

# THE PACIFIC ACP STATES AND THE EUROPEAN COMMUNITY



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## FOREWORD

*"Fiji joined the first Lomé Convention in 1975. Since then nearly a decade has gone by and we are in the process of negotiating the third Convention of its kind. An important stage in those negotiations takes place in Suva when the ACP/EEC Council meets at the beginning of May this year. The Convention, however modestly, touches on the life of all the citizens of the Pacific ACP countries in some form or other. This is why I was very interested to learn that the Commission of the European Communities had decided to hold a small exhibition in Suva at the time of the ACP/EEC Council meeting there, and to publish this illustrative brochure. I believe it is important that our citizens should be well informed on matters relating to the Pacific — EEC relationship and with that objective in mind, I am happy to wish the exhibition and this brochure every success."*



*M. Qionibaravi*

*Mosese Qionibaravi,  
Finance Minister, Fiji, and  
former ACP Chairman*



IRELAND

UNITED KINGDOM

NETHERLAND

BELGIUM

LUXEMBOURG

FEDER  
REPU  
OF GE

FRANCE

PORTUGAL

SPAIN

(applicant countries)

AFRICA



## INTRODUCTION

Despite the distance which separates them, eight independent Pacific states and the European Community have established close aid, trade and institutional links in recent years through their membership of the Lomé Convention.

As part of the ACP group (African, Caribbean and Pacific countries which have signed this agreement), Papua New Guinea, Solomon Islands, Tuvalu, Kiribati, Vanuatu, Fiji, Tonga and Western Samoa are all entitled to the trade and aid advantages built up by the European Community over a number of years.

On the trade side, the Community market retains a significant proportion of the exports of these island countries, and in some cases the trade balance is very much in their favour. Special arrangements for sugar, and for compensating falls in revenue from other commodity exports, are also of assistance.

On the aid side the Community has

introduced a significant programme of financial and technical cooperation in the Pacific. Although the EEC is by no means the largest aid partner in these Pacific countries, it is increasingly playing its role, along with others, in the development process. When all the aspects of the Lomé Convention are added up, the EEC's aid programme falls not far short of 40 million \$US a year in the form of country and regional aid programmes. This is in addition to EEC member states' bilateral aid, which in 1982 came to nearly 150 million \$US for the region.

The importance of these relations is underlined by the presence of two Pacific Ambassadors in Brussels (H.E. Mr. Josua D.V. Cavalevu, of Fiji, and H.E. Mr. Peter Ipu Peipul, of Papua New Guinea) and of two Delegations of the Commission of the European Communities in the Pacific: one in Port Moresby (with responsibility for Papua New Guinea, the Solomon Islands and Kiribati), where the present Delegate is Mr. Robert Goldsmith; and one in Suva, which covers Fiji, Tonga, Samoa, Tuvalu, Vanuatu and the three French Territories of the Pacific (New Caledonia, Wallis and Futuna and French Polynesia). The present Delegate in Suva is Mr. Michael Laidler. In addition, the Commission maintains Resident Advisers in its offices in Honiara, Apia and Nuku'alofa, and will shortly be opening an office in Port Vila.

# THE EUROPEAN COMMUNITY

## The Community in Europe.

The European Community is made up of ten countries: Belgium, Denmark, France, the Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands and the United Kingdom. All these countries have signed three treaties which form the framework for the construction of a united Europe:

- the European Coal and Steel Community (ECSC) treaty of 1951;
- the European Atomic Energy Community (EURATOM) treaty of 1957;
- the European Economic Community (EEC) treaty of 1957.

The aim of the treaties is the formation of an economic union — bringing with it closer political cooperation — in which goods, people, capital and services can circulate freely and where foreign trade, agriculture, transport and other sectors of the economy are governed by common policies.

The European Community exists to promote prosperity in Europe, to guarantee peace between its member states, and to help other countries by means of trade and financial cooperation.

There are five Community institutions:

- The Council of Ministers, which has the power to take decisions. The member states are represented in the Council at ministerial level. Decisions are taken either unanimously, or by a qualified majority, i.e. by at least 45 votes out of a total of 63 (France, Germany, Italy and the United Kingdom each have 10 votes, Belgium, Greece and the Netherlands have 5, Denmark and Ireland 3, and Luxembourg 2).
- The Commission, which proposes and administers common policies, and makes sure that the treaties are observed. The Commission has 14 members, called 'commissioners', who in the exercise of their duties are required to act in the interests of the Community as a whole and not of their own respective countries.
- The European Parliament, which, with 434 members directly elected every five years, represents the inhabitants of the Community. The Parliament gives its opinion on the proposals submitted by the Commission. It is the Parliament which adopts the Community budget every year after discussions with the Council of Ministers.
- The Court of Justice, which is responsible for settling disputes arising from the application of

Community law. The Court has 11 judges.

- The Court of Auditors, which has 10 members, checks that Community funds are properly spent.

In addition to these institutions, there exist other bodies involved in the running of the Community, in particular:

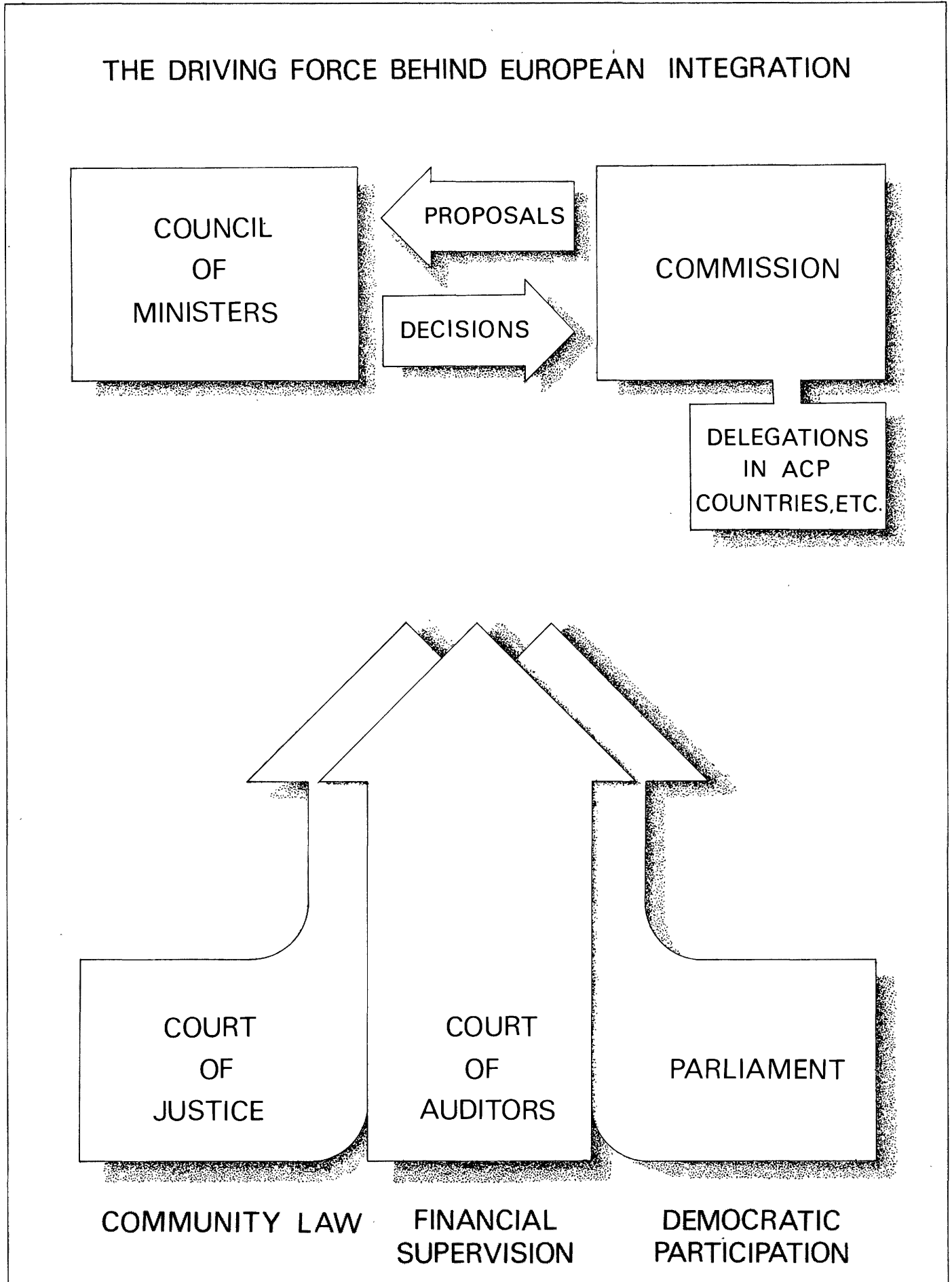
- The Economic and Social Committee, an advisory body with 156 members representing employers, trade unions and other interest groups such as farmers or consumers. Like the Parliament, it must give its opinion on Commission proposals before these can be adopted by the Council.
- The European Investment Bank, which has its own powers of decision, and which is endowed with capital subscribed by the member states, raises money on the capital markets to finance loans to Community countries and to developing countries which have comprehensive cooperation agreements with the Community (Mediterranean and ACP countries).

The whole Community edifice is crowned by the European Council of heads of state or government, who meet three times a year to discuss the broad direction of European policy.



Headquarters of the Commission (centre) and the Council of Ministers (left), Brussels, Belgium.

# Functions of the European Community's institutions







*The European Parliament, Strasbourg, France.*

*The Court of Justice, Luxembourg.*



## The Community in the world

In its relations with other countries, the European Community pursues a policy of free trade, as well as a forward-looking policy of aid and cooperation with developing countries.

It supports the spirit of world trade liberalisation embodied in the multilateral trade agreement of 1979. It recognises that the economic well-being of people in the industrialised and the developing countries depends on the stability of the international trade and monetary systems.

More than 100 countries maintain diplomatic relations with the Community as such. The Community has observer status in the United Nations and some of its specialized agencies; it takes part, together with some of its member states, in Western summit meetings; and negotiates at numerous international conferences on trade (GATT), on development (UNCTAD, UNIDO) or on both (North-South Dialogue).

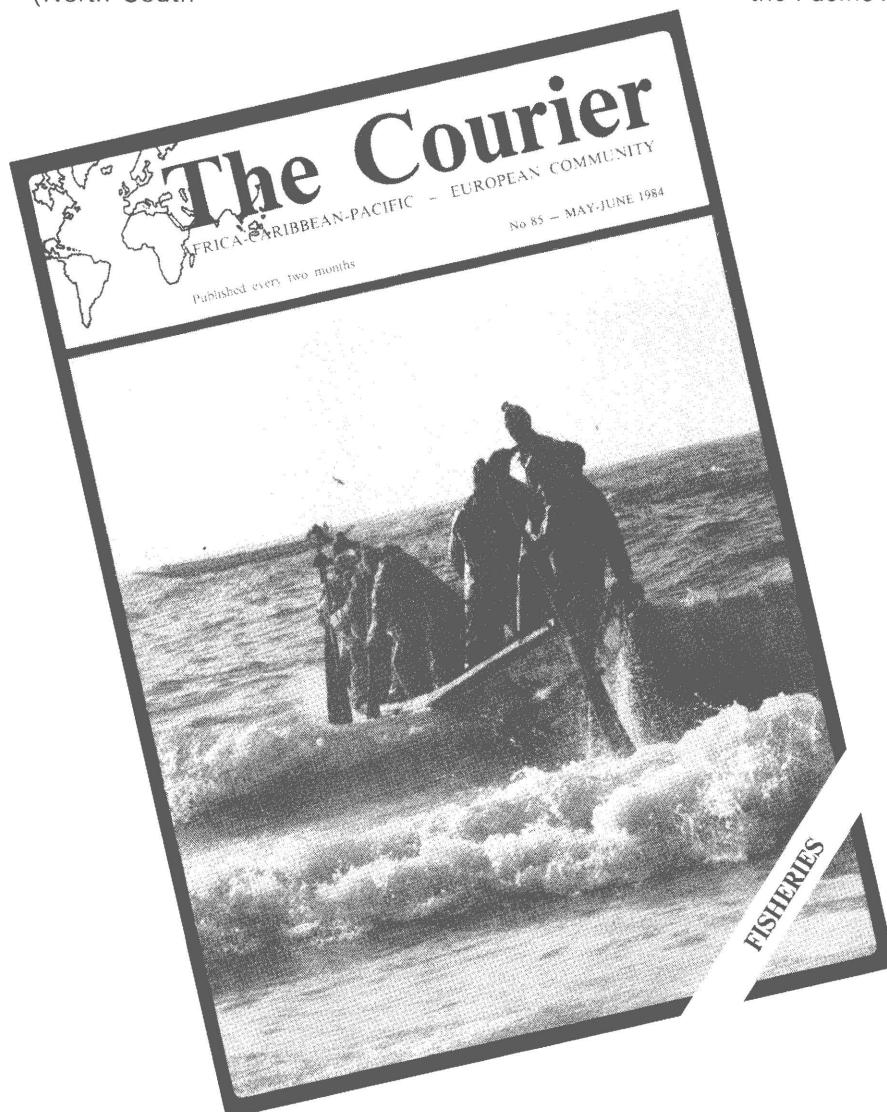
The Community holds regular discussions with its industrialized partners on economic, research or environmental issues as well as trade questions. At the same time it contributes to the development of the Third World.

In Africa, for example, the first and second Yaoundé Conventions were signed in 1963 and 1969 between the European Community and 18 African countries. In 1975 the Community and 46 developing countries (including Fiji, Tonga and Western Samoa) signed the first Lomé Convention. In 1979, the second Lomé Convention was concluded; a total of 64 African, Caribbean and Pacific (ACP) states have now signed this agreement, eight of them from the Pacific region.

The European Commission has more than 60 delegations throughout the world — most of them concerned with development co-operation in Africa, the Caribbean and the Pacific.

Every two months the Community brings out a magazine called 'The Courier', circulated in the ACP countries and in Europe, which provides information on ACP-EEC co-operation. It contains articles on European and ACP countries, studies on different aspects of development (new sources of energy, for example, or shipping, or water and rural development, etc.), news on the Convention at work and operational summaries of EEC-financed development projects, as well as items on the arts, sport or joint business and industrial ventures promoted by the Centre for Industrial Development.

Some 1,000 copies of 'The Courier' are distributed every two months in the Pacific ACP states.

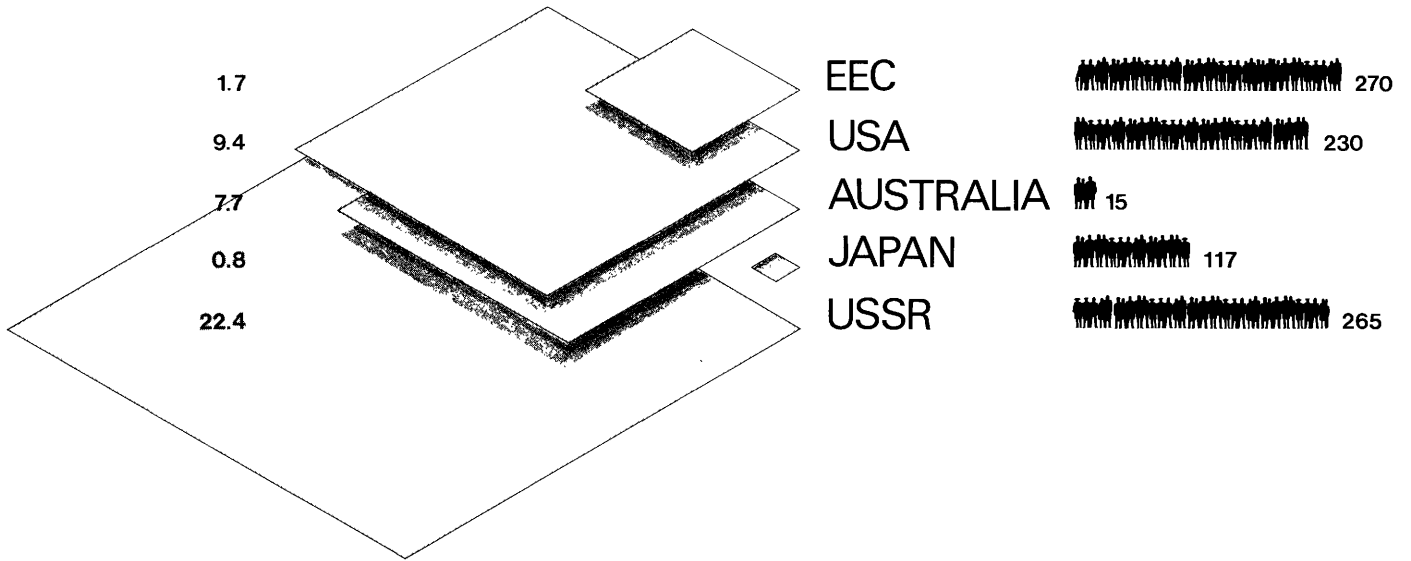


# Basic facts: a few comparisons

## AREA & POPULATION

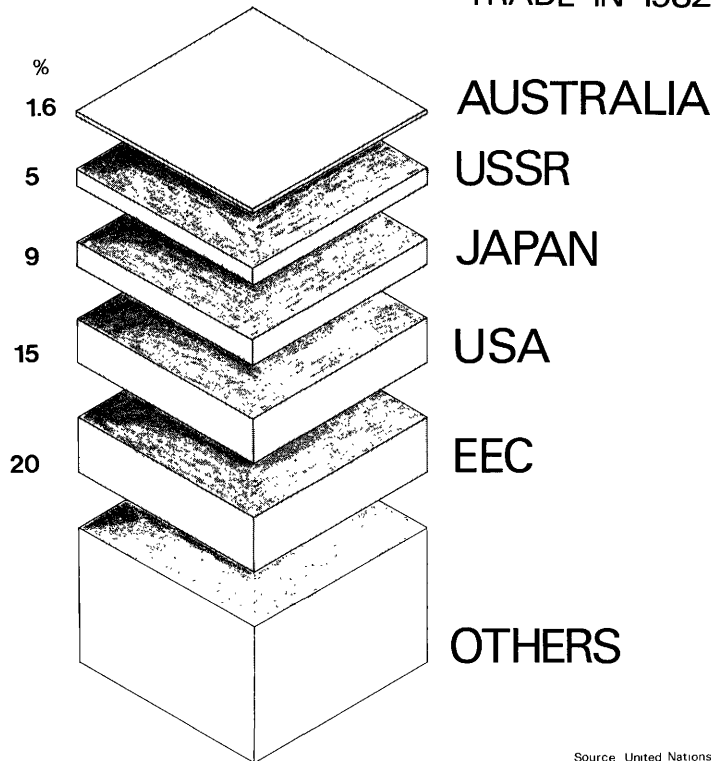
AREA IN MILLION SQUARE KMS

POPULATION IN MILLIONS



## TRADE

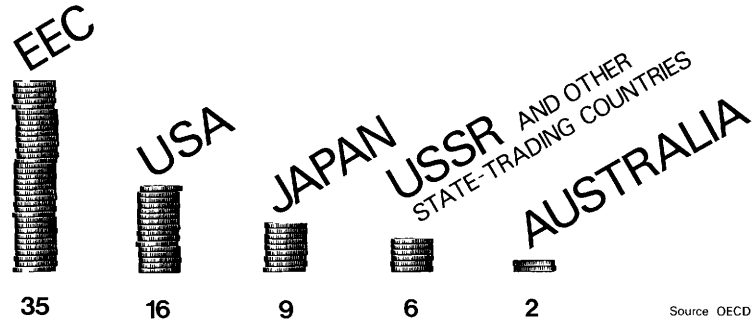
SHARE OF WORLD TRADE IN 1982



Source: United Nations

## AID

SHARE OF TOTAL  
OFFICIAL ASSISTANCE TO ALL  
DEVELOPING COUNTRIES IN 1982



## AID/TRADE RATIO

FOR EACH \$ OF AID TO THE DEVELOPING COUNTRIES:

Entity	SELLS THEM	\$	OF GOODS AND SERVICES
EEC	SELLS THEM	9 \$	OF GOODS AND SERVICES
AUSTRALIA	SELLS THEM	9 \$	
USA	SELLS THEM	15 \$	
JAPAN	SELLS THEM	21 \$	
USSR	SELLS THEM	25 \$	

Source: OECD & United Nations

## TOURISM

SHARE OF TOURIST TRADE IN FIJI

Main sources	1982		1983	
	Numbers of Visitors	% of total	Numbers of Visitors	% of total
AUSTRALIA	95,455	46.9 %	85,027	44.4 %
NEW ZEALAND	28,304	13.9 %	24,048	12.6 %
USA	23,211	11.4 %	25,636	13.4 %
CANADA	13,698	6.7 %	13,037	6.8 %
JAPAN	18,029	8.9 %	14,401	7.5 %
EEC	10,443	5.1 %	14,218	7.4 %
OTHERS	14,496	7.1 %	15,249	7.9 %

Source: Ministry of Tourism, Fiji

# THE LOMÉ CONVENTION

The Lomé Convention has four essential features:

- It is a five-year contract freely negotiated between equal partners. The security it offers enables the associated countries to plan their economies with greater confidence.
- It is non-aligned in that it respects each partner's freedom to choose its economic system, political regime and development model. It embraces countries represented by governments of varying political tendencies.
- It is a comprehensive agreement that combines a whole range of co-operation instruments providing a balanced response to needs that vary with economic structures and levels of development. The Pacific States, like all other countries that have signed Lomé, decide themselves which development instruments to use, according to their own priorities.
- Its institutions (ACP-EEC Council of Ministers and Committee of Ambassadors, ACP-EEC Consultative Assembly) make for a permanent dialogue between governments and with the European Parliament.

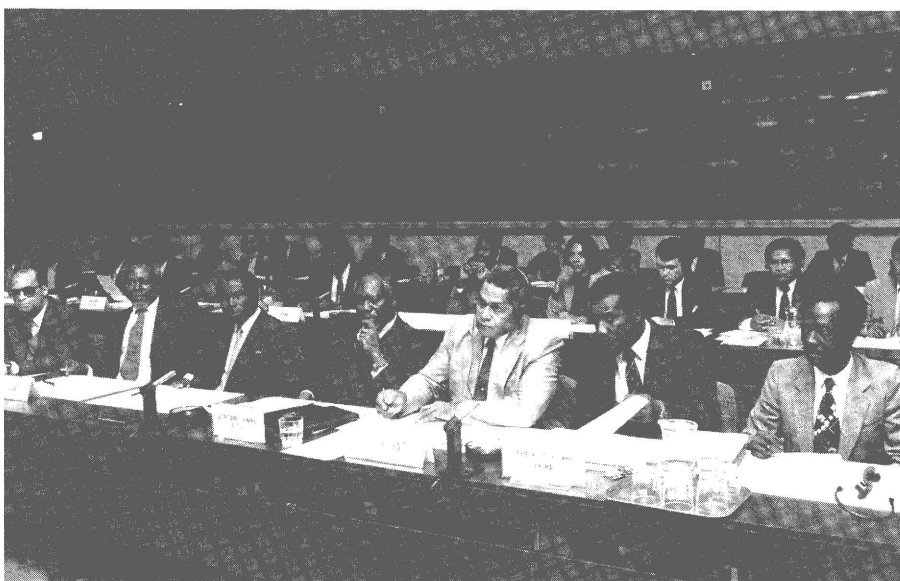
These institutions operate at different levels:

- The ACP-EEC Council of Ministers manages the Lomé Convention at government level, and is the ultimate decision-maker on questions of co-operation.
- The ACP-EEC Committee of Ambassadors (based in Brussels) meets more often than the Council of Ministers. This Committee monitors ACP-EEC co-operation and has certain powers delegated to it by the Council of Ministers.
- The ACP-EEC Consultative Assembly contains two representatives of each ACP state and an equal number of members of the European Parliament. Its work is prepared by a Joint Committee which meets twice a year.

Consultations with the two sides of industry can be arranged on the initiative of the Assembly. Ad hoc meetings can also be held under the aegis of the ACP-EEC Council of Ministers on 'clearly defined matters of common interest'.



*ACP-EEC Council of Ministers meeting, Suva, Fiji, 1977.*



*ACP-EEC Committee of Ambassadors meeting, Brussels, 1983, with Ambassador Cavalevu of Fiji as ACP chairman.*

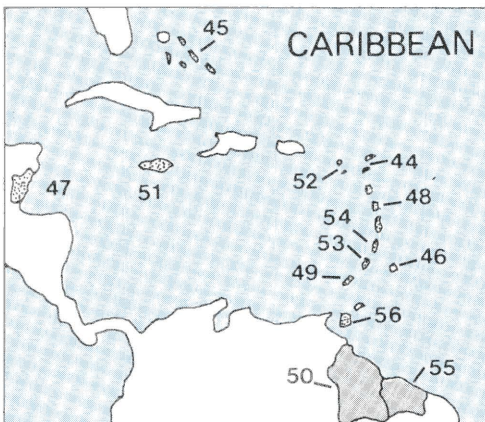
The Commission is represented in the ACP countries by delegations made up of small teams responsible for covering all aspects of relations between them and the Community.



**ACP COUNTRIES**

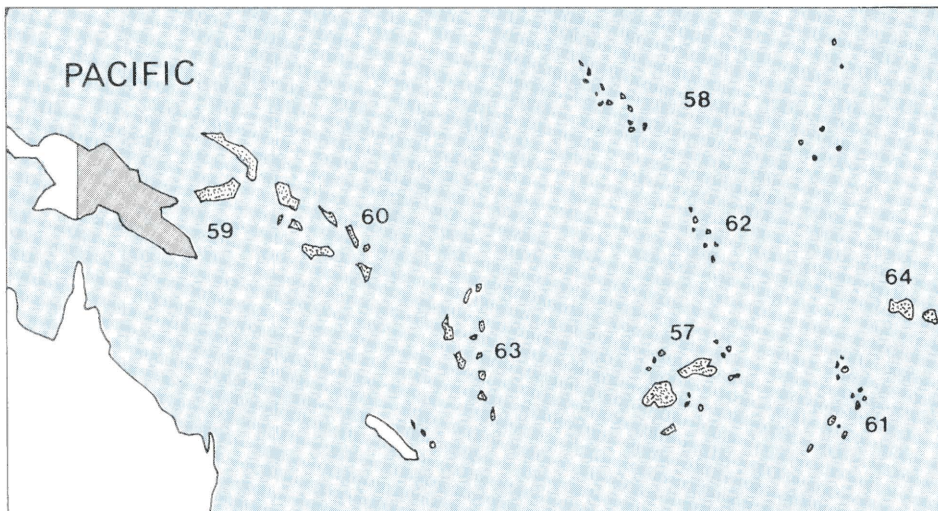
AFRICA

- 1 Benin
- 2 Botswana
- 3 Burundi
- 4 Cameroon
- 5 Cape Verde
- 6 Central African Republic
- 7 Chad
- 8 Comoros
- 9 Congo
- 10 Equatorial Guinea
- 11 Ethiopia
- 12 Gabon
- 13 Gambia
- 14 Ghana
- 15 Guinea
- 16 Guinea Bissau
- 17 Ivory Coast
- 18 Jibuti
- 19 Kenya
- 20 Lesotho
- 21 Liberia
- 22 Madagascar
- 23 Malawi
- 24 Mali
- 25 Mauritius
- 26 Mauritania
- 27 Niger
- 28 Nigeria
- 29 Rwanda
- 30 Sao Tome Principe
- 31 Senegal
- 32 Seychelles
- 33 Sierra Leone
- 34 Somalia
- 35 Sudan
- 36 Swaziland
- 37 Tanzania
- 38 Togo
- 39 Uganda
- 40 Upper Volta
- 41 Zaire
- 42 Zambia
- 43 Zimbabwe



CARIBBEAN

- 44 Antigua and Barbuda
- 45 Bahamas
- 46 Barbados
- 47 Belize
- 48 Dominica
- 49 Grenada
- 50 Guyana
- 51 Jamaica
- 52 Saint Christopher & Nevis
- 53 Saint Vincent
- 54 Saint Lucia
- 55 Suriname
- 56 Trinidad & Tobago



PACIFIC

- 57 Fiji
- 58 Kiribati
- 59 Papua New Guinea
- 60 Solomon Islands
- 61 Tonga
- 62 Tuvalu
- 63 Vanuatu
- 64 Western Samoa

# THE PACIFIC ACP STATES AND THE EUROPEAN COMMUNITY

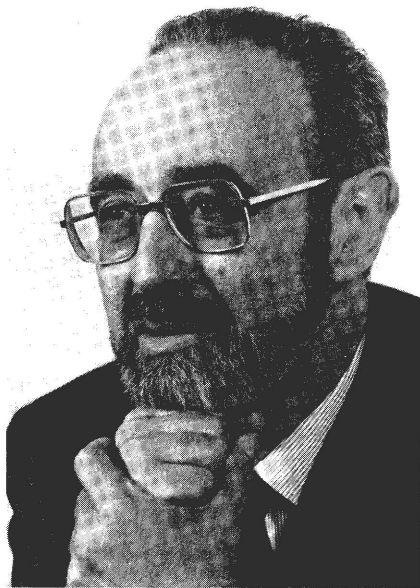
## Origins...

Viti Levu, Tahiti, Tarawa, Upolu... eloquent testimonial to the astounding but unrecorded navigation feats of the Melanesian, Polynesian and Micronesian peoples who sailed across thousands of miles of ocean to discover and populate these distant islands. Many hundreds of years later, intrepid Europeans, using different vessels and navigational methods, were in their turn to accomplish awesome achievements in reaching and charting this vast ocean from their remote continent.

Bougainville, Cook, Torres, Santa Isabel, Tasmania, Finschhafen, Pitcairn, ...the map of the South Pacific area is a store of nostalgic reminders of associations with Europe going back to the 18th and 19th centuries and earlier. After the early seafarers came merchantmen and planters, then missionaries and finally the administrators of the colonial era, which was to last for nearly a hundred years.

The gigantic upheaval of the Second World War hastened the end of the old order, and in post-war Europe the decline of colonialism coincided with the emergence of the European Community. Shortly after Britain joined this associ-

ation in 1973, the first Lomé Convention was signed, bringing something new to the region — a concerted effort by the member states of the European Community to provide some modest assistance to the independent Pacific states. There were then three (Western Samoa, Tonga, and Fiji, whose representatives played a prominent part in the Lomé I negotiations). Now there are five more (Papua New Guinea, Solomon Islands, Kiribati, Tuvalu and Vanuatu) all associated with the Community through signature of the Lomé Conventions. Only independent Nauru, rich in phosphates, remains unassociated.



*Mr. Edgard Pisani,  
EEC Development Commissioner.*



*HRH the Crown Prince Tupouto'a signs the second Lomé Convention for Tonga.*

## ... and instruments of EEC-ACP cooperation

The Lomé Convention, backed up by a five-year European Development Fund (EDF), providing mainly grants, and the capital resources of the European Investment Bank (EIB), available for loans, offers assistance in a variety of forms to ACP countries.

Its trade provisions allow almost all ACP exports to enter the EEC duty-free and in unlimited quantities; and funds are provided to promote sales of ACP products in the Community and in other markets outside the EEC (trade promotion).

ACP countries which suffer serious losses of revenue when their exports of coffee, cocoa, tea, groundnuts, copra, wood and so on are hit by price falls or crop failures can obtain compensation in the form of cash transfers — sometimes repayable, often not — from the STABEX fund (since its inception 38 transfers have been made to the Pacific ACP states); and under the Sugar Protocol, the Community agrees to buy a fixed quantity of sugar every year from ACP sugar

producers (in the case of Fiji, 163,600 tonnes) at an attractively high guaranteed price.

A small proportion of the European Development Fund is reserved for emergency aid operations in the wake of natural disasters. The hurricane-prone islands of the Pacific have had cause to call on the emergency aid fund on several occasions.

The bulk of the EDF is available as grants for development projects chosen by the ACP countries. Each country has a fixed amount to spend on national projects while some funds are set aside to finance regional projects of benefit to two or more countries.

In the Pacific, EDF project aid amounted to some 55 million ECU<sup>(1)</sup> under Lomé I (1975-80) and should total nearly 100 million ECU for the period 1980-85 when the Lomé II programmes are completed.

Projects can also be financed by loans from the European In-

vestment Bank, which in general carry interest rates of between 5% and 8%. In the Pacific, the EIB has so far loaned a total of some 120 million ECU.

The Lomé Conventions have been in force for rather less than ten years. The total value of Community assistance to the Pacific states under Lomé I was roughly 120 million ECU, and for the period of Lomé II is likely to be in the region of 200 million ECU. These amounts are of course much smaller than Australia's or New Zealand's aid to the region. Nonetheless, significant development aid programmes are now in operation as the following pages testify. The Stabex arrangements have proved particularly beneficial to many of the Pacific island states; and the sugar protocol has been crucial for the welfare of Fiji. The rest of this brochure gives the details.<sup>(2)</sup>

<sup>(2)</sup> Although not dealt with here, the EEC also has trade and aid arrangements with the French Territories of the Pacific that are broadly similar to those under the Lomé Convention. The total amount of programmed assistance to New Caledonia, Wallis and Futuna and French Polynesia for the period of the 5th EDF (1980-85) amounts to 18.5 million ECU for territorial and regional projects.

<sup>(1)</sup> 1 ECU = 0.9 Fiji dollar and 0.7 Kina at March 1984 rates. For full list of ECU values see page 31.



Emergency aid — the EEC Commission Delegate hands over relief supplies to the Secretary of the Fiji Relief and Rehabilitation Department after Hurricane Oscar in 1983 (Ministry of Information, Fiji).



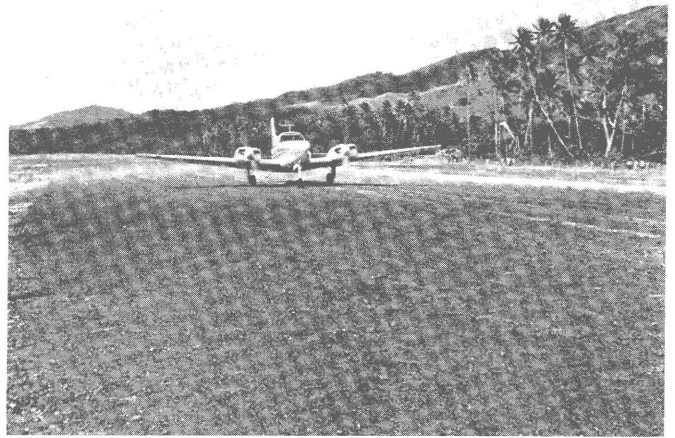
Fiji was allocated 9.9 million ECU<sup>(1)</sup> from the fourth European Development Fund (the 4th EDF corresponds to the first Lomé Convention, i.e., 1975-1980), and 13 million ECU from the 5th EDF (corresponding to Lomé II, 1980-85). To date, 9.3 million ECU of the Lomé I allocation and 10.3 million ECU of the Lomé II allocation has been spent or committed.

Fiji has received emergency aid worth 6.3 million ECU, Stabex transfers totalling 4.2 million ECU, EIB loans amounting to 38 million ECU, and has directly benefited from 3.6 million ECU of regional funds.

In addition, the EEC market has provided a sure outlet at guaranteed European prices for, on average, between one third and one half of Fiji's annual sugar production under the EEC-ACP Sugar Protocol. This has been of particular importance to Fiji latterly, when world sugar prices have been depressed.

By March 1984, the Community had provided Fiji with a total of 72 million ECU in grants and loans, from which the following operations have been, or are being, financed:

<sup>(1)</sup> ECU = 0.87 Fiji dollar (March 1984)



*Kadavu airstrip—inaugural flight by Fiji Air (Ministry of Information, Fiji).*

**Training (230,000 ECU)**

A total of 21 awards have been made under this project, for specialized training in management and economics.

**Microprojects (996,000 ECU)**

A varied programme covering:

- supply of materials for rebuilding (by self-help) some 400 cyclone-damaged houses on Vanua Levu, Tavuni, Koro and the Yasawas;
- contributions to the building and equipping of two schools (at Nawaicoba and Togalevu) training young people in basic farming and mechanics.

**Emergency Aid (3,500,000 ECU in all)**

Following cyclones Fay and Meli in 1978/79, aid totalling 2.5 million ECU was granted to purchase prefabricated houses and building materials and to pay transport and labour.

After cyclones Tia and Wally in March/April, 1980, a further 1 million ECU was granted to purchase prefabricated houses, teachers' quarters and dormitories, and materials for rebuilding classrooms. Rebuilding programme completed by December 1981.



*Monasavu Hydro-Electric Scheme—Wailoa power station.*

**LOMÉ I**

**Roads on Viti Levu (1,500,000 ECU)**

Construction by the Public Works Department (PWD) of some 21 kms of rural roads in the interior of Viti Levu. Completed.

**Roads on Vanua Levu (2,850,000 ECU)**

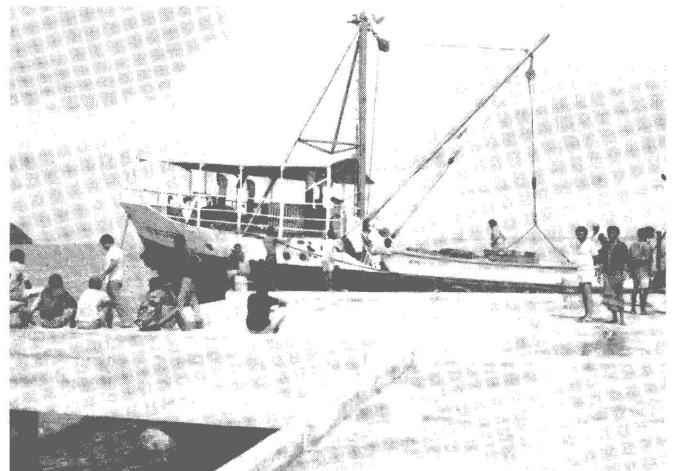
Under this project 30 kms of road along the eastern coast of Vanua Levu, up to Vanuavou, have been built by PWD.

**Outer island jetties (1,474,000 ECU)**

Construction by PWD of a jetty on Cicia, Kadavu, Moala and Saqani. All four jetties have been completed.

**Outer island airstrips (750,000 ECU)**

Construction of an airstrip on Cicia (completed December 1980), on Kadavu and on Moala (finished in 1982).



*Moala jetty.*

In all, these aids helped to provide some 150 classrooms, 110 teachers' quarters, 57 dormitories, 700 Woodtex houses and 1,500 prefabricated houses throughout the archipelago.

#### **Stabex transfers (2,114,479 ECU)**

Two transfers to compensate for losses on coconut oil exports in 1975 and 1976.

#### **EIB loans to Fiji Electricity Authority (24,000,000 ECU)**

Two loans granted in 1978 and 1980 to FEA for construction of the Monasavu dam, the Wailoa power station, and a 145 km high tension line.

#### **Reforestation on Lakeba (303,000 ECU)**

A contribution to cover 50% of the cost of this project run by the German NGO Deutsche Welthunger Hilfe.

#### **Regional projects**

Construction of the Telecommunications Training Centre in Suva; supply of telephone and telex facilities; support for the University of the South Pacific (for details, see page 27, "Regional Cooperation").

### **LOMÉ II**

#### **Roads on Viti Levu (2,000,000 ECU)**

Provides for a further 21 kms between Saliadrau and Wainamakutu and from Delalaisakau to Wainawaqa. Roading and drainage works by PWD. Completion scheduled for end April 1984.

#### **Roads on Vanua Levu (2,000,000 ECU)**

Provides for a further 20 kms from Vanuavou along Natewa Bay to Lakeba. Works by PWD include roading, drainage and two bridges. Finished.

#### **Regional Development in Western Vanua Levu (1,700,000 ECU)**

A study to prepare regional development plans for this area has been completed. The study will serve as the basis for implementation of an integrated project in Western Vanua Levu.

#### **Microprojects (2,600,000 ECU)**

A diverse programme consisting of:

- a contribution to the cost of building a 65-foot boat, a boat building shed and associated equipment on Kabara in the southern Lau group (finished);
- provision of small-scale infrastructure (essentially feeder roads) to support self-help cocoa projects on Vanua Levu, Viti Levu, Taveuni and Koro. Part of the government's plan to increase the area under cocoa from 3,000 ha to 8,000 ha.

#### **Training (500,000 ECU)**

Eight awards have so far been granted for specialized training under this programme.



*Cocoa development—Fiji Agriculture Department personnel inspecting cocoa pods.*



*Natewa Bay road, Vanua Levu.*



*Emergency aid—hurricane relief house for Fiji family.*

### **Studies and Manpower (1,370,000 ECU)**

- A survey of the employment situation in Fiji and recommendations for improvements.
- Technical assistance (39 man-months provided by Crown Agents of the UK) to the Central Planning Office to help with project planning and evaluation (in progress);
- Technical assistance from a forestry adviser for saw-milling maintenance and installation training (in progress);
- Logging Training School (approved).

### **Trade Promotion (534,000 ECU)**

Several projects, including:

- a study on institutional aspects of trade promotion;
- technical assistance (9 man-months) to the Economic Development Board;
- support for a trade mission to explore possibilities of selling Fiji products in New Zealand.

### **Emergency Aid (2,800,000 ECU)**

A grant of 300,000 ECU following hurricane Arthur in 1981: used to buy materials for 89 prefabricated houses and a school building.

A grant of 2,500,000 ECU after Oscar and Sarah in 1983: used to provide corrugated iron, timber and food supplies for hurricane victims.

### **Stabex transfers (2,143,000 ECU)**

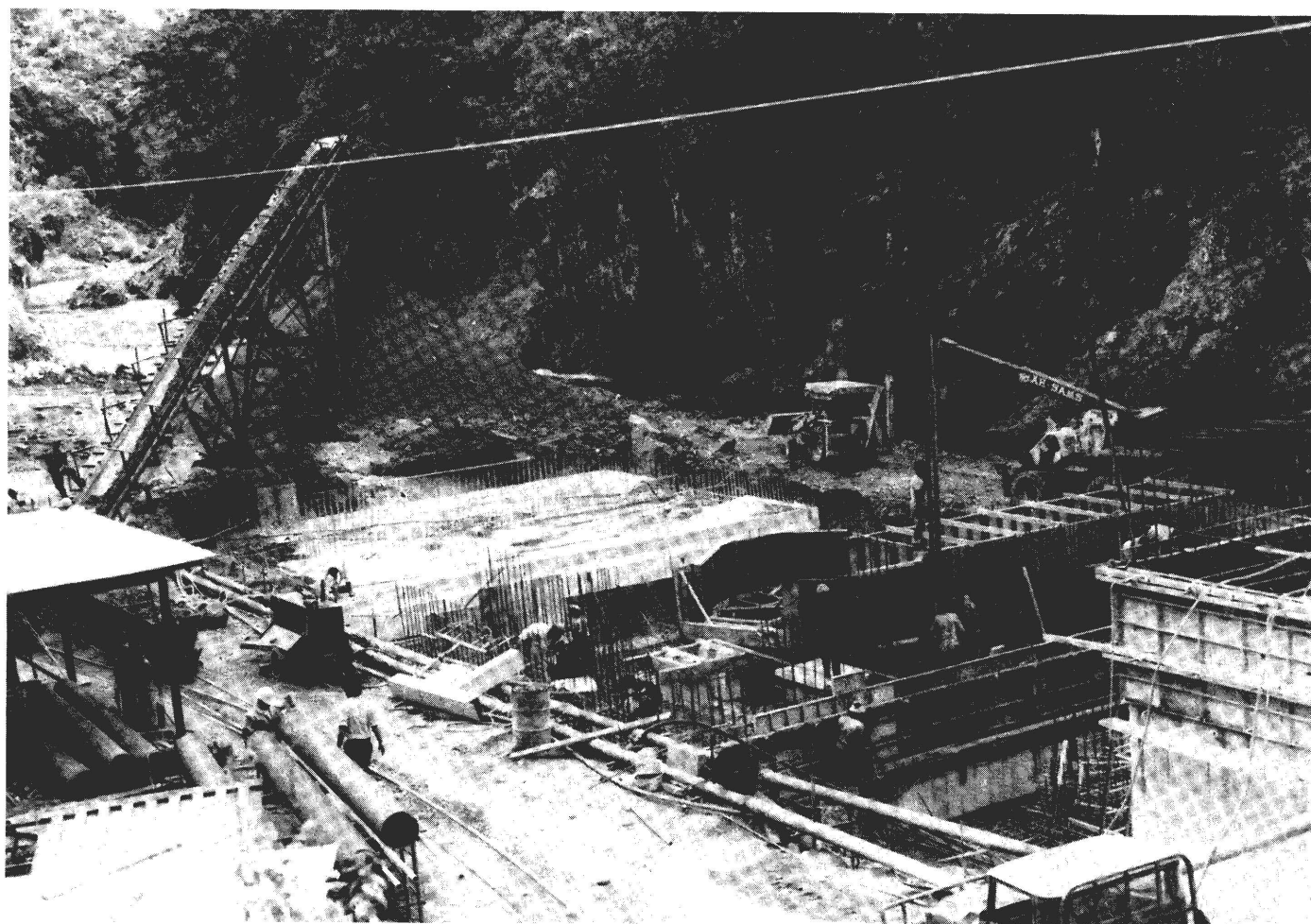
Three transfers for losses on coconut oil exports in 1980, 1981 and 1982.

### **EIB loan to Fiji Electricity Authority (12,000,000 ECU)**

Third loan to FEA, granted in 1981 (repayable over 15 years at market interest rates less EDF subsidy) for construction of underground galleries diverting nearby rivers into the Monasavu reservoir.

### **Centre for handicapped children, Suva (100,000)**

A contribution of the cost of extending the centre, a project run by Save the Children Fund, a British NGO.



*Monasavu Hydro-Electric Scheme—Wailoa power station under construction (Ministry of Information Fiji)*

# KIRIBATI

Kiribati was allocated 3,520,000 ECU<sup>(1)</sup> from the 4th EDF (Lomé I) and 4 million ECU from the 5th EDF (Lomé II), all in grant aid. By February 1984 one quarter of the Lomé II programme had been committed, while the first programme was nearly completed. Regional projects to a value of 3 million ECU are in progress. Kiribati has so far received 3.8 million ECU in Stabex transfers for copra exports.

To date, the Community has provided some 11 million ECU, mainly in grant form. These funds have been used as follows.

<sup>(1)</sup> ECU = 0.91 Australian \$ (March 1984)

*Main telephone exchange building under construction at Bairiki, South Tarawa.*



## LOMÉ I

### **Airstrips on Aranuka and Tabiteuea South** (333,036 ECU in all)

These airstrips (with aprons) were constructed of compacted reef mud. Simple terminal buildings were also provided. The project has been completed and closed.

### **Baitfish: Temaiku Fish Farm** (170,000 ECU)

The purpose of the project was to double the surface area of the fish farm from 40 to 80 hectares. Baitfish are used as live bait for pole and line tuna fishing. The project is virtually complete.

### **South Tarawa Telecommunications** (2,894,000 ECU + 434,100 ECU from Lomé II programme)

The project provides for the construction of a large telephone exchange building at Bairiki and two smaller ones. It also includes provision for the supply of three automatic telephone exchanges, line plant, subscriber apparatus, a radio link, vehicles, training and supervision. The buildings are about finished and contracts have been placed for all the supplies.

### **Stabex transfers** (2,283,000 ECU)

To compensate for copra export losses in 1975 and 1976. Kiribati has a contingent liability to repay these transfers.

## LOMÉ II

### **Multiannual Training programme** (350,000 ECU)

Six awards for overseas training and 50 in-country awards for Council Clerks and Island Treasurers have been granted so far.

### **Studies on fisheries development** (94,477 ECU in all)

A study by Fisheries Development Ltd, to explore the case for establishing additional on-shore cold store facilities to support a bigger tuna fishing industry, is being followed up by a German consultant's study on the feasibility of shore-based facilities. Much of the outstanding balance of Kiribati's Lomé II programme may be needed for their construction.

### **Microprojects** (173,000 ECU)

This money has been allocated to small projects for construction of fish ponds, seaweed cultivation, sea-walls, water supplies and copra sheds.

### **Regional Telecommunications Network** (2,550,000 ECU)

This project, part of a regional telecommunications project, covers the cost of installation of an earth satellite station at Bairiki on South Tarawa. The contractors are Telspace, a French organisation. The project is linked with the South Tarawa telecommunications project.

### **Regional Energy Programme** (440,000 ECU)

This project, part of a regional energy programme to a value of 6,190,000 ECU, covers the installation of a wood gasifier on Christmas Island in Kiribati using coconut shells as feedstock.

### **Stabex transfers** (1,535,000 ECU)

Two further transfers, for copra export losses in 1980 and 1982. These are not repayable.

## PAPUA NEW GUINEA

Papua New Guinea was allocated 10 million ECU<sup>(1)</sup> from the 4th EDF (corresponding to Lomé I), nine tenths of which has been spent or committed to date, and 23 million ECU from the 5th EDF (Lomé II), of which some 9.5 million ECU had been committed by February 1984. In addition, PNG has been allocated an extra 3.87 million ECU as partial compensation for inability to pay Stabex transfers in full on 1981 exports.

Regional programme projects totalling some 6 million ECU are under way in Papua New Guinea; the country has received almost 38 million ECU in Stabex transfers for coffee, cocoa and coconut products, and over 70 million ECU in European Investment Bank Loans.

By February 1984, the Community had provided in all some 131 million ECU, largely in the form of loans. These funds have been used as follows.

<sup>(1)</sup> ECU = 0.73 Kina (March 1984)

### LOMÉ I

#### **Multiannual Training Programme (1,430,000 ECU)**

Under this programme 100 awards have been granted for training abroad of which 22 were for long courses lasting more than one full academic year. The project has also covered two technical assistance contracts.

**Studies** (227,000 ECU altogether) dealing with:

- beef cattle ranching (a prelude to EEC agreement to finance two beef cattle ranches);
- fish preservation (feasibility of preserving fish in re-usable pouches);
- oil supply options;
- South Coast food production marketing (possibilities of increasing vegetable production in Central Province to supply the Port Moresby market).

#### **Technical Assistance for Human Settlement Planning (160,000 ECU)**

To prepare a report on low cost housing requirements in PNG.

#### **Microprojects (515,000 ECU)**

This project covers 15 separate sub-projects ranging from provision of a boat for a community in New Ireland to support for handicraft training in East Highlands Province.

#### **Fisheries Resource Assessment Vessels (2,384,000 ECU)**

Supply of an 18 metre vessel and a 25 metre vessel (both constructed in the UK) to serve as assessment vessels to investigate fisheries resources in PNG waters. The 18 metre vessel arrived at the end of February. The 25 metre vessel will arrive around the middle of 1984.

#### **Beef Cattle Ranching (1,868,000 ECU)**

The project covers two beef cattle ranches, one at Bogia in Madang Province, the other at Rigo in Central Province. Work on the ranch at Bogia is well advanced. It was inaugurated by the Prime Minister on 10 August 1983.

#### **Hiritano Highway (2,500,000 ECU)**

The project covers the upgrading and sealing of the Laloki-Brown River section of the Hiritano Highway to the north of Port Moresby. The work is scheduled for completion by May, 1984.

#### **EIB loan for Higaturu Oil Palm Pty Ltd (7,000,000 ECU)**

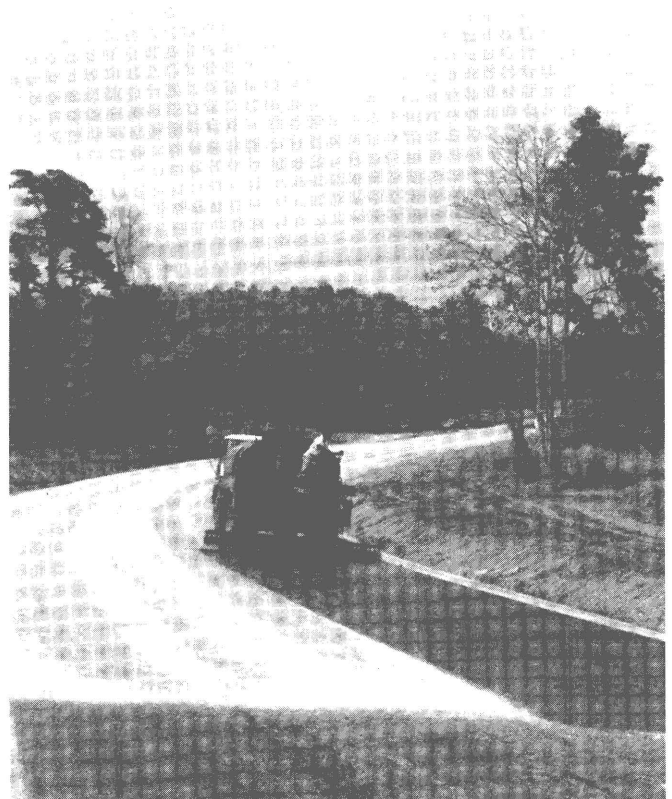
The loan represented a contribution towards the costs of the first phase of construction of an oil mill and storage facilities for palm oil in the Popondetta region of Northern province. An interest rate subsidy of 1,124,000 ECU was granted on the loan.

#### **EIB loan to PNG Government for Higaturu Oil Palm Pty Ltd (1,600,000 ECU)**

This conditional loan to the Government was to help finance its equity participation in Higaturu Oil Palm Pty Ltd.



*Hiritano Highway under construction.*



*Hiritano Highway nearing completion.*

## LOME II

### **Multiannual Training Programme (3,300,000 ECU)**

Up to the end of 1983, 52 awards for overseas training had been granted including 26 for long term courses lasting for at least one academic year.

The project also covers EDF project-related training courses, technical assistance to conduct seminars and courses in PNG and the establishment of links with universities in the EEC.

### **Fisheries Vessels Evaluation (46,000 ECU)**

This project finances the services of an expert to supervise and monitor the construction of the two fisheries resource assessment vessels constructed in the UK for the PNG Government.

### **Timber Testing (90,000 ECU)**

This covers the cost of testing the qualities of ten lesser known PNG timber species. The tests are being carried out by the TNO Forest Products Research Institute of the Netherlands.

### **Control of Insect Defoliation of Pine Trees (35,000 ECU)**

This covers the visit of an expert from the Institute of Virology (Oxford) to carry out non-chemical viral trials and to recommend a spraying programme against caterpillar pests which defoliate a species of pine trees in the Highlands.

### **Trade Fairs (53,200 ECU altogether)**

Support for PNG participation at the Göteborg (Sweden) Consumer Goods Fair, the Saudi Food Fair and the Anuga (Cologne) Trade Fair (plus a subsequent PNG trade mission to certain EEC countries).

### **Trade Promotion (74,000 ECU altogether)**

Two projects to finance (i) a study of PNG — Indonesia trade possibilities (the consultant's report is being followed up by both governments), and (ii) a PNG trade mission to Japan to explore the possibilities of selling PNG products in Japan.

### **Momote Aerodrome (1,000,000 ECU)**

This project covers the reconstruction and sealing of the runway, taxiway and apron at the Momote Aerodrome on Manus Island.

### **Magi Highway (3,500,000 ECU)**

This project covers the upgrading and sealing of a stretch of 13 km. of the Magi Highway which runs south of Port Moresby. Work is expected to start in the latter part of 1984.

### **Huris Livestock and Crops Development (1,460,000 ECU)**

Development of a cattle ranch, associated with cocoa and coconut production, on 1,300 ha of grassland at Huris on New Ireland. The project covers purchase of cattle, cocoa/coconut planting material, farm equipment, technical assistance (project manager) and buildings (staff quarters and a factory). Work is just beginning.

### **EIB loan to Higaturu Oil Palm Pty Ltd (7,900,000 ECU)**

The second EIB loan for this project. It covers the construction of a second processing line at the mill and the extension of storage facilities for palm oil. An interest rate subsidy of 1,363,000 ECU was granted on the loan.

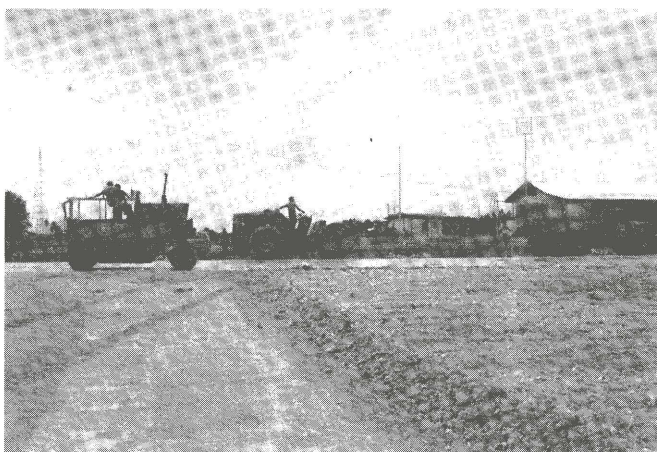
### **EIB loans for OK Tedi Mining Ltd (52,000,000 ECU)**

The EIB granted a loan of 40,000,000 ECU (at market rates) to KFW in December 1981 for on-lending to Ok Tedi Mining Ltd, a consortium whose stockholders are the Government (20%), Broken Hill Proprietary Co Ltd of Australia (30%), Amoco minerals Co of USA (30%) and a group of W. German companies (20%). The EIB also granted a conditional loan from EDF risk capital resources of 12,000,000 ECU to cover part of the PNG Government's share of the equity capital.

Production of gold at the mine is expected to start this year and production of copper concentrates about two years later.

### **Regional Telecommunications Network (4,870,000 ECU)**

This project, part of a regional telecommunications project to a value of 8,750,000 ECU, covers the cost of installation of an earth satellite station, near Port Moresby. Much of the civil works construction has already been done. The contractors are Telspace, a French organisation.



*Momote Aerodrome, Manus Island—upgrading work in progress.*

### **Regional Energy Programme (1,000,000 ECU)**

This project, part of a regional energy programme to a value of 6,190,000 ECU, covers in PNG the construction of a 300 kw gasifier set, tests of coconut oil as a source of fuel, photovoltaic equipment for three dispensaries and a waste heat recovery plant from a diesel power station to heat a hospital. The PNG 'share' of the total project is 1,000,000 ECU.

### **Stabex transfers (37,981,794 ECU)**

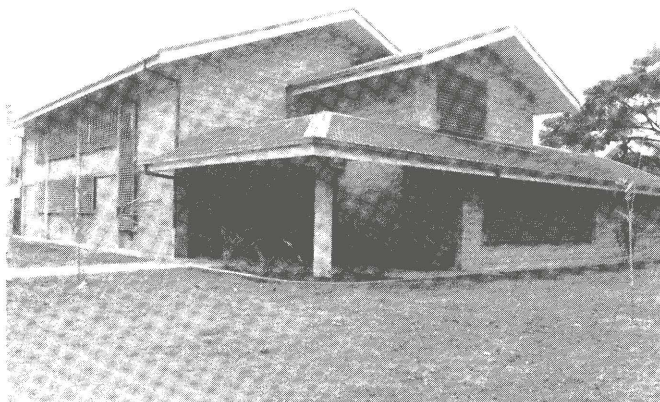
In addition to the country and regional projects described above, a number of cash transfers from the Stabex fund have been made to PNG to compensate for losses in revenue from exports of coffee, cocoa, copra and copra oil in 1981 and 1982. If exports of these products recover sufficiently in future years, these transfers become repayable to the fund (over seven years, without interest).

## SOLOMON ISLANDS

The country's allocation from the 4th EDF was 10 million ECU<sup>(1)</sup>, of which nine tenths have been spent or committed. To date, some 4 million ECU have been committed from Solomon Islands' 5th EDF (Lomé II) allocation of 12 million ECU. The country has received nearly 4.5 million ECU in Stabex transfers.

By February 1984 the Community had made available just under 18 million ECU, with which the following operations have been financed.

<sup>(1)</sup> ECU = 1.02 Solomon I. \$ (March 1984)



*Newly completed telephone exchange building, Honiara.*

### LOME I

#### **Telephone Development Study (157,003 ECU)**

Undertaken by Crown Agents to design and prepare the project for a new telephone exchange in Honiara and exchanges in other provincial towns.

#### **Bauxite Study (40,000 ECU)**

A test programme carried out by a German aluminium processing company to define whether bauxite from two large deposits in Solomon Islands could be used for blending with Australian or African type of bauxite.

#### **Timber Export Promotion Study (32,112 ECU)**

Undertaken by a Belgian consultant to look into the possibility of marketing timber (round logs and sawn) from the Solomon Islands in Europe.

#### **Technical Assistance for Town Planning (207,226 ECU)**

Under this project, a Town Planner was provided for three years to the Town and Country Planning Board.

#### **Development of Telephone System (5,980,000 ECU)**

Provision of new modern telephone exchanges in Honiara, Auki and Gizo and three smaller locations, including the extension of the telephone network and supply of subscriber equipment. The major part of this project is complete and has been operational since November 1983.

#### **Credit line (loan) to Development Bank of Solomon Islands (780,000 ECU)**

The loan was used for onlending by DBSI to small and medium-sized local companies and to individuals for projects in the fields of transportation (shipping, trucks), agriculture (cocoa and coconut plantations) and manufacturing.

#### **Reforestation Programme (718,750 ECU)**

Replanting with commercially valuable species of previously logged forest. 600 ha on Santa Cruz Islands, 400 ha on Alu, Shortland Islands. To be completed in 1984.

#### **Microprojects (400,000 ECU)**

Execution of small self-help projects, mainly low cost housing for teachers and health workers in rural areas, one road project, one agricultural settlement so far (ongoing).

#### **Fisheries Training School, Honiara (712,000 ECU in all)**

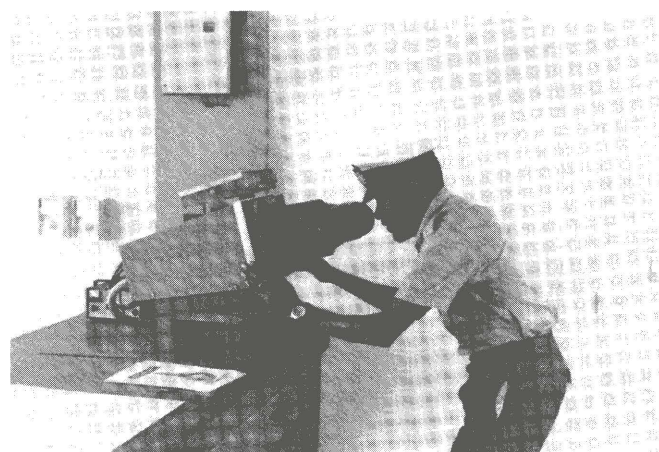
Two projects covering (i) the supply of teaching equipment, construction of workshops, bridge deck and cargo handling simulator and a staff house, and (ii) the provision of a fisheries techniques instructor and a marine engineering instructor for a total of seven man-years. To be finished in 1984.

#### **Training Programme (50,000 ECU)**

A small training programme in anticipation of a Multiannual Training Programme for inservice training awards in the region and overseas. Complete.

#### **Stabex transfers (2,173,142 ECU)**

A total of three transfers made for losses on exports of wood in 1975 and on copra exports in 1975 and 1976.



*Equipment in use at the Fisheries Training School, Honiara.*

### LOME II

#### **Multiannual Training programme (1,640,000 ECU)**

Provision of scholarships for preservice and inservice training, mainly in the Pacific region, seminars and workshops in Solomon Islands as well as project-related training, emphasis being on training in the field of administration, management, accounting and technical disciplines. (Ongoing)

#### **Viru Reforestation Project (1,400,000 ECU)**

Replanting of previously logged forest on New Georgia Island — planting target 875 ha of commercially valuable species. (Ongoing)

#### **Technical Assistance to National Fisheries Development Ltd (200,000 ECU)**

Provision for two years of one training skipper and one training marine engineer, to assist in the localisation programme of NFD, the wholly Government-owned tuna fishing company. (Ongoing)

### **Provincial Development Fund, or small Rural Infrastructure (500,000 ECU)**

A contribution to the PDF to build small rural infrastructure such as feeder roads, small wharves, warehouses, etc.. (Ongoing)

### **Navigational Aids (470,000 ECU)**

Provision of non-directional beacons (NDBs) with solar power supply to be installed at various provincial airfields where no or inadequate navigational aid is in existence yet. (Ongoing)

### **Temotu Commercial Fisheries (25,000 ECU)**

A Prefeasibility Study undertaken by Forum Fisheries Agency, Honiara, to assess the value of further studies to look into the possibility of commercial purse seine fishing in the Temotu Province (Santa Cruz Islands) and the Exclusive Economic Zone of Solomon Islands. (Ongoing)

### **Stabex transfers (2,291,725 ECU)**

Two transfers for losses of export earnings on copra in 1981 and 1982. Of this amount some 160,000 ECU has been earmarked for a study of the Temotu Commercial Fisheries project.

## **TONGA**

Tonga was allocated 3.15 million ECU<sup>(1)</sup> from the 4th EDF (Lomé I) and 4.1 million ECU from the 5th EDF (Lomé II). Of the first Lomé programme 2.75 million ECU has been committed to date; and of the second Lomé programme, 3.3 million ECU has been committed. Tonga has received Stabex transfers totalling nearly 4.5 million ECU; two emergency aids amounting to 1.5 million ECU; and an EIB loan (to the Tonga Development Bank) of 2 million ECU.

In all, the Community has so far made available to Tonga a little more than 14.5 million ECU. The details are as follows.

<sup>(1)</sup> ECU = 0.90 Pa'anga (March 1984)

### **LOME I**

#### **Multiannual Training Programme (60,000 ECU)**

8 awards in management and economics were taken up (3 of them in Sri Lanka) under this programme.

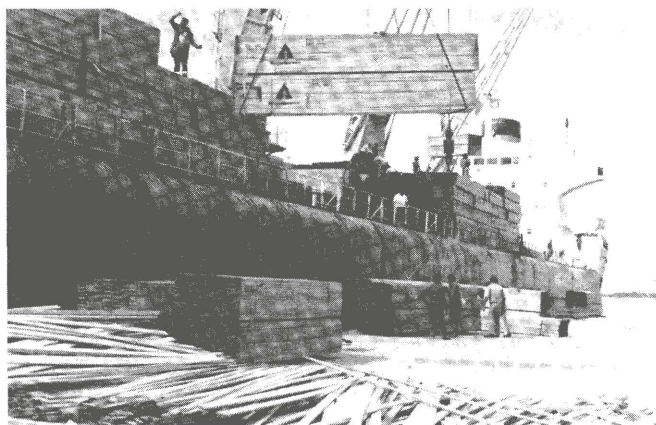
#### **Studies (86,000 ECU in all)**

Three studies covering:

- the design for Vava'u Wharf (subsequently built with Lomé I funds);
- the design for Fuaa Fisheries Harbour (to be built under Lomé II);
- dredging study (with a view to providing a dredger under Lomé II).

#### **Vava'u Wharf (997,000 ECU)**

Construction of a wharf in Neiatu, the main town in the Vava'u group of islands.



*Emergency aid—unloading hurricane relief housing materials at Salote Wharf.*

### **Credit line (loan) to Tonga Development Bank (130,000 ECU)**

The loan was used by TDB for on-lending to local small and medium-sized firms.

### **Purchase of equipment for Ministry of Works (1,376,000 ECU)**

Equipment for road maintenance, construction of schools and rural health centres, and building of wharves at Ha'apai and Vava'u.

### **Emergency Aid (165,000 ECU)**

Following an earthquake in 1977, this aid was used to rebuild or repair schools, hospitals and houses on Tongatapu and Eua.

### **Stabex transfers (1,207,990 ECU)**

Three transfers to compensate for losses on copra exports in 1976 and on banana exports in 1976 and 1978.

### **Regional projects**

Navigational equipments for Tonga airport; supply of telephone facilities; support for University of the South Pacific (see page 27 "Regional Cooperation").

### **LOME II**

#### **Fuaa Fisheries Harbour (3,300,000 ECU)**

This project, recently approved, will cover the construction of a small boats and fisheries harbour in Nuku'Alofa. Work is expected to start later this year.

#### **Emergency Aid (1,400,000 ECU)**

To provide food, seeds and building materials in the wake of cyclone Isaac in 1982. The materials were used to build some 600 houses throughout the archipelago.

#### **EIB loans to Tonga Development Bank (2,000,000 ECU)**

The funds have been used as follows:

- 800,000 ECU for Tonga's participation in the share capital of TDB;
- 1,200,000 ECU for on-lending by TDB to small and medium-sized firms in industry, agro-industry, transport and tourism.

#### **Stabex transfers (3,267,561 ECU)**

To compensate for copra export losses in 1980 and for losses on copra, bananas and coconut products caused by hurricane Isaac in 1982. The Stabex funds received have been used for several purposes, including the Hurricane Relief Fund, the Copra Stabilization Fund and the Banana Disease Campaign.



As a dependent territory during the first Lomé Convention, Tuvalu was allocated 0.6 million ECU<sup>(1)</sup>. The Lomé II programme (5th EDF) amounts to 1 million ECU. The first allocation has been almost completely used, and one third of the second allocation has been committed. Stabex transfers total 0.3 million ECU to date. The following operations have been financed.

<sup>(1)</sup> ECU = 0.91 Australian \$ (March 1984)

**LOME I**

**Funafuti Power Plant (400,000 ECU)**

Supply and installation of 4 diesel generating units of 150 Kva each with associated equipment, 2 step-up transformers of 350 Kva each and a cooling system.

**First Microproject Programme (131,000 ECU)**

Construction of eight copra sheds for the Copra Society and two retail stores for the Cooperative Society. The buildings are finished.

**Second Microproject Programme (74,000 ECU)**

Under this programme, carried out by Save the Children Fund, 280 water tanks and 230 rainwater catchments have been installed throughout the islands.

**Stabex transfers (175,000 ECU)**

For copra export losses in 1975, 1976, and 1978. These resources were used to finance Island Council projects.

**LOME II**

**Funafuti Power Plant (185,000 ECU)**

Provides for installation of the plant, to complete the Lomé I project. The power house has been operational since 1982.

**Microproject programme (148,000 ECU)**

Continues the Lomé I programme, and aims to supply 560 water tanks and 460 rainwater catchments. By end 1983, 533 tanks and 278 catchments had been built.

**Low Voltage Distribution Study (13,000 ECU)**

A prelude to a low voltage distribution project to be financed from Lomé II funds.

**Pacific Forum Line (125,000 ECU)**

A loan from risk capital resources to buy containers for the PFL.

**Stabex transfers (121,868 ECU)**

For losses on copra exports in 1981 and 1982. Some Stabex funds were used to buy weighing scales for the copra sheds built under the Microproject programme, and to finance the erection of the Funafuti shed.



*Microproject—a completed water tank with owner on Nukulaelae.*

## VANUATU

As a dependent territory during the first Lomé Convention, the country was allocated 2.8 million ECU<sup>(1)</sup> from the 4th EDF; under Lomé II, Vanuatu was allocated 4.5 million ECU. By end December 1983, the amount of the Lomé I funds committed stood at 1.81 million ECU, of which 1.68 million ECU were actually spent. Under the Lomé II programme, the funds committed at 31 December 1983 amounted to 3.9 million ECU, of which just over half a million ECU was spent. In addition, Vanuatu has received Stabex transfers totalling over 10 million ECU.

The Community has so far transferred some 16 million ECU to Vanuatu. Project details are as follows:

<sup>(1)</sup> ECU = 85 Vatu (March 1984)



### LOME I

#### **Studies** (440,000 ECU in all)

Provision for studies on:

- South Malekula Road;
- Airport development;
- Hydroelectric development potential on Efate and Santo;
- Feasibility of rice development at Big Bay.

#### **Livestock Development** (900,000 ECU)

The purpose of the project is to develop stock-farming among Melanesian smallholders, and improve marketing throughout the archipelago.

It includes supply of the necessary agricultural equipment for setting up new farms, means of transport for carrying equipment and animals, and freezers for the butchers' shops.

#### **Microprojects Programme** (470,000 ECU)

A wide-ranging rural development programme covering cocoa fermentaries, coffee nurseries, pepper plantings, forestry plantations, small-scale fisheries, a community estate development scheme, a community roads sch-

eme, council boats and three separate rural water schemes.

#### **Stabex transfers** (1,431,000 ECU)

Two transfers for losses on copra exports in 1975 and 1976.

### LOME II

#### **Coconut Development** (2,150,000 ECU)

This project will cover nursery development, extension, training and primary processing activities.

#### **Multiannual Training Programme** (180,000 ECU)

Provides for in-country seminars and longer-term training courses overseas, and for the purchase of equipment to meet specialized needs within the programme of in-country seminars.

#### **First Microprojects Programme** (160,000 ECU)

To provide improved copra dryers to rural communities, thus improving the quality of copra for export.

#### **Artisanal Fisheries Development** (600,000 ECU)

Through the creation of 15 village fishing companies throughout the country, the project aims are: the expansion of artisanal fisheries production, the improvement of the marketing of fish and the consolidation of the achievements of the Vanuatu Village Fisheries Development Programme.

#### **Assistance to Vanuatu Development Bank** (750,000 ECU)

Provision for 3 years' technical assistance to VDB, and funds for on-lending by VDB to encourage small and medium-sized industries and farms.

#### **Stabex transfers** (8,932,000 ECU)

A number of separate transfers to compensate for export losses on copra and coconut oil in 1980, and on copra and cocoa beans in 1980 and 1982.

## WESTERN SAMOA

Western Samoa was allocated 4.62 million ECU<sup>(1)</sup> from the 4th EDF (Lomé I) and 6.2 million ECU from the 5th EDF (Lomé II). By February 1984, nine tenths of the Lomé I allocation had been spent and almost all the Lomé II allocations had been committed. Stabex transfers to a total value of 7.7 million ECU have been made so far; and an emergency aid of 200,000 ECU was granted in 1983 after a village fire. In addition, 3 million ECU have been loaned by the European Investment Bank. Western Samoa has so far benefitted directly from some 4.2 million ECU of regional funds.

In all, some 25 million ECU have been provided by the Community to date, from which the following operations have been financed.

<sup>(1)</sup> ECU = 1.35 Tala (March 1984)

### LOME I

#### Hydro-electric Power (427,000 ECU in all)

Several projects covering studies on the government's Master Plan for developing hydropower throughout the country, and detailed design of the Samasoni and Fale-Ole-Fe'e schemes.

#### Samasoni Hydro-Scheme (2,353,000 ECU)

Construction of the Samasoni dam and supply of pipes and generating and electrical equipment. The project is substantially complete.

#### Multiannual Training Programme (127,000 ECU)

Under this programme 14 awards were made in economics and management.

#### Microprojects (581,000 ECU in all)

A multitude of small projects designed to help the government carry out its extensive rural development scheme, in a large number of villages on both Savai'i and Upolu.

The programme has helped to raise rural standards of living by providing infrastructure (roads and electricity), and developing agriculture (supply of banana plants, fertilisers and weed killers), fisheries (supply of small fishing boats with outboard engines and tackle) and poultry and cattle farming (supply of hens, pigs and fencing).

#### Credit line (grant) to Development Bank of Western Samoa (890,000 ECU)

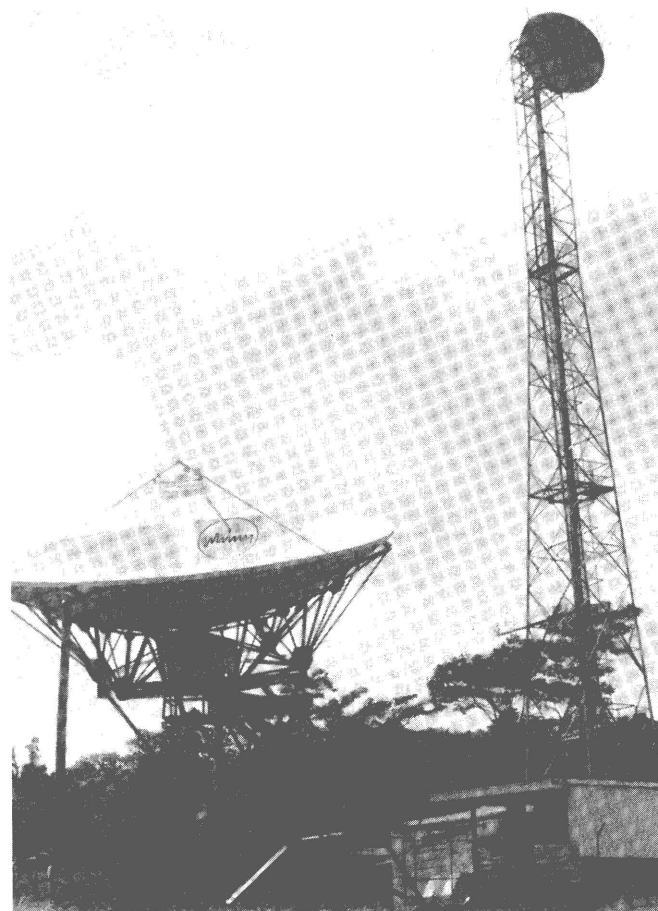
Used by DBWS for 13 small-scale industrial projects.

#### Stabex transfers (2,838,000 ECU)

Five transfers in all, to compensate for export losses on copra in 1975 and 1976, on wood in 1976, on bananas in 1977 and on cocoa in 1978.

#### Regional Projects

An earth satellite station, telephone facilities, and support for the University of the South Pacific (see page 27 "Regional Cooperation").



Telecommunications — Earth B Satellite Station, Apia.

### LOME II

#### Sauniatu Hydro-electric Scheme (5,631,000 ECU + EIB loan of 3,000,000 ECU)

This major project covers supervision and construction of the dam, and the supply of generating and remote control equipment, pipes and transmission line. It also includes a training scheme under which 3 EPC staff members are being trained in the UK. Work is in progress.

#### Storage and Handling Facilities for Coconut products (900,000 ECU)

Provision for bulk storage and handling facilities for coconut oil and copra pellets. The sheds have been designed and works are expected to be completed early in 1985.

#### Multiannual Training Programme (100,000 ECU)

Provides for 7 awards in management and economics.

#### Emergency Aid (200,000 ECU)

To provide pipes, water tanker parts and food and medical supplies after the Aopo village fire on Savaii in 1983.

#### Stabex transfers (4,127,000 ECU)

Five transfers for cocoa and copra export losses in 1980, 1981 and 1982.

## REGIONAL COOPERATION

In addition to financing country programmes, the EEC has sought to provide significant support for South Pacific regional projects. Under Lomé I, 10 million ECU were set aside for regional projects involving Fiji, Tonga and Western Samoa (then the only ACP States in the area). These funds are now almost fully spent.

The Lomé II regional programme was fixed at 25.9 million ECU (covering eight countries), of which just over 21 million ECU have been committed to specific projects to date.

The regional programme is worked out with the South Pacific Bureau of Economic Co-operation (SPEC), which is normally responsible for regional project administration. A particular effort has been made to develop telecommunications, civil aviation and shipping.

### LOME I

#### **Regional Telecommunications Network** (4,300,000 ECU)

Supply and installation of equipment for a Time Division Multiplex and a Single Channel Per Carrier in Fiji, and for an International Gateway Exchange Facility in Tonga and Western Samoa.

Supply and erection of a Standard B Earth Satellite Station in Western Samoa.

#### **Telecommunications Training Centre** (1,500,000 ECU)

Construction of the 7 buildings of the telecommunications training centre in Suva (financed 70% by EEC, 15% by Australia and 15% by New Zealand).

#### **University of the South Pacific** (3,200,000 ECU)

Construction of additional buildings and equipment, and support for research and training programmes in agriculture and marine resources at the Institute of Marine Resources (IMR) in Fiji, the Rural Development Centre (RDC) in Tonga and the Institute for Research, Extension and Training in Agriculture (IRETA) in Western Samoa.

#### **Pacific Forum Line** (400,000 ECU)

Supply of 65 insulated containers to PFL.

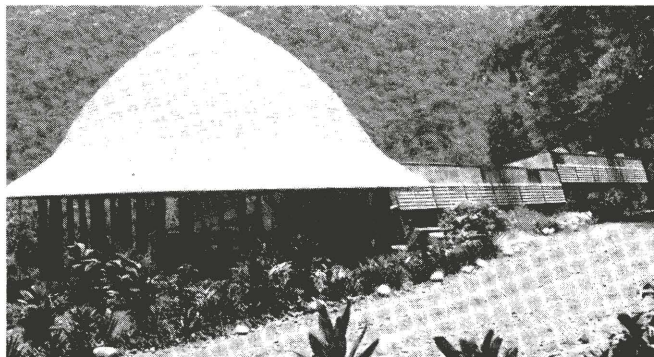
#### **Tonga Airport** (600,000 ECU)

Supply and installation of navigational and communication equipment in the airport. Fully operational.

### LOME II

#### **Regional Telecommunications Network, Stage II** (8,750,000 ECU)

Provides for the supply and installation of a Standard B Earth Satellite Station in PNG and Kiribati, a Telex Gateway Exchange in Fiji and an HF Radio and Telex system in Tuvalu.



*University of the South Pacific campus, Alafua, Western Samoa.*

#### **Regional Communications Facilities** (7,945,843 ECU)

Upgrading airport and port facilities. Studies are now complete, including a comprehensive report by Luft-hansa Consulting on the upgrading of seven South Pacific airports.

#### **Regional Energy Programme** (6,190,000 ECU)

Under this programme a prefeasibility study has been financed and a number of pilot projects (coconut oil as fuel, photovoltaic equipment, waste heat recovery, etc.) will be carried out throughout the region.

#### **Forum Fisheries Agency Headquarters** (700,000 ECU)

Design and construction of new FFA head office in Honiara, Solomon Islands. Work started in July 1983.

#### **Trade Promotion** (95,000 ECU)

Financing of a report on promotion of the tourist trade, and subsequent agreement with SPEC to support a film promoting the Pacific as a region, and to fund posters and brochures aimed at overseas markets.

Funding of a trade promotion study, and subsequent agreement with SPEC to support a regional trade directory, a meeting of regional chambers of commerce, and an assessment of regional coconut marketing possibilities.

#### **Pacific Forum Line** (1,000,000 ECU)

Part-purchase of 200 integral refrigerated containers for PFL, due to be delivered in early 1984.

In addition to the above projects, 1.2 million ECU has been earmarked for continued support of USP research projects, and 200,000 ECU for technical assistance to SPEC.

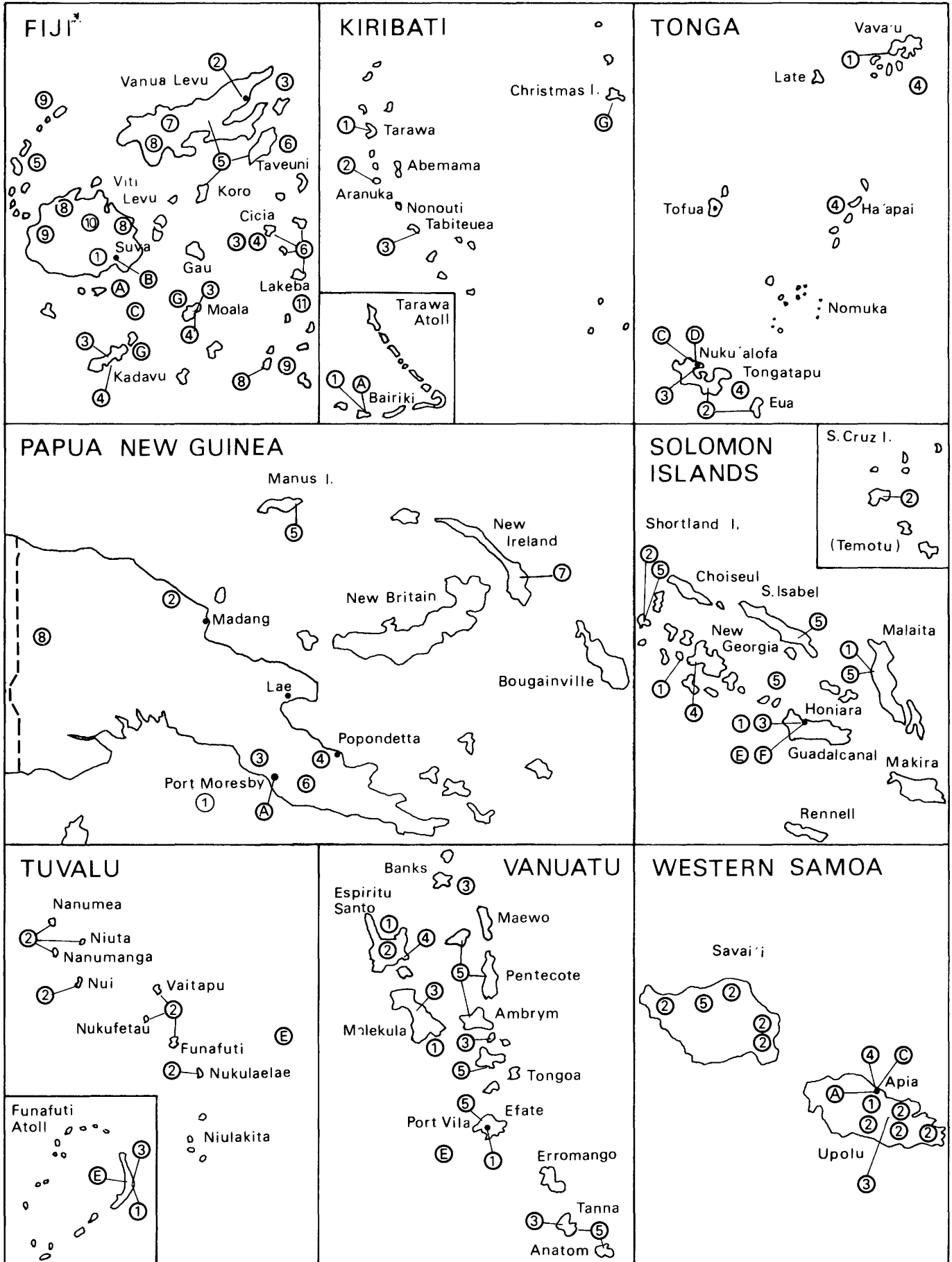
#### **EIB loan for Pacific Forum Line** (4,575,000 ECU)

The EIB has loaned 4,575,000 ECU from risk capital to the ACP countries which are shareholders in the PFL. They must put up an equivalent sum as extra share capital, to allow the full amount of the loan to be used to purchase containers.

#### **NGO Nutritional project** (230,000 ECU)

Contribution to a mother and child feeding programme throughout the Pacific region, run by the Danish voluntary organisation Danchurchaid.

# LOCATION OF PRINCIPAL EEC-FINANCED PROJECTS IN THE PACIFIC



The projects corresponding to the numbers and letters are listed on the opposite page. For reasons of space, these maps are not drawn to the same scale (for example, in reality Guadalcanal is larger than Upolu).

# COMMUNITY-FINANCED OPERATIONS IN THE PACIFIC ACP STATES, 1975-1984

in thousand ECU

## FIJI

### Lomé I

Map symbol		
1	Roads on Viti Levu	1,500
2	Roads on Vanua Levu	2,850
3	Jetties on Cicia, Kadavu, Moala, Saqani	1,474
4	Airstrips on Cicia, Moala, Kadavu	750
	Training	230
5	Microprojects (Rural housing & training schools)	996
6	Emergency Aid: Cyclones Fay, Meli, Tia & Wally	3,500
	Stabex	2,115
10	EIB loans to FEA (Monasavu dam)	24,000
11	Reforestation on Lakeba (NGO project)	303
	Regional Projects:	
A	Telecommunications	
B	Telecommunications Training Centre	
C	Institute of Marine Resources (USP)	

### Lomé II

1	Roads on Viti Levu	2,000
2	Roads on Vanua Levu	2,000
7	Regional development Western Vanua Levu (study and proposed projects)	1,700
8	Microprojects (cocoa roading, Kabara boat)	2,600
	Studies and manpower (includes Employment Mission, Project Planning, Forestry Adviser, Logging Training School)	1,370
	Trade Promotion	500
	Training	500
	Stabex	2,143
9	Emergency Aid (Cyclones Arthur, Oscar & Sarah)	2,800
10	EIB loan to FEA (Monasavu)	12,000
11	Handicapped child centre, Suva (NGO project)	100

## KIRIBATI

### Lomé I

1	South Tarawa Telecommunications	3,328
2	Airstrips on Aranuka	
3	Tabiteuea South	333
	Temaiku Fish Farm	170
	Stabex	2,283

## Lomé II

	Training (Multiannual)	350
	Studies (Fisheries development and shore-based facilities)	95
	Microprojects (Fish Pond, Seaweed cultivation, seawalls, water supplies, copra sheds)	173
	Stabex	1,535
	Regional Projects:	
A	Bairiki earth satellite station	
G	Christmas I. wood gasifier	

## PAPUA NEW GUINEA

### Lomé I

	Training (Multiannual)	1,430
	Studies (Beef cattle, Fish Preservation, South Coast Food, Oil Supply)	227
	Technical Assistance for Human Settlement Planning	160
	Microprojects	515
1	Fisheries Research Vessels	2,384
2	Beef Cattle Ranching	1,868
3	Hiritano Highway	2,500
4	EIB loans for Higaturu Oil Palm Pty Ltd	8,600

### Lomé II

	Training (Multiannual)	3,300
	Trade Promotion & Fairs (Sweden, Saudi Arabia, Indonesia, Japan, Germany)	127
	Fisheries (Vessel evaluation)	46
	Timber Testing	90
5	Momote Aerodrome	1,000
6	Magi Highway	3,500
7	Huris Grassland Development	1,460
	Stabex	37,982
	Various NGO projects (co-financing)	72
4	EIB loan for Higaturu	7,900
8	EIB loans for Ok Tedi Mining Ltd.	52,000
A	Regional Project: Port Moresby earth satellite station	

## SOLOMON ISLANDS

### Lomé I

	Studies (Telephone, Bauxite, Timber export)	229
	Town Planning (Technical Assistance)	208
1	Telephone System Development	5,980
2	Reforestation (Shortland & Santa Cruz)	719
3	Fisheries Training School, Honiara	712
	Credit to Solomon Islands Development Bank	780
	Training	50

Microprojects (Housing, Road, Agriculture etc.)	400
Stabex	2,174

**Lomé II**

Training (Multiannual)	1,640
4 Viru Reforestation	1,400
Study (Temotu Commercial Fisheries)	25
National Fisheries Development (technical assistance)	200
Provincial Development Fund (small rural infrastructure)	500
5 Navigational Aids	470
Stabex	2,292
NGO project: Rural Training Centre	78
F Regional Project: Forum Fisheries Agency HQ, Honiara	

**TONGA****Lomé I**

Training (multiannual)	60
Studies (Wharves, Fisheries, Dredging)	86
Line of Credit to Tonga Development Bank	130
Ministry of Works Equipment	1,376
1 Vavau Wharf	997
2 Emergency Aid (Earthquake)	165
Stabex	1,208
Regional Projects:	
A Telecommunications	
C Rural Development Centre (USP)	
D Tonga Airport (equipment)	

**Lomé II**

3 Fava Fisheries Harbour	3,300
Emergency Aid (Hurricane Isaac)	1,400
Stabex	3,268
EIB loans to Tonga Development Bank	2,000

**TUVALU****Lomé I**

1 Funafuti Power Plant	400
2 Microprojects (water tanks, water catchments, etc)	205
Stabex	175

**Lomé II**

1 Funafuti Power Plant	185
3 Study (low voltage distribution)	13
2 Microprojects (water tanks, water catchments, etc)	161
Stabex	88
E Regional Project: HF Radio and Telex system	

**VANUATU****Lomé I**

1 Studies (Malekula Road, Airport, Rice, Hydrological)	440
2 Cattle project (Livestock Development)	900
3 Microprojects (cocoa, coffee, pepper, forestry, fisheries, water supply etc.)	470
Stabex	1,431

**Lomé II**

3 Microprojects (copra driers, water supply, forestry, coffee)	160
4 Coconut Development	2,150
5 Fisheries Development (Artisanal)	600
Training (multiannual)	180
Vanuatu Development Bank	750
NGO projects	12
Stabex	8,932
E Regional project: Port Vila airport study	

**WESTERN SAMOA****Lomé I**

Study/Design (Hydro-Electric Power)	427
1 Samasoni Hydro-Power Scheme	2,353
Training (multiannual)	127
Development Bank of Western Samoa	890
2 Microprojects (Village Development Scheme)	581
Stabex	2,838
Regional Projects:	
A Telecommunications	
University of South Pacific (IRETA)	

**Lomé II**

3 Sauniatu Hydro-Electric Scheme	8,633
4 Coconut Oil (Storage/Handling)	900
Microproject	50
Multiannual Training Programme	100
5 Emergency Aid (Savai'i Fire)	200
Stabex	4,127

## REGIONAL

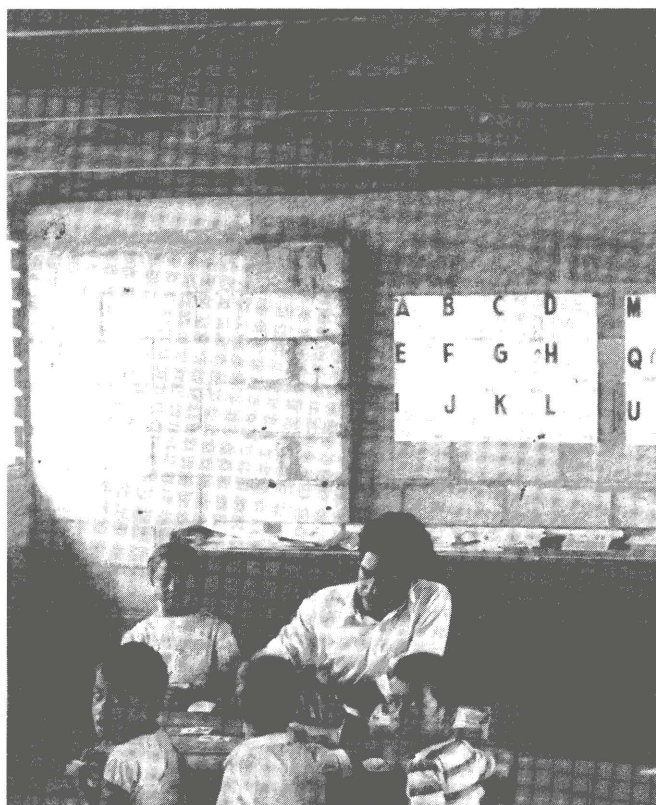
### Lomé I

A	Telecommunications Network (Stage I)	4,300
B	Telecommunications Training Centre	1,500
C	University of the South Pacific	3,200
	Pacific Forum Line (Containers)	400
D	Tonga Airport (Navigational/Communications Equipment)	600

### Lomé II

A	Regional Telecommunications Network (Stage II)	8,973
E	Regional Communication Facilities	7,946
F	Forum Fisheries Agency Headquarters	700
G	Regional Energy Programme	6,190
	Pacific Forum Line (Containers)	1,000
	SPEC Capabilities	200
	Trade Promotion	95
	University of the South Pacific	1,200

	EIB loan to Pacific Forum Line shareholders	4,575
	NGO regional mother and child feeding project	230



*Earthquake-hit school in Tonga repaired with emergency aid.*

**TOTAL OF FUNDS SPENT OR COMMITTED (MARCH 1984) 300 MILLION ECU**

### ECU values, March 1984

1 ECU =	0.87 Fiji \$
	0.91 Australian \$
	0.73 Kina
	1.02 Solomon I. \$
	0.90 Pa'anga
	85.33 Vatu
	1.35 Tala



## **Principal abbreviations used in this brochure**

ACP:	African, Caribbean and Pacific countries which have signed the Lome Convention
EEC:	European Economic Community
CEC:	Commission of the European Communities
EIB:	European Investment Bank
EDF:	European Development Fund
NGO:	Non-governmental Organisation (Save the Children Fund, Danchurchaid, etc)
ECU:	European Currency Unit (the EEC's accounting unit, worth 0.86 dollar in March 1984)
PFL:	Pacific Forum Line
PNG:	Papua New Guinea
SPEC:	South Pacific Bureau for Economic Cooperation
USP:	University of the South Pacific
STABEX:	Stabilisation of export earnings



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