving large quantities (127,000 t of skimmed milk, 35,000 t of butter-oil) was still being implemented.

In addition to increasing its aid, the Community has also endeavoured to improve the quality of its contributions. It has been at pains to give priority to the countries most in need, as is evidenced by the fact that the share of cereals food aid going to the countries most seriously affected by the present crisis increased from 51 % in 1972 to 83 % in 1976.

This desire to satisfy needs that have been assessed as objectively as possible has also been reflected over the last few years in the relatively large quantities of products allocated to the countries of the Indian sub-continent. In 1976 those countries received from the Community 72 % of its cereals aid, 45 % of its skimmed milk powder aid and 41 % of its butteroil aid.

Lastly, in response to desires expressed at the 1974 World Food Conference, the Community has decided to apply the principle of programming its food aid on the basis of a multiannual forward plan which is both global and specific (at project level).

(1) 708,000 t of cereals, 150,000 t of milk powder and 45,000 t of butter-oil.

(2) At internal prices, which reflect the cost to the budgets of the Community and the Member States, the corresponding figures for 1976 are 514 million EUA and 418 million EUA respectively and, for 1971, 158 million EUA and 52 million EUA.

V. INDUSTRIAL AND TECHNOLOGICAL COOPERATION

5.1. Industrial cooperation

5.1.1. General remarks

During the reference period industrial and technological cooperation with the developing countries has become a concern for the European Community. This is a fairly new area of international cooperation and the practical opportunities it offers have by no means been adequately explored yet. However, the Community considers that industrial cooperation can offer particularly interesting **prospects** for all the partners concerned.

The Community views industrial cooperation with the developing countries as a body of measures undertaken by the two sides either at governmental level or at the level of firms and which help to speed up the industrial development of the developing countries. It uses many instruments for this purpose, particularly those of trade, finance, technology, etc. In the Community's view industrial cooperation is not only concerned with outward-oriented operations but should be extended to include the consequences of such operations for the internal structures of the participating countries.

The Community fully appreciates the fact that the developing countries give high priority to speeding up their industrialization and to achieving a substantial increase in their share of world industrial production. The Lima Declaration and Plan of Action and the Final Resolution of the seventh special session of the United Nations General Assembly express the developing countries' aspirations in this field very clearly.

The Community has supported a good number of proposals put forward by developing countries in international fora and has frequently given evidence of its desire to make a practical contribution to the development of industrial cooperation, which in its view, can play an important part in helping practical progress towards a more equitable economic order.

While it is true that in the case of the Community - which consists of a group of industrialized market-economy countries - responsibility for the practical implementation of industrial cooperation lies principally with industrial firms, the Community considers that the public authorities also have an irreplaceable part to play : firstly, to help the developing countries prepare the ground for industrialization and, secondly, to provide encouragement, guidance and support for firms likely to be interested in industrial cooperation with the developing countries.

The means of action which are available for this purpose to the public authorities of the Community - and which it is continually strengthening and improving - serve to promote and support industrial cooperation particularly in the following four major fields :

- industrial information and promotion,
- financial cooperation,
- technical cooperation,
- trade cooperation.

In order to create the most favourable conditions for the development of industrial cooperation, the Community supports the attempts made at international level, particularly within world organizations, to define an international framework for this form of cooperation. The attainment of this objective, which is mainly the responsibility of the public authorities of the industrialized and developing countries, would do much to establish a climate of mutual trust, which is a prerequisite for extending industrial cooperation between the two groups of countries in question.

This could include the extension of the network of intergovernmental agreements for the promotion and protection of international investments, investment insurance schemes, etc. The Community fully supports the Programme of work of the UN Commission on Transnational Corporations, in particular the priority to be given to negotiating a Code of Conduct and the technical cooperation programme. It also supports, to give another example, the work of the International Centre for Settlement of Investment Disputes (ICSID), and it is prepared to explore, in conjunction with the developing countries, ways in which existing international arbitration facilities might be improved, adapted and made more effective,

in order to ensure that the interests of all the parties concerned are taken into consideration in a just and equitable manner.

The Community is taking part in the experimental consultations in the field of industry which UNIDO is organizing to explore means of increasing the developing countries' share in the world's industrial production.

With regard to the effects of industrial cooperation on its own internal industrial structure - effects which are already making themselves felt - the Community is aware that its policy of opening its market to manufactured and semi-finished products from the developing countries means that it will have to pursue more determined policies for the restructuring of industry. It is therefore endeavouring to examine ways in which the structural adjustment of industry to the present and future trends of world production could be helped to continue. It considers that it is difficult to imagine how significant progress can be made here unless world production is expanding.

It should be recalled that the Community and the Member States accepted at several recent international meetings, the need to develop domestic industrial policies which encourage their industries which are less competitive internationally to move into more viable lines of production, taking into account the economic and social constraints in their own countries. This ongoing process of structural adjustment should facilitate the redeployment of the productive capacities of these industries to developing countries and the greater utilization of human and natural resources in the developing world.

5.1.2. Industrial cooperation under the regional agreements concluded by the Community

Industrial cooperation, which was already an important aspect of the association agreements that preceded the present cooperation agreements (concluded from 1975 onwards) has become a cardinal objective of the new relations which link and will henceforth link the Community to various groups of developing countries. This trend is reflected in particular in the Lomé Convention, which devotes an entire title (Title III)

to detailed and practical provisions for industrial cooperation between the Community and the ACP States.

The fact that industrial cooperation is one of the priorities of the Community's policy of cooperation with the ACP States is also a reflection of the changes taking place in international economic relations, as a result of which the developing countries are acquiring a growing share of industrial production and of international trade in manufactures. The ACP States consider industrial cooperation as vital for changing structures and promoting a new international economic order comprising a genuine partnership, on which they hoped to see the new Convention based.

Industrial cooperation, as provided for in the Convention, is based on the pressing need, acknowledged by the Community and the ACP States, for the industrial development of the latter. Its objectives are as follows (Article 26 of the Convention) :

- a) to promote the development and diversification of industry in the ACP States in order to achieve a better distribution of industry both within those States and between them;
- b) to promote new relations in the industrial field between the Community and the ACP States, particularly new industrial and trade links between the industries of the various partners;
- c) to increase the links between industry and the other sectors of the economy, in particular agriculture;
- d) to facilitate the transfer of technology to the ACP States and promote the adaptation of such technology to their specific conditions and needs, for example by expanding the capacity of the ACP States for research, technology and training in industrial skills;
- e) to promote the marketing of industrial products of the ACP States in foreign markets;
- f) to encourage the participation of ACP nationals, in particular that of small and medium-sized firms, in the industrial development of those States;
- g) to encourage Community firms to participate in the industrial development of the ACP States, where those States so desire and in accordance with their economic and social objectives.

Thus the Convention develops a number of original industrial cooperation themes and covers all the aspects of the industrialization desired by the ACP States : the development of infrastructure linked with industrialization (transport, energy, research, training) ; help with setting up manufacturing firms which process raw materials; industrial training in Europe and the ACP States; industrial information, promotion and studies; back-up trade promotion measures.

The Convention also provides for specific structures to provide impetus in this sector by setting up a "Committee on Industrial Cooperation" which is to suggest appropriate solutions and thus play a decisive role as a source of stimulation and guidance.

The Committee also has the task of guiding and controlling the Centre for Industrial Development, an original and strictly operational establishment which is run jointly by the ACP States and the Community and is mainly responsible for industrial information, the establishment of contacts and other industrial promotion activities. It is mainly through this Centre that Community and ACP State firms can establish contacts with one another.

The relevant provisions specify no particular amount for financing industrialization schemes. However, it is planned to make resources and special techniques available for attaining the ACP States' industrialization objectives under the financial and technical cooperation arrangements. A number of these techniques consist of innovations which are particularly well-suited to the action which could and should be taken on industrialization, such as temporary participation by the European Development Fund in the risk capital of new industrial firms in the ACP States, the financing of projects run by small and medium-sized firms through ACP finance organizations, and so on.

The industrial cooperation provisions of the cooperation agreements which the Community has concluded with the Maghreb and Mashrek countries are in the same spirit as the Lomé Convention arrangements set out above.

5.2. Technological cooperation

Technological cooperation, which complements and is very closely linked with industrial cooperation, is a subject to which the Community has in recent years devoted particular attention in the context of its cooperation policy towards the developing countries. The Community is prepared to make greater use of all instruments of cooperation, particularly at the level of technical, technological and scientific assistance, in order to contribute more actively to the strengthening of the developing countries' technical infrastructure and to technological development and adaptation of those products and manufacturing processes which are best suited to the specific needs of the countries in question. Furthermore, it is endeavouring to facilitate and encourage in so far as possible access by developing countries to the technology and information essential to their economic development and particularly to the technology and information available to its public authorities. It is prepared to encourage its industrial firms and other private owners of technology possessing the bulk of the technology and information relating to industrial production processes to step up their technological cooperation with the developing countries so that the latter can have the widest possible access to private industrial techniques.

Under the Lomé Convention, for instance, the Community proposes to use the instruments and means provided for in the Convention "to facilitate the transfer of technology to the ACP States and to promote the adaptation of such technology to their specific conditions and needs, for example by expanding the capacity of the ACP States for research, for adaptation of technology and for training in industrial skills at all levels in those States".

In order to achieve these objectives, the Community, according to the Convention, aims in particular to :

- keep the ACP States better informed on technological matters and assist them in selecting the technology best adapted to their needs;
- facilitate their contacts and relations with firms and institutions in possession of the appropriate technological know-how;

- facilitate the acquisition, on favourable terms and conditions, of patents and other industrial property, in particular through financing and/or through other suitable arrangements with firms and institutions within the Community;
- contribute to the establishment and expansion of industrial research in the ACP States, with particular reference to the adaptation of available technology to the conditions and needs of those countries.

The approach followed on this subject in the other cooperation agreements, particularly those concluded by the Community with the Maghreb countries, is basically similar to the Lomé Convention guidelines set out above.

At world level, the Community is supporting the various projects and initiatives at present being examined and negotiated within international fora, such as UNCTAD, UNIDO and WIPO, and which are aimed in particular at reinforcing the technological capacities of the developing countries and defining a new international framework for the transfer of technology. The Community Member States have done a great deal to give a very wide and practical content to UNCTAD Resolution 86 (IV) on the reinforcement of the developing countries' technology and have adopted the UNCTAD IV resolutions on the code of conduct and industrial property.

Lastly, the Community is at present exploring how certain aspects of technical research and research into areas of practical and applied science of interest to the developing countries - such as research on solar energy - might be integrated into its own research programmes and those of its Member States.

VI. ACTION ON BEHALF OF THE LEAST DEVELOPED COUNTRIES

The Community supported the UNCTAD IV Resolution 98 (IV) on Special Measures for the Least Developed Countries and confirmed its support for international action on their behalf at the CIEC in Paris in 1976. Pending international action, the Community has already gone ahead and taken a number of practical measures.

The Lomé Convention provides an example of an integrated set of special measures applied on a contractual basis to a group of particularly poor developing countries, including 19 of the LLDCs on the UN list. Such an approach is along the lines of a suggestion made by the Committee for Development Planning.

Furthermore, the Community has stated that the LLDCs should be among the countries which would benefit from any redistribution of additional aid to the countries in greatest need.

The Community and its Member States recently rechannelled their aid flows to the LLDCs : in 1975 the latter accounted for 11 % of bilateral aid (commitments) and 39 % of Community aid proper.

Bilateral ODA commitments by the Member States of the Community to the LLDCs trebled over the period in question. Moreover, it is expected that nearly two-thirds of the funds earmarked for the EDF in the Lomé Convention will go to the least developed ACP States.

The Lomé Convention is an example of how programming of aid flows can provide greater aid continuity and security for a group of countries in particular need.

With regard to the terms of aid the Community and its Member States consider that ODA to the LLDCs must be granted essentially in the form of grants. The grant element of the Member States' ODA was 96 % in 1975 and for the Community as such it has been 100 % since 1973.

Similarly, the procedures applied by the Community and its Member States for their ODA to the LLDCs have become increasingly flexible, particularly under the Lomé Convention.

In addition, the Community has advocated the adoption of special measures to improve the export capacity of developing countries which seem unable to participate in international trade on an equal footing with other countries. Progress in respect of the LLDCs has already been achieved through improvements to the Community's GSP, particularly as regards the administration of the system and tropical products.

Lastly, the Community has stated that it is prepared to give close attention to the possibility of allowing some leeway in order to accommodate the specific requirements of the LLDCs in any contractual machinery for commodity agreements. Under the Stabex system the conditions which the poorest ACP States must satisfy as regards dependence upon exports and fluctuations in earnings in order to be eligible for compensation have been relaxed. In addition, the advances made to those countries under Stabex do not have to be repaid.

European Communities — Commission

**The development cooperation policies of the
European Community from 1971 to 1976**

Luxembourg: Office des publications officielles
des Communautés européennes

1977 — 34 p — 21.0 × 29.7 cm

DA, DE, EN, FR, IT, NL

Catalogue number: CG — 22 — 77 — 184 — EN — C

FB 65	DKr 10,20	DM 4,20	FF 8,70
Lit 1550	Fl 4,40	£ 1	\$ 1,75

This is a brief outline of the development cooperation policies of the Community in the first half of the seventies.

These policies are analysed in six chapters: trade, commodities, transfer of financial resources, food and agriculture, industrial and technological cooperation, and action on behalf of the least developed countries.