

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMISSION REPORT TO THE COUNCIL
ON THE ADMINISTRATION OF FINANCIAL AND TECHNICAL COOPERATION
IN RESPECT OF THE OVERSEAS COUNTRIES, TERRITORIES AND
DEPARTMENTS IN 1973

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Chapter 1

General

In 1973 new commitments for the Overseas Countries, Territories and Departments totalled 16 million u.a., of which 300 000 u.a. was from the remainder of the second EDF.

Commitments totalled 12.4 million u.a. in 1971 and 15.6 million u.a. in 1972. There has clearly been some improvement, although commitments in respect of the OCT and OD are still lagging behind those in respect of the AASM. However, planning missions and teams of experts based in the OCT and OD have enabled a better standard to be achieved in preparing projects and drawing up dossiers of invitations to tender.

The figures for 1973 should be compared with the total appropriation of 72 million u.a. provided for by the Council Decision of 29 September 1971 on the Association of the Overseas Countries and Territories with the European Economic Community.

The biggest item of Community spending in 1973 was road infrastructure (8.3 million u.a., as against 7.6 million u.a. in 1972 and 2.7 million u.a. in 1971). There were new commitments of over 6.5 million u.a. for the rural production sector, as opposed to 1.1 million u.a. in 1971 and 1972 from the third EDF alone, and a total of 1.1 million u.a. for social development.

Of the 62 million u.a. earmarked for the OCT and OD under the third EDF, more than 39.8 million was committed by the end of the first three years. For the first time in 1973 two financing decisions were taken involving repayable aid from the EDF totalling 2.7 million u.a. There were no financing decisions involving loans from the EIB's own resources, although this body was responsible for managing the two loans on special terms referred to above.

Chapter 2 Schemes and related technical cooperation

2.1 Geographical breakdown of Community operations

(see Table 1)

Projects benefiting the French Overseas Departments and Territories accounted for all EDF commitments in 1973, whereas in 1972 they had taken up 71% of its commitments and in 1971 Community financing had been mainly concentrated on Dutch Overseas Countries.

Two loans each were made to Réunion and Martinique for rural production and road infrastructure. There was one financing decision for the road infrastructure in the Comoro Islands and another for town planning and social infrastructure in the French Territory of the Afars and Issas.

Commitments under the heading of technical cooperation related to schemes were also earmarked for the OCT and OD. These were used to finance inter alia a number of preparatory studies in the Netherlands Antilles (for the construction of a school and road) and French Guiana (for improvements to a port).

Furthermore, training schemes were continued in the countries, territories and departments in question.

2.2 Breakdown of Community operations by sector

(see Table 1)

Funds committed in 1973 from the third EDF and from the remainder of the second EDF were allocated as follows:

- (i) Road infrastructure: three projects, costing 8 391 million u.a. (52% of total Community spending);
- (ii) Development of production: two projects, costing 6 514 million u.a. (41% of the total)
- (iii) Social development: one project, costing 1 138 million u.a. (7% of the total).

As in 1972, a large percentage of expenditure was taken up by schemes financed in the communications sector because of the need to avoid bottlenecks and the enclavement of certain areas.

In the Department of Réunion, the conversion of part of Route Nationale No 1 into a four-lane highway was financed by Community aid totalling 3 547 million u.a., representing 17.2% of the estimated cost of all the work planned. French aid and the Department itself will provide the greater part of the finance, and after conversion this highway between St-Denis and the port of Pointe des Galets will be able to absorb the considerable increase in traffic¹.

Funds totalling 2 701 million u.a. (2 071 million as a subsidy and 630 million as a loan on special terms) will enable improvements to be made to part of Route Nationale No 2, which links Fort-de-France and St-Pierre in Martinique and serves an agricultural area where the roads have so far been bad.

A subsidy of 2 143 000 was made to the Comoro Islands for the main road networks of the islands of Anjouan and Mayotte. Forty-seven kilometres of road are to be built, and then extended by means of bilateral aid from France, so that two agricultural areas may be opened up. Cloves and copra produced in Anjouan and coffee, vanilla, ylangylang, copra and cinnamon produced in Mayotte can then be moved out more quickly and in greater quantities.

Two hydro-agricultural projects, in Réunion and Martinique respectively encouraged the development of production.

The provision of extremely substantial funds (4 968 million u.a. in the form of a subsidy) for the hydro-agricultural improvement scheme at Bras de la Plaine in Réunion represented the fourth Community contribution to a programme which was started in 1966; Community aid totalling 9.2 million u.a. has financed 75% of the overall cost. Stages III and IV were financed in 1973 and will make the project 90% complete, with the result that sugar-cane production can be stepped up and that there can be diversification of product

¹The breakdown of the Community aid was as follows: 1 424 000 u.a. as subsidies (from the third EDF) and 2 122 793 u.a. as loans on special terms (326 798 u.a. from the second EDF plus 1 795 995 u.a. from the third EDF).

lines for domestic consumption (maize, stock-breeding, tobacco) and an improvement in water supplies to both the urban and the rural population.

Irrigation of the south-east region of Martinique, a project which is being financed by a 1 546 million u.a. subsidy, will cover approximately 4 000 hectares and will promote the development of fodder-crops, sugar-cane, bananas, tobacco, market gardening and fruit production. An agricultural extension and vocational training scheme for farmers is being run alongside the water engineering work proper (pumping stations, hill reservoirs, irrigation systems).

Social development received 1 138 million u.a. for improvements to the Salines housing estate in Djibouti (French Territory of the Afars and Issas). The population of Djibouti rose from 39 000 in 1961 to 75 000 in 1972 and the development of the native districts gave rise to serious hygiene problems. The work financed involves the second stage of the improvements (including a system for purifying waste water) and social infrastructure (building a school complex, a community and training centre and a health/social centre). This is a preliminary to the construction of 850 subsidized housing units, to be financed by a loan from the Caisse Centrale de Coopération Economique.

Execution of aid

The acceleration observed over the previous two years in the execution of projects was confirmed in 1973, when the total value of contracts (contracts placed on the basis of an invitation to tender or estimate and service contracts) was 63 million u.a., an increase of 26% over the previous year.

This acceleration was matched by an increase in the volume of disbursements, which had reached 47 million u.a. by the end of 1973 as against 39 million u.a. the year before, an increase of around 20%.

Chapter 3 General technical cooperation

3.1 Training schemes

Operations in this field consist of awarding scholarships for full-time training and correspondence courses.

Until the 1971/72 academic year the programme of scholarships for studies and in-service trainings for AASM, OCT and OD nationals was run on an annual basis.

It was, moreover, devised for the Associated States, Overseas Countries and Territories and French Overseas Departments as a whole, without any preliminary sharing of the aid among the various recipients. Such a system involved difficulties as regards:

- (i) awarding and renewing scholarships, and
- (ii) sharing the aid among the recipients.

Finally, there was a basic contradiction between an annual budget and multianual training schemes.

The various aspects of the scholarship programme have led the Commission to re-examine the system of awarding scholarships and devise a multianual programme broken down by Associated State for the remainder of the period of association. It has several new features:

- (i) Trainings will be financed until completion, even if they continue beyond 31 January 1975, the date of expiry of the Decision;
- (ii) As the whole programme is to be financed from the EDF, each country must determine its priorities as regards schemes and decide on the proportion of training scheme to capital projects;
- (iii) The budget covers the last three years of the EDF and will enable Governments to programme their training needs and to gear such training to those sectors which are currently expanding rapidly or which are likely to develop in the near future.

Studies carried out within the Commission on this multiannual programme showed what adjustments need to be made to the types and levels of training in the different countries and territories.

The multiannual scholarship programme was launched at the beginning of the 1972/73 academic year. It will enable trainings to be tailored even more closely to the priority needs of the countries and will help ensure that maximum use is made of the facilities and that they operate with the greatest possible efficiency.

3.1.1 Scholarships for studies and in-service trainings

During the 1972/73 academic year 66 scholarships for studies or in-service trainings were awarded to OCT and OD nationals as against 97 in 1971/72.

The number of scholarship holders from the Dutch Overseas Countries (Netherlands Antilles and Surinam) dropped from 92 in 1971/72 to 63 in 1972/73 (see Table 5).

Breakdown of scholarships by type of training

(see also Table 6)

type of training	Number of scholarships	%
Economics	12	18.2
Agriculture	11	16.7
Technical studies	30	45.4
Medical	9	13.6
Other	4	6.1

The breakdown by country shows that of the 66 scholarship holders, 63 are studying in the Netherlands.

3.1.2. Scholarships for correspondence courses

There were nine students holding scholarships of this type in 1972/73:

Country of origin:	Comoro Islands	1
	New Caledonia	2
	French Polynesia	1
	Saint Pierre and Miquelon	5
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		9
Type of training:	Economics	5
	Agriculture	-
	Technical studies	4
		<hr/>
		9

Table 1 Commitments in respect of the OCT and OD in 1973

Breakdown by sector and by country

Second and third EDFs.

'000 u.a.	Comoro Islands	Martinique	Réunion	French Territory of the Afars and Issas	TOTAL	%
<u>A. Development of production</u>						
Water engineering projects	-	1 546	4 968	-	6 514	41
<u>B. Economic Infrastructure</u>						
Roads	2 143	2 701	3 547	-	8 391	52
<u>C. Social development</u>						
Public building and social infrastructure	-	-	-	1 138		7
TOTAL	2 143	4 247	8 515	1 138	<u>16 043</u>	100
<u>Total by method of financing</u>						
Subsidies	2 143	3 617	6 392	1 138	13 290	83
Loans on special terms	-	630	2 123	-	2 753	19

Table 2 **Commitments in respect of the OCT and OD**

financed by the second and third EDFs and
from the EIB's own resources

Breakdown by country

Overall situation at 31 December 1973

Countries and Territories	TOTAL at 31 December 1973		
	3rd EDF	2nd EDF	EIB
A: <u>French OCT and OD</u>	<u>26 315</u>	<u>33 000</u>	<u>2 025</u>
Comoro Islands	3 745		
French Territory of the Afars and Issas	1 548		
New Caledonia	120		2 025
Polynesia	2 886		
Saint Pierre and Miquelon	15		
Wallis and Futuna Islands	330		
Guadeloupe	2 368		
Guiana	2 548		
Martinique	4 247		
Réunion	8 362		
All territories (miscellaneous)	110		
B: <u>Dutch OCT</u>	<u>13 505</u>	<u>31 000</u>	
Netherlands Antilles	4 802		
Surinam	8 624		
All territories (miscellaneous)	79		
TOTAL OCT and OD	<u>39 820</u>	<u>64 000</u>	<u>2 025</u>

Table 3 Commitments and execution of projects in the OCT and OD

Third EDF: Situation at 31 December 1973

'000 u.a.

Type of operation	Initial commitment		Contracts placed	Disbursements
	Subsidies	Special loans		
<u>3rd EDF</u>				
Schemes	33 270	2 426	8 626	2 556
Related technical cooperation schemes	1 391	-	1 261	704
General technical cooperation	978	-	326	4
Technical supervision	1 755	-	609	1 194
TOTAL	<u>37 394</u>	<u>2 426</u>	10 822	4 458
	39 820			

Table 4

Commitments in respect of the OCT and OD

Third EDF - Breakdown by country or territory and by type of operation

Situation at 31 December 1973

'000 u.s.	Schemes	Related technical cooperation	General technical cooperation	Delegated and technical supervision	Special loans	TOTAL
Netherlands Antilles	3 214	649	398	541	-	4 802
Comoro Islands	3 745	-	-	-	-	3 745
French territory of the Affairs and Issas	1 548	-	-	-	-	1 548
New Caledonia	-	-	-	120	-	120
French Polynesia	2 881	-	-	5	-	2 886
Saint Pierre and Miquelon	-	-	-	15	-	15
Surinam	7 354	424	391	455	-	8 624
Guadeloupe	1 620	318	-	430	-	2 368
French Guiana	2 584	-	-	-	-	2 584
Martinique	3 617	-	-	-	630	4 247
Réunion	6 392	-	-	174	1 796	8 362
Wallis and Futuna Islands	315	-	-	15	-	330
All territories (miscellaneous)	-	-	189	-	-	189
TOTAL OCT and OD	33 270	1 391	978	1 755	2 426	39 820

Table 5 Breakdown of scholarships awarded to OCT and OD nationals by home country and country of study

Home country	Country of study	France	Netherlands	Réunion	TOTAL
	Netherlands Antilles	-	33	-	33
	Comoro Islands	1	-	1	2
	New Caledonia	-	-	-	-
	French Polynesia	-	-	-	-
	Saint Pierre and Miquelon	1	-	-	1
	Surinam	-	30	-	30
	French Territory of the Afars and Issas	-	-	-	-
TOTAL (country of study)		2	63	1	66

**Table 6 Breakdown of scholarship holders from the OCT and OD (1972/73)
by home country and type of training**

Home country	Type of training					TOTAL
	Economics	Agriculture	Technical studies	Medical	Miscellaneous*	
Netherlands Antilles	6	-	17	7	3	33
Comoro Islands	1	-	1	-	-	2
New Caledonia	-	-	-	-	-	-
French Polynesia	-	-	-	-	-	-
Saint Pierre and Miquelon	-	-	1	-	-	1
Surinam	5	11	11	2	1	30
French territory of the Afars and Issas	-	-	-	-	-	-
TOTAL (type of training)	12	11	30	9	4	66
Percentage	18.2	16.7	45.4	13.6	6.1	100.0

*Social assistance and domestic science.