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COMMUNICATION OF THE COMMISSION TO THE COUNCIL

PROGRESS REPORT ON THE COMMUNITY'S INVOLVEMENT IN THE STRUCTURAL ADJUSTMENT PROCESS IN THE ACP STATES

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COMMUNICATION OF THE COMMISSION TO THE COUNCIL

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INTRODUCTION

Support for structural adjustment is undoubtedly the most striking innovation of Lomé IV but its implementation also poses a major challenge.

Implementation will be a complex, demanding job. For the Commission it will involve a redefinition of objectives, changes in procedures and a rethink of methods.

The Commission's first aim here was to inform the Member States of the scope of the measures adopted and the operations carried out since the signing of the Lomé Convention and the adoption of the texts governing its implementation. But an additional aim has been to provide the Member States with an outline of the thinking underpinning the way the Commission intends to flesh out and improve its structural adjustment policy.

This is the purpose of this communication, the first part of which briefly describes the general concepts of adjustment and the approach set out in the Convention, followed by a description of the steps taken by the Commission to put its involvement in this process on a proper footing.

The second part of the communication sets out the guidelines for Commission policy in coming years.

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I. STRUCTURAL ADJUSTMENT AND LOME IV

1. Outline of the concepts

A large number of developing countries, including most ACP countries, have been facing severe financial crises since the early 1980s, leading to balance-of-payments and public-financing deficits, slow economic growth, falling incomes and an unbridled increase in foreign debt.

It quickly became clear that these crises had their roots not only in negative external circumstances (falling commodity prices, for example) but also - and more crucially - in the very structures of these countries' economies and the unsuitability or laxness of the economic policies pursued.

In view of this, the countries concerned - more than half of the ACP States are in this category - implemented, with the support of the IMF/World Bank and sometimes bilateral donors, reform programmes with two components:

- (i) a stabilization component designed to restructure finances by reducing demand: reduction of domestic (budget) and external (balance of payments) financial deficits;

  (ii) a structural adjustment component designed to act on supply and so adapt structural elements of the economy to the economy's real capacity: controlling inflation, reducing the role of government, tax and legislative reform, privatization, etc.

Adjustment is thus an absolute necessity if a thorough overhaul of these countries' unbalanced economies is to be realized.

Many ACP States have managed to put off such adjustment by resorting to borrowing but it is now clear that it can no longer be avoided. The choice for them is no longer between adjustment and the status quo but between a managed, orderly adjustment and forced adjustment.

The fact that most ACP States have opted for the first path shows that they are anxious to keep control of a process they acknowledge to be inevitable.

As a result the issue of structural adjustment now dominates relations between the ACP (especially African) countries and their foreign partners and is the main subject of dialogue between these countries and all donors.

The Community was not involved in the start of this process in the early 1980s. It did not start to get to grips with the subject until 1986, the result of which was the adoption of the Council resolution of May 1988 on adjustment. Its first operations in the field started in 1988 with its participation in the special programme for low-income, highly indebted countries of sub-Saharan Africa, the SPA (Annex 1).

The Community's contribution of ECU 560 million to the SPA was the result of a Council decision in December 1987 following the initiative of the Venice summit in June 1987.

Only with Lomé IV did the Community become directly involved in structural adjustment. It did so in response to growing demands from the ACP States and in order to adapt its operations to the radical change in the economic circumstances of these countries and hence their political priorities.

It did so also because, in all modesty, it felt it could contribute something to the formulation of the reform policies with the aim of reconciling adjustment, a necessary but transitional process, and development, which remains the basic long-term objective.

The Community's concern, now set out in the Lomé Convention, is to make adjustment not only economically viable but politically and socially bearable.

2. *General principles of the Convention and financial resources*

The approach to adjustment as set out in the Convention, which governs Community policy, is based on six main concerns:

- *adjustment programmes should be internal, that is, designed and drawn up by the authorities of the country concerned: adjustment should always be a national affair, not a "medicine" administered from outside - this is a prior and necessary condition for these programmes' viability;*

- *adjustment programmes must be individually tailored to each country's local situation and constraints: the opening-up of trade may be a good thing for Kenya but out of the question for Niger, at least as far as food products are concerned;*

- *adjustment programmes must be consistent with, better still support, the country's long-term development objectives: food security first and foremost, the development of human resources, and not forgetting regional integration and environmental protection, which should be furthered by stabilization and adjustment policies;*

- *the pace of reform should be realistic, individually tailored and compatible with local circumstances: if necessary - and this will often be the case in Africa - adjustment programmes should be spread over a longer period with the possibility of regular reviews;*

- *the social dimension to adjustment should be an integral part of any programme from the outset: adjustment is about equity as well as growth;*

- *the regional dimension to adjustment must be taken fully into account to ensure that rapid adjustment at national level (to domestic prices and exchange rates, for example) does not lead, because of a lack of proper coordination, to disruption at regional level that may be difficult to control.*

To implement this approach the Community now has the resources: ECU 1150 million in grants have been earmarked for adjustment under the Convention. This amount may be topped up with resources from national indicative programmes: under the first Financial Protocol to the Convention some ECU 2 billion will in fact be devoted to adjustment.

The breadth of this approach and the scale of the resources available are in themselves as indication of the size of the challenge facing the Community.

3. <u>Steps taken by the Commission</u>

The steps taken by the Commission have concerned internal organization, relations with other donors and with countries eligible for adjustment aid, and its activities in international forums.

(a) Within the Commission much has been accomplished in the way of information, awareness-raising, policy guidelines and organization.

As soon as the Convention was signed, an intensive series of training seminars was organized for the departments in Brussels and the delegations to familiarize them with adjustment issues.

At the same time a set of instructions and guidelines were drawn up to ensure that everyone in the Brussels departments and the delegations worked in a consistent and rigorous fashion towards the economic and political objectives set by the Commission:

- *general guidelines*
- *procedures for the implementation of import programmes*
- *arrangements for the constitution and utilization of counterpart funds*
- *model for financing proposals*
- *setting-up of an early-warning system to ensure that the process is monitored in each country, etc.*

The Commission has made a particular effort regarding counterpart funds, tightening up the rules on their constitution and establishing new principles for their use.

In view of the importance that the Commission attaches to the efficient, coordinated implementation of the Convention, it has not only organized training and laid down policy guidelines and operational procedures but also set up a special programming and structural adjustment support unit within the Directorate-General for Development directly under the Director-General. This unit is responsible for coordination and guidance regarding general policy and the countries receiving adjustment aid both within the Directorate-General and in relations with the outside.

(b) Relations with other donors

The Commission has always argued for the need for greater coordination with other donors in the field of adjustment support: first and foremost with the Member States, but also with the World Bank and the IMF. The Council resolution of May 1989 on the strengthening of the coordination of structural adjustment aid mirrors this concern.

Coordination with the Member States has developed considerably in terms of both the general approach and activities in individual countries.

It must develop still further: the Commission's involvement in the issue of public finances and the growing number of countries experiencing difficulties in implementing their adjustment measures (see Part II) will make such coordination ever more necessary.

Coordination with the IMF and the World bank, the prime movers in this field, is imperative.

Coordination, however, does not mean either mere following or subordination. It does not mean that the Community will lose its independence of judgment or subordinate its operations and financing to decisions in which it has not played an active part.

At the same time, there can be only one reform programme per country; The only way in which the Commission can ensure that these reform programmes incorporate the key elements of the approach set out in the Convention is to become involved in the preparation of these programmes at a very early stage.

With this in mind the Commission has taken all the necessary measures to step up coordination with international financial institutions on the basis of a true "code of conduct". This code of conduct, the broad lines of which were established when Mr Marín visited Washington in 1990, lays down the ground rules for the Commission's involvement in the process and provides for suitable arrangements for avoiding conflict or detecting it at an early enough stage to resolve it - regular information exchanges at an early stage in the negotiation of reform programmes, joint missions, regular contacts between the officials of each institution, etc.

As a result, relations between the Commission and the World Bank in particular may be described as exemplary.

In this way our partners - the World Bank (and to a lesser extent the IMF) and the ACP States - have involved the Commission more closely in the formulation of economic policy in addition to sectoral policy, where there was already a good deal of coordination. This is an important breakthrough that enables the Commission to make its own assessment of the process without there being any duplication of effort.

(c) Individual countries

A number of stages are involved here.

(i) In accordance with Article 281 of the Convention, the Commission notified the eligible ACP States[1] in June 1990 of the amount that could be made available to them in the form of structural adjustment support (see Annex 2).

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1 Eligible under the Convention are countries which:
- are in economic and financial difficulty, expressed by large balance-of-payment or budget deficits;
- are implementing reforms and adjustment measures.

Countries implementing reform programmes that are supported (financially or not) by the principal multilateral donors are considered as having automatically satisfied these two requirements.

This allocation puts the countries concerned in a position not only to know with some certainty what resource flows will be available to support adjustment, but also to make an informed decision on what proportion of the indicative programmes to earmark for adjustment.

The initial allocation for the period 1991-92 has been calculated on the basis of the internal and external imbalances of the countries concerned, with a weighting for the size of the country's economy and population, and totals ECU 414.5 million for the 35 countries currently eligible.

There is, however, a large reserve available to cover both the requirements of countries that may become eligible at a later date and second allocations.

Adjustment resources

	ECU m
Specific resources under the Convention	*1150*
Share earmarked in indicative programmes (estimate)	*850*
TOTAL (estimate)	***2000***
Amount 1st allocation (91-93) *(from specific resources)*	*415*
Balance specific resources	*735*

(ii) Next, the Commission has added a structural-adjustment dimension to the five-year programming under way with the ACP States. It has done so because both structural adjustment and aid programming help achieve the objective of long-term development that is at the basis of ACP-EEC cooperation. In so doing, the Commission has taken account of the different situations prevailing in different countries: countries that are implementing adjustment programmes without too many problems, countries having difficulties in their relations with the IMF/World Bank, countries trying to tread their own adjustment path, etc.

This is how the Commission has proceeded in the case of countries automatically eligible for structural adjustment resources, namely countries whose adjustment programmes are already supported (financially or not) by the principal multilateral donors. The natural thing to do, the problem of eligibility *having been resolved, was to evaluate the adjustment process under way and identify strategies that would make adjustment and programming mutually supportive.*

This approach has not, however, prevented the Commission from making an initial assessment of the reforms under way in certain of the other countries that do not yet have formal agreements with the IMF or World Bank, and even becoming actively involved, either by helping the country to draw up its reform programme (Suriname) or by facilitating the negotiations under way between the country (Rwanda) and the IMF/World Bank institutions.

Adjustment is unquestionably very expensive and the Community, no more than any other donor, cannot shoulder such a process alone.

The Commission's aim is to help countries that so wish to implement a programme that in time will receive backing from all donors, while at the same time ensuring that the essential aspects of the Lomé approach are retained. The Commission's role would thus be one of facilitator or intermediary.

(iii) The third stage is that of practical preparation of the Community's aid. This entails considérable analysis and evaluation of both the macroeconomic and sectoral aspects of the process under way. It also requires close coordination with the countries concerned and other donors, notably the IMF and the World Bank, to ensure that the Community approach provided for in the Convention is properly taken into account.

The way to achieve this objective is through ongoing contacts with the main protagonists and joint missions on the spot. There are many illustrations of this: the Commission's involvement in the public spending review in Mauritania, the leadership it exercised in the reform of the cereals sector in Kenya, the role it played in defining the social dimension of adjustment in Togo, its active participation in formulating and implementing priority social programmes in Burkina Faso, its initiatives concerning the social impact of adjustment in Zambia, the link it created in Benin between political reform and budgetary support, etc.

By the end of the year eight countries will have received Community aid amounting to ECU 150 million (Benin, Burkina Faso, Gambia, Ghana, Guyana, Mali, Papua New Guinea and Uganda - see Annex 3).

The Commission welcomes the fact that discussion of the relevant financing proposals by the EDF Committee showed that the Community and the Member States shared a similar approach.

Most of the other eligible countries will receive initial allocations of adjustment resources in the first quarter of 1992 on condition that their reform programmes remain on course. There are, however, a number of countries where economic or political problems preclude their satisfying the conditions for financial aid (Cameroon, Madagascar, Guinea Bissau, Niger, Chad, Nigeria, Togo and Zambia, for example - see Annex 4).

(d) *The Commission's role in international forums*

This particular role saw its birth in the context of the SPA (Special Programme of Assistance for Africa), under which the efforts of twenty multilateral and bilateral donors, including eight Member States, are coordinated by the World Bank.

As a donor: *the Community has been one of the main contributors to, and one of the best implementors of, the first phase of the SPA (1988-90). In the second three-year phase (1991-1993) it has become the leading donor, having announced a contribution of ECU 1 billion (roughly US$ 1.3 billion), well ahead of Japan (some US$ 975 million) and the US (US$ 800 million).*

The Community's contribution alone covers 18% of the total programme.

The Community's role is all the more significant in view of the fact that the Community and the Member States together contribute almost half the total financing of the programme.

As a contributor to policy-making: *The Commission has contributed to the evolution of the SPA evolve from an exclusively financial approach to one that embraces development-policy issues linked to adjustment.*

The Commission has taken two important initiatives in this respect: one concerning the issue of counterpart funds in a macroeconomic context of stabilization and adjustment, the other the need to take account of the regional dimension to adjustment in order to ensure that economic integration and structural adjustment are mutually enriching and supportive.

The first of these initiatives led to the adoption of guidelines that reconcile the imperatives of controlled use of counterpart funds with those of stabilization and adjustment. This was a major step towards improving budgetary policy in the countries concerned in terms of both efficiency and equity.

The second showed that while adjustment programmes are meant in theory to encourage the integration of markets by reducing distortions and opening up the economies concerned, differences of content and timing of such programmes could sometimes cause distortions at regional level and even jeopardize the objective of economic integration.

Above all, it spun off new approaches (the consideration of regional interdependence in reform programmes, harmonization of macroeconomic policies, regional adjustment programmes, etc.) that will make a substantial contribution to the Commission's thinking on regional integration in the context of the global coalition for Africa.

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This overview shows the wide range of measures taken by the Commission and the efforts it has made to play an effective role in structural adjustment support.

Its participation in this process and the experience it is gaining are enabling the Commission to develop and refine its objectives in relation to some of the key points of structural adjustment support and so lay down the main lines of a policy.

II. MAIN ORIENTATIONS

The Community's involvement in the process of structural adjustment of the ACP States addresses two major objectives:

- in the first instance, contributing to the creation of the right economic climate to restart or boost growth, while taking care to improve the social and economic well-being of the populace;

- secondly, situating such social and economic objectives in a contractual framework - the Lomé Convention - which entails certain rights and obligations on the part of the Commission, in particular the need to preserve its independence of opinion and successfully defend its own views.

It is up to the Commission to use the resources and instruments at its disposal to give clear and unequivocal backing to the processes now underway while insisting upon a more pragmatic, more differentiated and more humane form of adjustment.

This primary concern underpins the key ideas below which will guide Commission policy in the years ahead.

1. A focused approach

The task is immense and the Commission cannot do everything and be everywhere. Although it must undoubtedly in each case form an overall opinion of the processes underway its efforts should be focused on those aspects of the process which appear essential with regard to the provisions of the Convention. These are:

- reconciling adjustment with long-term development;

- the social dimension of adjustment;

- the need to adapt the pace of reforms to the specific constraints of each country;

- the regional dimension of adjustment.

These will be the Commission's general priorities in its assessments and in its actions.

Let there be no mistake about this focus. Much remains to be done. Just taking into account the social dimension of adjustment involves analyzing the social implications of all macroeconomic policies, evaluating the social impact of existing or proposed sectoral policies in terms of identifying the uses to which Community support should be put and getting involved in the sphere of public finance.

2. Consistency in the use of Community instruments

The instruments of structural adjustment support must tie in with all forms of Community aid received by countries undergoing adjustment, both to acquire "critical mass" and for the sake of effectiveness.

It is particularly important to maximize consistency between these instruments and those which act in a similar manner upon the balance of payments, and which may in some cases generate counterpart funds (e.g. Stabex transfers, food aid, sectoral import programmes in focal sectors of national indicative programmes).

It is implicit in this drive for consistency that all such programmes, and in particular Stabex transfers, be prepared and run on the same lines as specific support for adjustment, while retaining its own specific character. The "framework of mutual obligations" governing Stabex transfers, or similar implementing conditions for other such instruments, will therefore be formulated in the same way and in the same spirit as conditions negotiated for structural adjustment. This will apply equally to any counterpart funds generated by these instruments.

3. The right implementation conditions

Adjustment is not emergency assistance. It is an approach to cooperation conditioned by the reform efforts of the countries concerned. The Commission is confronted with a dual requirement in this respect:

- the only reform programme implemented in a given country must be that country's own;

- however, the Commission works within a contractual framework which assumes an independence of judgement on the progress of adjustment.

The Commission has to reconcile these two aspects, while trying to avoid becoming enmeshed in the logic and the mechanics of the "stop/go" syndrome of the IMF and World Bank, in which a country becomes ineligible when it runs into problems with them, then reeligible when an agreement is reached, then ineligible again when new problems arise, and so on.

The Commission must bring its own, independent judgment to bear on the economic and financial situation of the country under consideration to decide whether it should in effect receive Community support or not. In deciding this, the Commission takes into account three levels of conditions for implementation:

- *general, qualitative, conditions to ensure the country stays with the process. These enable the Commission to check that the overall progress of the adjustment measures, including the main economic measures (relating to exchange rates and interest rates, budgetary equilibrium and the balance of payments, public expenditure, etc.) is on the whole satisfactory;*

- *specific conditions, often sectoral or linked to the use of counterpart funds, which represent the few critical measures relating to the mobilization of Community resources;*

- *conditions of an administrative and financial nature relating to the utilization of foreign exchange and the constitution and utilization of counterpart funds (lists of import invoices, bank statements, etc.).*

These conditions must be met if the structural adjustment allocation is to be mobilized and successive instalments released. They are therefore extremely important and must be defined with great care.

The Commission intends to implement this considered approach, which permits it to conserve its independence of opinion without undermining negotiations with the IMF/World Bank.

4. <u>Policy trends in the use of counterpart funds</u>

It is in the use of counterpart funds that the greatest changes in practice have been recorded.

The Commission has launched two parallel initiatives on this question, one as part of the Council's work, the other within the framework of the SPA.

These two initiatives have the same starting point: counterpart funds are a budgetary issue since they are intended to ensure that in time the countries concerned achieve budget levels and structures which are effective and equitable.

The Council resolution of May 1991 and the SPA guidelines of April 1991 address this concern. Central to these documents is the fact that counterpart funds, treated until recently as part of a microeconomic approach, will henceforth be integrated (for countries undergoing structural adjustment) into the context of macroeconomic policy and *the financial and monetary balances of the countries concerned. In other words, counterpart funds are no longer seen as part of individual, one-off operations, but in the broader context of a country's financial and monetary balances.*

In addition to strengthening the rules relating to the constitution of counterpart funds (single account, tighter checks of operations on this account), the two texts lay down clear procedures for the utilization of funds: the counterpart funds must be utilized as part of a single, consistent budgetary policy covering both current expenditure and investment.

There is no longer any question, therefore, of using counterpart funds to finance a particular individual operation; instead they should be targeted at budgetary headings to ensure these are properly funded.

This is where the Commission will give absolute priority to the social dimension of adjustment, in particular ensuring that the health and education sectors are adequately covered, in conjunction with sectoral reforms introduced or planned in these two areas. Particular attention will be paid to the environment.

This prioritization of health and education involves not only ensuring that the relevant budgetary headings are properly funded, but also that counterpart funds originating from Community instruments have been mobilized, either wholly or in part, for this purpose.

In descending order of priority, corresponding to the needs and priorities of the States concerned, further allocations of resources remain possible: for redundancy payments, project financing, repayment of debt to the banking sector, etc.).

This new dimension to Community action involves not only the utilization of counterpart funds within the budgetary framework, but checks on their proper use.

The Commission will henceforth endeavour to check that the budget approved has been properly executed in the sectors concerned.

This move - which represents a major shift in Community activity - requires the Commission to be closely involved in the budgetary process and its follow-up, particularly during public expenditure reviews.

5. <u>The Commission's new role in public finances</u>

In the years ahead, control of the budgetary process will be central to the Community's approach and the Commission's involvement in the adjustment process.

This is because, firstly, it is in the budget (public expenditure and public investment) that development policy choices become apparent. Secondly, it is in the budget that the Commission will target the counterpart funds and in particular in the social sectors. Thirdly, in these sectors, the State's role in expenditure will continue to be essential in the years ahead and must be increasingly effective.

Experience has shown that despite the logic of financial stabilization imposed on countries undergoing adjustment, there has been little overall progress in the planning and execution of budgets.

The Governments of the countries concerned have, certainly, a central role to play in the improvement of the budgetary process in terms of integrity, efficacity and equity in the use of budgetary resources.

However, donors are increasingly contributing to covering budgets and must unite in the search for an instrument enabling them to secure effectiveness of their aid at budget level, particularly with regard to the question of counterpart funds and their utilization.

This is a question of efficiency and financial security, but also one of discipline among donors.

The Commission increasingly participates alongside the World Bank in reviews of public spending (e.g. in Mauritania, Papua New Guinea, Mali, Burkina Faso, Madagascar). This participation is a key element in the dialogue which it has begun with most of the countries undergoing adjustment.

In addition, the Commission will be an active contributor to the SPA, which acknowledges the essential role of public finances in any reform programme.

While the Commission's involvement in this area is clearly politically sensitive and may lead it to discuss areas other than those specifically related to Community aid, it is nonetheless vital to serious Community involvement in the adjustment process, and indeed the general development of the States concerned.

6. Adjustment and democratization

To mobilize adjustment resources, the Commission is faced by a dual imperative:

- on the one hand, it has important resources at its disposal to meet the considerable financing needs of the countries concerned. For the survival of these States and their people, as well as for obvious political reasons, these resources must be disbursed.

- *on the other hand, it is becoming more and more evident that in a growing number of countries the reforms to be supported are being forced off course or disrupted by the process of democratization, which has led the IMF and World Bank to interrupt or postpone financial support.*

In the short term democratization may hamper economic reform. Quite clearly, an authoritarian regime has more coercive power to enforce a programme of reform, at least in the short term, than a democratic government which must open dialogue with the economic and social partners, and must contend with a free press, the right to demonstrate, the right to strike, etc.

Such a dialogue is the very essence of the internalization of a reform programme. When, moreover, it coincides perfectly with the establishment of a (possibly fragile) process of democratization, it is bound to lead to certain modifications, in particular as regards the speed of the reforms and measures to offset their social and economic impact, which causes the country to deviate temporarily from its adjustment course, or at least, prevent it from satisfying the agreed performance criteria in full.

Should this lead to the suspension of support?

A movement towards democracy should certainly not become an excuse for economic laxity, nor allow a particular administration to "buy" its survival or legitimacy by yielding unrestrainedly to excessive corporate or other claims.

At the same time, however, this democratic dimension cannot be ignored. It should lead the international community of donors to show more pragmatism and political awareness particularly in relation to the speed and progressiveness of reform. It should lead the IMF/World Bank above all to seek prior, systematic consultation with the donors concerned to assess in a coordinated manner, before breaking off financial support, whether the deviation is jeopardizing the economic viability of the programme as a whole.

The Community and its Member States must play a major role in this. Their knowledge of Africa, the many links which they have, the scope of their financing and the unique character of Lomé are arguments for increased consultation at Community level prior to any coordination with other donors, in particular the IMF and World Bank.

The Commission, for its part, will systematically seek such consultations with the Member States in cases of this kind.

While adjustment programmes must be economically credible the donors must also be politically credible in countries which are in transition from an authoritarian regime to a democratic regime.

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Structural adjustment is increasingly becoming the only way to a recovery in growth, and more fundamentally, the genuine development of a growing number of our ACP partners. Even so, the process of adjustment must not sacrifice more balanced and more equitable long-term development to the interests of the balance-sheet.

Such is the thrust of the Commission's approach. What the Commission has done over the past few months is to take the steps needed, start the operations required in terms of organization, approach, coordination and operational involvement, to allow it to gain the maximum effect from its involvement in the adjustment process.

Its particular emphasis on counterpart funds, its concern to cover the social dimension of adjustment in an appropriate and operational way, the points it has developed concerning the regional dimension of adjustment, the role it plays in the SPA, its strengthening of coordination with the IMF and World Bank, all stem from this approach.

The Commission is in the process of developing, in the field of structural adjustment, Community expertise, the orientations of a policy, a search for consistency and complementarity with the Member States, which will serve as a model for similar Community interventions in other parts of the world.

Situation au 30.10.91

Annexe 1

PROGRAMME SPECIAL COMMUNAUTAIRE (SPA 1)

Pays soutenus par la Commission au titre du programme

(MECU)

PAYS		RESSOURCES (MECU)	ENGAGEMENTS 30.10.1991	PAIEMENTS 30.10.91
1.	BENIN	31	31	30,6
2.	BURUNDI	12	12	9
3.	GAMBIE	5	5	5
4.	GHANA	20,5	19,5	15
5.	GUINEE BISSAU	9,4	9,4	8,5
6.	GUINEE CONAKRY	12,5	12,5	11
7.	GUINEE EQUATORIALE	1,5	1,5	1,5
8.	KENYA	42	42	42
9.	MADAGASCAR	19,75	17,25	19
10.	MALAWI	54,6	47,5	42,5
11.	MALI	25	25	25
12.	MAURITANIE	7	7	7
13.	MOZAMBIQUE	70	58	50
14.	NIGER	14	14	13
15.	OUGANDA	32,25	32,25	32,25
16.	RCA	7	6,9	6,2
17.	SENEGAL	11,5	11,5	11,5
18.	SAO TOME/PRINCIPE	1,15	1,14	1
19.	SOMALIE	31	31	30
20.	TANZANIE	24,5	24,5	23
21.	TCHAD	9,5	9,5	9,5
22.	TOGO	10	10	10
23.	ZAIRE	30	30	30
24.	ZAMBIE	60	58	53
25.	SOUDAN	15	13	10
TOTAL		556	529,5 soit 95%	495,5 soit 89%

ACP States eligible for adjustment
Expected allocations (MECU)

			FIRST INSTALMENT	NIP	TOTAL
	1	BENIN	13.0	11.0	24.0
	2	BURKINA	12.5	10.0	22.5
	3	BURUNDI	12.0	0.0	12.0
#	4	CAMEROON	18.5	4.0	22.5
#	5	CAR	9.5	0.0	9.5
#	6	CHAD	10.0	10.0	20.0
	7	COMORES	3.5	0.0	3.5
#	8	CONGO	6.0	0.0	6.0
	9	COTE D'IVOIRE	15.5	0.0	15.5
	10	DOM REP	13.5	8.5	22.0
	11	DOMINICA	0.5	0.0	0.5
*	12	GABON	5.0	0.0	5.0
	13	GAMBIA	2.0	2.0	4.0
	14	GHANA	9.0	11.0	20.0
#	15	GUIN BISS	4.5	0.0	4.5
# *	14	GUINEA	14.0	0.0	14.0
	17	GUYANA	4.5	0.0	4.5
	18	JAMAICA	2.5	4.6	7.1
	19	KENYA	23.5	16.5	40.0
	20	LESOTHO	8.5	0.0	8.5
#	21	MADAGAS	10.0	0.0	10.0
	22	MALAWI	17.0	0.0	17.0
	23	MALI	16.0	15.0	31.0
	24	MAURITAN	8.5	0.0	8.5
	25	MOZAMBQ	30.0	15.0	45.0
#	26	NIGERIA	25.0	30.0	55.0
#	27	NIGER	12.0	15.0	27.0
	28	PNG	7.0	4.0	11.0
	29	RWANDA	17.5	0.0	17.5
	30	SAO T P	1.5	0.0	1.5
	31	SENEGAL	15.0	0.0	15.0
	32	TANZANIA	30.0	0.0	30.0
#	33	TOGO	10.0	7.0	17.0
	34	TRIN&TOB	3.0	0.0	3.0
	35	UGANDA	17.0	17.8	34.8
#	36	ZAMBIA	16.0	9.5	25.5
	37	ZIMBABWE	10.0	0.0	10.0
		TOTAL	433.5	190.9	624.4

Countries whose programmes are at risk
* Eligibility under way

annexe 5

APPUI A L'AJUSTEMENT STRUCTUREL - LOME IV

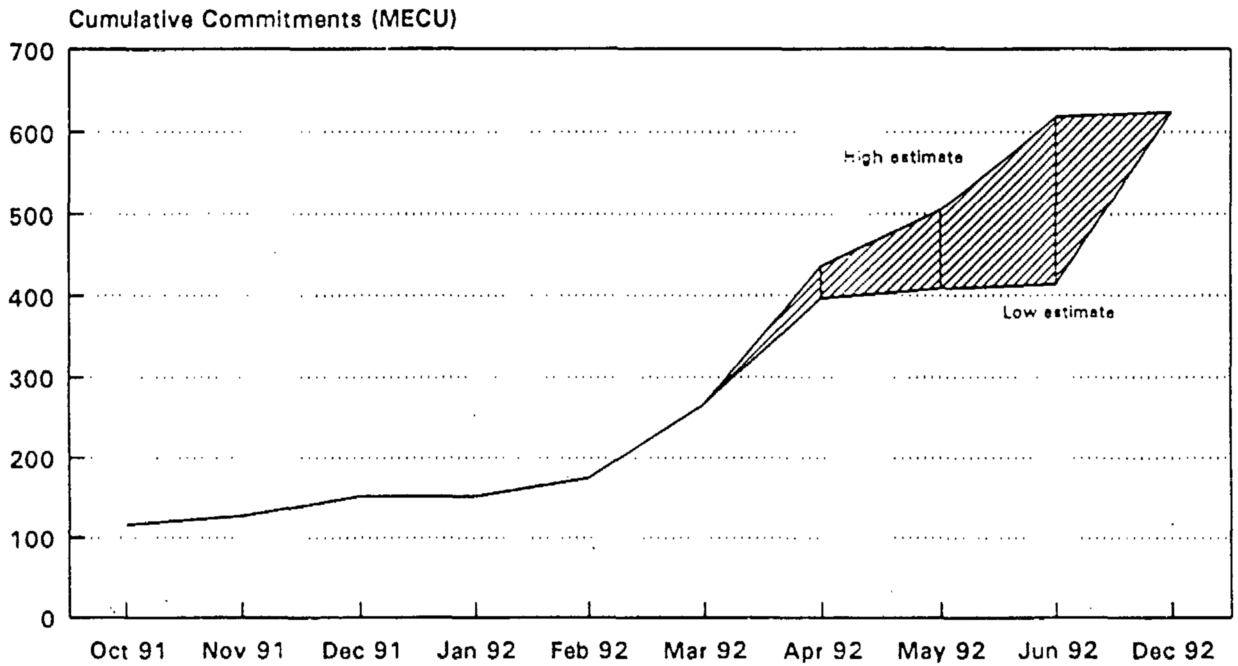
DECISIONS DE FINANCEMENT 1991

PAYS	MONTANT (MECU)			INSTRUMENT	UTILISATION FCP
	A.S.	P.I.N.	TOTAL		
MALI	16	15	31	PGI	Secteur santé (70%) Entretien routier (20%)
BURKINA FASO	12,5	10	22,5	PGI	Secteurs santé (21%) et éducation (41%) Planning familial (12,5%) Emploi (9%)
OUGANDA	17	18 (1)	35	PGI	Secteurs santé/éducation) Approvisionnement en eau) 35% Entretien des routes (25%) Agriculture et pêche (24%)
GAMBIE	2	2	4	PSI pétrole	Secteurs santé/éducation
BENIN	13	11 (2)	24	PGI	Secteurs éducation et santé (12%) Restructuration Fonction Publique (51%) Restructuration secteur bancaire (33%)
PNG	7	4	11	PGI	Secteur éducation (frais récurrents non salariaux)
GUYANE (3)	4,5	-	4,5	PGI	Secteurs sociaux (85%) Soutien aux actions productives (15%)
GHANA (3)	9	11	20	PGI	1ère priorité = secteurs sociaux

(1) dont 3,75 MECU du programme spécial dette (6ème FED)
(2) dont 7 MECU reliquat programme dette
(3) Décision prévue en décembre

Annexe 4

Structural Adjustment
Estimated commitment rate (MECU)



	Oct 91	Nov 91	Dec 91	Jan 92	Feb 92	Mar 92	Apr 92	May 92	Jun 92	Dec 92
High Est.	116	127	152	152	175	267	436	505	618	624
Low Est.	116	127	152	152	175	267	396	408	413	624
. Of which										
SAF high	61	68	81	81	100	183	311	366	428	434
NIP high	56	60	71	71	75	84	125	139	191	191
SAF low	61	68	81	81	100	183	281	293	298	434
NIP low	56	60	71	71	75	84	115	115	115	191

SAF: Structural adjustment facility
NIP: National Indicative Programme

High estimate assumes no delays
Low assumes "at risk" States delayed 6 months