

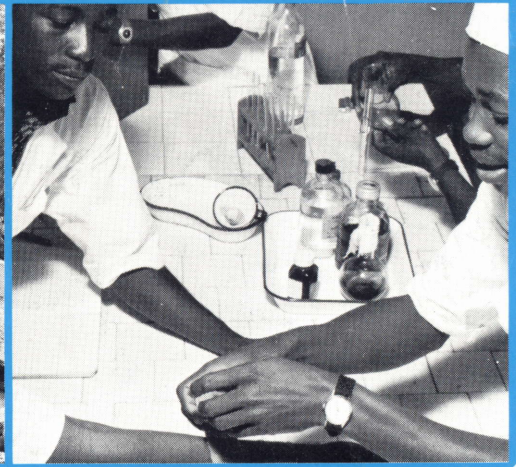
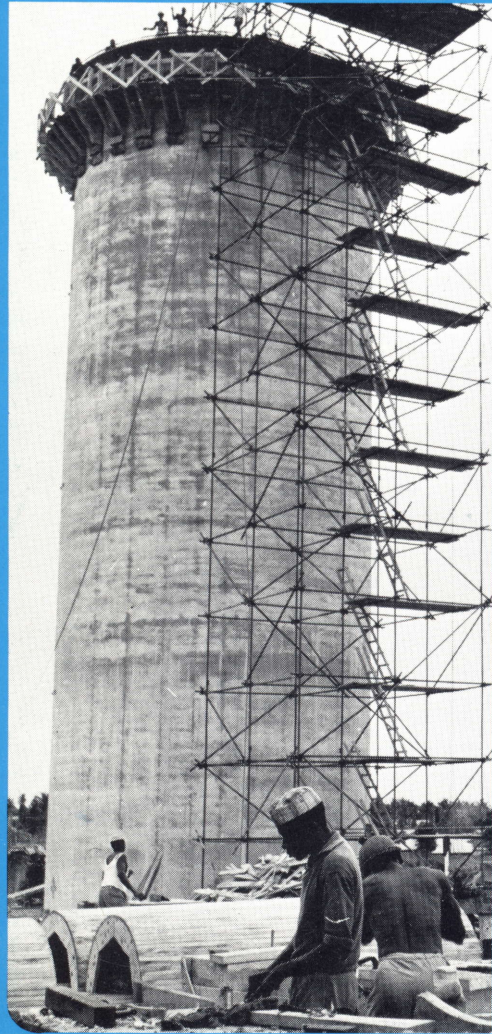


# the courier

EUROPEAN COMMUNITY — AFRICA-CARIBBEAN-PACIFIC

Published every two months

No. 36 — MARCH-APRIL 1976



**15 YEARS OF  
THE EDF OF**

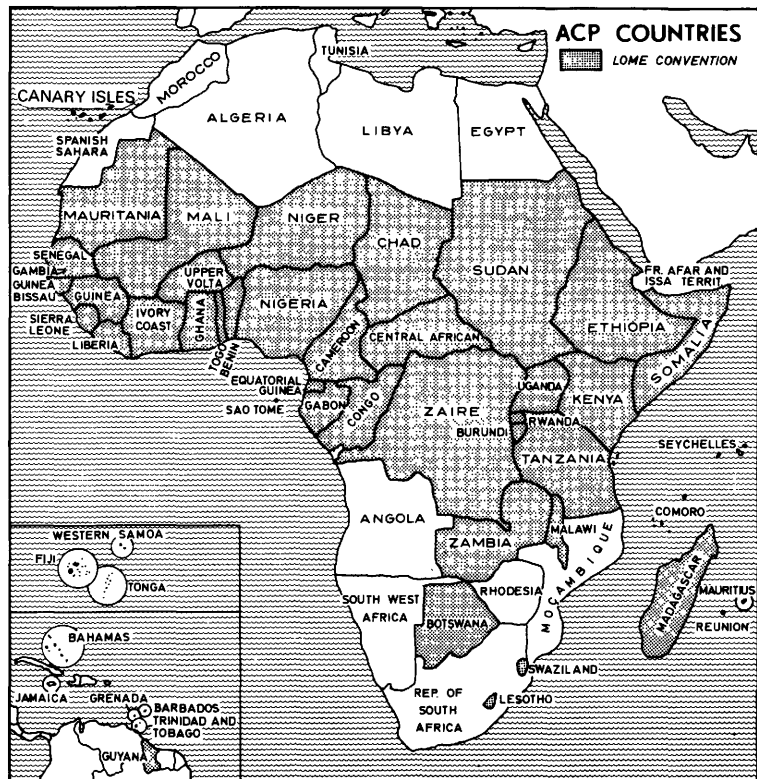
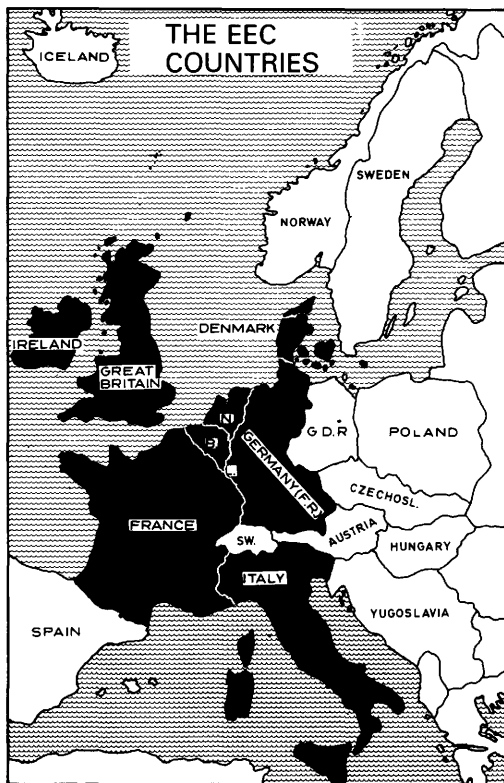


## THE EUROPEAN COMMUNITY

BELGIUM  
DENMARK  
FRANCE  
GERMANY  
(Federal. Rep.)  
IRELAND  
ITALY  
LUXEMBOURG  
NETHERLANDS  
UNITED KINGDOM

## THE ACP STATES

BAHAMAS	GRENADA	RWANDA
BARBADOS	GUINEA	SENEGAL
BENIN	GUINEA-BISSAU	SIERRA LEONE
BOTSWANA	GUYANA	SOMALIA
BURUNDI	IVORY COAST	SUDAN
CAMEROON	JAMAICA	SWAZILAND
CENTRAL AFRICAN REP.	KENYA	TANZANIA
CHAD	LESOTHO	TOGO
CONGO	LIBERIA	TONGA
EQUATORIAL GUINEA	MADAGASCAR	TRINIDAD and TOBAGO
ETHIOPIA	MALAWI	UGANDA
FIJI	MALI	UPPER VOLTA
GABON	MAURITANIA	WESTERN SAMOA
GAMBIA	MAURITIUS	ZAIRE
GHANA	NIGER	ZAMBIA
	NIGERIA	



Cover: Palm plantations of 8-10 years growth in the Ivory Coast; cattle-raising at Bogué (Mauritania); construction of a water tower at Lomé (Togo); re-laying the rails on the Abidjan-Niger railway; new nursing school at Libreville (Gabon); elementary school children in Niger

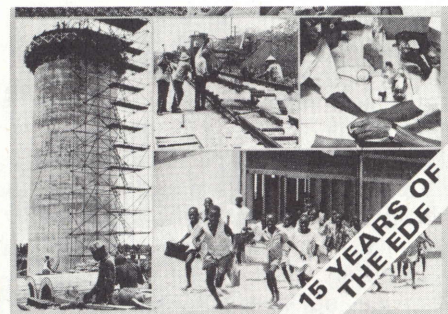


**Reg Prentice** — The British Ministry of Overseas Development recently issued a White Paper on the changing emphasis in British aid. This does not so much mark a general change in policy as a recognition of the need to do more for the poorest countries. Mr. Prentice describes the changing attitude of the Commonwealth to the EEC since the United Kingdom became a member, from hesitation to approval, and outlines Britain's role in acting as "interpreter" for the Commonwealth countries to the Community. **Page 3**



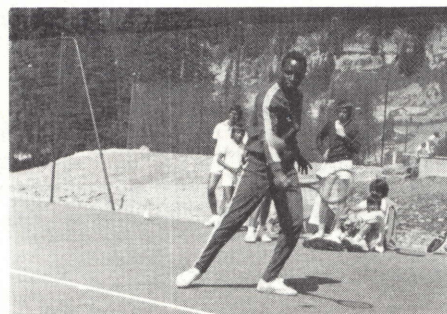
**Laurent Nzeyimana** — Burundi, in terms of its area, is a small country in the eastern part of Central Africa, but in its international relations it is able and willing to work on a wide scale towards reconciliation and renewed impetus in Africa. Laurent Nzeyimana, the Bujumbura Ambassador in Brussels, describes the main lines of his country's non-discriminatory policy of "cooperation and friendship" and the conditions which govern Burundi's economic development. **Page 6**

**Guyana** — The Cooperative Republic of Guyana was founded as such in 1970 and is the only English-speaking country on the mainland of South America. It is aiming at "a society of unity, equality, socialism and economic independence", according to the political philosophy of the Georgetown government. Corrado Pirzio-Biroli, a European official who knows Guyana well, maps out the country and the economic aims of the young Cooperative Republic. **Page 12**



**Dossier** — Under the Yaoundé I and Yaoundé II Conventions, EDF aid to the economic development of countries associated with the EEC was mainly concerned with the key activities conditioning economic and social progress in non-industrial countries. A large part went to education, farming, health, industrial development and the transport infrastructure. The EDF was also active in such other important fields as trade promotion and emergency aid. Fifteen years of the EDF (1960-75): this issue's Dossier takes stock of the EEC aid fund. **Pages 18-65**

**Sport** — When will Wimbledon have its first African champion? Tennis, unlike football, boxing or cycling, still has comparatively few devotees in Africa. It is an expensive game and maybe it has a certain atmosphere of class privilege. But with African sport on the way up, tennis too is growing more popular. Antoine Akakpo is a young tennis ace from Togo, now playing in France and all set to put Africa on the centre court. **Page 78**



# THE COURIER

EUROPEAN COMMUNITY —  
AFRICA - CARIBBEAN - PACIFIC

No. 36 — March-April 1976

## CONTENTS

2. **EDITORIAL:** Jacques Ferrandi leaves the Commission
3. **Interview:** United Kingdom: Reg Prentice, Minister of Overseas Development; the changing emphasis in British aid policies

### AFRICA, CARIBBEAN, PACIFIC

6. **Burundi:** Ambassador Laurent Nzeyimana: "a policy of cooperation and friendship with both the countries of the West and of the East"
12. **Guyana:** the Cooperative Republic
17. **In perspective:** unequal competition

### 18. **DOSSIER:** Fifteen years of the EDF

21. — From the Implementing Convention to the Lomé Convention
30. — EDF features and procedures
38. — The EDF Committee — twelve years' work
40. — The policy of the EDF  
— The main investments in each of the AASM and OCT

46. Benin
47. Burundi
48. Cameroon
49. Central African Rep.
50. Chad
51. Congo
52. Gabon
53. Ivory Coast
54. Madagascar
55. Mali
56. Mauritania
57. Mauritius
58. Niger
59. Rwanda
60. Senegal
61. Somalia
62. Togo
63. Upper Volta
64. Zaire
65. OCT (Overseas countries and territories)

### DEVELOPING COUNTRY TOPICS

68. The IMF meeting in Kingston: interview with Belgian finance minister Willy de Clercq
70. **EDF** transport projects in the AASM (1959/74)
78. **Sport:** Antoine Akakpo: a Togolese tennis ace in Paris
79. **Index:** The Courier Dossiers, 1973/january 76 (from beginning of English edition).

**BOOKS:** (inside back cover)

**NEWS ROUND-UP:** (yellow pages) The Maghreb agreements: interview with Claude Cheysson





J.L. Debaize - CEC

**Jacques Ferrandi**

## **JACQUES FERRANDI LEAVES THE COMMISSION**

Since the first moment he set foot in Dakar, on December 13, 1940, Jacques Ferrandi has felt the strongest attachment to black Africa. It has given him a profound knowledge of a part of the world to which he has given the best of his exceptional talents, in the service of economic and social development.

The European Development Fund exists thanks to his spirit and his character. Since the beginning of the '60s the EDF has given Africa a new image of Europe; it carries the indelible stamp Jacques Ferrandi has given it.

Today it is difficult to imagine the immense effort involved in setting up and running a new international institution like the EDF, at a time when Europe was taking the first steps towards unification and Africa in the path of sovereignty. The EDF is no longer an instrument of the post-colonial years but an essential means of development for young countries determined to make their independence the driving force behind the growth of their peoples.

Naturally, one man alone was not responsible for such an effort, but Jacques Ferrandi was able to inspire, direct and make it not only believable but effective. It is chiefly to him that credit is due for having brought together men from different countries and backgrounds and made them into teams, fired them with the European spirit and offered them an ideal and an original aim to work for. His is also the credit for having helped turn the new cooperation between Africa and Europe in the right direction, by basing their relations on the search for a dialogue for which he found the vocabulary: that of feeling and reason, of mutual respect and equality, of lucidity and

humility. Jacques Ferrandi deserves well of Europe and of Africa. The confidence he was able to inspire in African leaders and the world-wide reputation of the EDF not only illustrate but prove his success.

He says himself he is a pragmatic man, and so he is, but never one to fail to see the wood for the trees. Forecasting and programming are among the accepted and recommended EDF lines of approach, provided that intellectual pretension, technocracy and the all-embracing theory do not obscure judgement and vision. He knows how to turn a good phrase, some provocative ones too, and he once said, "Theories are to an economist what the rule-book is to a policeman: they avoid his having to think"!

That is the sort of pragmatism that comes from being able to infer what really matters; its main concern is to identify the concrete and specific development needs in each country, each culture and each situation; it contains the modesty of a connoisseur devoted to a world he knows to be different and which he loves because it is different.

Jacques Ferrandi is leaving; the activities of the EDF continue and spread further afield. The new convention, wider and fuller in so many ways, defines new responsibilities and covers new areas, as our imagination, our understanding and our will would have it. I am convinced that Jacques Ferrandi's latest success will be felt in the finest and the only lasting way, through his friends and colleagues and in the spirit he created, which he sustained, and to which he is so deeply attached. ■

**Claude Cheysson**  
Commissioner for Development



**Reg PRENTICE**  
**British Minister of Overseas**  
**Development**

**The changing emphasis**  
**in British aid policies**

The British government, like those of France and West Germany (see last issue of "The Courier"), has felt the need to update the definition of its aid policies in the wake of recent international developments. Reg Prentice (1) describes the new emphasis on aid to the poorest people and countries, and warns against having too many international conferences.



► *Minister, the government recently published a White Paper on overseas aid. It was the first of its kind for eight years. Does this suggest that Britain has only now felt the need to define her aid policy?*

— No, it has been under definition for many years. What we were trying to do in this White Paper was to describe the changing emphasis of the aid policy, with particular reference to the need to do more for the poorest countries. This

was something that had been happening over recent years and which we intended to accelerate. It was also a good opportunity to set out some of the ongoing aspects of the aid programme, which, in my view, were not sufficiently well known to the public.

► *The White Paper is called "The changing emphasis in British aid policies: more help for the poorest". Would you describe in more detail what the new emphasis is and why it has been changing?*

— I think the starting point is to see the world as divided into three tiers: the developed countries, which have a reasonably high standard of living; certain developing countries which, because they have raw materials that are in demand or because they have the potential for private investment, are making rapid progress or are likely to; and then the

countries in which so many people, perhaps one third of the human family, have none of these advantages, still live by subsistence agriculture, are very poor and are in many cases getting poorer. We define this last category as countries where people have an average income of 200 dollars a year or less—in some cases very much less. The White Paper said we should do more for the poorest countries and also for the poorest groups within countries. These have already been trends in British aid policy for the last few years and we intend to accelerate them. Taken on a country-to-country basis, of our existing disbursements about 64% go to countries in that category, but under our new aid arrangements made in 1974 70% went to countries in that category. In other words, this is a growing emphasis, which will continue.

(1) Mr Prentice, 52, was Minister of Overseas Development previously from 1967-69. Since his election to parliament in 1957 he has held ministerial posts under various Labour governments, including the Department of Education and Science and the Ministry of Public Buildings and Works. He has taken particular interest in social affairs and was part-author of "Social Welfare and the Citizen". Between 1970-74 he was a member of the Shadow Cabinet and spokesman on employment. He is married and has a daughter.



► *Getting aid to the poorest people in the poor countries is sometimes a difficult question. Technical assistance is being completely overhauled under the new orientation of British aid; has this anything to do with establishing projects which would get more aid to the poorest groups?*

— It is being overhauled for a number of reasons, of which the most important is, I think, to make a multidisciplinary approach to rural development. The pattern of technical assistance has had to change anyway over the years, since some kinds of demand have diminished; for instance, the demand for school-teachers has gone down as developing countries train more of their own. In many ways the provision of technical assistance is more complex now, and it is still a very important part of our aid programme—in many countries, the most important part. I think in future there will be more technical assistance in the rural sector, which means a whole range of things covering agriculture and community development.

► *Mr. Callaghan said recently: "I see Britain's role in the changing world as that of a bridge-builder, a role which gives us the power of interpretation of the Commonwealth to the Community". If you agree with the Foreign Secretary's view, what does 'interpreting the Commonwealth to the Community' mean? And do you think the Commonwealth wants to be interpreted to the Community by Britain?*

— I think the Commonwealth certainly wants to be interpreted to the Community. The interesting point is that the Commonwealth was almost unanimously hostile to British membership of the Community at the time of the first application for membership; at the time of the second application, it was divided on the subject; and when we had our referendum in 1974 on whether or not we were staying in, the Commonwealth was unanimously in favour of our staying in. This change of attitude on their part has perhaps been due to our success in interpreting the one to the other. The Commonwealth has seen—and this includes both the wealthy and the poor Commonwealth countries—an advantage for them in British membership.

I would have thought an important example of this mutual interpretation in practice was in the negotiations leading to the Lomé Convention. The Commonwealth developing countries played an important part in that; they helped to create Lomé and were very vocal and very active. At the beginning they were sceptical and they made some very important points during the negotiations. I would say, as someone who has always believed in the Commonwealth and still does, that the traditional relationship between Commonwealth countries, which includes very frank speaking and the ability to argue vigorously over differences and still be friends, was useful in the context of the Lomé negotiations. They were able to demand vigorously things for themselves which were, I think, of benefit to other ACP countries.

► *And you think this frankness is something Britain has helped to promote?*

— I think so, yes. Within the Community we all make our individual contributions, and we, of course, are learning a great deal from our Community partners.

► *Britain has always called for a wider application of the EEC aid policy, from principle and also from her own historical connexions. (1) Has this stood in the way of the Community's determination to align Member States' aid policies, with each other and with Community policy?*

— I see no reason why we should not make progress in both of these objectives, of aid to non-associates and of harmonisation. Aid to non-associates, as far as we are concerned, is a very important objective. We think that the Community should in principle have a civilised relationship with the developing world as a whole, and that includes aid programmes directed to those people who need them, whether they are associated or not. Clearly we are particularly interested in the countries of southern Asia, which include some of the largest of the poorest countries in the world and which are, on the whole, under-aid-

(1) Commonwealth countries received 82% of British bilateral aid in 1974. Bilateral aid of £266.8 m (out of total British aid of £353 m in 1974) went to some 120 countries.

ed by the aid donors. As for harmonisation, I see no objection to it in principle, but I think some people expect too much of it. Some things can be harmonised fairly rapidly, others take more time. Essentially it requires a pragmatic approach. I have never been able to envisage a day on which we would say, hey presto! we have harmonised everything.

► *Not long ago people were arguing that if you try to extend aid to as many countries as possible you necessarily dilute it, and it is better to do something well on a small scale than badly on a large scale.*

— I am in favour of more aid from the developed world as a whole and of our fulfilment of the United Nations aid target of 0.7% of GNP. We have said as a government that we accept that target. We have not said on what date we can achieve it. But I am certainly in favour of the quickest possible attainment of that target by Britain and by every other aid-giving country. That would give us the increase in aid flows and the flexibility to provide aid in new directions without diluting what we are doing already.

► *Although the more direct forms of aid will clearly be needed for a long time to come, the idea of a new international economic order has been picking up momentum. This would imply a much deeper approach to development which would have not only commercial but industrial repercussions. Is Britain in a position to follow the lead of the Netherlands, for instance, in preparing to cut back on certain industries in order to leave room on the home market for Third World products?*

— This is the sort of thing that I think we have got to study, but we are not proposing to do this in the foreseeable future. We are in a situation where we certainly need to adapt our own economy to the changing world and we are doing this in many different ways. I think the most important contribution in trade terms that we can make to the developing world is to improve our own economic performance, to expand our own production and therefore be a better customer for the developing world. But certainly this kind of suggestion should be studied for possible implementation later.



► *The North-South conference opened in December in Paris. What is your assessment of the value of this sort of meeting, which could at first sight appear to undermine the United Nations, and what do you think will emerge from it?*

— I don't think it undermines the United Nations—I think any contact, any dialogue, between the developing world and the developed countries is potentially useful—but I think we have to beware of the danger of having too many conferences. If there are too many international conferences there is always the risk of ending up with a series of resolutions which will then be considered at later conferences, which gets you into a terrible tangle.

I think this particular dialogue, especially in that it relates energy problems to the other major elements in the relationships of rich and poor countries, is of value. But in general I think we have to say that we have a lot of machinery and conferences already and the important thing is to get more done through the existing machinery, rather than setting up new machinery. I think the vital thing regarding development is to use the existing machinery to greater effect and to acquire more resources for development.

► *What will Britain's role in the North-South conference be?*

— Britain is participating as a member of the Community and helping to express Community policy. At the energy commission we are able to put forward our own view as long as it does not conflict with Community policy, and I think that is important because we are going to become a major oil-producer. In terms of development the Community will speak as such and we are part of it.

► *President Nyerere of Tanzania was in London recently. Your predecessor Mrs. Hart pointed to Tanzania as the sort of country everyone is willing to help 'because it is not afraid of reforms designed to help its own poorest people'. What did President Nyerere's visit here achieve?*

— Dr. Nyerere had an exchange of views on a whole range of things. It was very important to have this exchange of views, not only on African affairs but on

world affairs. So far as development is concerned, I had a personal discussion with him from which I learned a great deal. We had concluded an aid agreement with Tanzania and his visit enabled us to look ahead and identify some of the problems which might arise; this agreement, which was made well before his visit, followed a fairly long period in which we had no substantial aid programme with Tanzania, although we had some continuing technical assistance which was never interrupted. There was an interruption of aid due to various differences of opinion in the past and differences of view over Rhodesia some years ago, but I am delighted that aid to Tanzania has now been resumed. I agree that this is a country which is doing a

great deal to help itself, where aid from Britain or other donors will, in our judgement, produce good value in terms of development.

► *Lastly, what are your own immediate preoccupations as Minister of Overseas Development?*

— The most important is to implement the policies that were set out in our White Paper, in other words, to continue to change the direction of our aid policy so that it gives the maximum help to the poorest countries and the poorest groups within countries. ■

Interview by  
BARNEY TRENCH

## The White Paper on overseas aid (\*)

More of British aid must go to the poorest developing countries, and to the poorest people, most of whom live in rural areas; and Britain must work with other aid-givers to support a truly international effort to help the needy. These are the essential conclusions of the White Paper recently published by the Ministry of Overseas Development.

During recent years Britain has taken a leading part in the dialogue between rich and poor countries, while there has been growing recognition of the interdependence of all countries. Britain accepts that the imbalance between the rich and the poor countries must be remedied and that other measures apart from aid transfers—important though they are—will be necessary to make economic interdependence a reality.

The White Paper discusses the role of the British aid programme as an essential instrument in this process with particular focus on how best to achieve its objective of helping to promote the economic and social development of the poorest countries.

A start has been made: for instance, it has been decided that future British

government-to-government aid commitments to the poorest countries should normally be made as grants rather than loans. But because of the complexity of poverty-oriented programmes, it will be some time before the changing emphasis in British aid policies becomes effective.

The new approach will call for a significant re-directing of aid towards the poorest countries, especially those affected by commodity price rises. In addition, Britain should encourage other donor governments to pursue this policy and see that such aid is distributed not only bilaterally but through major international organisations.

But there is no guarantee the poorest will benefit, the White Paper says, unless conscious action to this end is taken in cooperation with the recipient governments. The incomes of the poorest must be increased by opportunities for productive work. Most problems seem to point to the need for wider policies of social and economic development, particularly in rural areas, and Britain plans not only to concentrate aid on the poorest countries and people but also to give special emphasis to rural development. ■

(\*) From "Overseas Development", November 1975.



**LAURENT NZEYIMANA**  
**Burundi Ambassador in Brussels**

**"A policy of cooperation and friendship with both the countries of the West and of the East"**



► *To many Europeans, Burundi is a mysterious place, perhaps because of the 19th century explorations to find the sources of the Nile. Will you give us a brief picture of Burundi today?*

— A simple geographical description is rather difficult. Not long ago I saw a pamphlet describing us as being in the "central east" of Africa. Perhaps this is a good image, for though we are right in the very centre of Africa, we are also the gateway to East Africa. Our frontiers are with Zaïre on the west, Tanzania on the east and south, Rwanda on the north. We have one of the best climates in the world except, as it happens, in our capital city, which is at an altitude of only 750 metres and is almost tropical. The rest of the country is all in the mountains, which gives us a temperate climate and a mean temperature over the year of about 20°C. Our foreign visitors assure us the country's beauty is unforgettable. We have indeed remarkably fine landscapes, and with these, combined with our pleasant climate, folklore such as you may find anywhere in Africa, and with the interest attaching to the animal and bird life, we are laying ourselves out to greet the tourist visitors who may want to know a little more about Burundi in the years to come. You mention the source of the Nile. It is true that the southern part of this is in our country, not far from the Arouvoubou

► *Burundi is very isolated from the sea. What are the obstacles to its development resulting from its being landlocked in eastern central Africa?*

— The handicap is serious. We are 1100 km from the Indian Ocean and about 1900 km from the Atlantic, so transport and travel costs are very high. At present we tend to prefer the eastern outlet towards the Indian Ocean, which is the shorter, though it is full of difficulties. Our imports, for example, reach Africa at Dar-es-Salaam, but before they can get to Bujumbura they have to come by rail to Kigoma, where they are reshipped to do the rest of the journey by water. This costs a lot. I should add that Dar-es-Salaam, like many other African ports, has been very badly congested in recent months. Both there and at Kigoma modernisation is necessary.

► *Part of this transport route consists of Lake Tanganyika. How important is the lake in your country's development?*

— Firstly, it is very important as a source of food. There are a great many fish, apparently 400 species. It is a vital resource and the government is making use of it. Fishing is primarily a traditional occupation, but, though industrial fishing is still at an early stage, the government is forcing the pace. We have a joint fisheries programme with our neigh-

bours, Zambia, Tanzania and Zaire, which entails the formation of a joint organisation with its headquarters at Bujumbura.

Secondly, the lake is a great tourist attraction. Anybody who has been in Bujumbura will have been impressed with the lakeside landscape, the majestic plains set between two impressive mountain chains. Lake Tanganyika is very long and, looked at from north to south, it is more a sea than a lake and the distances are immense.

► *Communications are difficult and costly. Your route to the Indian Ocean takes you 180 km by boat on Lake Tanganyika to Kigoma and then 1250 km overland to Dar-es-Salaam. Regional cooperation might provide a solution. What measures is Burundi considering in this area, and what other fields are there offering scope for the regional cooperation to which the Lomé Convention devotes so much attention?*

— It is true that regional solutions are needed to deal with problems of this kind. Burundi is working on this, and has in fact made proposals, including joint management of the port of Dar-es-Salaam, or at least a share in the management. We are of course concerned about the modernisation and extension of the ports we use, and there is a pro-



ject which Belgium is to finance and which Burundi is following very closely. Another possibility is that Burundi should diversify its exports routes, using, for example, the port at Mombasa. There are possibilities in this; but Burundi is also looking towards sea-and-air transport systems for some types of goods, and the supply of cargo aircraft to our national airline company is under consideration.

The other important regional projects at present are the electric power schemes with Zaïre and Rwanda as the other partners, and the Rwanda-Burundi road construction programmes. There is another project for the production of peat; we have big deposit close to our northern frontier, apparently containing a thousand million cubic metres, which we could develop and market jointly with our Rwandan neighbours.

We also have continuous contact with Rwanda on possible industrial cooperation. Each of our countries has about four million inhabitants, but average incomes are low and our markets are narrow. Our idea is to share the different industries we could develop and avoid wasteful competition.

► *I understand Burundi has a high-density population and there is a comparative shortage of land which could be made cultivable by existing techniques. What problems are raised by the combination of these two factors?*

— It is a problem with which the government is much concerned. In the second five-year plan (1973-77) the government laid out its decision to secure a balance between natural resources and manpower, which are the twin factors of development. The population density problem is a perplexing one; between now and 1980, it is estimated that the working population will increase by 20 000 annually. The problem is not only to feed the population, but to employ it. This is why 39% of the investments scheduled under the five-year plan are for agricultural purposes, and agriculture is given top priority so as to provide plenty of food, and good food, for so abundant a population. In the agricultural development plans, because of the small land area available, the emphasis has been put on improved cultivation and more especially on intensive

farming. We intend to improve our productivity—the effective yield per hectare—by bringing in modern farming methods. The plans therefore specify the use of mineral fertilizers and selected seed and also call for the improvement of agricultural equipment. There is also provision for reforestation and other anti-erosion measures and for drainage and irrigation.

We are also doing a good deal to improve our cattle herds, even if we get no further than improving our own supply of animal proteins. A programme has been drawn up and surveys are being made for improving the yield from the herds, eliminating unproductive elements, improving the feed, and stock selection with the emphasis on more productive strains. To provide employment, too, the government is making plans—some of them have already been put in practice—for setting up industries to process our farm produce. These will not only raise our production capacity but also provide jobs.

► *Is the Burundi government considering the possibility of integrating stock-raising and arable farming on the same land, on ac-*

*count of the shortage of cultivable areas? Does this point to a solution for the food problem?*

— Yes, this integration is necessary, but so far the problem is that agriculture has come before stock-raising and there is not enough grazing for the cattle. We shall be eliminating the unproductive animals and keeping the better ones, but for these we shall have to provide a rational and adequate diet. Part of our farm development programme will include abattoirs and meat-processing factories. We have just entered into an agreement with the European Investment Corporation of Belgium, which is to work out a study of our slaughtering problem and the related problems of conditioning and refrigeration. We also expect to set up a tanning industry.

► *Another problem is diversification. Coffee covers over 80% of production in Burundi. Do you think the STABEX system in the Lomé Convention might provide your country with appreciable aid?*

— Yes indeed, the aid would be appreciable, but there is still the problem that

*Rutana hospital, Burundi, financed by the EDF*







*The Agricultural Technical Institute at Gitega (financed by the EDF) trains the supervisory staff needed for the agricultural development on which better industrialisation depends*

if it is to apply to a large number of countries, it will be far less than enough to deal with their problems. I think, nevertheless, that it is an instrument to be appreciated and a good first step towards dealing with our difficulties.

► *What importance do you attach to the EDF tea-growing project in your country?*

— The tea project is much appreciated by the Burundi government, because it is helping the regions which were poorest in terms of export capacity, especially those located at high altitudes. Tea production, of course, is still only a small part of Burundi's total production, accounting for scarcely 2.8% of total exports. On the other hand the tea market

is bound to expand, and we hope to be producing up to 10 000 tons of green tea per annum. As things stand at present, there is an advantage in being able to give part of the population incomes on a very modest scale, but at regular intervals. Tea-growing has in fact played an effective part in our export diversification programme and we hope this part will grow. In any case it gives me an opportunity of expressing my gratitude to the Community, and more especially to the Commission, for its work in overcoming some of the hesitations about this programme.

► *Is Burundi thinking of any other diversification measures in other economic sectors?*

— Yes. Farming and stock-raising are the principal cases, but the new plan makes it quite clear that we shall be pushing hard to promote industrialisation, and especially the processing of our farm and livestock products. Among the new industries envisaged is textile production, for which plans are already well advanced, and a few years ago there was an experiment which was not a success. Other instances are rice-growing, tanneries, flour milling and a very important plan for a sugar mill, the studies for which are now almost completed. Soon, too, we shall be setting up an industry to make agricultural implements, and another for insecticides. All this is primarily based on farming and the processing of farm produce, but I think that in the long run working our →





*Tea production has taken a major share of EDF aid to Burundi (tea-processing factory at Rwagura)*

mineral deposits will necessitate setting up various other industries, including power plants, communications and other infrastructure. In my view the processing of minerals will play an important part in the future; very considerable nickel ore seams have been discovered and we have other prospecting in hand for minerals which are very definitely indicated.

▶ *What hope has Burundi of actually working these reserves of nickel, and what are the problems to be dealt with before profitable mining can start?*

— Agriculture and stock-raising will always be top priorities in our country, because of the importance for us, as for any other country, of being able to cover our own food requirements. I do not think this priority will be changed, however high the hopes which may be placed on our mineral deposits. There are various other preliminary questions to be solved before we start mining. At present the feasibility studies are being made, and Burundi is considering what would be the best form of operations, and how to make contact with companies potentially interested in nickel. Moreover, the mining project calls for very

considerable investment, especially to provide electric power and an adequate social infrastructure. These are the main problems in connexion with starting the nickel mines. Burundi has energy potential which she can use, and surveys are at a very advanced stage for building hydro-electric power dams in the potential mining area.

▶ *Burundi ranks as one of the poorest developing countries and it has certainly not been spared by the world economic recession, by inflation, by the oil crisis. What are the consequences of this on your development planning?*

— I should say at once that we have indeed suffered considerably as a result of this slump. The best proof is in our balance of payments which was in our favour until 1973, and suddenly went into the red in 1974, clearly on account of this crisis. Quite apart from the aims of the five-year plan, there is a series of recovery measures, making a kind of inner plan, specifically designed to mitigate the slump. Among its targets are increased production of export produce, such as coffee and cotton, and quick action to set up the small industries, as a

corrective to our economic structure and contributions to increased production capacity. This part of the plan covers small production units, for instance, for fruit juice, tanneries, insecticide production, and we hope they will help deal with the problem of unemployment, or under-employment, which is now with us.

▶ *What is the general attitude of Burundi to relations between the ACP and the EEC, and more importantly between the ACP countries themselves?*

— Burundi's attitude is very positive and very constructive. During the negotiations the country did its best to play its full part, because we were convinced that this was the best opportunity for developing countries to begin cooperation with industrial countries. The new convention we have set on foot may not be a total panacea for prosperity but it is certainly an important step on the road. It is the only convention we have so far secured which makes any attempt to deal with the great diversity of potential difficulties which may be met between industrial countries and developing countries. What has been created is a very positive pact. →



► *To go back a bit, what do you think was the real point of the ACP conference you attended at Malawi in December?*

— The problem in Malawi was primarily for ACP ministers to identify the interim problems before the convention come into force. They were successful in noting some of them, and appointed the chairman of the conference to see what ought to be done. There were also problems of the internal organisation of the ACP countries. I will not describe it as a routine conference, but it was certainly not comparable with the earlier conferences at which the basic principles had to be negotiated. It was a conference for crossing the t's and dotting the i's and for setting up internal organisations, and at the same time it looked ahead to the conference we shall be having next June with our partners in the Pacific, in Fiji.

► *How does Burundi see the North-South dialogue?*

— We take a very good view of this, provided there is a genuine attempt on both sides to set up a constructive dialogue and to create an economic order which will be more just for everybody, and will not consist, as it does at present, of a table and a banquet, where the lucky ones take their seats and the others look on from a distance. We hope this will be a conference from which every country, large or small, rich or poor, shall derive some benefit. We are following it with a very keen interest, and our belief is that if there is goodwill all round the results may be positive.

► *One final question regarding relations between developing countries and industrial countries: what is Burundi's attitude to the investments of industrial countries?*

— From the moment the Burundi Republic was formed, we took steps to attract investors. So far the results have fallen short of our hopes. We had enacted a very favourable investment code, containing not only the usual investment system, but also privileged conditions for new industry and new companies. These go as far as allowing duty-free import of plant and equipment for their first establishment, public utility treatment for the



*Laurent Nzeyimana was one of Burundi's chief negotiators in preparing the Lomé Convention (on his right, the Botswana delegate)*

expropriation of property needed for their installation, exemption from dues and taxes on export for the goods they manufacture, priority for their products under the legislation for public tenders and contracts, and full transfer guarantees regarding the profits they earn.

► *External relations are extremely important for Burundi, both on the regional level and on the international level.*

— Yes, and it is because of this that the head of State and the government have, since the Republic came into existence, worked out a system of external and international relations in which the particularities of our position are taken into account. In the first place, we try to have the best possible relations as good neighbours of the countries around us—and Burundi is of course a country which has always sought to take a positive line in all matters connected with the policy of the Organisation for African Unity. For these reasons we are

keenly aware of all the decolonisation aspects relevant to Africa and of everything which may hasten regional cooperation. Our foreign policy is to seek cooperation and friendship with all the countries of the world, whether from the East or from the West, and our external relationships may be said to be very diversified. We have close and friendly relations with those countries with which our links go deep into history and culture, such as France and Belgium, and also with all the countries of the Common Market. In the socialist world we have very good relations with China, the USSR and countries such as Rumania. The external policy of Burundi thus consists of developing good neighbour relations as part of the policy laid down by the OAU, and the best possible cooperation and friendship with every country in the world without any distinction founded on political ideology. ■

Interview by  
ROGER DE BACKER



# BURUNDI

The Republic of Burundi covers 27 834 sq. km. in eastern Central Africa and is bounded on the north by Rwanda, on the east and south by Tanzania and on the west by Zaïre and Lake Tanganyika. It is land-locked in the heart of Africa without any natural communication with the ocean on either side. Its access to the Indian Ocean from Bujumbura is 180 km on Lake Tanganyika to Kigoma and from there to Dar-es-Salaam by 1 250 km of railway.

Lake Tanganyika, which is a real internal sea, exercises a moderating influence on the equatorial climate, which is also influenced by the high average altitude in this "African Switzerland".

The inhabitants of Burundi are called the Barundi. The total population in 1972 was about 3 506 000 (World Bank), representing a mean density of nearly 130 inhabitants per sq.km. They are unevenly spread, with concentration on the central plateau, which is one of the highest on the African continent. Though arable land is limited, there is little pull towards the towns. The only big city is the capital, Bujumbura (pop. 120-130 000), the other urban areas having not more than 5 000 inhabitants.

The Burundi economy is almost totally agricultural, principally based on subsistence crops, and closely dependent on coffee, the only important export crop, which accounts for 84% of the value exported. Cotton and tea play a modest part as means of diversification. Agriculture and stock-raising account for about 65% of the gross domestic product, occupying 96% of the active population and accounting for over 92% of total exports (coffee, hides, cotton and tea). With the big fish resources of Lake Tanganyika, fishing now contributes an important part to the diet and ranks almost on a par with stock-raising.

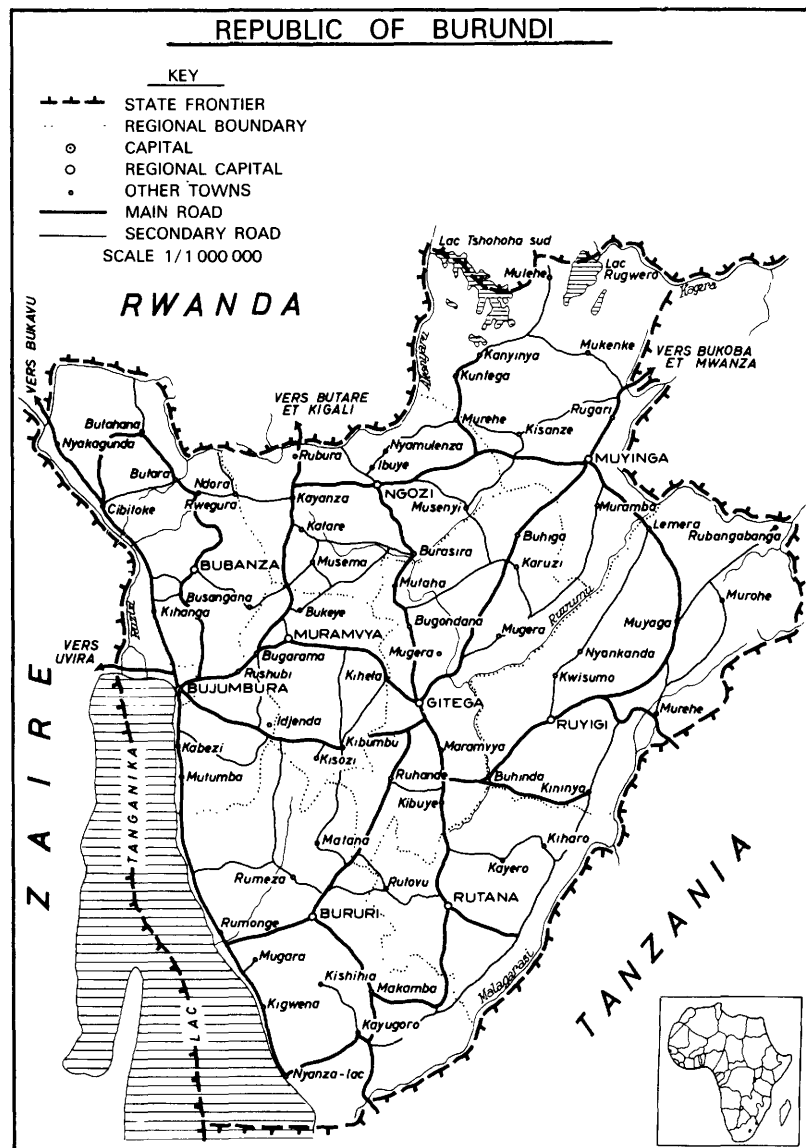
Mining has not as yet played any significant part in the Burundi economy, but the discovery of a

nickel ore deposit of world importance may change the picture altogether. It should be emphasised, nevertheless, that investment in Burundi costs a lot of money and this applies to the infrastructure investments needed for the digging and offtake of minerals.

Burundi's embryonic industry is concerned mainly with the processing of agricultural produce. Bu-

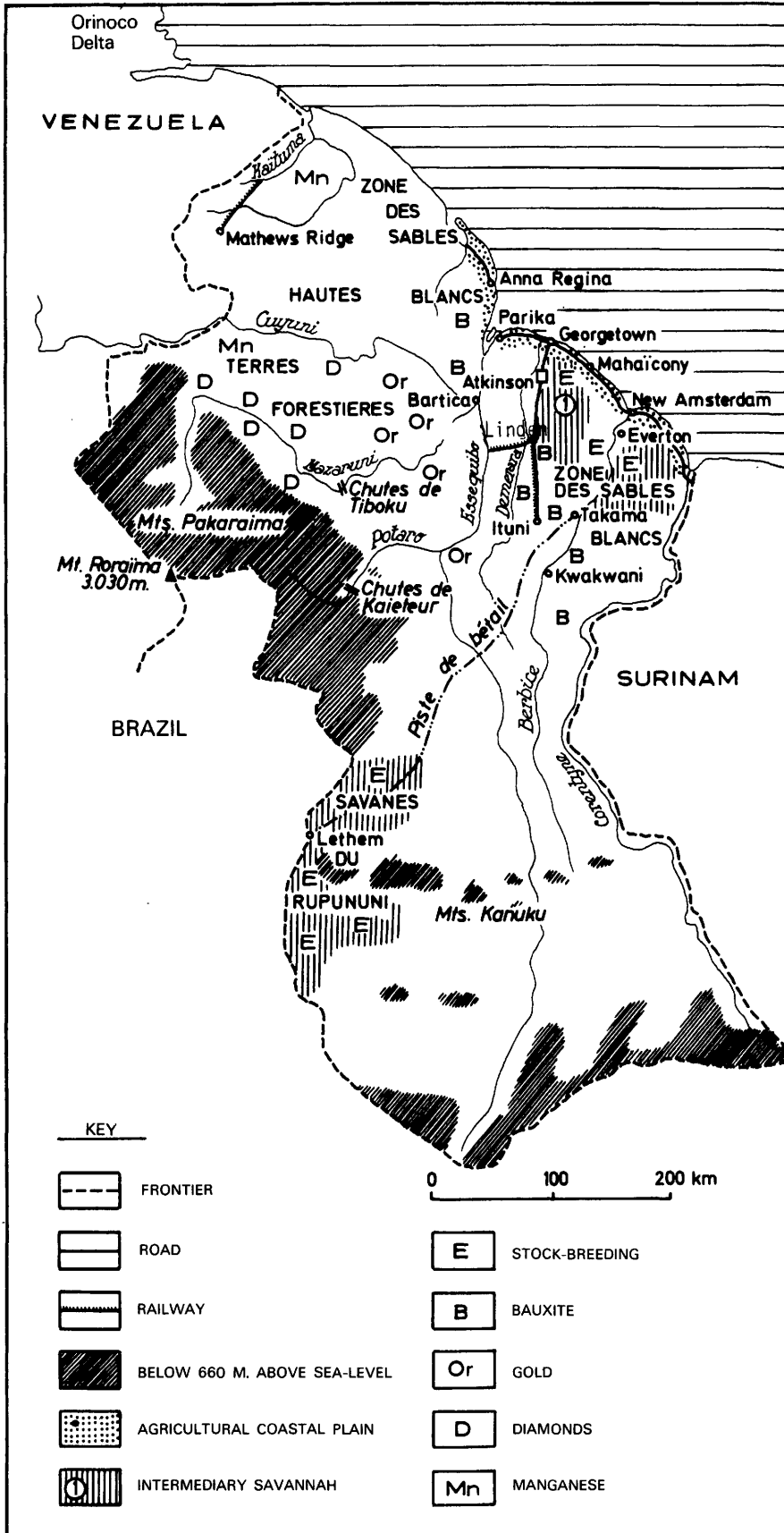
rundi has a certain hydro-electric potential, which it is in a position to use, and its dependence on imported oil may be reduced by the excavation of peat. The GNP at market prices in 1972 was US 230 m, or US 70 per head (World Bank).

The national currency is the Burundi franc (89.485 Burundi francs to one EEC unit of account). ■





# GUYANA



by Corrado PIRZIO-BIROLI

Guyana—which means “water country”—is the name of the north-eastern part of the South American continent, where the colonial scramble led to five separate territories: Spanish Guyana (now Venezuela), Portuguese Guyana (northern Brazil), Dutch Guyana (Surinam), British Guyana (the Cooperative Republic) and French Guyana (the last remaining politically non-independent country in South America).

## Population and human resources

Guyana's population totals 800 000 inhabitants. With a total area of 214 900 km<sup>2</sup>, this amounts to 3.5 inhab./km<sup>2</sup>, one of the lowest population densities in the world. However, 9/10 of the population live in a narrow coastal belt, where densities are among the highest in the world (450 inhab./km<sup>2</sup>), whereas the interior, which is covered by thick rain forest, is virtually uninhabited. Over 20% live in the capital, Georgetown.

One half of the population are of East Indian and one third of African origin. Amerindians, the only autochthonous race, represent no more than 5%.

The demographic growth rate (highest for East Indians) has slowed to 2.8% from 3.3% during the '50s; the net rate is however even lower—around 2.3%—due to a substantial net outward migration (—15 000 during the 1960s), largely to the United States and Canada. Some 56% of the population are 19 years old or less, which leads to serious pressures on educational and other services.



The employed labour force is distributed as follows: one third in agriculture, one quarter in industry and two fifths in services. The unemployment rate is estimated at 20%. Some 75% of the unemployed are less than 25 years old, largely untrained first job seekers. As to skilled manpower, there is an acute shortage which is aggravated by the emigration of trained workers.

Unemployment and under-employment appear to be on the increase, particularly in the rural sector. However, a low horizontal labour mobility, due to the family-farm structure, leads to the coexistence of labour shortage and unemployment in contiguous rural areas.

## Economy

Guyana's economy suffers from a certain amount of structural dualism, which in most underdeveloped economies is brought about by their integration into the world market. The domestic productive sector consists largely of rice and other food crops, whereas the export sector consists mainly of bauxite and sugar. Dependence on the international market is extreme, as external trade has reached 55% of Guyana's GDP, from 40% in the early '60s.

However, Guyana's employment and income structures are less dualistic than they could have been, thanks to a very substantial class of independent farmers (notably rice-growers) providing rural income levels that are unusual in plantation economies such as Guyana. One significant figure: only about 15% of the Guyana population earns less than 75 US \$ per annum.

In 1973, GDP at factor cost was estimated at G \$575 million, or G \$720 (UA 390) (1) per capita. The real per capita growth rate was negative during the last decade: -1.5% p.a. on average.

Guyana thus appears to be by far the poorest among the major member States of the Caribbean Community (CARICOM), although a superficial glance at their respective agricultural structures indicates that the revenue of farmers in Guyana could well be superior to that of its most developed CARICOM neighbours.

Instead, the regional distribution of economic activities is very uneven, as some 80% of GDP is produced in the coastal belt. This has no significant effect on income distribution patterns as 9/10 of the population live in the same area.

Services are the largest contributor to GDP (4/10, one half of which is public administration). Agriculture accounts for 1/4, and mining for 1/5. The share of agriculture has been declining sharply since the early '60s; in fact it had a negative real growth rate.

Sugar and rice are of central importance to the country's socio-economic development. They contribute 1/4 of GDP and over 4/10 of exports, and employ a large part of the labour force; it is estimated that some 200 000 people—one quarter of the total population—depend on these crops. Though sugar is of far greater significance according to most indicators, it is largely due to rice that it has been possible in Guyana to preserve a class of small farmers, well integrated into the domestic market, which has substantially contributed to limiting the structural economic dualism in the country.

Potential in the agricultural sector is enormous; only 1/10 of the total area is cultivated. This applies also to the vast forestry and fishery resources, which are largely unexploited.

As to bauxite, of which Guyana is the sixth biggest world producer (and the first for calcined bauxite, with 90% of the world total), the relevant sector contributes 1/5 of the GDP and as much as 1/2 of exports. Other mineral resources are probably plentiful, though still largely unknown. Mineral processing could rely on an almost limitless hydroelectric potential.

## Finance

Gross Domestic Savings have accounted in recent years for 15-20% of the Gross National Income at factor cost. A rise in public sector savings allowed domestic savings to finance more than 3/4 of gross domestic investment in the last years (averaging 21% of GDP since 1962).

The drastic policy reorientation which took place in the late 1960s—with the strengthening of the cooperative sector,

the nationalization of the bauxite industry, and the reorganization of the State enterprises and public corporations—brought a slump in private investments, which in 1972 were down to 3/10 of their 1967 level in monetary terms. This led to a stagnation of total investments, despite rapidly growing public investment, which doubled between 1966 and 1971, a remarkable performance. The other side to the coin was that the government was forced to make large use of deficit financing and of external loans. Public debt increased beyond 80% of GDP, 75% of which is external. Both internal and external debt service ratios remained, however, within manageable limits.

The central government current account seems unable to produce more than a very limited surplus, if account is taken of transfers to the public sector. Steep increases in expenses for public administration and maintenance for public works (such as roads and sea defenses) have offset remarkable increases in tax receipts and most notably in income taxes, which now constitute 4/10 of total government revenues (Guyana's income tax rates are the highest in the West Indies).

This lack of budgetary surpluses is aggravated by very high capital output ratios. As the entire coastline, where most of the country's production is concentrated, lies below sea-level, there is a constant threat that it will be flooded and eroded by the sea in front or by run-off from the hills behind. This is why water control absorbs around 1/5 of all government capital expenditure and about 4/5 of agricultural investment.

Consequently, the government has had to resort to foreign aid to support its investment programmes. External assistance to Guyana compares very favourably with most developing countries. It amounts to over US \$17 m (1969-1972 yearly average), i.e. US \$23 per capita per annum (2).

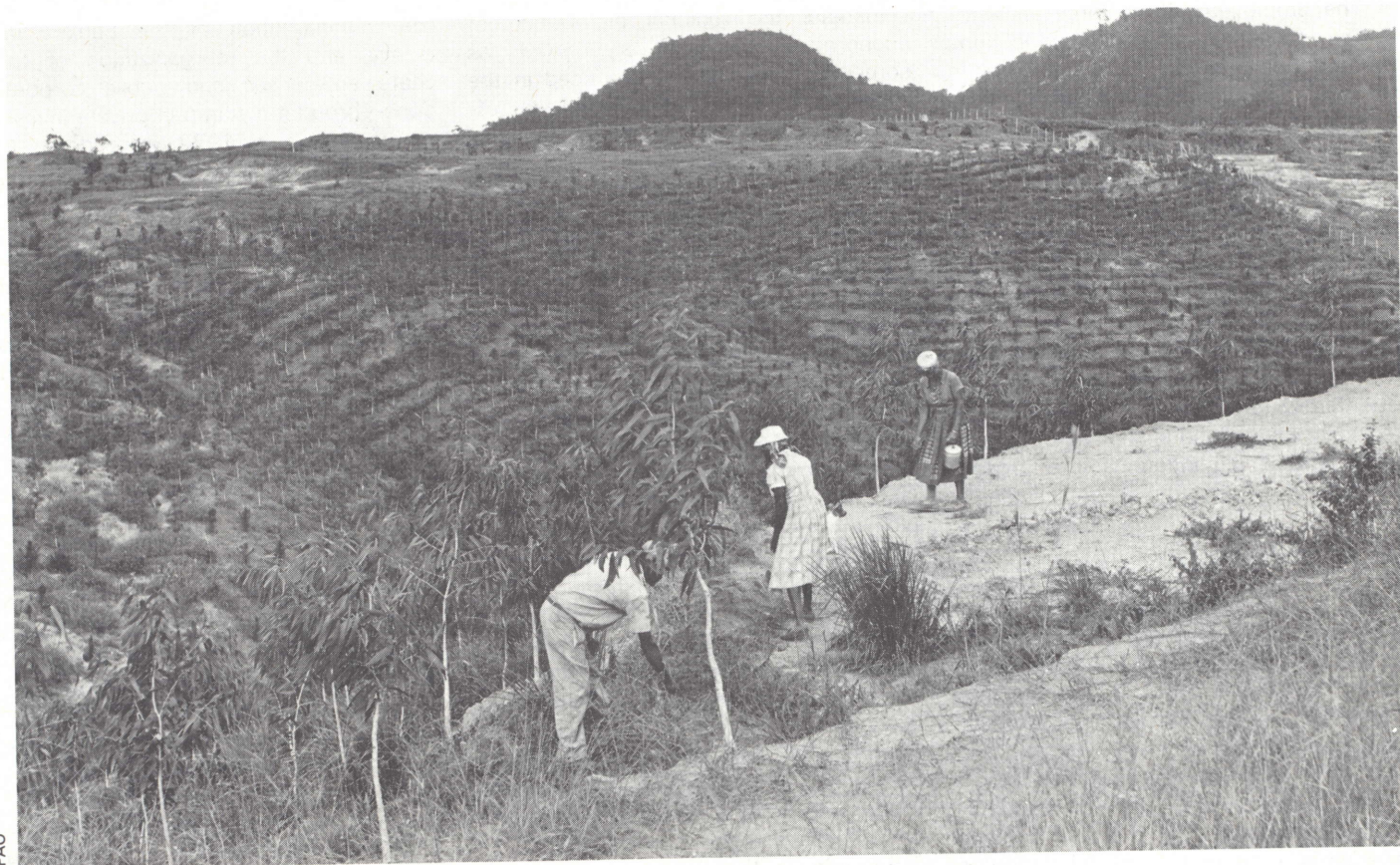
The major external sources of development assistance to Guyana are currently the US (±US \$8 m yearly), the U.K. (±US \$5 m yearly), the People's Republic of China, Canada and the World Bank. The EEC, together with its

→

(1) 1 UA (European Unit of Account) is currently approximately equal to US \$1.20.

(2) This is however very little when compared to what overseas departments in the same region get from their metropolitan donors.





FAO

*The Caribbean has made a number of experiments with new farming methods (photo, state farm in Jamaica). Guyana aims to base its industrial development on prosperous farms in Guyanese ownership*

member States, could well become Guyana's major donor after the ratification of the Lomé Convention.

### Development problems

Guyana's long-term development problems are the following:

- an adverse physical environment;
- largely unknown and/or unexploited resources;
- heavy dependence on a few export products;
- excessive concentration of population and socio-economic activities in the coastal belt;
- high capital output ratios;
- a high unemployment ratio and a low absorption of new entrants (notably skilled) into the labour force, which contributes to substantial emigration;
- the public sector's limited capacity for plan implementation.

The sugar and bauxite sectors, which have so far been major factors in the country's development, would at the same time seem to have acted as a brake on development. The extensive nature of the sugar production did not allow for substantial increases in labour productivity. Bauxite production has been managed by foreign transnational corporations, which are suspected to have considered Guyana more as a reserve of primary commodities than a country for intensive exploitation.

### Development philosophy and objectives

Conscious of these problems and bottlenecks, the Burnham government embarked on a policy aiming at establishing a united, egalitarian, socialist, economically independent and self-reliant society.

These principles found expression in

the following objectives of three successive national development plans (1966-71, 1972-76 and 1976-80, the latter now in preparation):

- i) the creation of employment opportunities for all Guyanese;
- ii) the attainment of equitable distribution of incomes;
- iii) the achievement of an equitable geographical distribution of economic activities;
- iv) the establishment of the necessary foundation for the attainment of self-sustained economic growth.

All the country's social and economic institutions are, or are being, oriented towards the realization of the above objectives, and the development plan has been drawn up accordingly.

The Guyana government rightly believes that political and economic independence cannot be achieved without State control of the external sector and without adopting a more self-reliant



development model than is the case of most non-industrialized countries. Hence the creation of the Cooperative Republic of Guyana (1970) and the nationalization of the bauxite companies. More nationalization is expected in future as well as new decisions aiming at a further modification of the ownership structure of the economy and consequently of the distribution of economic power, so as to increase the share of the cooperative sector and to achieve a proper balance between the public and the private sectors.

Such a policy has mostly been and is still supported by Dr. Jagan's opposition party (People's Progressive Party), which accounts for Guyana's relatively smooth history of socio-economic change through legislation.

In order to strengthen the country's self-reliance, the government aims to make available to all nationals of Guyana the means of acquiring the basic necessities of life. In this connection, the government has launched the Food, Clothing and Housing Drive (FCH Drive) so as to feed, clothe, and house the population through local production based on (essentially) local resources. The FCH Drive appears as the best means for providing job opportunities and as a catalyst of economic growth through the multiplier effect inherent in this programme.

The pursuit of self-sufficiency targets places greater emphasis on agricultural production and on light manufacturing activities which can, at the same time, contribute the quickest relief to unemployment.

Emphasis is laid on agricultural development. Failure to produce sufficient food is recognized to be one of the main causes of inflation and to weaken the balance of payments situation.

Labour-intensive production processes (notably self-help projects) are preferred in such sectors as agriculture and forestry, whereas the most efficient technology tends to be adopted in export-oriented and technologically complex projects in sectors such as bauxite, sugar-processing and some types of wood-conversion industries.

The pursuit of the FCH targets is inevitably linked with policies of import substitution and protection (1) of the re-

sulting domestic industries, regardless of costs. It is believed that the doctrine of comparative advantage is doubtful when countries at different stages of economic development are compared, and that it cannot in any case be directly applied to situations in which there is severe unemployment.

All this is to be achieved by concentrating on key sectors of the economy, by increasing reliance on domestic surpluses and on the CARICOM market and by laying greater emphasis on the development of the public and cooperative sectors. Main instruments for reaching plan targets are the public holding companies, the Guyana State Corporation (GUYSTAC) and the Guyana Bauxite Company (GUYBAU), various public banks and the cooperative movement.

The progressive philosophy, the development objectives and the set of policies adopted by the Guyana government appear well adapted to the country's natural and human resources.

Guyana's development and self-reliance will come from reinforcing the complementarity of its economic structure with that of the surrounding region (notably CARICOM), utilising its large land resources for agricultural production (in particular food crops), mainly for the Caribbean market and entering into the industrial era by developing local raw-material-based industries (building materials as a priority, cotton textiles and aluminium). The interior needs to be opened up, despite the costs involved, as population densities in the coastal region are becoming excessive, land is becoming very scarce and soil erosion is attaining alarming levels.

## Plan implementation

Plan implementation has not always been in line with plan forecasts. Reference was made to the stagnation of agricultural production and to a dramatic slump in private investment. During the first plan period (1966-72), investment performance suffered from a clear infrastructural bias, as most of the shortfall of total actual, as against planned, investment was recorded in sectors other than infrastructures.

According to the view expressed in the 1972-76 plan, the bias towards infrastructure "was to a large extent the

result of the proneness of overseas sources of loan funds to shun away from financing directly productive activities and the tendency to pre-empt local costs as a condition of the loans" (p. 41 of plan).

Consequently, production and productivity performances were poor, capital-output ratios unreasonably high (even for a country below sea-level) and Guyana has become rather overequipped, relatively speaking, with respect to present production capacities. Moreover, concentration on infrastructures could not possibly allow the major development objectives of the Guyana government, such as employment income distribution and opening up the interior, to be tackled, because of the location of nearly all new investments on the coast.

The views on donor policies outlined in the 1972-76 plan apparently include the IBRD, which had criticized (wrongly) Guyana's development plans for stressing import substitution and the development of the country's interior too much, and infrastructural improvements (notably roads in the coastal area) and production for export too little.

As for private direct investment, it has raised equally critical issues, reflecting the dominance of bauxite and sugar and consequently little progress towards diversification. Moreover, there are clear indications that smaller foreign concerns mostly did not use depreciation allowances for contributing to the expansion of diversification in the domestic economy, but repatriated them abroad. Moreover, since 1968, estimates show a net capital outflow by foreign firms other than in bauxite, sugar and private house-building.

It would appear that, for reasons partly outside the government's control, only one of Guyana's four general policy objectives might be seriously pursued—the establishment of the foundation for the attainment of self-sustained economic growth (which includes institutional reforms). The other objectives, in particular job creation and income distribution, though seriously advocated, might pay the price of growth and productivity-oriented policies (as is the case in most countries).

It is felt that the short-term costs involved in carrying out the development model Guyana pursues deserve the full support of aid donors. The latter, to-

(1) For instance, in Guyana imports of apples are banned, as the country produces a large variety of other fruit.





*A part of the world famous for its love of dancing and sense of rhythm*

gether with the Guyana government could support those major policy objectives which are most difficult to reach, instead of contributing, as in the past, to put them out of reach.

This is where aid-programming in terms of objectives comes in. This concept is inscribed in the Lomé Convention. It has been adopted by recent EEC aid-programming missions, one of which visited Guyana in September, 1975.

### **Contribution of the EEC to Guyana's development**

The partnership recently established in the framework of the Lomé agreement is expected to allow the EEC to contribute to the attainment of Guyana's development objectives far more than piecemeal donors' support to project financing could do.

The agreement reached on sugar will unquestionably help stabilize normally highly fluctuating export earnings by guaranteeing to Guyana a stable export market at remunerative prices indexed on those payed to the European sugar producers. The EEC has shown readiness to support a better exploitation of Guyana's national resources, in line with government objectives, including activities in the interior of the country which have discouraged most donors so far.

A part of the European Development Fund having been earmarked for regional projects, the Lomé agreement is generally expected to act as a major stimulus to regional integration. This could produce great benefits to Guyana, the potential bread-basket of the Caribbean. Also industrial cooperation and export promotion deserve a lot of attention, and are made possible through Lomé. Finally, the common institutions of the partnership could well help the partners to exchange ideas and experiences and work out proposals relevant to the North-South Dialogue, which recently started in Paris, likely to benefit all partners concerned. ■

C. P.-B.

## **BASIC OUTLINE**

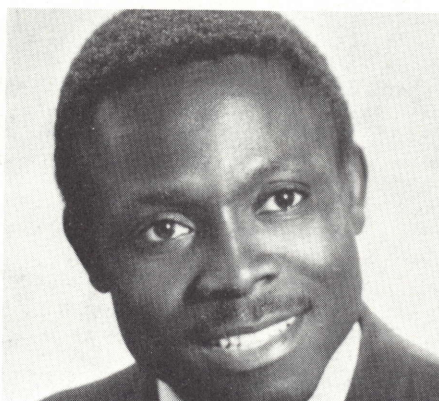
(end 1973)

Independence: 26 May 1966  
 Government: Forbes Linden Burnham, leader of The People's National Congress  
 Political philosophy: Cooperativism. Creation of the Cooperative Republic of Guyana on 23.2.1970  
 Development objectives: Establishment of a united, egalitarian, socialist, economically independent and self-reliant society  
 Development strategy: Food, Clothing and Housing Drive  
 Area: 214 900 km<sup>2</sup>  
 Population: 800 000 inhabitants  
 Capital: Georgetown (pop. 180 000)  
 Currency: G \$ 1 US\$=2.20 G \$ 1 UA=0.546 G \$  
 GDP at factor cost: G \$575 million  
 GDP per capita: G \$720 (±US \$350)  
 Growth rate (GDP per capita, constant prices): -1.5% yearly average (1962-1973)  
 Exports: G \$330 m (344 m in 1972)  
 Imports: G \$445 m (367 m in 1972)  
 Cover ratio (%): Fluctuating around 100 (except 1973)  
 Concentration of exports (bauxite, sugar, rice and products): ±90%



## Unequal competition

The many letters we receive and questions put to us are evidence enough of the lively interest taken in the Lomé Convention by our readers, and of the many points which may need explanation. From Lubumbashi (Zaire), for example, comes a request from Mr. Makalebo Nshue Ondéi about the Lomé preference system asking, "what are the advantages and disadvantages for ACP countries of the non-reciprocity decision and the application of the most-favoured-nation clause in ACP trade with the European Community?"



By LUCIEN PAGNI

ity for international monetary manipulation, through which they can dominate and control international markets, even in times of crisis, as they did after the 1973-74 oil crisis. Thus granting advantages to the EEC, in counterpart to the advantages they give, would be to the prejudice of the ACP countries which cannot match the competitive weapons used by the industrial countries to defend their trade. This is the standpoint which won the day.

Non-reciprocity (Article 7 of the Lomé Convention) entitles the ACP countries to refrain from giving special trading advantages to the EEC. The ACP countries remain full masters of their trade, customs, quota and fiscal policies. What was regarded as an exception—albeit on a wide scale—in the Yaoundé Convention has thus become the general rule. Reverse preferences are no longer required.

Added to this advantage of non-reciprocity is an encouragement given to the ACP to undertake schemes of regional and inter-regional cooperation on the lines both they and the EEC countries desire. This is laid down in Protocol No. 2, chap. 4 art. 7. As things stand, trade among the ACP

countries is at present ridiculously small, and this measure is intended to promote a higher degree of fellow feeling and effective cooperation among them, as might be expected from their geographical nearness, the similarity of their requirements and the progressive adaptation of their production to tastes and consumer habits (as in the case of food).

The most-favoured-nation clause (art. 7 para. 2a of the convention, and also specified in GATT) simply means that an ACP country, or group of countries, must not give greater trade advantages to any outside country (except one another) than they give to the EEC countries. If they should do this, the EEC members would be entitled to ask for the same advantages. This is mainly a safeguard for the Nine against the possibility of the non-reciprocity clause being given an unduly wide interpretation by the ACP countries, who might be tempted by their own state of industrial development, or by their geographical remoteness, to make special agreements with industrial countries outside the European Community and not signatories to the Lomé Convention—whether or not they are European countries—giving them greater privileges than they accord to Community members.

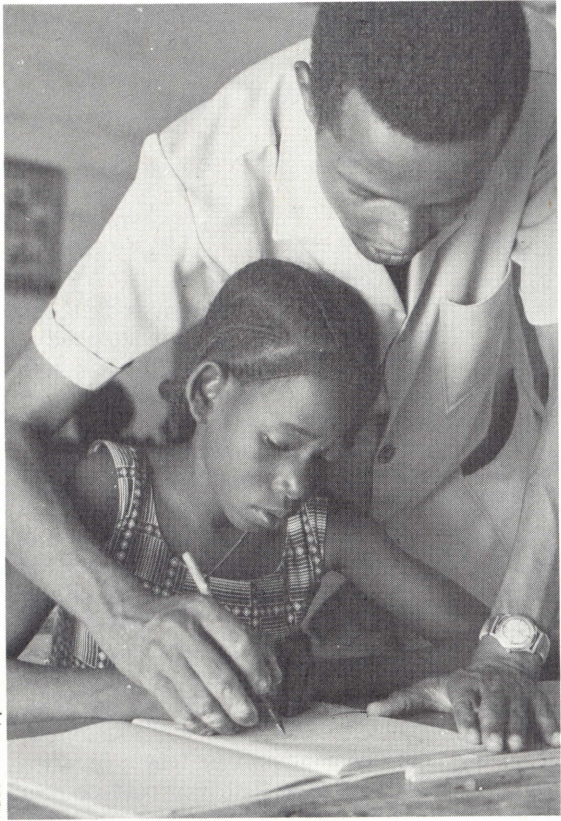
It would be a mistake to exaggerate the importance of the non-reciprocity clause. The EEC countries are in any case the best customers and biggest suppliers of the ACP—at any rate most of those in Africa. Secondly, despite the trade preferences granted and the "comparative advantage" developing countries may derive from their raw materials, the international trading system is still in a state of imbalance. And here again, the imbalance is in favour of the industrial countries. ■

L.P.

Reciprocity or non-reciprocity of trade advantages given to the ACP by the EEC was one of the most hotly debated points in the negotiations. Partisans of reciprocity took the view that the Lomé Convention is in fact a contract between the signatory countries. If all the parties were to respect the terms of the contract, they said, and the danger of one side's breaking it was to be avoided, the important thing was to iron out any imbalance in the advantages, especially on the trade side.

Those who advocated non-reciprocity based their argument on the way international relations operate at present. The ACP, they said, are mainly producers of raw materials, for which the prices and markets are outside their control, fluctuating severely and usually to their disadvantage. On the other hand, they said, while the EEC and the other industrial countries also produce raw materials, they are most of all great exporters of manufactured goods and capital goods, the prices of which are forever going up by comparison with the raw materials which come from the ACP. Moreover, the EEC countries and other industrial countries are better placed than the ACP because they have a great capac-

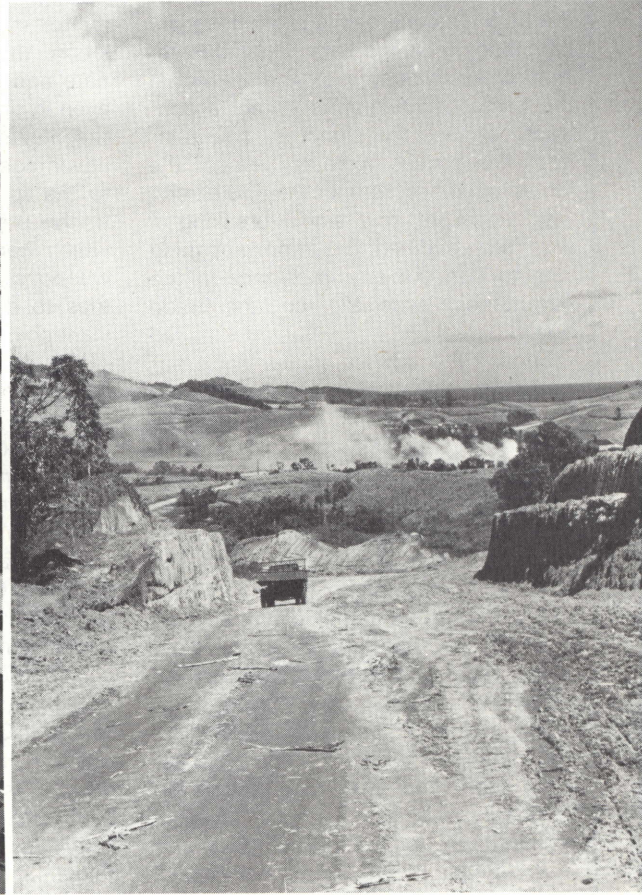




Naud - AAA photo



Photos FED





# 15 YEARS OF THE EDF (1960-1975)

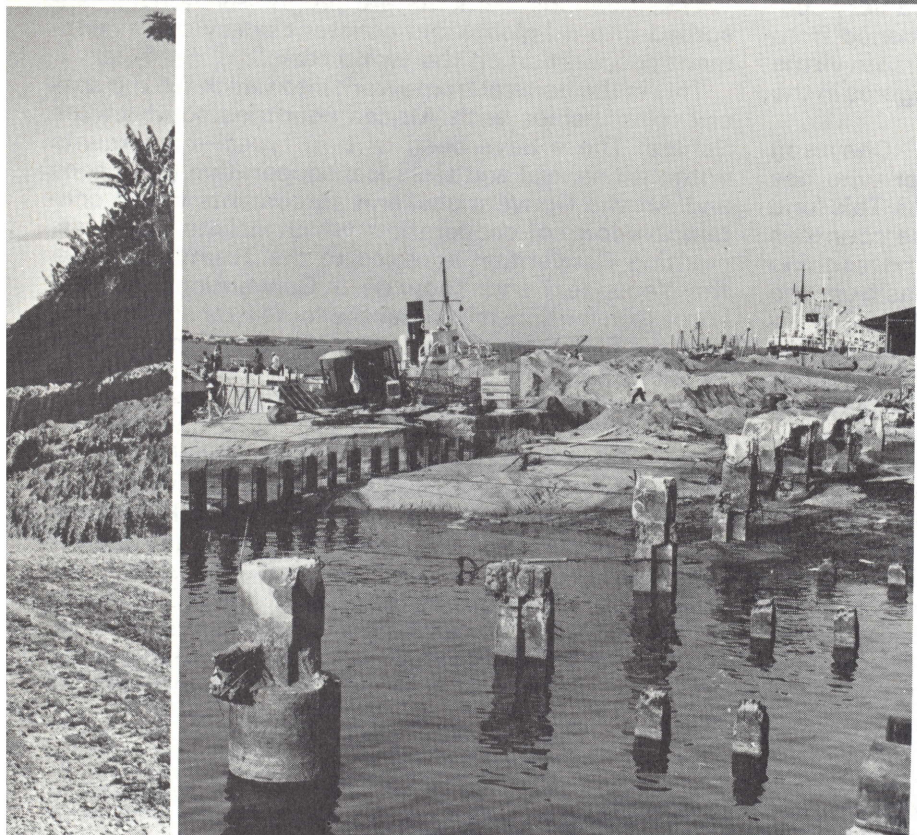
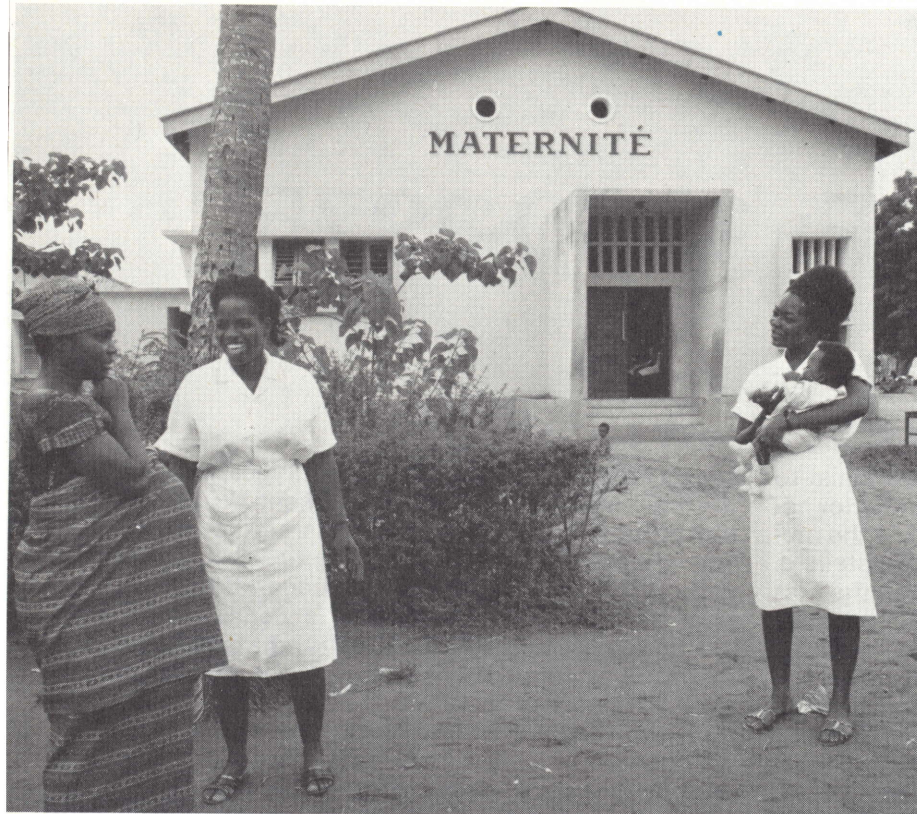
The projects the EDF has sponsored in the economic development of countries associated with the EEC under the Yaoundé I and II Conventions were connected for the most part with the key sectors which determine the economic and social progress of non-industrial countries. Education, agriculture, health, industrialisation and the transport infrastructure were the main sectors to benefit.

But the EDF has also been active in other fields of considerable importance, such as trade promotion and emergency aid.

The articles which follow look at the EDF in action over the 15 years 1960-75.

---

*Photos (l to r). Primary schooling in Niger; tea planting in Burundi; provincial maternity hospital (Togo); power station for a textile mill in Upper Volta; road-building in Surinam; improvement and enlargement of the Port of Douala (Cameroon).*





# THE EDF: 1960-1975

**F**ifteen active years is a respectable testimonial to any institution. Their completion is a time for assessment, for a progress report, for criticism of the methods and resources used and of the results obtained. For the European Development Fund, however, the first question is what place it occupies in Community policy and Community development aid.

Association with Africa was expressly provided in the Treaty of Rome, which devoted to it the whole of part IV of the treaty and included also an appendix for its application, but did not give the Community any general mandate for its policy towards developing countries. Nevertheless, the Association was always a very special part of a line of action which has broadened from year to year and grown materially more diverse in virtue of the drive supplied by a number of senior figures in the EEC.

One of the most recent instances is the "Cheysson Fund", named after the EEC commissioner who has been in charge of development aid since 1973. This fund was set up to deal with the needs of those countries most seriously affected by the oil crisis and the resulting price movements. It is fed with contributions from the EEC governments; part of it is distributed directly by the Commission to a number of countries and the rest is put at the disposal of the United Nations Emergency Operations. One of the special features of the Cheysson Fund, apart from the speed of its absorption, was the fact that it was open not only to countries associated with the EEC but also to Asian and other non-associated countries. This is a significant point in the development of Community aid policy, which is increasingly aimed at giving help on a world basis. All developing countries are now interested in the EEC action, and not exclusively those who have entered into special agreements with the Community such as the Lomé Convention of February 1975 between the Nine and 46 countries of Africa, the Caribbean and the Pacific.

At present the other main elements in this policy are the generalised preferences, consultation on raw materials, food aid, emergency aid (e.g. to Bangladesh) and bilateral agreements between the EEC and individual

countries. The latter are of different types, ranging from the non-preferential trade agreement (Yugoslavia) or the preferential version (Egypt, Israel) to association agreements (Turkey, Greece, Cyprus, Malta) with or without financial and technical cooperation.

At present the Community is considering giving aid to non-associated countries. And at the beginning of this year negotiations between the EEC and Tunisia, Morocco and Algeria were concluded, while talks with the Machrak countries began; as the Euro-Arab dialogue continued, the Community was also taking part in the North-South conference in Paris.

These various elements are progressively being absorbed into a "global and coherent policy of development cooperation on the world scale".

This is the general framework into which fall the special relationships with African countries south of the Sahara. These have been of two types—agreements without financial and technical cooperation (the Lagos and Arusha Conventions) and agreements which contain this form of cooperation, which include the Implementing Convention annexed to the Treaty of Rome, the Yaoundé I and Yaoundé II Conventions and the Lomé Convention. It is under the four latter agreements that the EDF comes into action. Its specific mandate is to look after financial and technical cooperation with countries which are parties to the conventions concerned.

The EDF in its turn is part of the Community's policy of specific relations with Africa. These are maintained by ad hoc conventions which, from the first, have fallen into two main parts—a special system of trade and the organisation of financial and technical cooperation. The purpose of this Dossier is to review the principal stages in this cooperation, including the procedures, the characteristics of EEC development aid and the work it has done, and to analyse EDF policy during the past 15 years.

The following material, except for the country-by-country outlines, is taken from a major study by Marie-Hélène Birindelli, shortly to be published by the Directorate-General for Information of the Commission of the European Communities, titled "European Development Fund, 1960-1975: 15 years of development cooperation".



# From the Implementing Convention to the Lomé Convention

The European Development Fund derived from the Treaty of Rome. It is worth asking why a treaty to found the European Community should include relations with certain developing countries.

## The Treaty of Rome and the Implementing Convention

Historically, France was responsible for this. At the Venice Conference (May 30, 1956), the French first put up the idea of establishing a specific relationship with overseas countries. There were several reasons for it. France could hardly come into the new European Community all by herself when she was maintaining a complex system of trade and monetary relations, and other special connexions, with her overseas territories. These links could not be cut off overnight, leaving the territories concerned to support their own fragile economic systems. Moreover, the territories themselves were important to the French economy, especially those in Africa. It was hardly possible for France to come into the EEC with these territories in her pocket when decolonisation was just going to begin, and in some cases had already begun.

The other EEC members which had, or had had, overseas territories (Belgium, the Netherlands and Italy) fell in with the French suggestion for much the same reasons. Germany and Luxembourg adopted the same line. There were probably political and strategic overtones in this European attitude, quite apart from the general ethical questions.

The next stage was to choose the system to be adopted for the overseas countries, taking into account the differences in

their economic structures by comparison with Europe, and the fact that they were on the point of becoming independent. Special economic treatment was specified in an Implementing Convention annexed to the Treaty of Rome. It was to be valid for five years and was in line with the requests France and Belgium had made in 1957. Its characteristics were as follows:

- progressive opening of the market of the overseas countries to the members of the Common Market;
- establishment of a system of preferential trade access to the Community for the products of the overseas countries;
- adequate participation by all members of the EEC in economic and social investments in the overseas countries (1)".

This system, taken as a whole, was referred to as Association.

The Treaty of Rome, in part IV and in the Implementing Convention, not only defined the legal basis for the relations between Europe and Africa, but also the general form they should take. It was already known in 1957 that their basis would be changing.

(1) Jean Rey: L'Association des territoires d'outre-mer au Marché Commun. (La Revue du Marché Commun, No. 1, March 1958, p. 53).

## Partners of the EEC, from the Treaty of Rome to the Lomé Convention

(IS = Independent State — OT = Overseas Territory)

Treaty of Rome (Implementing Convention)	Yaoundé I Convention (10)	Yaoundé II Convention (11)	Lomé Convention
<b>A. French area:</b>			
— in French West Africa:			
Senegal OT	Senegal IS	Senegal IS	Senegal IS
Sudan OT	Mali IS	Mali IS	Mali IS
Guinea (1) OT			Guinea IS
Ivory Coast OT	Ivory Coast IS	Ivory Coast IS	Ivory Coast IS
Dahomey OT	Dahomey IS	Dahomey IS	Dahomey IS
Mauritania OT	Mauritania IS	Mauritania IS	Mauritania IS
Niger OT	Niger IS	Niger IS	Niger IS
Upper Volta OT	Upper Volta IS	Upper Volta IS	Upper Volta IS
— in French Equatorial Africa:			
Middle-Congo OT	Congo-Brazzaville IS	Congo Pop. Rep. IS	Congo Pop. Rep. IS
Ubangui-Chari OT	Cent. Afr. Rep. IS	Cent. Afr. Rep. IS	Cent. Afr. Rep. IS
Chad OT	Chad IS	Chad IS	Chad IS
Gabon OT	Gabon IS	Gabon IS	Gabon IS



— Ind. Toqo Rep.	OT	Togo	IS	Togo	IS	Togo	IS
— Cameroon (mandated)	OT	Cameroon (9)	IS	Cameroon	IS	Cameroon	IS
— Madagascar	OT	Madagascar	IS	Madagascar	IS	Madagascar	IS
— St.-Pierre et Miquelon	OT	St.-Pierre et Miquelon	IS	St.-Pierre et Miquelon	OT	St.-Pierre et Miquelon	IS
— Comores	OT	Comores	OT	Comores	OT	Comores (4)	IS
— French Somaliland	OT	Fr. Somaliland	OT	Fr. terr. of Afars and Issas	OT	Fr. terr. of Afars and Issas	OT
— New Caledonia & dependencies	OT	New Caledonia	OT	New Caledonia	OT	New Caledonia	OT
— French Polynesia	OT	Wallis and Futuna	OT	Wallis and Futuna	OT	Wallis & Futuna	OT
— Southern & antarctic territories	OT	Polynesia	OT	Polynesia	OT	Polynesia	OT
— Algeria (2)	OT	Southern & antarctic territories	OT	Southern & antarctic territories	OT	Southern & antarctic territories	OT
— Reunion	OT	Réunion	OT	Réunion	OT	Reunion (13)	OT
— French Guyana	OT	Fr. Guyana	OT	Fr. Guyana	OT	Fr. Guyane (13)	OT
— Martinique	OT	Martinique	OT	Martinique	OT	Martinique (13)	OT
— Guadeloupe	OT	Guadeloupe	OT	Guadeloupe	OT	Guadeloupe (13)	OT
<b>B. Belgian area:</b>							
— Congo	OT	Congo-Léopoldville	IS	Zaire	IS	Zaire	IS
— Rwanda-Urundi	OT	Rwanda	IS	Rwanda	IS	Rwanda	IS
		Burundi	IS	Burundi	IS	Burundi	IS
<b>C. Italian area:</b>							
— Somalia	OT	Somalia (12)	IS	Somalia	IS	Somalia	IS
<b>D. Dutch area:</b>							
— Dutch New Guinea (3)	OT			Mauritius (6)	IS	Mauritius	IS
<b>Declaration of intent foreshadowing possible Association to:</b>							
— Surinam	OT	Surinam (7)	OT	Surinam	OT	Surinam (Ind.)	IS
— Netherlands Antilles	OT	Netherlands Antilles (8)	OT	Netherlands Antilles	OT	Netherlands Antilles (5)	OT
— Morocco (4)	IS						
— Tunisia (4)	IS						
— Libya	IS						

### The countries concerned

A first move under the Association was to lay down the list of countries and territories to which it might be applied. The list changed little in 15 years, until the signature of the Lomé Convention

which brought considerable changes.

In 1957 the group of associates comprised 31 countries and a population of about 55 million. In 1975 there were about 60 of them, with a population of nearly 250 m. It is interesting to note that most of these associates make up one of the "regions" mentioned in "Strategy for Tomorrow" (the report by the Club of Rome) and singled out with a view to smooth and "organic" development.

The most spectacular change is the growth in the number of partners, but it may be that the most important change lies elsewhere. This is the fact that while in 1957 the convention

#### New Partners:

- 12 Commonwealth countries in Africa: Botswana, Gambia, Ghana, Kenya, Lesotho, Malawi, Nigeria, Uganda, Sierra Leone, Swaziland, Tanzania, Zambia.
- 4 other African States with economic structure comparable with AASM countries: Sudan, Ethiopia, Equatorial Guinea, Liberia.
- Commonwealth countries in the Pacific: Fiji, Western Samoa, Tonga.
- 6 Commonwealth countries in the Caribbean: Bahamas, Barbados, Granada, Guyana, Jamaica, Trinidad & Tobago.
- 1 former Portuguese territory: Guinea-Bissau.
- British overseas countries and territories.

#### Associable countries

Portuguese dependencies becoming independent: Angola, Cape Verde Islands, Mozambique, Sao Tomé et Príncipe.

(1) In 1958 Guinea opted out of the Association.

(2) In 1962 Algeria did not request continued membership of the Association on becoming independent.

(3) Mandated for a short time by UN to the Netherlands and transferred to Indonesia by the latter in 1963.

(4) Independent since 1975, except for Mayotte.

(5) Independence under consideration.

(6) Mauritius became associated in 1972 and its association came into force on 1.6.73.

(7) Surinam became associated as from September 1, 1962.

(8) The association of the Netherlands Antilles came into force on 1.10.1964 following an amendment of the Treaty of Rome (see Official Journal of European Communities No. 150 of 1.10.1964).

(9) As from 1961 the United Republic of Cameroon included the former French & British Cameroons.

(10) And annexe 7 of the Council decision of 25.2.1964 (for the OT).

(11) And annexe 8 of the Council decision of 29.9.1970 (for the OT).

(12) Including the former Somaliland.

(13) Temporary arrangement until EAGGF applies.





*This road through Bukavu, one of the most important regions in Zaïre, was built with support from the EDF*

was imposed upon the countries of Africa by their metropolitan countries, since then, on each renewal of the five-year convention in 1963, 1969 and 1974, these countries as sovereign partners have made it their own choice to stay in it.

In 1958 the reaction of the Africans to the Treaty of Rome had been somewhat doubtful. Members of the "political élites... admit that a certain interest attaches to the association of their territories with Europe. They are aware... that European capital would be a valuable contribution. They recognise the value of preferential trade access to the German and Italian markets. They recognise that precautions have been taken to avoid this association's paralysing their industrialisation. In short, they are willing in principle to give their support to the construction of a united Europe" (1). They had, however, four principal concerns: to be associated with the application of the treaty; to avoid European neo-colonialism; not to lose the advantages they had from their privileged relationships with their own metropolitan countries; and to watch carefully the effects of the association on the relationships between the African countries. ("What they fear ... is the very fact of an association which, while taking away from them a partner, however remote and open to criticism, who is at least known and in the end well-behaved, and substituting a uniform bloc of six powerful industrial countries, seems to them a basis for colonial exploitation in a new form".) (2).

It seems that the action taken coped well enough with these concerns. As soon as the Implementing Convention was in force, all the countries becoming independent, (3) with the solitary exception of Guinea, made it clear that they desired to remain in the Association; and even Guinea came into the partnership again under the Lomé Convention. It was while the Yaoundé II Convention was in force that Mauritius became an

associate, and during the period of Yaoundé I and Yaoundé II there were two other conventions signed with African countries in the English-speaking group. These were the Lagos Convention with Nigeria (never applied because of internal conditions in the country at the time) and Arusha I in 1968 and Arusha II in 1969, the partners in which were Kenya, Uganda and Tanzania (4). All four of these countries are now signatories to the Lomé Convention.

#### The credits available

A second point about the Association was the size of the five-year overseas aid commitment into which the EEC countries were prepared to enter. These amounts developed as follows: (million UA) (5).

Implementing Convention	EDF I :	581.25	
Yaoundé I	EDF II :	730.00	+EIB (6) = 70
Yaoundé II	EDF III :	900.00	+EIB = 100
Lomé Convention	EDF IV :	3 150.00	+EIB = 400

(4) These three conventions (Lagos, Arusha I and Arusha II) did not include any provision for financial and technical cooperation.

(5) The unit of account (UA) was defined until 1975 by its weight in fine gold (0.8867088 g.) In 1957 1 UA=\$1 US. In 1975 1 UA=\$US 1.21. For purposes of the Lomé Convention the unit was given a new definition. This is by reference to a "shopping basket" of nine Community currencies worked out on rather complex lines. The initial value was fixed to correspond with the old unit of account on June 28, 1974, when it was worth \$US 1.20635; and it is now to vary in conformity with the market exchange rates each day for the various component currencies of the unit. Because the currencies of the Nine are above the dollar, this solution is more advantageous for the ACP than would have been a calculation based on Special Drawing Rights of the International Monetary Fund, a considerable proportion of which consists of the value of the dollar (see J.A. Fralon "la Fleur du Panier" in the *Moniteur Africain* of April 30, 1975).

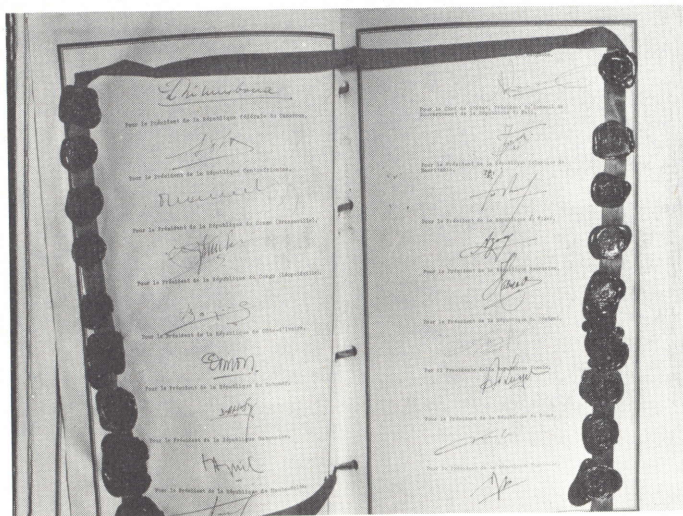
(6) European Investment Bank. This is for credits to be given to associated countries by the EIB from its own resources and on its normal terms.

(1) Article, signed J.D.: "What the Africans think of the Common Market", in the *Review of the Common Market* No. 4, June 1958 (pp. 175-177).

(2) *Ibid.*

(3) The Eurafrikan Association—its development and prospects, by Siaka Coulibaly (*Association News* No. 24, March-April 1974).





*Signatures to the Yaoundé I Convention*

### The objectives

The basic objective of the Association is laid down in Article 131 of the Treaty of Rome as "the promotion of economic and social development" and as comprising an effort "to further the interests and prosperity of the inhabitants of the associated countries in such a way as to lead them to such economic, social and cultural development as they expect". This objective is repeated in the preambles to the Yaoundé I and II Conventions, and the Lomé Convention states that the partners are:

"Anxious to establish, on a basis of complete equality between partners, close and continuing cooperation in a spirit of international solidarity;

Resolved to intensify their efforts together for the economic development and social progress of the ACP States...

Resolved to promote, having regard to their respective levels of development, trade cooperation between the ACP States and the Community, and to provide a sound basis therefor in conformity with their international obligations;

Conscious of the importance of developing cooperation and trade among the ACP States;

Resolved to establish a new model for relations between developed and developing States, compatible with the aspirations of the international Community towards a more just and more balanced economic order".

In special reference to the EDF, Article 1 of Protocol No. 2 annexed to the Lomé Convention specifies that:

"the projects and programmes must help ensure all or part of the following effects:

- growth of the national income of each ACP State
- improvement of the standard of living and the socio-cultural levels of populations and of the most underprivileged in particular;
- the establishment of more balanced economic relations between the ACP States and other countries, their greater par-

ticipation in world trade in general including, in particular, trade in manufactured products;

- improvement and control of the conditions of development, in particular physical factors and technical know-how;
- diversification and integration of the structure of the economy on both a sectoral and a geographical basis;
- regional cooperation between ACP States and, where appropriate, between ACP countries and other developing countries".

The principles of the day-to-day action of the fund were laid down rather laconically in 1957 by the Implementing Convention. The essential provisions were that the fund should be used for "economic investments of general interest, directly connected with a programme made up of definite and productive development projects" and to finance "various social institutions, such as hospitals, educational and technical research establishments and institutes for the vocational guidance and promotion of the population" (art. 3). The division of credits between the two categories of investment was to be decided by the Council of Ministers (art. 4)(1) but the management of the fund was put into the hands of the Commission (art. 1), except for decisions on the financing of economic projects on which the Council retained its competence (art. 5). Projects were required to be presented to the Commission by "the responsible authorities in the countries and territories concerned and in agreement with local authorities" (art. 2). It was also specified that aid from the fund was to be "supplementary to the contribution provided by the responsible authorities" in the countries or territories concerned (art. 1). Within six months of the entry into operation of the Treaty of Rome the Council was to determine "the arrangements for the administration of the resources of the fund" (art. 6).

### The first EDF

The first EDF began its work on the basis of these various stipulations, and its first task was to lay down its own operating rules. It is worth reading the recollections of the first Commissioner in charge of development aid, Robert Lemaigen, who has recorded a number of piquant details on the formation of his team and the start of the work(2).

The Treaty of Rome had been signed on March 25, 1957, and the rest of that year was used for choosing the first members of the Commission and the top members of their staff. At the beginning of 1958 a team had been recruited which M. Lemaigen estimates at about 50 people: Directorate General VIII, which was to be in charge of development aid. About 30 members of the staff were concerned with the EDF itself. This handful of men had the whole house to build, and they had to deal with a variety of constraints and difficulties, including

(1) The principal organs of the European Communities are the Council of Ministers, the Commission and the European Parliament. The Council is made up of representatives of each of the governments of Community countries, the actual representative depending on the subjects to be discussed, such as agriculture, finance, foreign affairs or cooperation. On matters of importance the Commission proposes and the Council decides on the general arrangements to be made. The Commission is variously described as the "executive organ of the Communities", the initiator of Community policy" and the "guardian of the treaties setting up the Communities" (E. Noël: "Comment fonctionnent les institutions de la Communauté Européenne", in European Community documents No. 51, December 1968).

(2) R. Lemaigen: L'Europe au berceau— Souvenirs d'un technocrate (Europe in the cradle—recollections of a technocrat) Paris Plon 1964, and especially Chapter IV which is entitled "la D.G. VIII au travail, esquisse d'une économie eur-africaine" (D.G. VIII at work; first sketch of a Eurafrikan economy) pp. 117-160.



the fact that they were made up of civil servants from six nations, each accustomed to its own way of working, and even its own way of thinking. They had to be fused into a uniform team, free from all national attitudes.

Some members of this team had already a deep knowledge and experience of Africa, and this was to be a great advantage in the subsequent work. Most of them, however, knew the overseas countries purely from books, and in many cases the fundamental economic theories were at variance. Some of them had experience of conditions in Latin America or Asia which was not applicable to the problems of Africa. One corollary was, that the team could start work without prejudice or dispute with their African partners. Through the rest of 1958 they gave themselves over to the tasks of documentation, training, drawing up financial and other regulations and the general preparation for operating the fund.

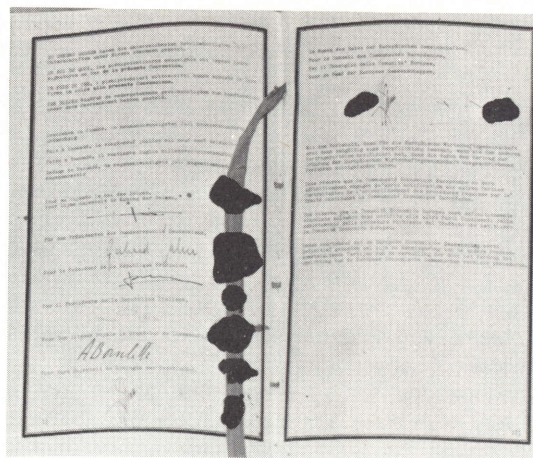
Among these regulations, incidentally, there was one article which purported to settle a most important problem—the way projects should be financed. It lays down the rule that they should be financed by “non-repayable subsidies”.

It is to various texts of this kind that one must refer for the detail of all the Fund procedures. The material is clearly summarised in a booklet published by the Commission in 1966 under the title “The European Development Fund—projects from introduction to execution”.

In 1959 the fund entered into its first commitments. On April 7 of that year the first finance convention was signed with associated countries (it was concerned with a number of infrastructure projects in Zaïre, a development survey for the Mayaga-Bugesera in Rwanda and various roadworks in Burundi).

The next commitments followed in rather haphazard style, which was natural enough with a new organisation only just finding its feet. Moreover, the fund was beginning its work in a transition period, when Africa's political figures were changing, when African administrations were being set up and when national economic plans did not exist in many countries, though for those in the franc area the end of the second FIDES plan was just around the corner (1). The EDF was receiving quite a ragbag of projects, many of them taken from the very backs of the shelves of colonial administration and quite outside its financial potential. At times, too, it found itself completely without projects, though at the same time it was under pressure from two directions—from the EEC governments which wanted the money in the fund to be allocated quickly, and from the authorities in Africa who were eager for development and in a hurry to see their populations finding solutions to their economic and social problems. Moreover, the people in charge of the fund itself had to steer clear of a certain over-perfectionism among their officials, who were inclined to insist on projects being worked out to the very last detail, given a complete social and economic justification and presented with all possible guarantees of their success.

This is part of the explanation for the delay in getting the fund off the ground. Technically it should have completed its operations by the end of 1962; but by this date the credits available had not been fully committed, only half the 316 projects financed were actually in course of execution and only



*Signatures to the Yaoundé II Convention*

17 of the projects had been completed, covering only 1% of the fund's commitments. Moreover, in 1962 the Commission had deliberately slowed down the commitments so as to avoid a gap between the Implementing Convention and the next convention, which was not expected to be operational by the end of the year when the Implementing Convention was due to expire. The commitments accordingly continued in 1963 and even in 1964, and in fact it was not till several years after that the last of the 410 projects sponsored by the first fund was given its approval.

As regards the actual channelling of the investments, all that need be said at this stage is that EDFI was an “engineer's fund”, concerned essentially with economic and social infrastructure, and which progressively turned towards economic rather than social projects, largely because of the high maintenance costs which social projects are apt to generate, and which cause special difficulties in countries with small budgets.

The average size of the projects increased, largely because the associated countries, once independent, tended to think in terms of projects on a bigger scale than was customary with the metropolitan administrations.

In practice, the Implementing Convention proved to have quite a number of omissions. In the first place there was nothing in the text about technical assistance (2). It soon became clear that this was a necessity and the EDF was only able to finance it by taking funds from the Commission budget. This was inconvenient: the funds available were not fixed in advance and might well be less than was needed, and it became necessary to embark on annual discussions with national experts as to what funds should be left available in the Commission budget. A second difficulty was that non-repayable subsidies were the only method by which aid might issue, so that the fund had to rule out all the aid projects which, however valid, entailed a profitability which would bear the burden of finance by loan. Thirdly, the African countries were increasingly confronted with fluctuations in world markets for their basic products, and it seemed necessary to think out machinery which would remedy the impact of these fluctuations on the

(2) Development aid, apart from the trading provisions, consists principally of aid in capital (i.e. putting money at the disposal of beneficiary countries) and technical cooperation (i.e. making available specialised and technical personnel).

(1) Fonds d'Investissement pour le Développement Economique et Social.



African economies. Fourthly, the amount of the aid from Europe seemed to the associated countries to be less than enough.

### The Yaoundé I Convention 2nd EDF

Discussion on all these points followed the expiration of the Implementing Convention, and this time it was a discussion with 18 countries which had become independent. The additional problem arose of setting up standing institutions between the two groups of partners.

The inset (p. 27) shows the different solutions adopted for these problems, and solutions adopted for the problems arising in the following conventions.

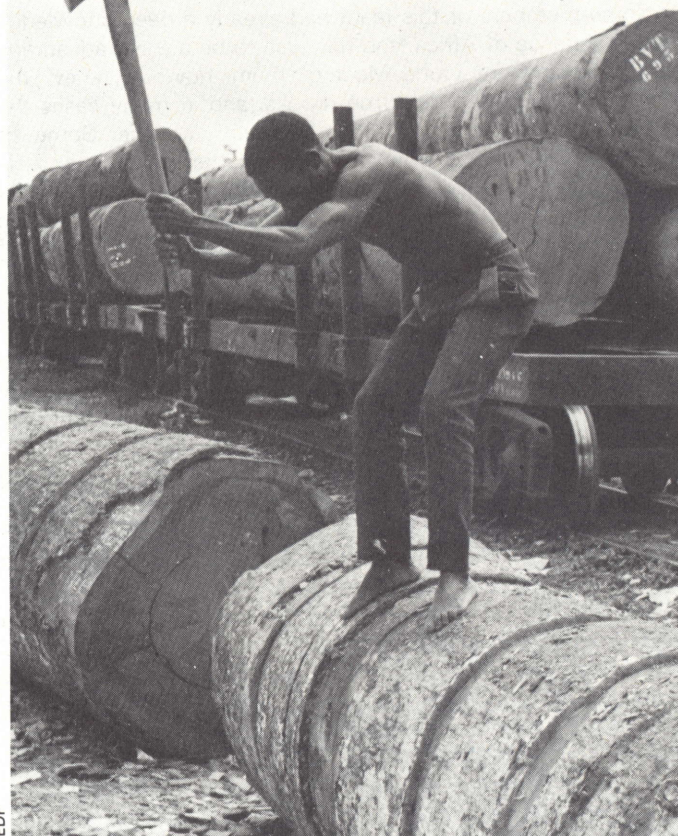
The negotiations for renewing the convention in 1962 aroused very keen discussion between the EEC members, concerned less with the principle of European aid than with the conditions in which the first fund had spent its money. It was noted, in particular, that the contracts for the great majority of the projects financed by European aid had been placed with French firms. This accounts for the concern for a better system of contract allocation, which was to be reflected in various steps taken by the Commission, including provisions for equality of competition and wider advertising of calls for tenders.

Stress must be laid on the innovations introduced by the new convention, finally agreed on December 20, 1962, signed at Yaoundé on July 20, 1963 and brought into force after ratification by the national parliaments with its connected texts on June 1, 1964, for a period of five years. In the first place there was the inauguration of joint institutions linking the Commission with the associated countries: Council, Committee, Parliamentary Conference and Court of Arbitration, described collectively as an "international forum" (1). For instance, the Council of Association, consisting of members of the EEC Council of Ministers and the Commission on the one side and a member of each associated government on the other, has the job of following up and making recommendations on the orientation of financial and technical cooperation from an annual report made to it by the Commission. Its responsibility is not limited to management of the aid but extends to a large range of general questions about the association, including customs and trade matters, and it even keeps the Council informed of internal development in the EEC and its policy towards developing countries.

No less important was the machinery for discussion with member governments provided in the Yaoundé I Convention. Under the previous system it was the Council which had to approve economic projects, but its agenda is habitually overloaded and it was doubtful whether time could be spared for the overseas projects to be given the discussion they deserved. The setting up of the EDF Committee, of representatives of the EEC member countries, creates considerable work in the translation, reproduction and distribution of documents, but it associates each of the member countries with every decision and forces them to take up their own attitude on every problem raised (2). The committee's function is to advise on the

(1) Daniel Vignes: "How I see it" (Association News No. 20, July-August 1973, pp. 28-33. See also supplement to *Courrier de l'Association* No. 12, March-April 1972).

(2) The Committee rules do not provide for abstention from voting.



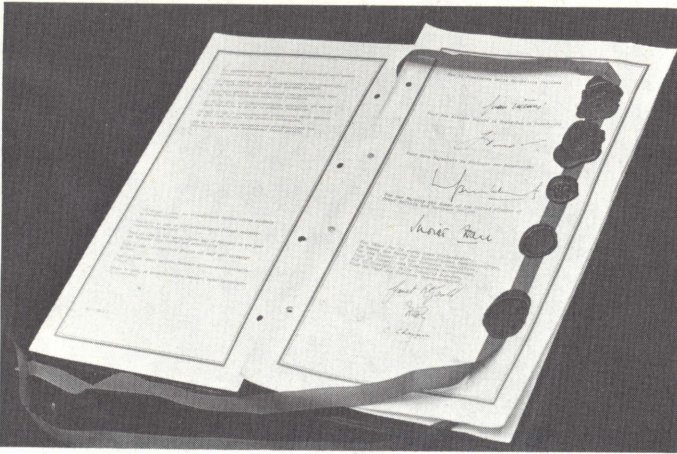
*Timber trucks (Congo)*

projects submitted to it before the Commission makes its final decision. Up to the end of 1974 the committee had held 95 meetings.

A number of other points about the committee will emerge from other articles in this issue. It provides an opportunity for confrontation of ideas and it will be seen how this has had a positive influence on the development of Community policy. It will be seen how the Committee's experience and that of its members has given rise to a number of legal precedents which supplement the experience of the EDF itself and give it standing guidance on its action. It will be seen, too, how the committee has at times called the EDF to order when it was considered to have become too easy-going.

After the expiration of the Implementing Convention there was a transitional period which the fund was able to use in getting ready for the next five-year period. There were successive programming missions and a number of projects were worked out, so that the second EDF was able to begin making its commitments without delay. The convention was brought into operation in June 1964 and the EDF Committee held its first meeting on July 16; even in this first year of implementation (UA 126 m) the average speed of decision was pretty well in line with the rate needed for the full five-year period. This continued throughout the period of Yaoundé I, which expired on May 30, 1969.





### Dates of the Conventions

	Yaoundé I	Yaoundé II	Lomé
Negotiations opened	July 1962	December 19, 1968	July 25, 1973
Convention text agreed	December 20, 1962	June 28, 1969	
Signature	July 20, 1963	July 29, 1969	February 1, 1975
Entry into force	June 1, 1964	January 1, 1971	February 28, 1975
Expiration date	(5 years after entry into force) May 31 1969	January 31, 1975	(1) March 1, 1980

(1) Will come after ratifications now in progress.

*Signatures to the Lomé Convention*

### Principle innovations in the Association Conventions

Yaoundé I	Yaoundé II	Lomé
<ol style="list-style-type: none"> <li>1) EDF authorised to finance technical assistance.</li> <li>2) Projects can be financed by grant or by special loans, or by normal loan, which might be subject to arrangements for interest rebates.</li> <li>3) A sum is specially earmarked for aid to production and diversification (as counterpart compensation for the reduction of EEC customs duties on tropical produce and the progressive reduction of the French price compensation arrangements, and for advances to stabilisation funds).</li> <li>4) Increase in the amount of the EDF.</li> <li>5) Creation of joint institutions to provide discussion facilities between EEC and associated States.</li> <li>6) EDF Committee set up for discussions between the fund and EEC members before submission of finance proposals to Commission for decision.</li> </ol>	<ol style="list-style-type: none"> <li>1) Authority given to the regional institutions to submit requests for finance.</li> <li>2) Projects can be financed by subscription of shares and interest rebates may in some cases be total.</li> <li>3) Loans can be made through local development banks.</li> <li>4) Special measures envisaged for trade promotion.</li> <li>5) Accelerated procedure provided for calls for tenders on works estimated to cost less than UA 500 000; and price preference of between 0 and 15% can be allowed on individual cases in favour of firms in associated countries tendering for supply contracts.</li> <li>6) Increase in the amount of the EDF.</li> <li>7) Increased responsibility given to AASM governments and institutions, especially for maintenance of new investments.</li> <li>8) The 5-year period of the fund will run to a fixed date—31.1.1975.</li> </ol>	<ol style="list-style-type: none"> <li>1) Contamination and in some cases amplification of measures to promote regional cooperation and connected with financing methods, local development banks and measures for trade promotion.</li> <li>2) Finance can be granted for industrial information and promotion and for specific action in favour of small firms.</li> <li>3) Special measures provided for the 22 least-developed ACP countries.</li> <li>4) Special credit provided for basic development micro-projects.</li> <li>5) Limit below which accelerated procedure can be organised in calls for tenders is raised to UA 2 m. Price preference of 10% granted to national firms in ACP countries for works estimated to cost less than UA 2 m. Price preference for firms in ACP countries in supply tenders becomes automatic and fixed at 15% in all cases. Extended recourse to State execution of contracts, especially when intervention is less than UA 2 m and the beneficiary country possesses material reserves of available equipment or personnel in its own service.</li> <li>6) The amount of the EDF is more than trebled.</li> <li>7) Increased participation by the ACP countries intervention at all stages.</li> <li>8) The 5-year period to run to a fixed date (1.3.1980).</li> <li>9) Provisions for programming of Community action and criteria laid down for examination of projects.</li> <li>10) In exceptional cases aid can be given for operation and maintenance of new investments.</li> <li>11) Stabex system (stabilisation of export receipts).</li> </ol>

#### The Yaoundé II Convention 3rd EDF

With the expiration of Yaoundé I, further negotiations were put in hand with the same partners to secure its renewal. The development of trade was considered disappointing by the Africans (1). The discussions were largely focussed on this point, besides the insufficiency of aid in the industrial sector and the total amount of the EDF. In general the negotiatory atmosphere was more relaxed than it had been in the discussions for Yaoundé I. None of the parties called in question the principle of continuing the

(1) See trade between the EEC and the AASM 1958-71—Association News No. 18 March-April 1973 (pp. 43-49).





*Agro-industrial estate at Dibombari (Cameroon)—6 000 ha of palm plantation*

association and the drafting of the new convention was on very much the same lines as that of its predecessor, with 27 of the 66 articles quoted in toto from Yaoundé I. The Africans had put forward a proposal of UA 1 500 m for the 3rd EDF, but the figure finally settled was UA 1 000 m, which was quite considerably in excess of the provision under Yaoundé I.

The new provisions for emergency aid and trade promotion somewhat allayed the regrets among the African negotiators at the disappearance of price support and the cuts in the Common External Tariff (1). The promotion of the industrial sector was to be helped by diversifying the modes of finance which could be applied, and by the possibility of using local development banks as intermediaries, and giving a certain price preference to local firms in tendering for EDF contracts, coupled with protection for African industries by the suspension permissible in certain conditions of competing imports from Europe (2).

Apart from these major orientations, there was practically no change in provision for the Association institutions. A number

of provisions in the convention repeated the principles, and even the text, of some of the resolutions adopted by the Association Council on the management of technical and financial cooperation. These refer in particular to aid for the least developed countries (Art. 23), integrated projects (Art. 19, par. 2), training schemes in Africa itself (Protocol No. 6, Art. No. 3a) and a number of other cases which provide a clear indication of the useful influence of the Association institutions on the attitude taken by both the European and the African negotiators.

While Yaoundé II was still in force a 19th country became associated with the original 18 AASM, Mauritius, which signed the Association agreement at Port Louis on May 12, 1972, and even before its association had become effective (3) had received (March 1973) a visit from the first EDF Programming Mission.

The use made of the transitional period before Yaoundé II became effective enabled finance commitments to be made and come into effect very quickly. Incidentally, the EDF is currently applying the same procedure for the Lomé Convention.

The first year of activity was to see almost a quarter of the total amount of the EDF brought into active commitment. After this the rate of expenditure from EDF III was maintained

(1) The Common External Tariff (CET) is the customs tariff applied by the EEC countries on imports from outside countries. In order to help developing countries the CET was lowered several times in the rates on classes of goods with which they are particularly concerned, especially tropical agricultural produce. This general lowering of the tariff reduced the preferential margin enjoyed by the AASM over the rates charged to other developing countries.

(2) On the innovations in Yaoundé see: "Continuité et orientations nouvelles dans la Convention d'Association de Yaoundé II"—*Courrier de l'Association* No. 3 July 1970, by A. Lacroix.

(3) See C. Lucron: "L'accession de l'île Maurice à la Convention de Yaoundé"—*Courrier de l'Association*, No. 13 May-June 1972 (pp. 38-40), and interview with Ambassador R. Chasle in *Association News* No. 17 Jan.-Feb. 1973 (pp. 10-13).



at a satisfactory level (1). In 1974 the rate of commitment was deliberately slackened, so as to avoid a gap when it seemed likely that the next convention (Lomé) would not be immediately operational when Yaoundé II expired on January 31, 1975.

### Lomé Convention 4th EDF

The early stages of the renewal negotiations were in fact very difficult (2). Some of the African partners were new to this type of discussion, and the gaps in their knowledge about the Association had to be filled in before any progress could be made. The "associable" countries wanted more information on various aspects of the Yaoundé Convention, more especially about the "tariff system, the settlement of the amount of aid and its distribution geographically and by sector, the concept of reciprocity in regard to right of establishment and the functioning of the institutions of association and coordination" (3).

Moreover there were internal difficulties inside the ACP group. These have been very frankly described by a representative of one of the countries concerned, who gives various examples: "In the first instance comes the question of regional cooperation ... The Community ... made specific proposals to us about this, and the one which was certainly the most orthodox was to earmark a proportion of the EDF exclusively for financing multinational projects. Unfortunately it is among us ACP countries that these proposals seem to raise doubts ... We come abruptly upon the fundamental difficulty of accepting among ourselves that we should make mutual sacrifices and concessions so that the development of each of us can be rounded off by the growth of us all ... I should also mention special measures in favour of the countries which are least advanced ... It needed no more than a first attempt at drafting criteria to define the "least advanced" and the nature of the special measures themselves to bring to the surface the national egoism which is such a complication to the whole problem. According to some people, we may not be far from adopting criteria which will put practically all the ACP countries on the least advanced list" (4).

Thirdly, the prospective partners were no longer concentrated in and around Africa, as had been the case under Yaoundé I and Yaoundé II. Some were in the Caribbean and the Pacific and this necessarily raised divergent problems and situations.

Finally, the former associates were anxious to secure at least the maintenance of the advantages they had enjoyed under Yaoundé II. The Community had in fact given its assent to this from the outset (5).

The Europeans put up a great many obstacles to the demands of the Africans. They were described as "reluctance to accept innovation, resistance to major amendments, refusal to accept the sacrifices needed to give cooperation a real content" (6).

In practice there was already an implicit agreement on the form of the new convention. "Since October 1973, we knew pretty well where we were going. It was to be a new Association of the Yaoundé type, but materially amended as a result of more than 10 years of practice and experience. The European Community, however, could not bring itself to embark upon the many formal commitments, and the negotiations got bogged down in technicalities" (7). It was at this point that the ACP countries invited the European ministers to a conference in Kingston, Jamaica, and a number of important points were successfully smoothed out. These included, in particular, setting up a system (STABEX) for stabilising ACP export receipts, and the method for assigning full importance to industrial co-operation, leaving in suspense a number of other points such as the amount of the future EDF and the import system for ACP sugar. The latter problems were dealt with in January 1975 and the new convention was signed in Lomé on February 28.

The successful conclusion of this negotiation caused something of a sensation on both sides. There had been 183 working sessions of negotiation between the EEC and the ACP and no less than 493 meetings between the ACP delegations themselves. Leading European newspapers, such as *Frankfurter Allgemeine* (Germany), *Le Soir* (Belgium), and the *Sunday Times* (Great Britain), echoed the ministerial statements, describing the convention as "historic" or "revolutionary" (8).

Lomé is no longer a Convention of Association. The word Association disappeared at the request of the English-speaking partners, for whom the word in English has different implications from the same French word (9). The official title of the convention, therefore, is the "ACP-EEC Convention of Lomé".

And what are the repercussions of all this on the European Development Fund? It has been given greater financing potential and new lines of action. It is reasonable to expect that it will be increasingly effective. "Its intervention is extended to additional countries, with traditions all their own and with various kinds of development experience. This can but be useful in strengthening the experience of the fund itself. What is more ... regional cooperation in Africa and the action of the fund in procuring it can only have been made easier" (10). ■

(6) Interview with Ambassador Pognon, *op. cit.*, p. 12.

(7) Ch. Schiffman: "A new model for relations between industrial and developing countries". Association News No. 27, Sep.-Oct. 1974, Current News (p. 11).

(8) In actual fact, some of the ideas given institutional life in this convention had been brought onto the table several years earlier. The "revolutionary" system known as STABEX, for example, had been germinating for a long time, and can be found in the proposals of one of the EDF directors (J. Ferrandi). The following, for example, is an extract from one of his lectures under the title "Rural economic development in countries associated with the EEC" which he gave at the ECSC Conference in Luxembourg, as long ago as October 25-27, 1966 (ronéo-doc. 9061/VIII/FED/66-F, pp. 11-12): "If we are to succeed in this work of renewing the rural world of Africa, there is a preliminary step which we shall have to take first. This is some form of economic action to support and regularise the prices of agricultural produce for the benefit of those who produce it". He followed this with notes on the British marketing board and the French price stabilisation funds, and possible adjustments to these different systems.

(9) Association in English might be held to imply annexation or subordination.

(10) Interview with J. Ferrandi, Association News, No. 17, Jan.-Feb. 1973 (p. 25).

(1) See, for example, the appreciation of the Parliamentary Conference of the Association at its Kinshasa meeting (March 29-31 1973), recorded in an article by Ambassador Sissoko on the 9th session of the Parliamentary Conference (Association News No. 20, July-August 1973 (p. 37).

(2) See press conference by Herr Krohn, Director-General for Development Aid. Association News No. 24, March-April 1974, Current News (p. 1).

(3) Discussion with M. Djim Sylla in Association News No. 17, Jan.-Feb. 1973 (p. 29).

(4) Interview with Ambassador Pognon, Association News No. 26, July-August 1974 (pp. 10-14).

(5) Interview with Commissioner Deniau, *Courrier de l'Association* No. 15, Sept-Oct 1972, p. 3.



# EDF features and procedures

## PROCEDURES

Underlying the procedures are two governing ideas.

The first is that the EDF is an instrument of financial and technical cooperation, and can only be used if the responsibility is shared between the ACP countries which decide how funds should be used, and the Community institutions which provide them. The second is that the EEC Commission, as the Community organ administering the EDF, is using money contributed by the EEC countries. It must not only make good use of it, but always remember it will have to give an account of its stewardship.

### A project from A to Z

The background to the EDF action is made up between the authority and the responsibilities of the three types of partner—the EEC countries, the ACP countries and the Commission. The project passes through four main phases—programming, examination, execution and evaluation.

### The programming phase

It is for each individual ACP country, on its own sole responsibility, to lay down the lines of its own development and to do so conformly to the political framework it has chosen for itself. It is for the ACP country concerned, and nobody else, to draw up a plan determining the action to be taken and to lay down the priorities. Up to this point the EDF cannot interfere in any way whatever, except to finance the secondment of one or more planning experts from a pre-agreed panel, if the ACP country itself takes the initiative and expressly makes the request (1).

It is only after the choice has been made, the priorities sorted out and the requirements compared with the resources available, that the government of an ACP country can, if it wishes, ask for external aid to supplement its own efforts in financing a specific scheme or series of schemes. The EDF considers it has no initiative in the matter, and thus cannot pick and choose among the projects listed in the development plan. It is for the government of the ACP country concerned to determine for which of the projects Community aid shall be solicited. After the submission of this first list of projects, which the ACP country thinks fit to channel through the EDF,

the first phase of the procedure really begins. This is known as the programming.

This phase comes at the beginning of the operations of each successive fund—often while the Convention is still being ratified and before it has come into force. During it the new EDF collects information and must study the development plan of each partner, review its recent economic development, enquire about the results of former projects financed by the earlier EDF in the same country, and take a good look at the country's financial prospects. The latter part of the survey covers an analysis of how the country stands in regard to the external aid received and due, which is based on a document drawn up at intervals by the Commission, using its information exchange agreements with the chief suppliers of multilateral aid (the World Bank, UNO, BAD etc), or of bilateral aid (i.e. the EEC governments and their agencies and those of other aiding countries, such as USA and Canada).

The next stage is for the fund to get a general view of the project, or proposals for projects, it is intended to finance with Community aid. This is generally done in the country concerned, by means of a high-level EDF mission led by one of its senior officers and consisting of four or five economists and technicians.

This makes it possible to throw out some of the projects which have no chance of securing the finance desired; but in general it is not possible to make any firm decision on the projects at this stage. The EDF mission, however, discusses the proposals with the competent government department, in the light of the priorities laid down in the government's plan, its own general surveys before the programming began, the amount of aid requested and the possible ways of financing the project, and the extent to which the project itself has been worked out for presentation.

It is usual for the ACP countries to put forward many more projects that it will be possible to finance, and a number of them may be put forward simply as ideas needing a good deal more work before it is possible to consider them seriously. The fund thus has before it a number of projects and proposals from the government concerned and, with the information now at its disposal, is in a position to make a preliminary selection. This is particularly important for projects which will result in production for export, for the ACP countries individually may not be aware of similar or overlapping proposals put forward by other ACP countries, and in regard to which the fund will want to consider any problem of marketing potential. It has happened that work has been started on projects high on the government's priority list, but that a change of government has put them back to a much lower position—or even that finance for them would be regarded by the incoming team as a "poisoned gift". However all this may be, improved programming of EDF aid would, it seems, help towards a solution →

Most of this analysis is taken from the article "EDF procedure" by P. Christofini in *Association News* No. 17 (Jan-Feb 1973, pp. 38-47). See also the EEC Commission publication "Fonds Européen de Développement—De l'Introduction du projet à son exécution" (revised edition, Brussels 1973)—*Editor*.

(1) In exceptional cases, the EDF may take the initiative in a technical assistance scheme, provided the country in question has agreed to the general lines of the project (Yaoundé II art. 22).





**Sénofo village (Ivory Coast)**

*The Ivory Coast, where there are striking contrasts between the old and the new, has benefitted from considerable EDF investments*

In this way the Commission representatives are able, on the spot, to suggest to the government authorities which of the proposals seem ready for immediate submission to the EDF; those which seem hopeful, but would gain from better presentation; those on which an opinion must depend on essential factors not yet known; and those which do not seem acceptable to the EDF, either because the relevant texts do not authorise them or because their priority seems doubtful and they would use money which could be better employed in other directions.

From the standpoint of the ACP country, this programming work provides a clear idea of what aid may be expected and for what purposes. For the Commission it provides material for assessing the total demand the EDF will have to face and the expected sector distribution, and puts it in a position to make a first sketch of its working programme.

This phase is carried out jointly with the European Investment Bank, which allows for a better forecast of the Community aid in all its forms. At times it also facilitates coordination with other aid sources in the early programming stages. In 1963, for example, the programming mission to Madagascar for EDF II brought the French fund FAC into some of the discussions, because the Malagasy plan which had just been published scheduled various specific projects for external aid. In the same way, the EDF programming in Upper Volta in 1969 facilitated concerted planning between the EDF, the FAC and the World Bank through joint meetings organised under the chairmanship of the Upper Volta authorities.

The outcome of this programming mission is a programme for each country, worked out by agreement between the EDF mission and the government of the country concerned. It may be amended at a later stage because of new circumstances and situations, modification in priority lists and government

choices, or the need for facing a natural disaster or other unforeseen events. It is intended to be used as a working basis for the EDF through the period of the convention just beginning. Copies are sent to the EDF Committee, with copies of the analyses of the economic position of the individual country and particulars of the external aid it has received. The government of the country concerned sends a representative to the EDF Committee for an exchange of views on the programme (1).

### **Examination of the projects**

The projects now come out of the programme stage and are put forward to the Community by the government concerned in the form of project files specifying the objectives sought and the resources to be used, backed by the basic data needed for an assessment of the project as such. The country concerned can obtain Community aid for technical assistance in drawing up all or part of the file. Examination begins as soon as the files are lodged. For making the surveys (as also for the management and supervision of the work undertaken) the EDF nominates a suitable survey office, but the government concerned is free to accept or refuse it or to pass its own contracts (2).

Under the Lomé Convention, a number of quite important innovations will be brought into the system for the purpose of →

(1) This provision is one of the innovations introduced by the Lomé Convention.

(2) Two recent cases in Zaïre may be mentioned in this connexion. In one instance, Zaïre asked the Fund to choose a local survey bureau, which it nominated itself in lieu and place of the bureau proposed by the EDF. The Fund accepted this. In the other instance, Zaïre took the initiative without waiting for a nomination by the Fund, and proposed a local bureau. This was also accepted.



increasing the share of responsibility borne by the ACP country concerned. The provision remains that the EDF must compile an index of bureaux competent to take part in technical cooperation assignments; but for each operation there will be a restricted list of specific bureaux from which the choice is to be made. In the case of contracts by private treaty the choice will be at the discretion of the ACP government from a list drawn up by the EDF. Where tenders are called for, the restricted list is drawn up in consultation by the ACP government and the EDF and the contract is awarded to the bid agreed to be the lowest by the government and the EDF. The responsibility for drawing up and negotiating the contracts will now lie with the ACP country which, as at present, will be the contracting party. The Commission delegate in the country concerned will be associated with drawing up and negotiating the contracts and will have the particular task of seeing that the terms of the contract conform to the general schedule of conditions for technical assistance (1) and the general terms of remuneration, so as to secure the necessary uniformity of contracts financed by the EDF and put the remunerations on the same basis.

If national administration have at their disposal the necessary trained staff for a better participation in projects, they may secure support from the Community for carrying out technical cooperation assignments under government control, the EDF supplying material resources or additional staff, provided such measures are temporary and limited to the project in hand.

The file on any specific project contains technical, economic and financial sections. Its examination is put in hand by the EDF on its arrival in Brussels.

In the course of this examination, the project is considered in all its aspects—economic, social, financial, commercial, organisational, management and technical staff. The examination is carried out by the fund in close cooperation with the government of the country concerned by correspondence, missions and meetings. In accordance with article 53 of the Lomé Convention, its main objective is:

“a) to ensure that the projects and programmes derive from the economic or social development plans or programmes of the ACP States;

b) to assess, so far as possible by means of an economic evaluation, the effectiveness of each project or programme by setting the effects expected against the resources to be invested in it. In each project the expected effects shall be the practical expression of a number of specific development objectives of the ACP State or States concerned.

On this basis appraisal shall ensure that, as far as possible, the measure selected constitute the most effective and profitable method of attaining these objectives, taking into account the various constraints on each ACP State;

c) to verify that the conditions prevailing are such as to make for the success and viability of the projects or programmes. This implies:

— on the one hand, verification that the projects as conceived are suitable and sufficient for bringing about the effects sought, and that the means to be used are commensurate with the circumstances of the ACP State or region concerned;

(1) The general schedule of conditions and the general terms of remuneration are to be prepared by the Commission and submitted to the ACP governments for agreement.

— and on the other, ensuring that the staff and other resources (especially financial) required for operating and maintaining the investments and covering incidental project costs, are effectively available. Particular attention is to be paid under this head to the possibility of the project being managed by national personnel”.

This phase of the examination has raised important discussions. Some of the ACP countries think the Commission's requirements before a financing decision are such that action to which they assign a high priority may suffer serious prejudice through the delay. In the same way, the reluctance of the EDF to commit itself to projects for which it considers the files incomplete, is alleged to leave governments unduly long in a state of uncertainty about Community finance, so that their programming is materially impeded. There is therefore some pressure for the examination procedure to be speeded up, involving a less exacting analysis of the economic and financial justification, and at this stage a less elaborate development of the technical concepts.

Such proposals, attractive as they may seem as potentially enhancing the reputation of the EDF for quick decision, have never secured acceptance, either from the Commission or from the upper echelons in the ACP countries. Experience has shown only too abundantly how serious a check may result from projects being studied in two cursory a fashion on the economic or social side, or rushed into operation before all the technical aspects are settled. In either case there is a waste of money or time, and usually both. The wisest course seems therefore to lie in the present choice of sufficiently thorough examination, which can result in the rapid execution of projects which are both functional and effective, rather than to hurry through with the examination at the risk of execution difficulties and inadequate results.

On the other hand, it is impossible to ignore the legitimate desire of ACP governments to secure quick execution of projects which they regard as clearly urgent. The EDF departments therefore keep in contact with their opposite numbers in the ACP country, both by field missions and by meetings in Brussels, so as to limit the examination requirements to the strict minimum and to make sure that indispensable information is provided quickly.

When the examination is over, and provided the fund regards the project as suitable for Community finance, the EDF and the government concerned get together to draw up a financing proposal. This is submitted for comment to the EDF Committee, which consists of representatives of the EEC countries; and subject to their opinion being favourable, it goes for decision to the Commission. If the committee does not give a favourable opinion, the project may be withdrawn, amended and resubmitted, or kept as it is and sent for decision to the Council of Ministers (2).

The financing proposal sets out all the justifications for the project and the methods chosen for securing the objective sought; provides a calculation, if necessary, of the internal profitability of the operation; examines the expected effects; passes judgement on the technical concepts; states the prob-

(2) If the committee decision is adverse, the Lomé Convention will allow the ACP government concerned to argue its own case with the committee. Previously, only the committee and its organs were concerned, and the introduction of ACP participation at this stage of the proceedings is an important innovation.



## The Community and the North African States

### Claude Cheysson: the Maghreb agreements and the Lomé Convention are parts of "the same policy"

Following the completion in January of the negotiations between the Community and the Maghreb countries, EEC Development Commissioner Claude Cheysson outlines the Community's Mediterranean policy, under which the Maghreb agreements were reaching their final details before being signed.

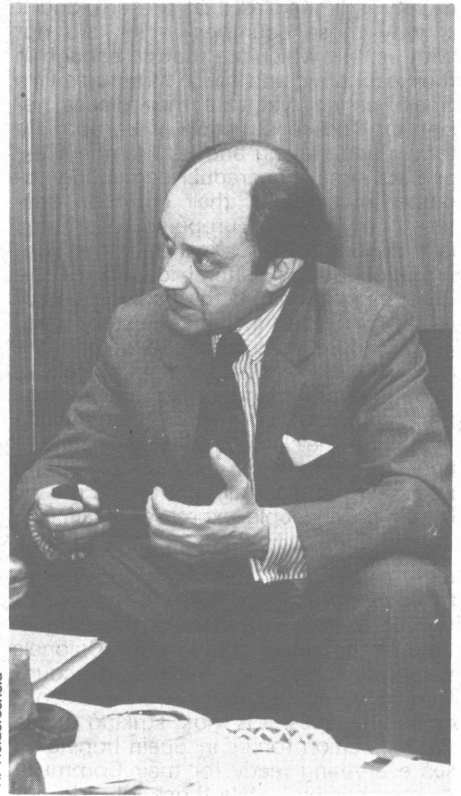
The texts of the EEC-Morocco and EEC-Tunisia agreements were finalised by negotiations in Brussels on March 1, 1976. The three agreements must now go for final approval to the governments and will probably be signed in April.

► In January, within 10 days of one another, agreements were made with Tunisia, Morocco and Algeria. Last year an agreement was made with Israel, though this did not include financial cooperation;

and at the end of December negotiations opened with Malta. Very shortly negotiations are to begin with the Machrak countries — i.e. with the United Arab Republic, Jordan, Syria and, as soon as possible, Lebanon. Does this mean we are seeing the effective beginnings of the global Community Mediterranean policy you have advocated?

— Yes, on this I can be quite definite. I would keep Malta out of the list of countries you mentioned as it has its own closeness and affinities to Europe, and is not representative of our development policy. In our eyes this policy is best expressed in the Lomé Convention, despite its various insufficiencies, and it is all the stronger for the fact that it is being applied to the countries on the south Mediterranean seaboard. The policy we are developing in the southern Mediterranean is the Lomé policy.

► For a long time there have also been agreements with Greece and Turkey, in virtue of which these countries should one day become full members of the Community. In Spain, since events took their present turn, more and more people have argued that the country's future lies in the same direction. In



R. Heiderscheid

other words, practically the whole of the Mediterranean may one day be ringed by countries which are either members of the EEC or have special relationships with it. Do you think this is Europe's special vocation?

— This raises two types of problem which I regard as different in character. It is natural to do so in relation to the Mediterranean because it is there that the two policies meet. In the first place, there is the building of Europe — an enormous adventure which we began with the European Coal and Steel Community, which later spilled over to include all Europe's internal trading problems (the Treaty of Rome) and which will clearly continue to expand. The Tindemans report (1) proposes certain im-

(1) M. Leo Tindemans, Prime Minister of Belgium, was asked by the other EEC countries to compile a report on the construction and political integration of The European Community. The report was made public in January 1976.



provements in the construction of European union and the integration of the countries of Europe; and the report of the Commission, which takes a rather longer view, looks beyond the more immediate stages to the wider prospect of Europe itself. From the beginning we have said we would like the European perspective to include all the democratic countries of Europe. Democracy is a primary qualification. This is why the Community is limited as it at present, and it is why those countries which are not with us, but which are mature enough in their economic and social structures (like Spain) cannot yet take their places beside us. The construction of Europe is a family undertaking and its members aspire towards the gradual cementing together of some of their common destiny. In my eyes, a Europe so constituted is a condition of survival and true confirmation of the cultural identity of the European nations, of the personalities of its peoples, their individual history, geography, conditions of the past and the ambition which went into their making. What we are trying to do is to merge the peoples of Europe without making them lose their individuality, their culture and their means of expression — and nationality is, after all, one of the means by which a people expresses itself.

Greece, without any doubt, has its own place in all this. It is moving to think that practically the first thought of Greece as it emerged from the difficult time of the Government of the Colonels was its desire to join its brother countries in democracy whatever the economic difficulties. It is most striking to see the opposition forces in Spain hoping to see everything ready for their Community membership, while those who do not set their sights so high as full democracy in Spain wish to avoid the condition of democracy and yet still join us.

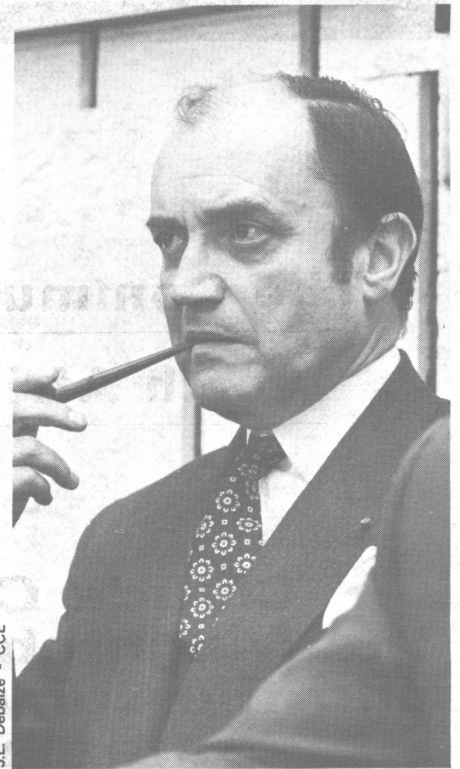
### The Lomé Convention and the Mediterranean policy of the Community

What is happening in the southern Mediterranean policy of the Community is quite different. We have not proposed, and we shall not propose political terms for an alliance, an entente, an integration or still less for union with countries which are different from us in their culture, their tradition, their aspirations and their national will. We are instead proposing economic cooperation, cooperation of an all-in character — just now I called it "the Lomé policy" — involving a very high degree of integration of all our resources, including opening our markets, sharing our knowledge and experience, perhaps joint ventures, quite

certainly a number of joint undertakings, some of which will influence our own destiny. This is a very audacious policy, and I would repeat that it is still the Lomé policy and this signifies a great deal. On the other hand, it does not contain the least shadow of political integration. We do not make any condition to the countries concerned as to what their political tendencies shall be. Among the Lomé countries we have some which are, or claim to be, highly progressive, we have others of real or would-be conservatism, there are some which venerate the principles of capitalism in its liberal tradition, others which are seeking socialist formulae embodying nevertheless a market economy, and we have some which have turned resolutely towards State socialism. None of this gives us the least inconvenience in what we have set out to accomplish.

But I did not say there were no political dimensions. When these countries are capable of showing us a common front, the regional cooperation among them will be a fine achievement, and will certainly have a political dimension. United Africa means a lot to them. What's more, it implies their recognition that both sides have common political interests, which include our very strong interest in the Mediterranean, remaining a peaceful zone, an area of independence, and a sovereignty shared to the very minimum possible degree with influences from outside, however powerful. We have here two objectives which are fundamentally different in character. In the one case we want to help countries to develop, and think the best way of helping them is the policy of the economic open door, accepting some degree of integration of their future with aspects of our economic system. This has a political dimension, but it is not a political influence. So much for the first objective; the second is fundamentally political.

Geographically these two policies meet in the Mediterranean where some countries are European, integrated or not, while the others are associates and friends with common political interests, and more especially economic interests, associated with one another or not, but determined singly and collectively to cooperate with us. This sets up a special state of things in the Mediterranean; but it is a state of things which results from the expression I used just now. For us in Europe, the Mediterranean is an obvious development area. Across the Mediterranean passes so much of the trade on which we depend so heavily, whether for our supplies or for our expansion into the outside world. Across this same Mediterranean, and for the last two or three thousand years, have passed all the cur-



J.L. Debatze - CCE

Claude Cheysson

*"For us in Europe, the Mediterranean is an obvious development area. Across the Mediterranean passes so much of the trade on which we depend so heavily..."*

rents of culture which made us what we are, and which have, I like to think, done the same for our southern neighbours. How logical it is then, that across this Mediterranean we should look for a new structure in which these currents should enjoy their own place and precedence, and take on lasting forms making for greater development on either side. From two different starting points, therefore, we reach the Mediterranean in the attempt to make a sea of peace, civilisation, development and reassurance in our independence.

### The same vision of development

► *All this is fundamental and I think we did well to review it. Many people in the ACP countries will be tempted to compare the Lomé Convention with the Maghreb agreements. There are similarities; in both cases these are global agreements; but*



*there are differences too, if only in the fact that the Maghreb countries are geographically closer to the Community and have started to industrialise. Would you compare the two types of agreement with one another, as aspects of Community development policy?*

— It is the same policy, the same approach and the same vision of development which we are trying to develop at the European level. We take great support from the encouragement given us in the EEC countries, not only from governments, but from industry, young people and public opinion generally. It is the same policy, but it does not take exactly the same shape. In the first instance, this was because the countries of black Africa showed exceptional maturity in negotiating with us, with only a single spokesman to put forward all their claims which, God only knows, were widely different. They were differences which sprang from fully objective considerations, from real and important social and economic facts. Despite this, countries such as Rwanda, Nigeria, Tanzania and Mauritania were content to have only a single spokesman. This was a very remarkable feature; and unfortunately the countries in the southern Mediterranean were not willing or able to adopt the same approach. In some cases, of course, the reasons were obvious. Israel at the present moment stands apart from her neighbours on account of a fundamental conflict. In other cases the difficulties were less obvious; I very much hoped the Maghreb countries would make common cause together and I cannot deny my regrets that they did not make their negotiations with Europe the occasion for this. This was a first difference, and its importance is far from negligible.

The second difference, as you suggested, is that the Maghreb and Machrak (Levantine) countries are geographically much nearer to us, besides being economically stronger and thus ranking among our more formidable competitors. There can be no concealing the fact that there were more serious problems in throwing open all the doors into our economic system at once. For the ACP countries, 99.3% of their exports have access to the Community market without duty or quota. We were not able to secure a similar percentage for the Arab countries of the southern Mediterranean, or for that matter, for Israel. Both in the Arab agreements and in the Israeli agreement, therefore, there are aspects of protection which still subsist and which you will not find applying to the ACP. In the same way, the Lomé Convention contains elements of experience and experiment which are not to be found in the Maghreb or the Machrak

agreements. This is true, for example, of STABEX and the insurance it provides against bad years, and the sugar protocol, which is a very special arrangement because we commit ourselves to accept definite quantities of sugar at prices above or equal to the floor price we pay to our own producers. We were not able to go as far as this with the Maghreb or Levantine countries, probably because this very bold experiment might have proved too expensive or economically disturbing. The Maghreb agreements, therefore, lack some of the provisions which are to be found in the agreement with the ACP.

On the other hand there are in the Maghreb agreements, and I hope there will also be in the Levantine agreements, noteworthy new provisions which are not in the arrangements with the ACP. One is the fact, to which the press has paid little attention, that the agreements just negotiated with the Maghreb countries are for an unlimited period, which is not the case with the ACP. Everybody supposes the ACP agreement will be renewed every five years, but this is not specifically provided in the text. Secondly, the rule of non-discrimination — i.e. absolute equality of treatment for Community States, companies or individuals — is much more strictly laid down in the Maghreb agreements than in the agreements with the ACP. As far as the ACP countries are concerned I am sorry about this, but that is how it is. Thirdly, the long-term prospect of setting up a free trade area, a common economic zone, features as a principle in the Maghreb agreements but only as a principle for ultimate rather than immediate application. In the immediate future the arrangement is non-reciprocity, as it is for the ACP countries. We have not asked the Maghreb countries to give us anything in the next few years in the way of preferential duties for our goods. The principle is, however, established in the case of the Maghreb agreements that it is out of the question to lay down time and duration, and that it was more important in this case to have a guiding light for a distant future, and that this light should be lit straight away, which is not the case for the ACP countries.

Those are the differences. The policy is the same, the approach is the same and the vision is the same. There are differences of emphasis, due to the greater proximity of the Maghreb economy and presumably, later, of the Levant. This requires greater caution in case the blunt instruments of a hasty agreement injure either party; and also ambition on a bigger scale, which is expressed in the unlimited duration of the agreements and therefore the permanent character of the relationship.

## **Comparative importance of agricultural, financial and industrial sections**

► *Without denying the importance of the agricultural and financial provisions of the agreements, don't you think the industrial aspect is especially important since the Community is to guarantee free access to its market for industrial goods from these countries for an indefinite period?*

— In the Maghreb cases I think the agricultural and financial provisions are extremely important, but I should like to deal first with the countries with industrial products. These countries are only a few hundred miles from our markets. They have abundant manpower, which is often of very good quality, and it is manpower we know well, because many of these workers have jobs in our countries; and their commercial and economic attitudes are similar to ours, because right through history we have always been in touch with one another, for better or for worse. These elements will rapidly give reality to the possibility of industrialisation, and bring it to fruition very quickly. With the ACP countries the same possibility exists, but can only mature in a more remote future because of the distance, the differences of culture and the less familiar habit of working together.

The agricultural section is extremely important. It is so important that if disagreement on this section had made it impossible for us to reach agreement with the Maghreb countries, it would have made me pessimistic, which is quite unlike me, about the long-term future of this vision, this way of building up relations between industrial countries and developing countries. For quite a time the most qualified observers were convinced we should not reach agreement; and if this had indeed been the case, what would it have meant? It would have meant, that we were willing enough to grant free access to our market provided it did not unduly inconvenience us, provided the shoe did not unduly pinch, provided the success were not so great that our partners became important competitors. The intention was good enough, but we had to admit the reality was not quite so good, and we were not ready to swallow the pill. With the Maghreb we did swallow it. It hurt, but of course we saw to it that we were paid a high price — the development of the consolidated Maghreb-Europe market, and later Levant-Europe, in fact the whole Mediterranean market. All this will surely be very profitable, both for our own economies and for theirs.



and will be well worth the trouble of getting, even if we hurt ourselves a bit in the process. We did in fact accept a certain amount of difficulty and inconvenience. We took this degree of responsibility. This brings out the merits of the Lomé Convention, for the Community will be in a position to engage in reconstruction for the benefit of its partners.

► *A long time was taken up in these Maghreb negotiations. Could you tell us what were the biggest obstacles among the various points you have mentioned?*

— This is very simple. In the first place there was in the Maghreb case one special factor which, we must admit, was a legacy from the colonial past. When Morocco, Algeria and Tunisia became independent, the consequences on the trade side were not applied from the outset. Algeria retained its free access to the French market, in conditions which, incidentally, were never given Community approval, but were simply a situation of fact. Morocco and Tunisia kept their free access to the French market with complete customs franchise on terms approved by the Community in a document known as Protocol 1/7. The agreement, therefore, had no immediate commercial interest for our partners.

In the longer term, of course, securing access to the EEC market was something worth considering. As an immediate prospect, however, during the next months after the agreement becomes applicable, the market of the eight countries other than France will still be unexplored and yield no immediate return; and the French market, which the Maghreb countries know very well, will become less easy than before. More precisely, access to it will be less remunerative, and on some products customs duties will be introduced.

Among the Maghreb leaders, therefore, there was a great desire to secure this agreement with Europe, which opens the biggest prospects. At the same time, those in charge of the day-to-day management — and I can understand their attitude — were worried about what the monthly figures would show, and had some anxiety about which would in fact be the initial months after the conclusion of the agreement. This was undoubtedly a difficulty. When we failed in any stage of the negotiation, there were long-term regrets, but some small relief in the very short term. This was a first and very important difficulty. The second difficulty, which you mentioned just now, was that our economies are very close together. Quite a number of products came at once into sharp competition. This was not so much the case in France, where this competition



R. Heiderscheid

***“The long-term prospect of setting up a free trade area, a common economic zone, features as a principle in the Maghreb agreements...”***

already existed, but in the other Mediterranean EEC country, Italy, and also in non-Mediterranean countries. Tomatoes from Morocco, for example, will come into competition with hot-house tomatoes from the Netherlands and Belgium. Everybody knew we should have to find a way of dealing with this problem, for the enlargement of the market was so very attractive, not only economically but in the long view politically. The first months after the conclusion of the agreement, were, for different reasons, matters of concern on both sides, and both were rather relieved when the negotiation broke down for the umpteenth time. In the long term, everybody wanted to succeed; but on both sides of the table the maxim was “let me be virtuous, but not just yet.”

### Foreign workers

► *The press has said scarcely anything about the labour provisions. Could you say a word about this?*

— The press said little, but this was with good reason; for the manpower provisions in the three Maghreb agreements are only limited. There is one basic principle which these agreements re-

cognise, and it is right that it should be on record in international agreements of wide scope and unlimited duration, which are the departure point for ambitious prospects such as I have described. It is a principle which had already been stated, though never recorded in this way. It is the principle of equality of treatment, meaning that immigrant workers in Europe shall be given the same treatment as nationals of the host country. This is recognised. The agreements also contain various additional provisions of a rather technical character, connected with the calculation of social security payments and the ability of the immigrant worker to repatriate such benefits as he is entitled to receive. This is an undoubted improvement; but its scope is nevertheless limited.

On the main problems of interest to migrant workers, the agreement did not make the least progress, for these come within the competence of individual nations and not of the Community. The right of foreign workers to take jobs in any of the Community countries was, is, and will remain in the future, a matter within the competence of the individual nation. In this connexion there are a number of other questions within the national competence and therefore not eligible for inclusion in an agreement of this kind. They include the organisation of schools and teaching in Arabic or other languages, the right to representation in the internal organs of the firm or in local elections; and a number of other subjects of special interest to migrant workers desiring to enjoy full citizenship during the very long waiting period while they are already working for the development of the host country. Our achievement, therefore, was to lay down one important principle and to make a few technical improvements, while the problems left in suspense are still matters for the individual countries.

► *Are there any joint institutions under the Maghreb agreements?*

— Certainly. As I told you, our policy was a Lomé policy. Without institutions it is impossible to imagine an overall policy covering all the methods of helping a country to develop and considering development in all its aspects. The content of cooperation includes financial aid, the secondment of experts, training schemes, standing contact arrangements, access to markets, trade promotion and the guarantees given in the context of commercial penetration. We can well understand that all this provides for a more complete integration between aspects of the development of these countries and our own markets; and we must recognise that the scope of this goes beyond that of the technical



ministries — finance or cooperation — to embrace every aspect of our internal systems. These subjects must, therefore, be discussed not only at the national government level, but also in the European Parliament and the national parliaments, in the political parties, in the trade unions and professional, industrial and agricultural associations. There is provision for a whole institutional structure on much the same lines as in the Lomé Convention.

### The Machrak approach

► *Will the negotiations with the Machrak countries fall into the same pattern as the Maghreb agreement or the Israeli agreement? Is there not a danger of negotiation being compromised by the Lebanese crisis and the present situation in the Near East?*

— The negotiations with the Levantine countries — Machrak is the Arabic for Levant — will be of the same kind as those with the Maghreb countries and as the negotiations with the ACP. They will, accordingly, cover the same ground as the Maghreb agreements, though they may perhaps be a little less complete because the countries in question are a little less close together; but the general scope will be the same. By this I mean that they will go further than the present agreement with Israel. In view of the impartial approach which we seek to maintain between the different countries of the Mediterranean seaboard, this will probably lead to our rounding off the Israeli agreement so as to put it on the same footing as the countries which are its neighbours. For the moment we are somewhat behind with the Arab countries, which runs counter to our impartial approach, and it is not our intention to make the same mistake the other way round.

You ask whether the state of things in the Near East may not compromise these agreements. My reply is, that they do not compromise the agreements, but that when a very serious situation arises in any part of the world with which one wishes to work, this may indeed change the nature of the relationships. If there should be — God forbid — a war in Europe tomorrow, it is quite clear that all the countries associated with us would see their relationships with us in a new light. If we turn the argument round, the war in the Near East — especially if, God forbid, it were to take the form of an open armed conflict — would obviously affect our relations with these countries. This, however, has no place in the agreements. Whether or not there is an agreement, a war is a fact; and it is

one which obviously must have repercussions on these agreements. Putting it another way, I should like to add that these agreements are made for the sake of developing multilateral economic relations and a high degree of integration between the Near East and ourselves. It is our ambition that they will play their part in the consolidation of peaceful conditions.

► *The Community's external policy, as illustrated by the Lomé Convention, the global Mediterranean policy, the Euro-Arab discussions and the beginnings of a dialogue between north and south has won general recognition for its dynamism. It is striking that, in parallel with this, the construction of Europe itself is dragging and no progress seems to have been made, for example, with laying down new common policies. What's the reason for this discrepancy?*

— You journalists are too logical. Can you tell me of a single human enterprise which advances on a completely straight front in every circumstance of its existence? I have a son of 14 who was doing wonders with his school work; but now this has gone by the board, and he is making great progress at games. It isn't fair to argue from this that he will never catch up his colleagues in Latin. I very much hope he will. But he's at a stage in his development reflected in physical progress and a certain tailing off — not to say recession — on the intellectual side, at any rate in classics.

What happens when there is an economic crisis? That is what we have got in our countries, and how could you expect our Community not to be affected on the economic side? In fact, if it were not so affected, I should be very upset, for it would prove to me that we are no more than an international talking-shop, an organisation for long and learned discussion of such problems, but not living any joint organic life with its component countries and therefore not a Community at all. We are not one of these international organisations; we are a Community of the States of Europe, a Community of Europe. The Community itself, therefore, is necessarily affected, just as are its component countries, by the present recession. We have great economic difficulties which bring complications and delays. On the other hand, with the crisis upon us, every one of the European countries — I was on the point of saying every individual firm — is suddenly aware of its great dependence on the outside world. Some 75% of our raw material supplies and basic products must come from outside; and it is to the outside world that a big proportion of our exports must go and, in fact, it is the only market which is making progress at the present time. It is quite natural

therefore that external problems, and external economic problems in particular, have assumed special importance for France, for Germany, for Great Britain, as also for BASF, for Rhône-Poulenc, for Montedison, for ICI. For each and every one of us, the foreign side of our interests has become more important in the economic area. And on the economic side, there is a Community. Since it is the external problems which are at the moment the most important for everybody at every level, it is on the external side that the Community is making progress. On the internal side the economic problems are becoming more difficult and the Community has gone into reverse; it is not an institution which has fallen from heaven, nor a whale washed up on the shore; it is a Community of European countries and of European economies, and it makes the same progress, faces the same difficulties and the same checks, and undergoes the same recession as each of its members in Europe.

### Complementary understanding

► *Do you think the Community is beginning to understand better than in the past the extent to which industrial countries and developing countries are complementary?*

— When you have a leak in the roof, you are apt to take a look at it during the summer, say that something must be done and then go away and forget it. When the rain comes in winter, the roof becomes much more important and you make the best emergency repair you can, as it is too late to repair it properly. This is exactly what is happening at the moment in regard to the Third World. We are heavily dependent on it. It is part of our vocation to help its development — our history proves as much — and this must be done in the present day forms, which include sovereignty, independence, respect for the cultural values of other people. We see and acknowledge this at a moment when we are in the midst of winter and the rain is getting into the house. It would have been better to tackle this in times of prosperity, when it was easy enough to take off the tiles and make a new roof. We now understand we were wrong not to do it, and we are now taking whatever steps we can. This means that next summer — in our next phase of prosperity — we shall perhaps be able to change the tiles and re-make the roof — unless meantime we have forgotten the roof is rotting and we let the whole thing happen again. ■

Interview by  
ALAIN LACROIX



## EEC- MEDITERRANEAN

### The global approach

**Maghreb** — M. Cheysson has informed the Council of the result of the negotiations with the Maghreb countries. It is not without political significance that it was possible to conclude these negotiations almost simultaneously—Tunisia on January 7, Morocco on January 8 and Algeria on January 17.

The Council expressed its pleasure that "an important phase in the negotiation with the Mediterranean countries had thus reached a happy ending". These are global cooperation agreements, based on Article 238 of the EEC Treaty, covering the industrial and agricultural fields, providing for economic and financial cooperation and containing a section relating to manpower. The finance protocols are for a period of five years.

The following are the main characteristics:

- the principle of trade cooperation without any time limitation;
- the extension of the non-discrimination clause to companies and individuals;
- the principle of "potential reciprocity"; trading obstacles to be removed.

The Council expressed its desire that approval for these agreements would be given in such a way that they can be signed "in an early future". Chairman Thorn, in the name of the Council, congratulated the Commission negotiators on the success.

**Malta** — The Council also expressed satisfaction with the conclusion of the negotiations with Malta, "the basic results of which it approved". The formal approval should be so arranged that the agreement can be signed "at a very early date".

**Machrak** — The Council formally laid down the directives to the Commission, enabling negotiations to be opened with the Machrak countries. The dates laid down were January 29 for Egypt, February 2 for Syria and February 4 for Jordan. It has not yet been possible to fix a date for opening the negotiation with Lebanon. ■

## THE LOMÉ CONVENTION

### Probably effective from April 1, 1976

Italy ratified the Lomé Convention on February 2, 1976. It was the last EEC country to ratify this convention, signed in the Togo capital on February 28, 1975.

The convention has now been ratified by all the EEC States and by 40 ACP States, which is more than the two-thirds of their number specified in Article 87. The convention can therefore be brought into force on April 1, 1976.

At the time of going to press, the ratification procedures have also been completed by Kenya and Tonga, and the Bahamas, Mauritania, Zambia and Equatorial Guinea have said they will soon follow suit.

Because of the wording of Article 87, it is now practically certain that April 1, 1976 will be named as the starting date. The convention will in practice remain in

force for one month less than four years. It is in fact a five-year agreement, but this is reckoned from the signature date. It would come to an end on March 1, 1980, and the High Contracting Parties are to begin negotiations on their future relationships 18 months before this date.

The entry into force of the Lomé Convention does not mean there will be any change in the trading arrangements which were, by agreement, brought into force in advance of the ratification. It will, however, automatically trigger all the other provisions, especially the financing operations of the fourth European Development Fund and the STABEX system for the stabilisation of export receipts for the ACP countries.

### ● Surinam asks to join the Lomé Convention

The Republic of Surinam has asked for accession to the Lomé Convention. The request was put before the EEC at the end of 1975. Surinam had already announced that it intended to appoint a representative to the EEC. It now states



J.L. Debaize — CCE

*Simon Nko'o Etoungou, Ambassador of Cameroon, the new chairman of the ACP Committee of Ambassadors, and Claude Cheysson at the signing of a finance convention for the United Republic of Cameroon (see opposite page: ACP Committee of Ambassadors)*



it is ready to open negotiations and hopes its request will be considered as early as possible. Meanwhile Surinam will be represented in the institutions of the convention as an observer.

Others countries apart from Surinam (independent since November 25, 1975) that have already stated their intention of joining the Lomé Convention include the Republic of Cape Verde, Sao Tomé and Príncipe, Papua-New Guinea and Haiti.

With the entry into force of the Lomé Convention, the EEC and the ACP will be in a position to decide on these candidatures. Up to now they have both made statements of their general willingness and determined their preliminary attitudes, but this could not be made official. Some of the candidatures raise no special problems and there is no doubt about their acceptance; but in other cases there will have to be consideration and discussion about the geographical limits of the convention and the criteria determining the reply in each case.

## ● The CGT and the Lomé Convention

In January development commissioner Cheysson met with a delegation from the CGT (the French Confédération Générale du Travail) and heard this leading trade union's views on the Lomé Convention. They regard it as a progressive approach which should make it possible to work out relations with ACP countries more in line with their essential aspirations.

The CGT hopes to participate in all the joint bodies to be set up under the Lomé arrangements. It considers the trade union organisations in the countries concerned should be objectively consulted on the social aspects of agreements between the EEC and the ACP.

The CGT, which has about 2 million members, is the biggest trade union organisation in France.

## ● New executive for ACP Committee of Ambassadors

The ACP Committee of Ambassadors held a plenary meeting in January at which it appointed new executive officials. M. Nko'o Etoungou, Ambassador of Cameroon, was appointed chairman.

The other members of the executive are Mr J. Muliro, Ambassador of Kenya; Mr. T. Mangwazu, Ambassador of Mali; M. J. Poisson, Ambassador of Niger; Mr H. Dyett, Ambassador of Guyana and Mr. J. Rabukawaqa, Ambassador of Fiji.

The second point discussed was the ACP Secretariat. Originally the permanent appointments were to have been made at the beginning of the present year; but some further delay was necessitated by the fact that at the time of the ministerial meeting in Malawi the appointment of the Secretary General had not been made and the code of employment for members of the secretariat had not been laid down. The ACP will therefore be unable to set up a full secretariat until the ACP Ministers meet again in June.

The ACP ambassadors agreed in their recent meeting to nominate for appointment as Secretary General, Mr. Dodoo Nii (Ghana), legal advisor to the ad hoc secretariat.

These decisions follow the recent visit to Brussels of Mr. Carrington, who was appointed Assistant Secretary General at the Malawi meeting. Mr. Carrington should have taken up his new appointment at the beginning of 1976, but it is probable he will not do so until June.

## ● Programming missions in the Pacific and Tanzania

After the programming missions to ACP countries in Africa and the Caribbean, a mission went in December 1975 to the ACP Pacific countries (Samoa, Tonga and Fiji). The representatives of the EEC Commission and the European Investment Bank (EIB) had an opportunity of taking stock of the communications problems for these countries, which consist of groups of islands some distance apart in the Pacific. Another mission went to Tanzania, led by Maurice Foley, Deputy Director-General for Development.

## ● Stabex: EEC regulation requires monthly returns of import statistics

The Community has now adopted a regulation requiring the EEC countries to make monthly returns to the Commission of the imports of products covered

by the STABEX system of export receipts stabilisation for the ACP countries and the overseas countries and territories.

It was expected STABEX would come into operation as from January 1 this year. The products covered are as follows: groundnuts, cocoa, coffee, cotton, coconut, palm, palm kernels, hides and leather, timber, fresh bananas, tea, sisal and iron ore.

## ● Arrangements for import into the EEC of OCT rum

Brussels — The EEC countries have reached a compromise on the arrangements applying as from March 1 to the imports of rum, arak and tafia originating from the overseas countries and territories (OCT). On July 30, 1975, the Council put in force a temporary arrangement embodying the *status quo ante* and applicable only up to February 28, 1976. A new system had to be enacted before this date and there was a specific problem—how to strike a balance between the expansion in rum exports from certain OCT (especially the island of St. Martin, one of the Antilles dependent on the Netherlands) and similar exports from the French overseas departments (Guadeloupe, Martinique, Réunion). The compromise is based on the following procedures:

- annual fixation of an EEC duty-free import quota, based on the level of actual imports in the best of the last three years for which statistics are available. The quota is to be the amount imported during the year in question plus 13%;
- the 13% growth-rate may be altered by the Council (not above 40%) in the light of production, consumption and trade;
- each year the quota is to be divided between the member countries of the Community, without there being any reserved Community quota, and without separation of the markets. The trade between the EEC and the OCT to be subject to the ordinary safeguard clause;
- a system of statistical supervision and information by the member countries is to be introduced;
- this system to remain in force until the setting up of a joint organised market for alcohol, and in any case not beyond March 1980.

The quota will normally be fixed annually for the 12-month period running from July 1 each year. This year a quota is fixed for the four months, March to June, at a rate of one third the annual



quota. As a first step the basic annual quota is fixed at 80 000 hl pure alcohol. For the period from March 1 to June 30 next the quota opened will be a third of this. For the 12 months from July 1 1976 the annual quota will, in principle, be 80 000 hl plus 13%. ■

---

## EDF

---

Following the assent given by the Committee of the European Development Fund (EDF) at its 101st and 102nd meetings, the Commission has approved the financing of the following projects from the 2nd and 3rd funds.

Two of these projects are to be financed by loans on special terms, amounting to a total of u.a. 5.625 m from the 2nd and 3rd EDF; there is an advance on account of a trade promotion campaign and five projects to be financed by non-repayable grants and amounting to a total of u.a. 8.295 m.

**1. Republic of the Ivory Coast — Water supplies to Korhogo:** F-CFA 270 m, or about u.a. 1.032 m (loan on special terms from EDF II).

This project concerns the improvement and extension of the drinking-water supply system to the town of Korhogo (pop. 40 000), an important centre in the northern part of the country. Its aim is to ensure drinking-water supplies for practically the whole population under conditions suitable to their way of life.

**2. Republic of Senegal — Laying out of area of peasant market gardening:** F-CFA 332.3 m or about u.a. 1.272 m (EDF II) and F-CFA 867.7 m, or about u.a. 3.321 m (EDF III) both by loans on special terms.

In May 1974 the Commission had authorised the financing by way of loan on special terms of u.a. 4.321 m of the project "development of industrial market gardening BUD Senegal". Because of financial difficulties the government decided to amend the project and direct it towards the popularisation of market gardening among the peasant population. The new project covers an area of 180 ha in the Cape Verde region. It replaces the former financing, which is therefore cancelled.

**3. People's Republic of Benin (2) — Building and equipment of the provincial hospital at Abomey:** F-CFA 665 m, or about u.a. 2.545 m (EDF III).

The project is aimed to improve the health conditions in the province of Zou, by building a 232-bed provincial hospital at Abomey to replace the existing field station which is to be converted into a health centre. Technical assistance and training schemes are included.

**4. Republic of Burundi — Relaying and surfacing of National Road No. 1:** F.Bu. 167 m, or about u.a. 1.870 m (EDF III).

This is additional finance for the completion of National Road No. 1 from Bujumbura (the capital) to the Rwanda frontier, for which finance was approved in 1971. The original cost estimates were exceeded, because of technical adjustments found to be necessary during the work, coupled with the rise in prices.

**5. Republic of Rwanda — Electrical equipment. Construction of transmission lines:** F.Rw. 254.8 m, or about u.a. 2.310 m (EDF III).

This is additional finance occasioned through the general rise in prices and found necessary for the completion of power projects financed by the EDF in 1972-73 to a total of u.a. 6.454 m. It covers high-tension lines between Kigali and Kigoma, the country's main arterial electricity transmission, the construction of a southern network of 126 km medium-tension, and the 19 km medium-tension line between Shagasha and Gisakura.

**6. Overall budget for the magazine "The Courier" for the period Jan. 1 to June 30 1976:** u.a. 90 000 (EDF III).

This is for our magazine "The Courier", published every two months in French and in English and which now has a circulation of 30 000 copies. It still acts as a link with former bursary-holders and students in study and training courses, and also provides much information to residents in ACP countries about the different aspects of the Yaoundé and Lomé Conventions.

**7. Overall budget for discussion-conference programme from January 1 1976:** u.a. 30 000.

This is to finance eight discussion conferences in Europe and several information meetings in African universities and training institutes. These are intended for nationals of the associated countries. Their aim is to provide information on existing relationships in the Association framework.

**8. Participation in international trade fairs and exhibitions in 1976:** advance of u.a. 1 450 000 (EDF III).

This advance will be settled after the new convention has come into force from EDF IV. The aim is to cover the Community programme for trade promotion campaigns. It will enable all ACP countries to take part in international fairs and specialist exhibitions in 1976.

\* \* \*

Following the assent given by the EDF Committee at its 103rd meeting on February 17, 1976, the Commission has approved the financing of the following projects from the 3rd fund. They are to be financed by a grant of u.a. 1 297 000.

**1. Republic of Chad — Improvements to the Ahmed Mangue school at Sarh:** u.a. 797 000, or about F-CFA 208 m.

This project is intended to make up for the deficiencies in the present school buildings, built in 1963. The new building will include four school-rooms for general teaching, two science classes and administrative blocks. Teaching and science material will also be provided.

**2. Netherlands Antilles — Completion of secondary technical school at Aruba (Serroe Blanco):** u.a. 500 000, or about Ant. Fl. 1 m.

This additional finance should see the completion of this school, which was allocated u.a. 1 436 000 in February, 1974. World-wide inflation and the consequent rises in building costs have made this further financing necessary.

As a result of these financing decisions, the total commitments from EDF III amount to u.a. 858 366 000 in respect of 325 financing decisions since the start of operations under this fund (January 1, 1971).

\* \* \*

**People's Republic of the Congo: Congo-Océan Railway (CFCO) revised route.**

The EDF Committee agreed at a special meeting to Community participation in financing this project, which was duly approved by the Commission for financing to the extent of u.a. 7.238 m.

The object of re-routing the CFCO is the modernisation of the existing route over about 87 km between the towns of Holle and Loubomo (formerly Dolisie). This section of the railway was constructed about 1930, and passes over the Mayombé range of mountains where the obstacles are the uneven ground, the equatorial forest, the heavy rainfall and the unstable soil. The railway, as then constructed, had tight curves and steep

(1) u.a. 1 = ± \$US 1.18.

(2) Formerly Dahomey.



gradients and it can no longer carry traffic economically.

The Congo-Océan Railway is 510 km in length and links Pointe-Noire with the Port of Brazzaville. It is one of the important links in the Trans-Equatorial Highway, which is the cross-frontier traffic route linking Chad, the Central African Republic and the People's Republic of the Congo with the sea. It is an integrated transport system which includes river transport (Congo, Ubangui and Sangha rivers), river ports at Brazzaville and Bangui, the Congo-Océan Railway and the ocean port at Pointe-Noire.

About 60% of CFCO traffic is handled in transit from or to the Central African Republic, Chad and Gabon.

According to the forecasts of total traffic, the figure of 4.1 m tonnes carried in 1972 will increase to 4.5 m tonnes in 1978 and 6.4 and 6.8 m tonnes respectively in 1985 and 1995. The line as it now exists has a capacity of around 4.5 or 5 m tonnes a year, and will reach saturation between 1978 and 1979.

The new route lies on the southern side of the present line and will call for 6 tunnels, 13 bridges and 6 new stations. About 2 000 workers will have to be recruited and the ATC (Agence Trans-Congolaise de Communication, the administrative body for transport by rail, river or sea) will have to enlarge its workforce considerably.

The total cost of the project is estimated at about u.a. 126.5 m. The partial finance coming from the Community from EDF II and EDF III is half in the form of a non-repayable grant and half as a loan on special terms, bearing interest at 1% p.a. with a 10-year grace period, and finally repayable in 40 years. ■

---

## THE EEC AND EGYPT

---

Negotiations on a global cooperation agreement were held in Brussels on January 28-29, 1976 between the EEC and Egypt. The Community delegation was under the chairmanship of Maurice Foley, Deputy Director-General for Development in the EEC Commission. The Egyptian delegation was directed by Mohamed Zulfikar, First Under-Secretary of State in the Ministry for Foreign Trade, and under the chairmanship of Mohamed Kamal Eldin Halil, Ambassador and Head of the Mission to the Eu-

ropean Communities of the Arab Republic of Egypt.

These negotiations were part of the general approach of the Community to its relations with Mediterranean countries. The aim is the conclusion of a broad cooperation agreement, setting up closer economic relations between the EEC and the Arab Republic of Egypt.

The Egyptian delegation, though preferring this broader approach to the existing preferential trade agreement, emphasised that the structure and development of the Egyptian economy would not enable it to derive much benefit from an agreement which did not include financial and technical cooperation. It took the view that provision for this must be an integral part of any future agreement.

The two delegations began a thorough examination of the arrangements for commercial and economic cooperation. There was a broad convergence of views on many aspects of the future agreement, but some questions were left open for further consideration.

The Community delegation noted the Egyptian requests, which include improved trading concessions and the addition of provisions for financial and technical cooperation. The latter is regarded by the Egyptian delegation as essential to the conclusion of the future agreement, and should also lay the basis for three-sided cooperation for the benefit of both parties.

The two delegations noted the "excellent atmosphere" and "frank spirit of cooperation" in this first phase of negotiation. They agreed to resume the talks after reporting to the EEC Council and the Egyptian government respectively. ■

---

## NGO

---

Non-governmental organisations concerned with economic progress in developing countries met in Brussels in January. Representatives came from 40 organisations in EEC countries and representatives from UNO and the UN Development Programme were also present. A final communiqué claimed satisfactory results. These included:

- 1) Appropriation in the Community budget of u.a. 2.5 m for expenditure in developing countries on the co-financing of joint projects;
- 2) Setting up a liaison committee to improve contact between the EEC Commission and the NGO;

## EMERGENCY AID

### Guatemala and the Lebanon

● Following Council discussions on February 9, 1976, about the natural catastrophe in Guatemala (earthquake), Community services have started to coordinate the first emergency aid from the EEC and its member States and to work out what is needed on the basis of available information.

Already more than US \$1.5 m of aid has been sent by the Community and the member States, without counting aid from private organisations. About \$500 000 has been sent in cash to pay for purchases from neighbouring countries, of which the Community provided half from its own budget. The rest has been sent in the shape of:

- tents
- camp beds
- blankets
- clothing
- medicaments
- surgical instruments
- food aid (basically, 1 600 tons of maize and 600 tons of beans which were already stocked in Central America).

The deliveries are being carried out by aircraft, one of which will remain for some time at the disposal of the local authorities. Doctors are also being sent.

Multilateral organisations (Red Cross, UNDRO) are coordinating some of this aid, which is only a first effort and could be supplemented in the next few days depending on the situation.

● **Lebanon.** The Council has agreed to u.a. 1 m of emergency aid, made up of a u.a. 100 000 financial contribution to the international Red Cross to buy medicaments and minor surgical equipment, and food aid: 3 589 tons of cereals, 200 tons of butteroil and 250 tons of powdered skim milk.

Measures will be taken to make sure this aid gets to the Lebanon as soon as possible.

The EEC member States have also been giving bilateral aid to the Lebanon over the last few months. ■



3) A campaign to educate public opinion in Europe on development matters. The NGO representatives regard the information of the public as being fully as important as the question of co-financing.

Other points raised during the meeting included the hope that powdered skim milk could be made cheaper on sale to developing countries, and that consideration be given to a better food aid policy.

This cooperation between the EEC Commission and the NGOs is valuable in view of the fact that campaigns of considerable economic, social and political importance are often handled in the developing countries by some of the many non-governmental organisations in the EEC countries and in the developing countries themselves.

These campaigns are often insufficiently coordinated and sometimes left unfinished for lack of funds. In most cases they are supplementary to the development programmes run in developing countries by governments or international bodies. The governments of individual EEC countries, are increasingly giving financial support to NGO projects.

Except in regard to the food aid programme, the EEC has not so far had any practical means by which it could work with these organisations as intermediaries in cooperation schemes.

The fact that the NGO development schemes cover much the same ground as the development policy of the Community and the cooperative attitude of the NGOs themselves suggests the non-governmental organisations could be closely associated with Community development policy. ■

---

## THE GROUP OF 77

---

### Manilla (Philippines): preparations for UNCTAD IV and the North-South dialogue <sup>(1)</sup>

The third ministerial conference of the "77" developing countries in the United Nations covered a fortnight of talks, first among senior officials and later

among foreign and economic affairs ministers, and ended with the adoption of a political statement known as the "Manilla Charter", and an action programme. The charter is a successor to the Lima (1968) and Algiers (1972) declarations, but observers were surprised at its moderate tone, due to the advocates of cooperation with industrial countries getting more support than those seeking a confrontation of attitudes. There is a further proof of this in the fact that the PLO, recently admitted to the group, was not successful in securing consideration for its motion calling for a commercial boycott of the "racist countries"—Israel, South Africa and Rhodesia.

The Manilla Charter will largely determine the attitude of the 77 at the fourth meeting of the United Nations Conference on Trade and Development (UNCTAD IV) in Nairobi in May, and also that of the 19 developing countries taking part in the work of the commissions of the North-South conference in Paris. It is based on two connected principles—first that responsibility for development in the countries of the Third World depends primarily upon themselves; and secondly, that their first aim should be to strengthen their bilateral and regional links with one another. In addition, industrial countries should aid the countries of the Third World in a more definite manner, including a recasting of the world economic order.

In this connexion the main points in the action programme, also adopted by the Manilla conference, include:

- abolition of the customs tariffs and non-tariff barriers set up by the developed countries against manufactured and semi-finished goods from the Third World and improvement in the system of generalised preferences;
- increase in the public aid from developed countries (including eastern countries) to the target level of 0.7% of their GNP by 1980; and enactment by these countries of a "tax for development";
- effective application of appropriate measures and methods for determining prices for basic products exported from developing countries by reference to an index of the import prices of manufactured goods which they import from developed countries;
- at least 90% of the public development aid should consist of grants or interest-free loans and this aid should not be "tied", in the sense that it carries an obligation to buy from the donor country;
- cancellation of the public debt of the most backward developing countries; similar treatment for the countries most seriously affected by the recession; consolidation of the commercial debts of other countries of the Third World on

terms providing for repayment spread over not less than 5 years; and the setting up of a fund, or a bank, to finance the short-term debts of developing countries;

— a behaviour code regarding technological transfers. The 77 repeat their assertion, that the "only effective method of regulating technological transfers is to set up a multilateral instrument with real legal powers";

— strengthening UNCTAD, while maintaining its links with the UN general assembly.

On the other hand, the 77 did not manage to agree on the list of products to be covered by an integrated programme. They limited their recommendation to a token list of 18 products—bananas, bauxite, timber, cocoa, coffee, rubber, cotton, copper, tin, iron ore, hard fibres, vegetable oils, jute, manganese, phosphates, sugar, tea and meat. They added a safeguard clause for countries exporting products already covered by an international price-stabilising agreement, such as coffee, cocoa and sugar.

The conference appointed Mr Perez Guerrero to be coordinator between the 77 and the 19 in the North-South dialogue. He will be assisted by a coordination group to be set up in Geneva with a Philippino chairman. Another study group, also in Geneva, will consider the question of setting up a Secretariat for the Group of 77.

## ● UNCTAD IV

Brussels — The EEC Commission has approved a first communication, and sent it forward to the Council of Ministers, on the EEC position at the forthcoming meetings of UNCTAD. The UNCTAD executive will meet on March 8-19 to make preparations for the plenary conference in Nairobi in May. The EEC needs to have its attitudes in uniformity before this meeting; depending on what happens then and the attitudes taken by the Group of 77, the Commission will then draw up a second and more detailed communication as a preparation for the plenary conference.

The present communication by the Commission covers four points:

- necessity for the EEC to speak with a single voice. Procedural suggestions are made for this purpose.
- need for the EEC to make progress in considering commodity agreements, so as to be able to state its views on the "integrated programmes" demanded by developing countries;
- need for the EEC to work out attitudes of its own on all the problems to be discussed in UNCTAD;

(1) Reprinted from "Le Monde" (Paris).

— need for the EEC to block the loopholes and take a consistent attitude in the North-South dialogue in Paris, and in UNCTAD.

## ● The North-South dialogue

### Timetable up to July 1976<sup>(1)</sup>

The two chairmen of the Conference on International Economic Cooperation and the eight chairmen of the commissions set up by this conference have completed talks in an atmosphere generally agreed to be excellent and constructive and agreed quickly on a timetable. The four commissions in the North-South dialogue (energy, raw materials, development and financial matters) will hold five meetings—February 11-20, March 17-27, April 21-28, June 8-15 and July 12-17.

The "group of 19" have added their definitions of the subjects for discussion to the conference documents. The eight delegations of the industrial countries have not sent in a list of their own. It has been agreed that each of the commissions shall settle its own agenda. Any of them may invite observers from international bodies, other than those already listed (2) by the ministerial conference last December.

Both the developing countries and the industrial countries are anxious to have tangible results to vindicate this diplomatic formula before the end of the year, when there should be a further 27-nation ministerial conference. All that can be said at present is that the dialogue, after many vicissitudes, now seems to have started, at any rate formally.

The two co-chairmen from the EEC, in the two commissions with Community co-chairmen, are Edmund Wellenstein (Director of External Relations in the EEC Commission) for the Development Committee and Albert Dondelinger (Luxembourg) for Financial Affairs. ■

---

## FAIRS AND EXHIBITIONS

---

List of international trade fairs and exhibitions specified by ACP representatives:

- 1 - Utrecht, February 16-20, the "ROKA" Fair
- 2 - Berlin, February 28-March 7, "Tourismus-Börse ITB"
- 3 - London, March 9-April 3, Ideal Home Exhibition
- 4 - Brussels, March 12-21, Salon des vacances et du tourisme
- 5 - Milan, April 14-23, la "Fiera Internazionale"
- 6 - Brussels, April 24-May 9, International Trade Fair
- 7 - Paris, May 1-16, International Trade Fair
- 8 - Copenhagen, May 12-15, "Formland 76"
- 9 - Frankfurt, May 18-21, "Interstoff"
- 10 - Trieste, June 17-29, "Fiera Internazionale"
- 11 - Berlin, August 25-29, "Partner des Fortschritts"
- 12 - Frankfurt, August 29-September 1, "Internationale Frankfurter Messe"
- 13 - Bari, September 10-20, "Fiera del Levante"
- 14 - Paris, September 11-14, International Leather Week
- 15 - Munich, September 16-22, the "IKOFA" Fair
- 16 - Marseilles, September 24-October 4, International Trade Fair
- 17 - Rotterdam, October 20-23, "HOUT"
- 18 - Paris, October 23-27, Salon du Prêt-à-porter
- 19 - Paris, November 15-20, the "SIAL" Fair
- 20 - Frankfurt, November 23-26, "Interstoff" ■

volume of the trade, however, was down by about 4%.

"Produce prices in general continued rising in 1974", the report states; "but by the end of the year most of them had begun to weaken. Despite these falls, "the prices in March 1975 were still materially higher than in the period before the 1972 boom". Prices for rice and sugar reached levels three times as high as in March 1972 and for wheat, secondary cereals, cocoa and wool the prices were twice as high.

The fall in the physical volume of the trade was due to a smaller import demand for several important items, including secondary cereals, beef, bananas, coffee, wine, jute, hard fibres and cotton. "For a number of products—such as wheat, fatty substances, some dairy products, cocoa and rubber—the increase in the quantities exported was quite small, and in most cases less than would have been expected from the trends of the 60s. The increase in volume was only considerable in the case of cattle-cake, oleaginous flours and tobacco".

Total exports of fisheries products were estimated at \$5 920 m in value, an increase of about 10% (or \$560 m) on 1973. For forestry products, including processed timber, wood pulp and paper, the estimated value of the trade was \$21 180 m, a rise of \$6 500 m over 1973.

For the first time in recent years, the greater part of the increase in agricultural exports came from developing countries. Their share was around \$10 000 m, excluding fisheries and forest products. The rise in their exports was greater by \$5 400 m than in the previous year, and some \$3 000 m of the increase came from sugar exports alone.

"Taking all the agricultural products together, including fisheries and forest products", the report states, "the developed countries showed a bigger overall expansion than did the developing countries. Their gain was about \$8 950 m against \$6 140 million for the developing countries." ■

---

## FAO

---

### Annual report on agricultural produce

Rome — The value of world agricultural exports rose 19% in 1974, reaching the record total of \$106 500 m, according to the annual report on agricultural produce compiled by the FAO and recently published in Rome. The physical

---

## SEYCHELLES

---

### Independence: June 28 1976

The Seychelles archipelago is to become independent on June 28 next. The date was announced after the constitu-  
→

(1) Reprinted from "Le Monde" (Paris).

(2) There were 12 of these: UNO, OPEC, IEA, UNCTAD, OECD, FAO, GATT, UNIDO, IMF, IBRD, UN Development Programme, LAES.



tional conference in London on January 19-22. The new State will be a republic and become the 36th member of the Commonwealth.

The leaders of the two principal political parties are Mr. James Mancham, the present Prime Minister, and Mr. Albert René. They have agreed to maintain the coalition government after independence and to organise general elections to be held in 1979. The constitution adopted after the conference provides that Mr Mancham shall become President of the Seychelles Republic immediately on independence. It provides for the formation of a cabinet, consisting of a Prime Minister and ten ministers. The Seychelles' National Assembly (parliament) is to have 25 elected members. ■

---

## WHO

---

**Message from Dr. H. Mahler  
Director-General of the  
World Health Organisation**

### **World Health Day 1976**

"There are at least 10 million people in the world today who are afflicted with total blindness. Millions of others have to be ranked as blind for purposes of education, jobs and social assistance. The figures are rising and if nothing is done to put things right, the total will have doubled in 25 years from now.

It is estimated that in the developing countries, two cases of blindness in every three could be avoided or cured. Even in advanced countries it should be possible to prevent many cases of this infirmity.

World Health Day 1976 will be on April 7. Its theme will be "Blindness must be foreseen and forestalled". The limelight of topicality will be trained on the night into which so many unfortunates are plunged.

Prevention of blindness is important everywhere, but most of all in the Third World, where much of it is in the form most easily avoided—caused by trachoma, xerophthalmia and onchocercosis—and where cures are accessible only to small minorities because of the insufficiency of adequate health services.

It is possible, if done quickly, to stop trachoma before the eye is damaged. It is possible to prevent xerophthalmia by dosing the children with vitamin A. It is possible to keep off onchocercosis by attacking the organisms which carry it.

The fight against eye infections also calls for improvements which need action in the longer term. Among the requisites are better drainage, cleaner and more abundant water supplies, better personal hygiene and a clean environment.

There are simple measures which would have an immediate effect on the problem throughout the world. Health workers and parents must be taught more about the specific problems. This involves, among other things:

— securing early detection and immediate treatment of eye troubles, especially in children. This means that health workers and parents must be fully alive to the importance of simple regular examination of the eyes;

— providing eye protection equipment for certain categories of workers and making sure they use it; regulating the use of dangerous tools in industry and seeing that toys are harmless.

The treatment of blindness caused by cataracts could and should be made available on a big scale in the countries where it is of frequent occurrence, using simple and inexpensive surgical operations.

To a large extent the resources needed already exist. The task remaining is to use them by providing the people and money needed for the purpose. Half an American dollar is all that is needed to treat a case of trachoma, while \$5 will cure a cataract and 12 cents will buy enough vitamin A to protect a child from xerophthalmia for a year.

Many governments have already initiated blindness prevention campaigns, backed by considerable resources. We hope many others will follow this example, perhaps giving even higher priority to this kind of undertaking. Loss of sight is not only a tragedy for the individual victim but also a big loss to the national economy in the country concerned.

The prevention of blindness is one of the less complicated aspects of medicine, so we can confidently say that the more money and the more practical assistance we receive, the better we shall be able to take effective action throughout the world. Alert to the problem and equipped to tackle it, we can make our arrangements well in advance; and the slogan of World Health Day will make sense everywhere on earth. Foresight can indeed forestall blindness." ■

### **● Malaria: new campaign**

A new campaign against malaria should be launched without delay and with increased determination.

That was the WHO Executive Council's reaction when they looked recently at the WHO anti-malaria programme. They resolved to call attention to the gravity of the present situation of malaria in the world and to the risk that it could spread still further.

The council made an urgent appeal to countries where malaria is a major threat to public health, to set up national malaria commissions, which would organise realistic planning, coordination and financing for anti-malaria programmes.

Contrary to the belief that malaria can be wiped out on the world scale in the foreseeable future, the WHO Executive Council admitted that this was impossible. But the sickness could be eradicated in a particular country or group of countries.

Dr Halfdan Mahler, Director-General of the World Health Organisation, said: "The WHO would lose all credibility if it claimed that malaria could be eradicated in the world within 10 years.

"I am convinced that anti-malaria action can make progress if the governments of the malaria-infected countries show by their determination that there really is a national will to stamp it out."

Several members of the council emphasised the necessity of integrating anti-malaria action with general health services. Most of this action has been carried out separately from the health services in general. One speaker said this integration would offer two advantages: it would bring the anti-malaria operations under full-time supervision and make them much more flexible.

The local populations should be involved in the campaign; this was equally important, because without their active support, the results were likely to be short-lived. With anti-malaria action integrated in the general health services, local communities should be able to take simple measures themselves.

The question was raised as to whether the lessons learnt from anti-smallpox programmes could be applied to the anti-malaria campaign. Vice Director-General Dr. L. Bernard explained: "These things have to be seen in their proper historical perspective. Malaria was the first eradication programme taken up by the WHO and the very useful information we learned from it was most helpful in the anti-smallpox programme. Let's be fair to the anti-malaria programme, which was very positive in many ways. Now the smallpox eradication programme in its turn is providing us with useful information for organising the campaign against malaria."

It was considered indispensable for the success of the anti-malaria programme that the governments of malaria-infected countries should provide the

## **OMVS: Notice of pre-selection for detailed design and contract documents for the Manantali hydroelectricity dam**

Mr. Ely Ould Allaf, Secretary-General of the OMVS (Senegal River Development Organisation) and former Mauritanian Ambassador in Brussels, asks us to insert the notice below. OMVS has its headquarters at Dakar (Senegal)—5, Place de l'Indépendance (P.O. Box 3 152). Its members are Mauritania, Mali, the Gambia and Senegal.

The Senegal River Development Organisation (OMVS) intends to commission an execution survey for the hydro-electric dam at Manantali on the river Fafing in the upper basin of the River Senegal, about 80 km above Bafoulabé (Mali).

The survey is to determine the technical arrangements for, and the characteristics of, the proposed works (dams, ancillary work, factory and other buildings etc) and define the project in definite form for specification in a public invitation to tender for the works.

### **Finance for the survey**

The financing of this survey is covered by financial aid funds from the Federal Republic of Germany through Kreditanstalt für Wiederaufbau.

### **Eligibility to bid**

Bids for the preparation of this survey must be from consulting engineering offices based in one of the EEC countries or in Switzerland.

They are at liberty to bid either individually or jointly with other engineering consultancies. In the event of an ad hoc group being formed for purposes of this bid, the leading consultancy of the group must be of German nationality and the members shall be jointly and severally responsible.

The engineering consultancies desiring to sponsor a bid are required to be of very high qualification and to have no interest in the project either as supplier or as producer.

### **Compilation of eligibility particulars**

An engineering consultancy desiring to bid is required to submit particulars setting out its professional qualifications, with special reference to experience in tropical countries. These particulars should be in French.

The particulars submitted should include note of:

— The juridical form in which the consultancy or ad hoc group is organised and its full official name.

— The amount of the turnover or business done in each of the last three accounting periods.

— Information on other surveys and services comparable with those to which the bid relates and including clients' references.

— The average number of experts of different qualifications and in different speciality fields employed in the last three accounting periods.

— Qualifications and curricula vitae of the principal experts and consultants it is expected to assign to the project, indicating their proficiency in the French language.

— Particulars regarding any special knowledge and experience of the experts to be assigned for surveys of big multiple-purpose dams.

— Resources available in the form of material, equipment and installations.

These particulars must be sent in duplicate to OMVS, 5 Place de l'Indépendance, BP 3 152, Dakar (Senegal) to arrive not later than February 25 1976 in a closed and sealed envelope marked "Présélection Manantali—à n'ouvrir qu'en séance de dépouillement". An additional copy of the particulars should be sent for information directly to:

Kreditanstalt für Wiederaufbau,  
600 Frankfurt-am-Main,  
Palmengartenstr. 5.9.

### **Bidding procedure**

Following the eligibility scrutiny, OMVS will invite the consultancies or groups chosen to submit detailed bids for the execution survey above mentioned. They will be given the terms of reference and other documents required for the compilation of these bids, which will have to be returned within eight weeks.

Candidates not listed as eligible will be advised within six weeks after the final date for submission of eligibility particulars. ■



WHO as regularly as possible with sound, accurate and up-to-date information on the malaria situation and on what they were doing about it so that the WHO could play its role of coordinator.

World opinion should also be kept constantly informed of the problem of malaria and alerted to the needs in insecticides and medicaments, so as to encourage and maintain their production and allow affected countries to buy them at reasonable prices. ■

---

## TRADE UNIONS

---

EEC and ACP trade union representatives met for three days in Brussels in February, in a framework of increasing contact between the Commission and non-governmental organisations.

The main conclusions of the meeting, organised by the Friedrich Ebert Stiftung (a private foundation) were:

- Support for the spirit of the Lomé Convention, with the reserve that it contains no specific measures to include workers' representation. This should be made up for the short term, after general discussions, by using the provisions of the convention that allow the creation of an ad hoc committee or a consultative mechanism that would bring the unions in. The next convention should contain such measures from the start.
- The unions should be closely involved in industrial cooperation and training.
- Union cooperation should be strengthened both inside and outside the Lomé Convention.
- Unions should be involved in micro-projects and financial and technical cooperation under the convention.
- The UN proposals for the implementation of a new international economic order should be effectively implemented.

Mr Dennis Akumu, Secretary General of the Organisation of African Trade Union Unity, expressed satisfaction with the meeting and said it was now a question of "normalising" the trade unions' participation in the Lomé Convention. ■

---

## EUROPEAN PARLIAMENT

---

The Development and Cooperation Standing Committee of the European Parliament, under the chairmanship of

Miss Colette Flesch (liberal; Luxembourg) opened its session at the end of January with an exchange of views on present relationships between Maghreb and the EEC. M. Claude Cheysson was present at the meeting.

The commissioner was able to give the committee not only a statement of the points on which both sides insist, but also to add a political commentary. The members of the committee appreciated his remarks on the nature of the links the EEC is seeking to establish with the Maghreb, which can be summarised as follows:

— The agreements now being made with Tunisia, Morocco and Algeria are an integral part of the EEC's development cooperation policy. They stem from this in the same way as does the Lomé Convention with which, incidentally, they have many similarities. They may be an indirect but very relevant test of the success of the ACP-EEC Convention, since they will need to show the ability of the Community to undertake internal forms of reconstruction for the benefit of its partners, especially in industrial matters (see interview with Claude Cheysson, page 1). ■

---

## ART EXHIBITION

---

### An African cultural heritage

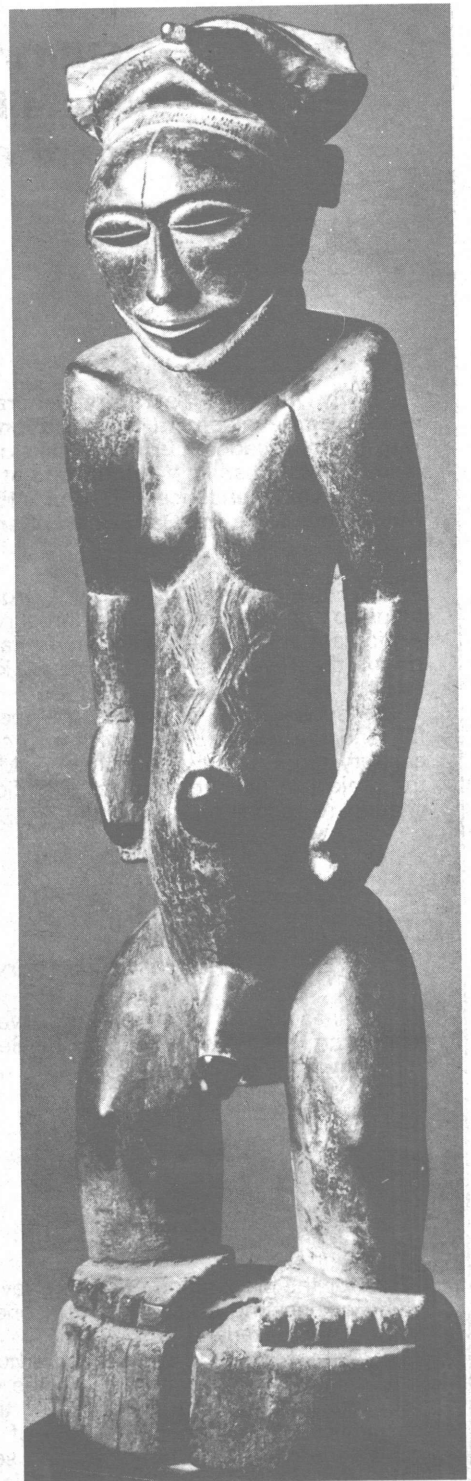
At the end of 1975 an impressive exhibition of African sculpture was held in Antwerp (Belgium). It included more than a hundred works ranking among the major masterpieces in this style anywhere in the world.

It is an indication of the interest Europe is taking in African art that the organisers were able to make contact with private collectors in Belgium and obtain from them a hundred works of sculpture of such high quality and such great rarity. In addition, the City of Antwerp Ethnographic Museum lent some 20 valuable statuettes dating from a very remote past.

African sculpture cannot be summarised either geographically or culturally in 117 works, but this was not the object of the exhibition.

The works shown here, some of them dating back to before the Christian era, express a serenity that can only underline the place African art occupies in the world of sculpture.

The exhibition offered a wide public in Europe the means of acquiring an initial understanding of the art of Africa. ■







### Dakar (Senegal)

*The great metropolis of Senegal is confirming its vocation as one of the biggest ocean ports on the west coast of Africa through the Dakar-Marine project, which the EDF is aiding*

able costs; lays down any special conditions to which the financing should be subject; and gives a number of other particulars required by the EEC national representatives and the Commission itself.

The EDF Committee consists of:

- delegations representing each of the governments of Community countries;
- a representative of the Commission, who presides as chairman;
- a representative of the European Investment Bank.

A representative of the General Secretariat of the Councils attends meetings as an observer.

The EDF Committee makes its decisions by a qualified majority of two-thirds, the votes being "weighted" proportionately to the contribution of the member countries to the EDF (1). The Commission provides the committee secretariat and reports to it verbally on the financing proposals, which it submits in writing at least three weeks before the date of the meeting.

Any proposal for which there has been a financing decision by the Commission—or in exceptional cases by the Council of Ministers—is immediately embodied in a finance convention,

drawn up by the EDF, setting out the Commission's financial commitment and the technical and administrative arrangements on the executive side. This is submitted for signature to the government which asked for the money.

In respect of each intervention by the fund for which there is a finance convention, the Commission commits the EDF to a specific amount determined by the estimated cost of the various operations needed to carry out the approved project or programme. The commitment is limitative and is regarded as a ceiling.

Any credit thus committed but not actually used, goes back into the kitty and becomes available to finance other projects or programmes for the benefit of the same ACP country.

If the expenditure on a project goes beyond the Commission's commitment, the ACP country can either cover the difference itself or ask for another intervention by the fund. If the excess is less than 15%, the Principal Authorising Officer, who is in fact the Commission Director-General for Development, may himself authorise the further financing. For any bigger sum a new Commission commitment is required and is subject to the opinion of the EDF Committee.

The Commission's commitment is not allowed to cover expenditure incurred before the signature of the finance convention. Any operation not covered by a previous commitment by the fund, or carried out in excess of such a commitment, may

(1) Under Yaoundé II, Belgium had nine votes, Germany and France 33 votes each, Italy 15, Luxembourg one and the Netherlands nine. The qualified majority required 67 votes.





Lomé (Togo)

*The new cooperation convention between the nine countries of the EEC and the 46 ACP countries was signed in the Togolese capital. Togo is also an attraction to tourists: the EDF has begun to help in this field too*

not be charged against the fund, except when an additional commitment is authorised by the Commission.

### Execution of the project

The execution of a project begins from the day the finance convention between the government concerned and the Commission is duly signed.

The execution calls for continuous joint action by the beneficiary country and the Commission. There is no place in the Community aid system for the delivery of projects on a "ready-to-use" basis.

The procedures incidental to the execution of a project are, in their essence, quite conventional. They include the drafting of specifications and call for tenders, the opening of tenders, the award of contracts and the passing of supply orders, supervision of the work, perhaps the incurring of excess expenditure, the provisional and final acceptance of the work and subsequent claims. All this, normal as it is, has the exceptional feature that at every stage it involves the parties not only in concerted action, but in positive agreement, neither being in a

position to act without being sure of the consent of the other.

As soon as the finance convention comes into force, the ACP country party to it is obliged to draw up the specification and lay down the particulars for the call for tenders. The national administrations are in a position to call for tenders under their own relevant legislation; but the EDF is bound by an additional principle. This is written into the Treaty of Rome (art. 132/4) and repeated in each of the successive conventions, and all EDF financing is subject to it. It is the clause by which works and supply contracts are in all circumstances open on equal conditions to all persons or bodies corporate in the countries of the EEC and the States and countries of the ACP.

It is thus only on competitive terms that firms are able to secure works or supply contracts financed by the EDF. Except in certain special cases, the contract award is made through open international tender.

In principle, this ensures the placing of the contract with the tender deemed the most advantageous economically for the aided country, and in most cases the least costly for the EDF.



It also avoids any suspicion of discrimination or partiality on the part of the public authorities (1). There remains, of course, the objection usually raised against "tied aid" (2). The EDF aid, though it keeps the door open only to regional competition (EEC countries and ACP), is appreciably less restrictive in this respect than practically any other bilateral aid available.

The competition can indeed be even wider in the case of tenders opened jointly with international bodies, such as the World Bank. On the other hand, the conditions can, without being actually restrictive, contain clauses making access to EDF supply contracts easier for industrial or artisan firms in ACP countries. This is a protection for the firms concerned; though it is a departure from the governing principle that competition is on level terms and the lowest tender wins, it has the praiseworthy aim of assisting the development of local or regional production in the ACP countries. The margin of preference is 10% on works contracts of UA 2 m or less, and may run as high as 15% for supply contracts.

The rule of competition on level terms, subject to this mitigation, is a permanent condition in all the arrangements preceding the actual choice of the contractors—the drafting of specifications, the constitution of the competitive bids file and the publication of the invitation to tender.

For a long time the specifications for EDF contracts were subject to local rules in the countries concerned. These were diverse and elaborate, and it soon appeared that they put European firms at a manifest disadvantage against those established locally, because of the long and difficult work of textual research and translation. It was on this account that the Commission proposed a pro forma type of general specification to apply to all EDF contracts, and this was ultimately adopted, first by the European bodies and later by the joint organisations in the partner countries. It not only reduces all existing regulations in the associated countries to a common denominator, but also provides a certain modernisation. With the coming into effect of the Lomé Convention, the pro forma schedule of specifications will have to be renegotiated between the nine EEC countries and the ACP.

The actual bids, however, are conditioned by the list of special requirements defining the technical content of the contract, and on the various administrative clauses specially framed for the operation to be financed. This entails two necessities: first, that the technical description should be set out in full detail; second, that the description should not be so framed (especially in supply contracts) as to favour any particular technique or method of manufacture and thus impair the free play of competition.

Another safeguard of this concern for free competition is the wide publicity given to all EDF financings, using a number of methods which include publication in official journals, press communiqués and other ways of publicising both the decision to provide finance and the calls for tenders.

---

(1) This procedure has at times led to considerable delays in the execution of projects, especially during the 1st EDF. Since the 2nd EDF, special efforts have been made about this, but there are limits to the amount of time which can be saved. The drafting of specifications and particulars is a technical matter, which sometimes takes 6 or more months, and the call for tenders itself may take 3 or even 5 months.

(2) Aid is said to be "tied" when it is conditional on the beneficiary country using it to cover supply or works contracts to be carried out by firms from the country which supplied the funds.

The interval before the closing date for bids is usually four months for works contracts and three months for supply contracts. Once this has expired, the responsible authorities in the ACP countries proceed to the opening of the tenders and the comparison of the bids, and are thus able to determine the award and pass the contract.

The comparison of bids is the task of an administrative committee for the examination of tenders, and the award is the decision of the government of the ACP country. The award is made on a proposal from the examining committee, and goes automatically, other things being equal, to the bidder whose offer is economically the most advantageous. If this is in fact the lowest bid, no problem arises; but if it is not the lowest, specific justifications have to be given. There is, however, an exception in the operation of the clause mentioned above, which favours bids from local or regional undertakings which are entitled to some degree of protection.

The agreement is then announced and the effective execution of the contract can begin. In Brussels the EDF administration works on the principle of separating the authorising officers from the accountants. There is a Principal Authorising Officer—the Director-General for Development Aid—appointed by the Commission, and assisted by deputy authorising officers, whose task is to give the credit commitments and control and liquidate the expenditure. Any act liable to lead to expenditure must be covered by a commitment proposal submitted for a preliminary visa by the Finance Comptroller. In the same way, nobody but an EDF accountant is entitled to handle the funds, provide for their safe keeping and take over and settle the payment vouchers issued by the authorising officer and bearing the visa of the Finance Comptroller. In each ACP country, the national government also appoints a national authorising officer (3). He is usually a minister and, within the limit of the credits assigned to him by any finance convention, it is he who makes the expenditure commitments. It is his job to issue the invitations to tender, to receive the bids, publish the awards, sign the contracts and estimates and notify the Commission and the paying agent. It is equally his job to send the tender file and the results of the bids to the principal authorising officer. It is also he who must sort out the payments files and check the vouchers.

Side by side with the national authorising officer, and in many cases the same person, is the principal contractor for the project, an authority of the ACP country concerned, chosen on lines which differ according to the type of operation. It is the principal contractor who directs and supervises the works, and is thus in direct executive control. It is he who gives the service orders, checks the bills and entitlements, considers claims made by the firms concerned and acknowledges provisional and final reception of the work. The government, if it considers such a step desirable owing to its own shortage of competent supervisors, may ask the Commission to appoint technicians to assist the principal contractor, either individually or on an office basis. This request may be made either in the project itself or separately. Technicians so appointed assist in the supervision of the work and are thus at the disposal of the country concerned, but they cannot be held responsible, either

---

(3) The appointment of a national authorising officer and the powers vested in him are novelties introduced in the Lomé Convention and are not the same as the system applied under Yaoundé II.



as experts or as a team, for the acts of the principal contractor in the execution of the project.

The EEC Commission sets up its own continuous technical and financial supervision. This is done through the Commission delegate, its representative on the spot accredited to the responsible government authorities. It is his job to keep the Commission informed, and if the ACP government to which he is accredited asks for his cooperation in the examination of projects, it is permissible that he should do so.

### Subsequent evaluation

Once the works are completed and handed over to become the property of the beneficiary State, it remains for the Commission and the government concerned (1) to carry out regular joint evaluation surveys to see whether the investment is in line with the initial objectives, whether it is well maintained and operates satisfactorily. This is intended to enable the Commission to inform the Council of the use made of these investments and the conditions in which they operate.

So much for a brief summary of the various stages in the life of a project and the correspond EDF procedures.

## FEATURES

### The EDF as a supplement

There are three special features of the EDF which have been carried through from one convention to another. The first of these is that its aid is a supplement to what is done by the ACP countries themselves. There is not and never has been any question of the fund taking sole charge of the development of any country; it is a contributor and nothing else.

It should also be noted that the EDF is rounded off by aid financed from the Commission budget (2), and of course, by aid from other sources which intervene in the country concerned. In this connexion there is one complaint which is often raised. "The major complaint of developing countries against present systems of cooperation is the small scale of the resources brought into operation" (3). This, it would seem, is really a complaint against all aid donors, and at least as much against other industrial countries as against Europe. There are indeed some countries which only succeed in reaching the proportion of their GNP which they issue for statistical purposes by including private investment and export credits provided on "bank" terms, and containing only a very small element of liberality (see inset page 58 for the example of Japan). The criticisms must therefore be read as a denunciation of the attitude of rich countries towards their less wealthy friends;

(1) The participation of the government concerned is another of the innovations of the Lomé Convention.

(2) For technical assistance, UA 6 m was provided from the Commission budget in 1959-64 and a further UA 5 m in 1965-70. For food aid to associated countries, the Commission budget provided nearly UA 83 m for cereals and powdered milk between 1969 and July 31, 1974.

and in this respect Europe appears to give Africa much more generous financial means than do the other industrial countries.

### pluri-annual and regional...

The second special feature is, that the fund is pluri-annual, which distinguishes it from most other aid sources which follow the rule of the annual budget. It is thus better able to say in advance what the aid is going to be, so that medium-term programmes can safely be put into operation. The third characteristic is that the EDF is regional and that this is instinctive to its very nature as regards both its origin (4) and its beneficiaries (5).

### non-political...

Other features of the EDF have come to light in practice. To begin with it is non-political (6). This means that whatever may be the political system of the ACP country asking for finance, the request is considered on its economic and technical merits. The work could be called purely technocratic (assuming, of course, that technocracy is non-political).

### and continuing to develop

Moreover, the contractual character of the EDF means that it continues developing. There is continuous self-criticism inside the fund organisation; and the practice of renegotiating it periodically enables the lessons of experience to find their place in the new conventions and give a new angle to the action taken (see "EDF policy").

The EDF also uses a great diversity of methods and procedures in financing its aid and operates in many different fields, often learning from other sources of finance (see inset). In practice the EDF provides aid very largely by subsidy, but it has at its disposal a very wide range of modes of finance, whereas other international organisations are more apt to be specialists.

The field in which the EDF operates, however, is not without its limitations. Two of these stem from the legal texts involved, which provide that the EDF can in general finance only definite specifically individual operations (the projects) and these may not include expenditure on running costs or main-

(3) Minister Diawara (Ivory Coast): "Cooperation or confrontation?" address to the 14th SID Congress (Abidjan - August 1974), quoted in "Fraternité Matin" (Aug. 22, 1974).

(4) The contributions, both of the original six and now of the nine EEC countries, are put into a single fund administered and managed by the Commission. None of the nine takes any further part, except through the comment made by the EDF Committee as a preliminary to any financing decision, and through the supervisory control in the joint institutions set up by the convention, the European Parliament and other bodies.

(5) The beneficiaries of finance from the fund are exclusively the ACP countries.

(6) Interview with J. Ferrandi in Association News No. 17 (Jan-Feb. 1973) (pp. 20-21). It can also be stated that successive coups d'état in any particular country do not have any consequences regarding the commitment for EDF projects, except those which result from local uncertainties; and the difficulties a given EEC country has had with one of the overseas Associates have had no repercussions on EDF financings. These are equally available to countries embracing the western ideology and those attracted by socialism of a more or less advanced character and adopting nationalisation programmes.

tenance (1). A third feature results from case-law and precedent in the fund and is based on some of the projects being regarded as being in themselves operating expenditure. The EDF does not finance the construction of general administrative buildings (e.g. a ministry). Apart from these three restrictions, the fund has an extremely wide field of action, as compared with other sources of aid. Family planning is almost the only field in which it has not yet taken a hand.

Who sets these procedures set in motion and how are they reflected in the figures?

### The EDF team

The personnel of the fund were originally only 30, and the fact that this staff was so small made for a quick build-up of friendship and the formation of a team which would lose no time in finding an area of agreement with the African partners. The atmosphere is well described by ex-Commissioner Lemaigen (2) who spoke of the Treaty of Rome as a "frame which had to be adapted to hold a mobile set of political conditions, maintaining close contact with a new set of people, especially Africans, who were on the point of taking up the responsibilities of power".

In 1974, with the continued growth in the funds being handled and the resulting increase in the tasks involved, the EDF team comprised some 215 officials in Brussels. They were of six nationalities, for the three new members of the EEV were not represented in appreciable numbers in the offices of the fund before 1975. To these must be added the team in each of the associated countries—the Commission delegate and technicians (about 120 people), besides experts and technical assistants engaged in tasks such as surveys, the management or supervision of works and teachers and instructors sent out for specific jobs. The number of all these varied from year to year. Compared with other said sources they are extremely small; but with the coming into effect of

### Fields of activity of various sources of development aid

	Investment	Technical assistance	Budget aid	Trade promotion	Advances to stabilisation funds
EDF	x	x	no	x	x
World Bank	x	x	no	no	no
UNDP (*)	no	x	no	no	no
BAD/FAD	x	x	no	no	no
France	x	x	x	x	x
Germany	x	x	no	no	no

(\*) UNDP : United Nations Development Programme.

FAD : African Development Fund.

BAD : African Development Bank.

(1) This exclusion of maintenance and operating expenditure from EDF financing is a legal rule based on the two-fold desire to make sure the new investment is genuinely taken in hand by the beneficiary, and to set a time limit on the cost of aid connected with a specific project. This statement of the position should, in any case, be somewhat modified. In certain cases the EDF may finance the cost of setting a project in motion (e.g. medicine for a hospital or technical staffing assistance for an agricultural project); and under the Lomé Convention the maintenance and operating costs may be met by the EDF in specific and exceptional cases.

(2) The first EEC development commissioner.

the Lomé Convention and the additional activities which this will include, there will be additions to the EDF team in Brussels and also to the Commission delegations in the ACP countries.

Even though the numbers are small, the spirit of the early days has undergone some change. The EDF team, though they maintain first class personal relations with their teams in Africa, are now more technically minded than they were and noticeably given to the scientific approach. There has been some change, too, in their counterparts in Africa, partly because young staffers who have been trained since independence have now graduated to positions of responsibility. One of European who has passed his life in Africa lately wrote: "A post colonial Africa of collusion and clubmanship with the outside world is about to die out".

### A few figures

The most important figures on the credits brought into use and their division by sector and by country will be examined in some detail below. So will those regarding the actual investments—the area developed for particular crops, the kilometers of roads, the number of schools and similar details (see table of the main EDF investments in each of the AASM).

For the moment, all we need mention are the number of projects and of calls for tenders and contracts resulting from them (see below).

The work of the EDF has been approved and criticised on a variety of grounds.

It might have been possible to take these one by one and attempt to put them to the test of analysis. It seemed, however, a better idea and a better answer to possible questions, to examine the hard facts of what has been done and how. This will be the aim of the following articles, one of them highlighting the EDF Committee and the other detailing the work on a country-by-country basis. A third article will sketch the policy of the EDF.

### EDF projects (up to 1.1.1975)

#### Project commitments (number):

EDF I	410
EDF II	748
EDF III	528
<b>Total</b>	<b>1 686</b>

#### Calls for tenders (number): 1 241

#### Orders, specifications and contracts (number):

EDF I	2 478
EDF II	2 990
EDF III	1 300
<b>Total</b>	<b>6 768</b>
<b>of which</b>	<b>1 663 were in current operation as of 31.12.74. ■</b>



# THE EDF COMMITTEE

## Twelve years' work

by André STANER

With the Commission and the Council of Ministers, the EDF Committee completes the machinery for approving projects and programmes put forward for EDF finance by countries benefitting from Community aid.

It is the task of the committee to comment or advise on these projects. The decision on their financing is then made by the Commission, or in certain exceptional cases by the Council of Ministers.

The EDF Committee was set up in 1963, in virtue of an internal agreement between the EEC governments on the financing and management of Community aid under the 1st Yaoundé Convention. It was renewed in 1969, when the 2nd Yaoundé Convention came into operation, and again in 1975 in virtue of the Lomé Convention. It has a representative of the Commission as chairman, and consists essentially of representatives of the EEC member countries, who alone have the right to vote.

It is looked to for comment or advice on financing proposals worked out by the departments of the Commission in charge of the EDF, after projects put forward by the governments of countries entitled to Community aid have been through the examination procedure and before the financing decision is made by the Commission.

Under the internal agreement drawn up for the Lomé Convention, the decisions of the committee are given by a qualified majority of 69 votes out of 100, provided that this majority is not constituted by Germany, France and the United Kingdom. For the calculation of the majority, the votes of the member countries are weighted proportionately to their contributions to the EDF.

\* \* \*

Proposals on which the committee has given a favourable opinion are passed to the Commission for decision. In order to save time in obtaining this decision, the Commission recently adopted the so-called enabling procedure. This entitles the

member of the Commission responsible for development policy to make the financing decision on his own responsibility. There are, however, special cases—qualified majority approval by the committee and a project cost of over UA 10 m—for which the written procedure previously used will still be required. By this procedure a project may be approved by written consultation of the members of the committee and the absence of any reserve within a specified time-limit.

If a financing proposal does not receive a favourable opinion from the committee, it can be purely and simply withdrawn, or it can be submitted by the Commission to the Council of Ministers for a definite decision.

Some people may be surprised at this double level of decision and consider the Community unduly cautious. In this connexion the real point is that, though the EDF is managed by the Commission in the widest sense of the word, the fund is fed not with Community money but with allocations from the budgets of the member countries. The decisions often relate to considerable sums, and it is quite normal that the governments of these countries should wish to retain a right to see how their money is being used and say what they think about the quality and timeliness of the action proposed. It was in deference to this wish that the EDF Committee itself was set up.

The above are the main rules for the operations of the committee. It is interesting to survey its operation over the 12 years it has been at work.

Since the committee started work its activity has been growing continuously. During EDF II it held only eight meetings a year, but for purposes of EDF III this was raised to 12 meetings yearly (i.e. about one a month), except in the transition period between one convention and the next when the work of the committee is in a somewhat minor key. Since 1964 the committee has held 105 meetings, in which it has stated its view on 743 finance projects or amendment proposals. The average number of proposals examined by the committee at any of its meetings is therefore about seven. In ad-

dition, of course, the committee is asked to state its views on a number of information notes, verbal statements and other miscellanea.

Out of this total of 743 finance proposals:

— 734, or no less than 98.7%, were given a favourable opinion by the committee, of which 91.6% were approved by unanimous vote and 7.1% by a qualified majority. All of these were subsequently approved by the Commission.

— 6 proposals, or 0.8%, were not given a favourable opinion by the committee, but were submitted by the Commission to the Council of Ministers and duly approved.

— 3, or 0.5% of the total, were not given a favourable opinion by the committee and were finally abandoned by the Commission.

Of the 734 proposals for which a favourable opinion was given by the committee, there were 31 (4% of the total) on which some of the member governments expressed reserves and which were thereupon withdrawn by the Commission and presented again at a subsequent meeting with additional particulars or in a modified form.

These figures are satisfactory both for the beneficiary countries and for the Commission. The former see them as an encouragement to their development programming, while the Commission finds in them a confirmation of its aid policy.

There have not been many cases in which projects have been thrown out by the committee altogether. This happened in only nine cases, or 1.3% of the total number presented. It must be noted, too, that the Commission has in every case confirmed in its decision the favourable opinions given by the committee.

In terms of financial commitment, the work of the committee enabled practically all the resources of EDF II and EDF III to be brought into commitment within the time provided in the Association conventions.

As regards procedure, the committee has had rather a heavy task because of the amount of translation work and the delay arising through the necessity for the internal rule that documents must be sent to the member countries of the Community in the six official Community languages, and an interval of at least three weeks allowed before the meeting at which they are to be discussed. Despite these difficulties, the committee has operated satisfactorily. The interval before each meeting is habitually used by committee members to consult their national administrations on the relevant aspects of the projects under consideration. The special urgency procedure, which reduces this interval from three weeks to one week, has only had to be used for 20 financing proposals, mainly for emergency aid to disaster areas.

In some cases the financing of projects was delayed and problems arose even in the committee discussions, through the division of responsibilities between the Commission and the European Investment Bank contained in the Yaoundé II Convention and affecting the examination of projects and the drafting of documents for presentation to the committee. The fact that the headquarters of the two institutions were at some distance from one another contributed to the difficulty. The negotiators of the Lomé Convention learned the lesson and found a remedy by simplifying the division of responsibility and setting up a special committee for projects financed by the EDF, but put under the management of the bank.

Looking more closely at these procedures, stress must be laid on the committee's leading part in the process for approval of projects. Though its powers are only consultative, its work nevertheless has a determinant effect. The Commission has never yet refused a project which has been given a favourable opinion by the committee. Moreover, it cannot itself approve a project without a favourable opinion from the committee, except by sending the papers to the Council for decision.

The papers relating to the meetings of the committee are sent by the members to their national administrations and the attitude adopted reflects the views of the relevant departments in the countries concerned. The effect of this procedure is to facilitate adequate exchanges of experience and information on development policy, which promote some degree of aid coordination.

In many cases the projects are given a very open reception, and the discussion is apt to be focussed on the justification for the intervention in itself, requests for additional particulars, discussion of actual experience in bilateral aid, and special concerns such as local income levels and standards of living, cost, profitability and maintenance of investments, personnel training, methods of finance, contract awards and similar matters.

On requests for additional finance blamed on the exceptionally sharp rise in prices in this period of recession, the attitude of the committee is usually rather reserved. This does not in most cases prevent its accepting the proposals put forward by the Commission.

When projects come up for examination in meetings of the committee, the representatives of the EEC countries have an opportunity for comparing notes on their experiences in development aid. From the discussions at these many meetings there has gradually emerged a philosophy of Community aid, worked out in practice and based on a few principles and rules of good management which the EDF has done its best to practice throughout the period of the Association convention.

The experience of the committee was certainly useful to the Council in drafting and adopting the internal directives on the principles to be kept under consideration in programming aid in conformity with Community procedures.

With regard to the Lomé Convention, a special procedure has been worked out for programming Community aid. At various stages there is provision for meetings quite independent of those of the EDF Committee, mainly between the Commission, the European Investment Bank and the EEC member countries. These arrangements stem from the desire of the EEC governments to cooperate more fully with the organs of the Community, especially by taking a more active part in implementing European aid.

The Lomé Convention brought yet another novelty into the procedures for examining and approving the aid projects. This is the option given to representatives of the ACP governments to put their own case to the EEC governments at an ad hoc committee meeting whenever any of their projects has not been given a favourable opinion by the EDF Committee.

The procedural innovations and the greater number of countries entitled to aid under the Lomé Convention should keep the Community services wide awake in the administration of Community finance aid. ■

A.S.



## The policy of the EDF

*"I should like an objective account of the Yaoundé experience to recall, most of all, the great opportunity it has given to the associated countries to work together, to increase their trade with one another and their joint projects, to strengthen at every point the solidarity which binds them together, and so to establish favourable conditions for extending and renewing our agreements with the European Community".*

(Babacar Bâ, speaking as President of the ACP Council of Ministers at the signature of the Lomé Convention, February, 28, 1975.)

When we talk of EDF policy the word does not carry the same sense as it would if we were discussing bilateral aid. The EDF, as a management organisation for Community aid, is entirely outside politics, in the sense that it is not interested in the political systems adopted by the countries which are its partners, but is concerned only with their economic and social development. EDF "policy" thus embraces all the general objectives, the practical guidelines and the technical instruments which shape the daily decisions, such as the choice between maximum growth and an equitable distribution of incomes, the

mode of financing to be used for a specific project, or the scale on which any particular improvement programme is to be carried out.

So we must begin by asking what are the real foundations of this policy, and what are the constant factors in its composition.

EDF policy, like civil law, has its sources in enactments, in custom, in doctrine and in precedent.

Enactment, for this purpose, comprises the various conventions—the Implementing Convention, Yaoundé I, Yaoundé II and the Lomé Convention. Precedent is embodied in Commission decisions taken on the advice of the EDF Committee and the conclusions reached in discussion in the association institutions, in the European Parliament, in the Economic and Social Committee and other Community forums. Custom consists of the EDF projects, each of which contains its lessons for use in the next set of investments. Doctrine is to be found in the writings and summaries made by those responsible for the EDF itself.

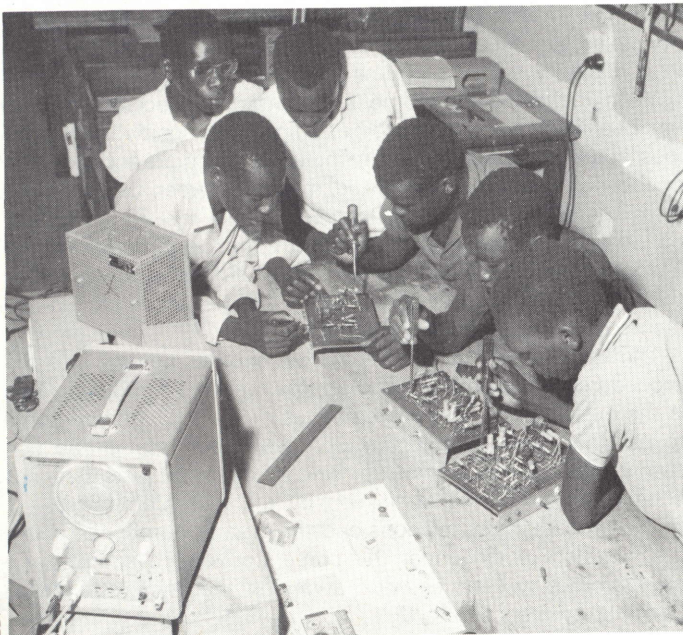
In all these sources a variety of influences have been brought to bear. There are those of the associated countries, finding expression through the institutions of the Association, there are those of the EEC members enshrined in the attitudes taken by their representatives in the EDF Committee, there are all the theories and techniques of development—many of them divergent—and there are the EEC officials and the experts, busy in the examination and the execution of the projects.

### Influence of the Conventions

In practice these various elements have had very different degrees of influence on the lines of action adopted by the EDF. The main lines were of course laid down in the conventions, but these mainly define the generalities and seldom provide exact indications, particularly in the early days of each convention.

The first of the conventions, for example, was annexed to the Treaty of Rome as an "Implementing Convention", and it was laconic at best in the guidance it gave on many problems. Its principal directives were the distribution of credits between different geographical areas and between projects of the social and the economic type.

In practice, of course, the good and the bad points of each convention came to light as the years went by, and the negotiators of the next conventions drew the natural conclusions and did the best they could to shape the new texts in the right way. We have thus seen successively the initiation of various specific types of credit (production aids, emergency aid and others), special and increasingly wide scope for its utilisation and the normal working of the EDF, and increasingly intricate modes of financing the projects. These are only examples; but the general impression is that the successive conventions left the EDF a wide freedom of action, which explains the very diversified use to which these various possibilities were put.



EDF-  
Young electricians at an EDF-backed school in Bujumbura, Burundi





*EDF development on the Imbo plain, Burundi*

### **Influence of the EDF Committee**

The various bodies set up under the Treaty of Rome, the conventions and the annexed documents included the EDF Committee, the Association Council and others. They have had a

variety of parts to play in determining the policy of the EDF. A special influence on the content and form of the projects was exercised by the EDF Committee, which was specially concerned, *inter alia*, with:

- securing satisfactory coordination of the aid between the various donor countries and organisations;
- enabling local populations to help carry out the new investments;
- considering as closely as possible the future costs of operation and maintenance implied by the various projects;
- seeking out the most profitable of the projects and, in suitable cases, having them financed by loan rather than by grant;
- increasing the areas planted with subsistence crops and increasing the investments in bush country;
- promoting local processing of local products and produce, and encouraging the utilisation of the resulting products;
- giving preference for education and training in Africa rather than in Europe, and more especially to encourage inter-State establishments;
- keeping as close as possible to the actual text of the conventions, remembering that the Commission has a tendency to adopt wider interpretations.

All these lines of thought had their echo in the aid commitments submitted at a later stage for opinions from the committee.

### **Influence of the Association Council**

The Association Council acts by adopting recommendations on the use to which future Community aid shall be put, and has had a material influence upon it, even in the negotiation of new conventions. Examples of

the matters with which it is concerned are:

- emphasis on marketing and trade promotion (included in the text of Yaoundé II);
- regional cooperation (from which have emerged inter-State projects, the agreement between Chad and Cameroon on projects for textile mills and a cement plant which were carried out with EDF participation; and later the provisions in Yaoundé II and Lomé to promote regional cooperation);
- the need for giving additional aid to the less advanced countries, which led to technical assistance in working out plans and projects; subsidies to finance projects which, in other countries, would have been financed with loans; and subsequently the provisions contained in the Lomé Convention;
- a certain preference for projects of some importance or significance, which has led to a search for projects of an integrated or agro-industrial type for EDF financing, but never neglected the subsistence crops.

The matters with which the Association Council is concerned were thus often similar to those before the EDF Committee, and the example of subsistence farming could be supplemented by a number of others. These would include resolution 1/66 calling for encouragement to the efforts made by beneficiary countries themselves to make use of the investments



financed by the EDF and to play as big a part as possible in carrying them out.

The European Parliament and the Economic and Social Committee also comment on Community aid, which is part of the agenda of special sections and committees. For example, a number of reports drawn up as a basis for discussion of the recommendations to the Parliament have been used by the EDF as reference works for a general survey of Community aid in the past and the improvements which can be made in it.

### Experience and theory

With these major guidelines as a basis, the day-by-day work of the EDF has naturally come under the influence of the officials and experts by whom it is carried on. Their attitudes have been determined by their experience, their training, their theories on development and so forth.

A large part of this experience was valuable. Officials who had had experience in overseas appointments as members of European administrations were helpful in the early days of the EDF, in shortening the period in which the new administration was feeling its way. Former French colonial civil servants, who had been serving in overseas territories during the first French development plan (1946-51), were fully alive to problems such as transport coordination, the need for thorough studies on the technical and economic side for any major investment and the need for a moderate scale of expectations, if they did not want to "build roads which were wider than they were long".

At times there were differences of attitude which gave rise to discussion. In some cases the attitude of one EEC country to the aid programme would be fundamentally opposed to the attitude of another member country, and the choice between grants and loans was another matter which set up internal discussions in the EDF. Above and beyond, of course, was the problem of making the best use of Community funds.

Theories and doctrines about development were in many cases contradictory, and they seem to have had more effect inside the EDF, through the very fact of their conflict than through the content of any of them. There was the choice between balance and imbalance in development; between economic, sociological or political approaches to under-development; the undoubted, or the merely marginal, usefulness of external aid; and disputes regarding the Pearson report and the programme for the second development decade. In practice, in the day-to-day actions of the fund, all these alternatives seemed to disappear. There was one self-evident fact—the enormous differences between developing countries; and there was one challenge—to do it all, to do it at once and to do it all at the same time. Robert McNamara wrote (1): "For an economist studying development problems in his rooms a decade may be a short interval; but it is a long one for the farmer who can scarcely provide for himself, whose children will probably not live to five years old, who is condemned to

chronic sickness by malnutrition, whom illiteracy cuts off from technical innovation, who is forever in debt, at the mercy of the landowner and bogged down in a situation offering no hope and no escape".

This is why in articles, interviews or surveys by EDF officials, we so often find allusions to its practical approach and sometimes also to its policy (2), but never the least indication of a pre-established doctrine.

This is brought out in a 1973 "Association News" interview with the Director-General in charge of the EDF. "The rejection of a straitjacket doctrine does not imply a lack of principle and a disorganised empirical approach. Quite the opposite. Since the war the doctrines of development—for lack of development itself—have been flourishing. It would of course have been easier to let ourselves be locked into one or other of these doctrines and to decide upon our interventions from there. On the other hand, the use of predetermined formulae and criteria often dispenses with enquiry as to the best possible use which can be made of any particular resources, which are, after all, limited. We preferred to proceed in a way which was admittedly more pragmatic, but was also stricter. We were seeking all the time, jointly with each of the associated countries, to identify the projects which, at the stage of development then reached, seemed most likely to make the best contribution to future progress. The needs which we were thus able to locate have led us to the progressive enlargement, both of our field of intervention and of the range of our means of action...

It has been a constant of the EDF to adapt the Community interventions to the constantly changing requirements of the AASM, to let changes be suggested by experience and avoid letting ourselves be bound by preconceived notions..." (3).

### The constant factors in EDF policy

#### Pragmatism and change

The policy of the EDF is thus a pragmatic one, based on the desire to meet the real requirements of the countries concerned and to adapt to each practical case, a policy "personalised" to the countries aided and capable of changing with their needs.

#### The search for self-development

It should be noted that the background to this policy comprises two fundamental and unchanging characteristics. The first is the search for the self-development of the country concerned, the main object of the aid being to create the economic and social infrastructure which will give the country the base it needs to begin investing in its own projects.

(1) cf. Robert McNamara: "A better life for two billion people" (Denoël, Paris 1973, pp. 106-110). This passage re-translated from the French.

(2) See, for example: Association News No. 17, Jan-Feb 1973, "The EDF development policy" by E. Wirsing, Director of EDF Programmes and Projects.

(3) idem—with Jacques Ferrandi (pp. 20-25).

This is very clearly expressed in the Lomé Convention, Article 40:

“1. The purpose of economic, financial and technical cooperation is to correct the structural imbalances in the various sectors of the economies of ACP countries. It shall relate to the execution of projects and programmes which contribute essentially to the economic and social development of the countries in question.

2. Such development shall consist, in particular, in the greater well-being of the population, improvement of the economic situation of the country, local authorities and firms, and the introduction of structures and factors whereby such improvements can be continued and extended by their own means.

3. This cooperation shall complement the efforts of the ACP countries and shall be adapted to the characteristics of each of them.”

These stipulations, however, are only a repetition of a governing idea which the EDF has brought into practice since its origin. In 1969 it was stated by Amadou Seydou of Niger as the second and third of his “ten principles”, of cooperation ethics (1):

“There is no aid except that by which you aid others to do without your aid later” (the criterion of limited term). “Aid in whatever form has got to be a supplement and an inducement to development effort (criterion of supplement and inducement).

### Care for human well-being

The second constant is the attempt to satisfy the essential human requirements—food, health, education, housing, employment and the rest—on the national scale. In practice, and bearing in mind the state of things in the countries of Africa, this means addressing campaigns so far as possible to rural populations, either directly (schools, irrigation, dams etc.) or indirectly by the income levels specified for peasants in an improvement scheme. Another factor is the attention paid to particular aspects of a technical choice. An example is the decision whether the risk of bilharzia (2) shall be one of the factors to be taken into account, side-by-side with the question of comparative cost, in choosing between an earth canal and a concrete-lined canal.

This concern for what was described by the French economist F. Perroux as “the cost of man” explains why, in the examination of the results of projects financed by the EDF, the increase in gross product is not taken as the ideal criterion. To the EDF, the growth in the gross national or regional product is not a sufficient measure of change and progress, since it may conceal serious inequalities between a rich minority with growing incomes and a poor majority with static or declining incomes. In measuring the impact of the EDF projects attempts are therefore made to use other aspects. This has been well summarized as follows by an African:

(1) Amadou Seydou: “Pour une éthique de la coopération”, in *Revue Française d'études politiques africaines*, No. 49 Dec. 1969.

(2) A parasitic illness carried by a mollusc which prefers to live in stagnant or slow-flowing water, such as an earth canal.

“The experiments in planned development over the past 15 years, and made essentially in terms of economic variables such as the GNP, are seen to have been ... a failure. It accordingly seems necessary to adopt a new concept of development planning, fixing quantitative objectives in terms of what is needed by individual members of the population in the way of food, clothing, housing, health, education, quality of life; and to translate these requirements into overall objectives in such a way as to bring the whole population into the effort to secure them” (3).

On the same lines, another African considers:

“To see if there has been a dietary improvement in rural areas, we must check the consumption of sugar, meat, fish and the rest. We believe we have secured valuable progress where there has been a change in tribal practices... The customary expenditure in the rural areas is also crucial—when Msukuma spends the money he gets for his cotton by buying sheets of corrugated iron to replace his thatch instead of buying more cattle or marrying a third wife, this is economic progress and it cannot be measured by the GNP figures. We make a general study of consumption and then take a close look at the country areas, so that we can see the material changes for ourselves in housing, domestic equipment, transport and in other respects” (4).

This care for humanity is to be found more and more in the policy of the EDF. The simplified description of the change (“the 1st EDF was an engineer’s fund, the 2nd an agronomist’s fund”) is little more than a caricature version. There is in fact less cement, there are more projects concerned with subsistence farming, integrated programmes for agricultural development and training schemes for the rural populations, and all this is accompanied by a gradual transfer of responsibilities, both in conception and in execution, to the people of the beneficiary countries. In this there are the beginnings of a move away from the accepted patterns of development, taping the world of Europe, towards a more reflective system which starts from the needs effectively felt by the mass of Africans and gradually produces from this a change of mentality. Thus, an extension course for women will start from the needs so keenly felt by every parent—the problem of health for the children—and spread to cover health in general, which presupposes a diet adequate in quantity and quality, unpolluted water and proper housing, with the end purpose of teaching the women themselves how to make these different forms of program.

It is these various “constants”—the attempt to adapt the aid to the country concerned; the search for self-development; the growing care for the human being and more especially, for rural populations—that shape EDF policy. ■

(3) Survey by the Dahomey (Benin) Minister of Planning, to the National Census Committee (Daho-Express, 23.12.1974).

(4) *Revue du Développement international*, 1974/2: Tanzania’s road to development: Bringing development to the people (interview with P. Bomani, Ambassador of Tanzania to the United States), p. 8.



# The principal investments in

## BREAKDOWN BY SECTORS OF ALL EDF FINANCING DECISIONS

('000 u.a.)

Country	Sector	Industrialisation	Tourist development	Rural production	Trade promotion	Transport and communication
Benin		4 019	11	27 122		16 302
Burundi		4 850	—	27 965	—	12 733
Cameroon		15 190	—	21 089	—	85 485
Central African Republic		4 442	—	19 981	—	22 212
Chad		1 358	403	24 531	—	29 150
Congo		255	—	5 734	—	45 481
Gabon		—	238	2 023	—	53 161
Ivory Coast		2 152	—	73 396	737	41 267
Madagascar		4 760	—	88 012	—	64 324
Mali		3 311	24	42 795	—	39 664
Mauritania		93	983	13 375	—	20 040
Mauritius		—	25	248	—	—
Niger		1 533	—	22 828	—	43 221
Rwanda		17 322	—	26 760	—	1 972
Senegal		2 550	323	81 688	299	47 750
Somalia		5	—	7 369	3	30 702
Togo		756	—	11 803	—	34 389
Upper Volta		12 126	—	22 530	30	32 648
Zaire		19 613	—	29 626	—	54 560
Total AASM		94 335	2 007	548 875	1 069	675 061
% of total		5,15%	0,11%	29,97%	0,06%	36,86%

### Note on sector classification:

**Industrialisation.** Factory construction, industrial water and electricity supplies, industrial estates, power lines and energy.

**Tourist development.** Parks and nature reserves, hotels.

**Rural production.** Agricultural and agro-industrial projects, stock-raising, fisheries (excl. port improvements), processing

of farm and fishery production.

**Trade promotion.** Fairs and exhibitions (information, stand construction), training of stand managers, commercial congresses, market research.

**Transport.** Including telecommunications.

**Education.** School building, training

# each associated country (AASM)

## FOR THE ASSOCIATED COUNTRIES UP TO 31.12.1974

Education	Health	Housing, urban devel, water	Emergency aid	Misc.	Total	% Total
6 400	1 016	10 270	—	1 975	67 115	3,67
7 257	575	699	—	1 901	55 980	3,0
24 875	9 459	1 238	—	4 374	161 710	8,83
9 748	2 693	9 820	—	5 176	74 072	4,0
5 174	12 272	10 790	3 317	3 353	90 348	4,93
6 268	1 500	3 268	—	2 716	65 222	3,5
3 923	1 504	914	—	1 566	63 329	3,46
17 668	6 502	9 185	—	3 926	154 833	8,46
9 897	9 260	5 984	265	5 170	187 672	10,25
15 811	2 340	10 490	7 533	3 403	125 371	6,85
5 960	8 294	6 755	2 928	1 665	60 093	3,28
1 323	—	—	—	55	1 651	0,09
13 647	6 631	11 261	4 463	3 892	107 476	5,87
8 154	—	573	—	1 653	56 434	3,08
11 114	4 866	11 096	5 715	3 287	168 688	9,21
19 131	7 815	983	2 917	1 976	70 901	3,87
8 765	985	3 630	—	1 739	62 067	3,39
15 241	5 040	8 645	2 931	4 464	103 655	5,66
32 041	7 933	7 445	—	3 406	154 624	8,44
222 397	88 685	113 046	30 069	55 697	1 831 214	100
12,14%	4,84%	6,77%	1,64%	3,04%		100

schemes, bursaries, secondment of teachers.

**Health.** Building of hospitals and dispensaries, preventive and therapeutic campaigns.

**Housing, urban development, water.** Urban and rural water supplies, town planning and drainage.

**Emergency aid.** Special aid schemes to deal with famine, epidemics, etc., and also price slumps.

**Miscellaneous.** Information and documentation, discussion meetings, technical cooperation and general programming, surveys, supervision, financial and administrative expenditure.



# BENIN

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

— Areas covered by production improvement schemes

8 000 ha subsistence farming

15 000 ha groundnuts

8 500 ha palm

8 300 ha coconut

28 000 ha cotton

2 100 ha coffee

— new plantations

● village plantations

5 000 ha subsistence farming

14 000 ha palm

2 300 ha cotton

5 500 ha cashew

2 000 ha rice

● industrial estates

8 900 ha cashew

— Stock-raising projects

2 projects (campaign against veterinary trypanosomiasis)

#### 2. Industrial projects (1)

3 oil mills

1 mineral prospecting project

#### 3. Miscellaneous

5 programmes of aid to production (EDF 2)

### II. Infrastructure improvements

Construction or improvement of:

257 km surfaced roads

2 major bridges

2 seaport improvement schemes

### III. Social development

#### 1. Buildings

a) education:

20 rural primary classes (2) and housing for 20 teachers

3 secondary schools (760 pupils)

b) public health:

4 small hospitals and dispensaries (300 beds)

2 nursing schools

c) housing, urban development, water:

154 km of urban water supply conduits in two towns (daily supply capacity of 26 000 cu.m)

438 water points

#### 2. Training

a) office courses with EEC Commission: 13 awards

b) bursary awards (study and training courses): 1 416 study-years awarded

c) specific training: instructors sent to Benin University; garden and nutrition training centre.

### Amount of EDF aid

The aid given to Benin from the first, second and third EDF up to 31.12.74 was as follows:

	million u.a.
EDF I	20.7
EDF II	23.9
EDF III	22.5

It should be noted that the commitment forecasts for investment projects to be financed under EDF III will raise the total under this head to u.a. 29.4 m, or 32 % more than the aid under EDF II. These projects include a cattle-raising scheme, an agricultural development project and the building of a hospital.

### Sector distribution of the aid

(%)	EDF I	EDF II	EDF III
Development of production	34.1	56.6	46.9
Transport and energy infrastructure	26.9	23.2	23.0
Social development	37.1	17.2	26.3
Miscellaneous (technical assistance, management costs etc.)	1.9	3.0	3.8

Over 90% of the exports from Benin consist of raw products and semi-processed items, such as palm oil, palm kernel oil, cattle cake, cotton fibre and grain, shelled groundnuts, coffee, cocoa and other items. Successive governments have, accordingly, treated agriculture as particularly important. In this they were guided by:

— need for developing traditional agriculture by popularising new techniques. In this connexion mention may be made of the integrated development operation in the Atacora region,

(1) Industrial investments proper backed by EDF finance and not including processing units for agricultural produce, storage facilities and other infrastructure included in the rural production projects.

(2) Average: 30 pupils per class.

which affects both subsistence farming and the so-called export crops;

— need to diversify farming by setting up agro-industrial schemes and village plantations. Examples are the cashew tree and the selected varieties of oil palm;

— necessity for increasing the production potential in stock-raising and fish breeding.

Recognition of the need for developing the country immediately disclosed the necessity for inter-regional and cross-frontier links. With this in view the EDF assented to a road programme by the People's Republic of Benin, providing finance for construction of 262 km (\*) of surface road and 75 km of tracks. Benin has its own coastline and a seaport at Cotonou, where increasing traffic necessitated EDF intervention, partly to finance the superstructure and partly for building 173 m of quay with the cold storage facilities required for a fishing port.

The EDF programme for sinking 505 wells (\*) dealt with a vital matter for regions in the interior and improved living conditions for a large rural population.

The development of the principal towns also called for EDF intervention, largely for financing water supplies to Cotonou and Ouidah and the disposal of residual water in Cotonou.

Benin has also given special priority to the development of the health infrastructure. The EDF intervened in this, building and equipping hospitals and hospital groups and providing 450 (\*) new beds.

Education has always been considered specially important by the Benin authorities. The EDF provided finance for three secondary schools, 20 primary schools and three further training centres. In addition bursaries and training courses corresponding to 1 696 study-years of training (\*) have been included in the grants.

At the request of the Benin authorities, the EDF also helped in financing mine prospecting and various other general surveys. ■

(\*) As of the end of 1975.

# **BURUNDI**

## **Principal investments up to December 31, 1974**

### **I. Development of production**

#### **1. Rural production**

- New plantations:
- village plantations
- 1 770 ha of subsistence crops
- 900 ha cotton
- 2 650 ha tea
- industrial estates
- 235 ha coffee
- 1 480 ha tea
- stock-raising projects: 1 project

#### **2. Industrial projects**

- 2 tea preparation units
- 1 hydroelectric power station
- 2 mineral prospecting projects

#### **3. Miscellaneous**

- 1 advance to the Industrial Crop Office

### **II. Infrastructure improvements**

- Construction or improvement of:
- 144 km of surfaced roads
- 25 km of unsurfaced roads

### **III. Social development**

#### **1. Buildings**

- a) education:
- 35 primary classes in the bush and housing for 15 teachers
- 2 technical schools (370 pupils)
- 2 high schools (420 pupils)
- b) public health:
- 9 small hospitals and dispensaries (248 beds)

#### **2. Training**

- a) office courses with EEC Commission: 10 awards
- b) bursary awards (study and training courses): 1 547 study-years

### **Amount of EDF aid**

Burundi is land-locked and very densely populated. In addition to these obstacles to its development, there are others on the topographical and the human side, and substantial external aid is indispensable.

The aid from the EDF has been entirely in non-repayable grants, and well adapted to the extreme poverty of the country. It is the biggest financial and technical cooperation the country has received, apart from the aid provided by Belgium. The aid given to Burundi by the three successive European Development Funds up to December 31, 1974, was as follows:

million u.a.

EDF I	5.1
EDF II	21.3
EDF III	29.6

### **Sector distribution of the aid**

The aid, taken as a whole, has been well adjusted between productive projects (59%), road-making projects (23%) and aid on the social side (15%). The remainder comes under a number of miscellaneous headings.

It has played a decisive part in tea-growing, which accounts for 40% of the total aid (u.a. 22.8 m). Burundi's tea plantations were launched and developed to introduce a note of diversification in an economy dominated by coffee. It has made good progress and is now at the stage of small individual plantations. In 1974 the production of 1000 tonnes of dried tea was still only 2.8% of the total value of exports, but this output will grow rapidly as the young plantations come to maturity.

Another point at which the EDF aid has been specially valuable to Burundi's development prospects has been the improvement scheme for part of the Ruzizi valley. In the long term it is this scheme which will determine the successful recovery of the country's biggest reserve of agricultural land. For this hydroagricultural scheme there is a commitment of u.a. 9 m. It covers 2 700 ha, used for irrigated rice cultivation, cotton, food crops and robusta coffee, and which is being further developed to make the greatest possible use of the agricultural potential which has been made available.

In a land-locked and mountainous country such as this, road communications are very important, and the EDF has been working on the country's primary road system and extending it by degrees.

As regards the future, preliminary talks on the implementation of the Lomé Convention suggest that EDF aid to Burundi will follow the same general lines as hitherto, with special emphasis on rural development and improvements in the economic and social infrastructure. ■



# CAMEROON

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

— Areas covered by production improvement schemes:

60 000 ha groundnuts

50 000 ha cotton

8 000 ha mixed farming (1)

— new plantations:

● industrial estates

10 350 ha palm

#### 2. Industrial projects

1 sugar mill

1 cement plant

1 textile mill

1 hydroelectric power station

#### 3. Miscellaneous

7 programmes of aid to production (EDF II)

1 advance to the stabilisation fund (cocoa)

### II. Infrastructure improvements

Construction or improvement of:

360 km of surfaced roads

62 km of unsurfaced roads

3 major bridges

345 km of railway (+supply of rolling stock) out of 654 km under co-financing programme

1 improvement scheme for a seaport (extension+supply of material).

### III. Social development

#### 1. Buildings

a) education:

1 014 primary classes (730 in the bush), with housing for 510 teachers

3 secondary schools (720 pupils)

6 technical schools (1 185 pupils)

2 high schools (400 pupils)

b) public health:

45 hospitals and dispensaries (1 408 beds)

1 nursing school

1 central supply pharmacy

c) housing, urban development,

water:

16 water points

#### 2. Training

a) office courses with EEC Commission: 10 awards

b) bursary awards (study and training courses): 2 285 study-years

c) specific training: staff training for 200 in small and medium-size private firms.

### Amount of EDF aid

The volume of financial and technical aid put at the disposal of Cameroon up to the end of 1974 was as follows:

	million u.a.
EDF I	52.5
EDF II	54.2
EDF III	55.0

The total aid from the three funds thus works out at u.a. 161.7 m. This aid to Cameroon seems to have been running at the same annual level, but as a percentage of the total commitments in favour of the AASM under successive funds, it was 11.1% for EDF I, 8.3% for EDF II and 7.8% for EDF III up to the end of 1974. The progressive decrease was due to the fact that Cameroon ranks among the more advanced countries of the AASM.

### Sector distribution of the aid

Cameroon has been doing its best to overcome the natural obstacles in bringing together the three main regions—north, west and south—in which its population is concentrated. For the Yaoundé government, therefore, one of the top priorities was to develop a system of communications which would stand up to the climate. Half the investments financed by the EDF were for this purpose.

There were big regional disparities in standards of living and some of the regions had, by tradition, lain outside the influence of the external world. This explains the desire of the authorities in Cameroon to spread the social investment over the whole country, including training and education and health protection. About a fifth of the EDF expenditure in Cameroon was used for building schools and setting up medical care facilities.

(1) Food and industrial crops.

On the productive side, the EDF contributed to extend the variety of agricultural produce for sale, especially by providing aid for setting up palm plantations, financing surveys for possible tea plantations and consolidating the commercial standing of other traditional types of farming.

In this way Cameroon has been doing what it can to reduce its dependence on the outside world by developing some of its local industries, and the first of these have already had their influence on the trade balance. The country has succeeded in replacing some of its imports by local production of food products, drink and tobacco, semi-finished goods and household consumer goods; and all these have provided wage-earning jobs. Illustrations are the weaving sheds at Garoua, the sugar at Mbandjock and the cement at Figuil, to all of which the EDF made financial contributions.

With a view to a sound balance between the regions, the first (1960-65) 5-year plan gave priority to transport. The first EDF came into operation about the same time, and 67.2% of its investment was applied to the economic infrastructure. No less than 11 road schemes benefitted from these first instalments of financial aid, in addition to the seaport at Douala and the Trans-Cameroon railway.

The second 5-year economic and social development plan (1966-70) was mainly based on agricultural production. It has been referred to as a "peasant's plan" which fairly describes a line of action which was characteristic of EDF II (1964-69), consisting of aids to production and crop diversification.

Under this head, Cameroon received more than u.a. 14.4 m of aid from EDF II for price support and the structural improvement and diversification of the farming.

The third 5-year plan (1971-76) channels the available funds into industrial production and the development of transport infrastructure.

As early as 1971, EDF III was devoting more than 44.5% of its financing to transport infrastructure. In industrial development its intervention has taken a number of forms, ranging from grants and loans to a share in the risk-capital, including interest rate subsidies. ■

# CENTRAL AFRICAN REP.

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

— Areas covered by production improvement schemes:

- 130 000 ha cotton
  - 30 000 ha coffee
  - 10 000 ha mixed farming (1)
- various aids to stockraising

#### 2. Industrial projects

1 abattoir

#### 3. Miscellaneous

6 programmes of aid to production

### II. Infrastructure improvements

Construction or improvement of:

- 175 km of surfaced roads
- 95 km of unsurfaced roads
- 380 km of paths and tracks
- several small bridges
- airfield at Berberati
- 2 river port improvement schemes (incl. supply of equipment)

### III. Social development

#### 1. Buildings

a) education:

- 216 primary classes in the bush and housing for 216 teachers
- 29 secondary schools (870 pupils)
- 2 technical schools (2345 pupils)
- 2 high schools (100 pupils)
- 10 rural training centres

b) public health:

78 dispensaries (148 beds)

c) housing, urban development, water:

- 100 km of urban water supply conduits in three towns (throughout 43 280 cu.m. per day)
- 1 146 water points

#### 2. Training

a) office courses with EEC Commission: 8 awards

b) bursary awards (study and training courses): 684 study-years

c) specific training: training courses for staff appointments and public works technicians.

### Amount of EDF aid

The total amount of financial and technical aid provided for the Central African Republic up to 31.12.74 was as follows:

million u.a.

EDF I	17.8
EDF II	27.2
EDF III	29.0

It should be pointed out that the aid given to the Central African Republic under EDF II was 53% more than the total amount committed under EDF I.

### Sector distribution of the aid

The aids given by the three successive funds were a consistent endeavour to mitigate, so far as its resources allowed, some of the more serious obstacles to the country's development. To begin with, Central Africa is land-locked, so that communication with the outside world is usually costly, which has a natural effect on the competitive status of Central African exports. Items intended to help deal with this include the projects to break down the isolation of the Upper-Sangha, (the port of Nola and the timber port on the river), improvements at the junction of the Lobaye and Ubangui rivers, supply of maintenance material for waterways and—indirectly—a number of projects financed by the EDF for the Trans-Equatorial

(1) Subsistence and cash crops.

Highway, which also serves the People's Republic of the Congo.

Another feature of the Central African Republic is its big area and low population density, which means there has to be a very extensive road system. The Community has done its best to contribute to extending the road network by a number of projects, including surfacing the arterial Bangui-Damara-Sibut road.

A third group of EDF interventions were for agriculture and stock-raising. These accounted for 44% of the total investment under EDF II. Apart from the aid for cotton and coffee-growing, which together account for 40% of Central Africa's exports, the EDF aid was concentrated on stock-raising, because this is a field in which the country has a large potential while it is very dependent on outside supplies of meat. The aid to stock-raising was part of a coherent programme extending from frontier veterinary posts to the final link in the chain, the urban slaughterhouse. Between the two were cattle tracks, water points, the anti-tsetse campaign, ranch schemes and a number of other projects.

Special attention was given to the training of technical and staff workers, which accounted for 37% of the total aid from EDF I, and in connexion with which an important step was the setting up of an agronomic institute. Under EDF III, a special feature was that 25% of the total aid went on water supplies to Bambari and Bouar, and on the important water supply scheme for the capital city of Bangui (over u.a. 6 m). ■



# CHAD

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

— Areas covered by production improvement schemes: 300 000 ha cotton  
— 3 stock-raising projects

#### 2. Industrial projects

2 textile mills

#### 3. Tourist development

equipment of national parks and nature reserves

#### 4. Miscellaneous

4 production aid programmes  
1 advance to the stabilisation fund (cotton)  
1 emergency aid project

### II. Infrastructure improvements

Construction or improvement of:  
249 km of surfaced roads  
461 km of unsurfaced roads  
1 major bridge and a project covering a number of small bridges

### III. Social development

#### 1. Buildings

a) education:  
100 primary classes in the bush  
4 technical schools (670 pupils)  
1 high school (90 pupils)  
b) public health:  
4 hospitals (1 180 beds)  
119 small hospitals and dispensaries (1 096 beds)  
1 nursing school  
1 central supply pharmacy  
c) housing, urban development, water:  
74 km of urban water supply conduits in one town (daily supply of 20 000 cu.m.)  
680 water points  
urban drainage (1 town)

#### 2. Training

a) office courses with EEC Commission: 4 awards  
b) bursary awards (study and training courses): 835 study-years  
c) specific training: vocational training for workers in textile mills

### Amount of EDF aid

Up to 31.12.74 the total financial and technical aid made available to Chad was as follows:

	million u.a.
EDF I	28.4
EDF II	33.5
EDF III	28.4

It should be noted here that some important projects for Chad were the subject of commitments given at the beginning of 1975. They include u.a. 10 m for water conduits to and in N'Djamena.

### Sector distribution of the aid

Chad is one of the worst-situated countries in Africa. It is a long way from the sea, two-thirds of its area is desert and it has no major resources yet in exploitation.

On the eve of independence the country had practically no infrastructure. It was therefore natural that, beginning with EDF I, the Community should launch investment undertakings to provide the country with the equipment which was cruelly short.

The aid to Chad from the EDF over the 15-year period was divided between transport infrastructure (32.3%), the social sector (31.4%) and the development of production (29.1%). The rest went on miscellaneous projects and emergency aid.

For a country as large as Chad, transport is a vital problem. The EDF took part in the chief road-building projects designed to link the capital with the southern part of the country and

improve communications in the southern area itself, linking Sahr with the chief cotton production centres.

On the social side, Chad was provided with a structurally very effective health service. Regional hospitals were built or enlarged and a network of hospitals and dispensaries was set up covering the whole of the territory. The project was carried out during EDF I and looked at again at the end of EDF III.

These equipment investments were rounded off with the building of schools, water points in the Sahel area, and the renewal of the water conduits to N'Djamena. In addition, the EDF made a major contribution on the production side. The five-year plan (1972-76) for cotton-growing is aimed to raise the yield per hectare in the less productive areas. This is to be done by using fertilizers and insecticides with better supervision for the planters and the introduction of more advanced methods of cultivation.

The importance of this scheme to Chad is seen in the fact that some half a million people are concerned with cotton-growing and that cotton accounts for between 65% and 80% of the total value of the country's exports, bringing in the main part of the fiscal receipts and most of the foreign currency.

The results of all this have been quite convincing. The aptitude of the peasants to absorb new farming techniques has been one of the features. The techniques in question include animal traction, which was unknown before. The effect of this is certainly great, though difficult to assess in figures.

The European Community is by far the most important aid donor to Chad and the action it has taken is regarded as fundamental. Over a 15-year period it has provided a continuous flow of aid, which would not otherwise have been available and which has gone a long way towards reducing the isolation that is such an impediment to the country's economic future. ■

# CONGO

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

- New plantations: industrial estates of 2 500 ha of palm
- 2 stock-raising projects (ranches for cattle-raising)

#### 2. Industrial projects

- Modernisation of oil mills
- 1 mineral prospecting campaign

### II. Infrastructure improvements

Construction or improvement of:

- 301 km of surfaced roads
- 67 km of unsurfaced roads
- 5 major bridges and project for a group of small bridges
- 57 km of railway (incl. supply of rolling stock)
- 3 seaport improvement schemes,
- 1 scheme for a river port and supplies of material (dredging and maintenance of inland waterways)
- 600 km of telecommunications

### III. Social development

#### 1. Buildings

- a) education:
  - 13 secondary schools (3 800 pupils)
  - 1 high school (350 pupils)
- b) public health:
  - 21 small hospitals and dispensaries (475 beds)
- c) housing, urban development, water: 21 km of urban draining in one town.

#### 2. Training

- a) office courses with EEC Commission: 9 awards
- b) bursary awards (study and training courses): 635 study-years

### Amount of EDF aid

The EDF financial and technical aid to the Congo up to December 31, 1974, was as follows:

million u.a.

EDF I	24.5
EDF II	20.2
EDF III	20.6

### Sector distribution of the aid

At first sight the figures show a high degree of concentration on transport infrastructure. In none of the periods was this less than 50% of the investment approved by the funds and under EDF III it accounted for 80% of the total.

The explanation of this priority was the awareness, both of the Congo authorities and of the EDF, of the vital part transport will have to play, not only in the economy of the Congo itself, but also in the other central African countries served by the Trans-Equatorial highway.

This highway is a line of communication about 5 000 km long, of concern not only to Congo but also to the Central African Republic, Chad, Cameroon and Gabon. The annual traffic it carries is over 3 m tons, more than half of which con-

sists of goods moving from or to Central African countries other than Congo.

The different links in this chain include the seaport at Pointe-Noire, the Congo-Ocean railway, the riverport at Brazzaville, the inland waterways and the road system. The EDF has aimed at a well-integrated scheme to allow for the part played by the People's Republic of the Congo as the turntable of the transport system. The EDF aid connected with the Trans-Equatorial Highway has been more than u.a. 40 m (not including the decision late in 1975 to contribute u.a. 7 m for re-siting the section of the Congo-Ocean railway which crosses the Mayombé massif).

So far as the funds available for Community aid would permit, other sectors have not been neglected. On the health side, apart from a number of investments actually carried out, the EDF has undertaken a number of hospital surveys which may be forerunners to future investment. At Brazzaville the investments have included the teachers' training college and the urban drainage.

Agricultural projects worthy of note include the ranches in the Niari valley, aimed to raise cattle immunised against the tsetse fly, to diminish the country's dependence on the outside world for meat. Also important are the roads and the storage facilities for cocoa in the Sangha region. ■



# GABON

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

- New plantations: 20 ha of market gardening
- stock-raising projects: laying out of a ranch

#### 2. The tourist trade:

Participation in the building of a hotel (interest rebate on European Investment Bank loan)

### II. Infrastructure improvements

Construction or improvement of:  
 133 km of surfaced roads  
 195 km of unsurfaced roads  
 2 big bridges  
 4 railway bridges (Trans-Gabon railway)  
 construction of the port at Owendo  
 1 097 km of telecommunications (radio link)

### III. Social development

#### 1. Buildings

- a) education:  
7 technical schools (1 044 pupils)
- b) public health:  
23 small hospitals and dispensaries (705 beds)  
1 nursing school
- c) housing, urban development, water:  
3 km of town drainage (1 town)

#### 2. Training

- a) office courses with EEC Commission: 7 awards
- b) bursary awards (study and training courses): 436 study-years

### Amount of EDF aid

Since 1959 the EDF aid has been used to finance some 30 projects, programmes or miscellaneous operations up to a total of u.a. 63.4 m, as of the end of 1974.

The amounts committed from each of the three successive EDFs increased progressively:

	million u.a.
EDF I	17.5
EDF II	20.6
EDF III	25.3

### Sector distribution of the aid

The distribution of the credits committed shows a predominance in favour of infrastructure improvements (mainly the port at Owendo). This is particularly true of EDF II and EDF III; only under EDF I did the social sector play a comparatively important part.

In general, the EDF action in Gabon has been conditioned

by three main objectives determining the smooth development of the country.

In the first phase, demographic conditions in Gabon were a matter for concern. Mortality rates were high and the population growth rate was the lowest in Africa. The resulting shortage of national manpower was a major obstacle to opening up the country's immense mineral and forest potential. One of the first tasks, therefore, was to improve the country's health and hygiene infrastructure, so as to diminish mortality rates and ensure an adequate population growth.

Another condition of Gabon's future development was the necessity for giving it a real commercial port. The EDF financed the work on the port of Owendo, consisting of the construction of three quay berths (including open ground) with a total length of 450 m., various buildings and an access road of 11 km, the total amount of which was u.a. 29.2 m, or 46.1% of the aid committed to Gabon up to 31.12.74.

The EDF also wished to contribute to opening up new forestry areas. These and oil are the main resources of the country, and this was behind the financing of the roads (e.g. Basse Obiga-Wagny)(1), and the aid given for the Trans-Gabon railway, which is also a first step towards providing an offtake for the iron ore deposits at Belinga. ■

(1) The European Investment Bank also financed part of this road from its own resources.

# IVORY COAST

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

— Areas covered by production improvement schemes:

- 60 000 ha rice
- 45 000 ha cotton
- new plantations:
- village plantations:
- 3 000 ha rice
- 12 000 ha cotton
- 500 ha palm
- 360 ha market gardening
- 9 600 ha cocoa
- 945 ha coffee
- 3 100 ha mixed farming (1)
- industrial estates:
- 36 000 ha palm
- 70 ha avocado
- 13 500 ha rubber
- 1 stock-raising project (ranch)

#### 2. Industrial projects

2 textile mills

#### 3. Miscellaneous

1 marketing and sales promotion campaign

### II. Infrastructure improvements

Construction or improvement of:

- 206 km of surfaced roads
- 145 km unsurfaced roads
- 621 km paths and tracks
- 117.5 km railway (+supply of equipment)
- 3 seaport improvement schemes
- 530 km of telecommunication lines

### III. Social development

#### 1. Buildings

a) education:

- 92 primary classes (71 in the bush) and housing for 20 teachers
- 1 secondary school (860 pupils)
- 3 high schools (685 pupils)
- 10 rural training centres

b) public health:

- 1 hospital (420 beds)
- 5 small hospitals and dispensaries (75 beds)

c) housing, urban development, water:

- 4 km of urban water supply conduits in one city (6 500 cu.m supply per day)
- 718 water points
- urban housing estate (1 town)

#### 2. Training

a) office courses with EEC Commission: 4 awards

b) bursary awards (study and training courses): 1 767 study-years

c) specific training:

- Refresher courses for SODERIE management personnel
- Public works personnel training (e.g. surfacing of the San Pedro-Issia road)
- Training of statisticians
- Service of experts in deep-sea fishing.

### Amount of EDF aid

Since the first intervention in 1960 and up to the end of 1974, the EDF contributed to financing some 60 projects, to a total amount of u.a. 154.8 m. More than three-quarters of this was in the form of non-repayable grants, and the rest came as loans on particularly favourable terms (interest rates from 0.5 to 3.0%; duration up to 40 years; grace period for repayments between 3 and 10 years).

The total financial and technical aid put at the disposal of the Ivory Coast up to December 31, 1974, was as follows:

million u.a.

EDF I	39.8
EDF II	57.1
EDF III	57.9

### Sector distribution of the aid

Under EDF I most of the aid was concentrated on economic infrastructure (33%) and education (26%). The main part (72%) of EDF II aid to the Ivory Coast was spent on diversifying farm production on produce for export, with or without processing (32 000 ha selected palm plantation; development of cotton growing and similar schemes).

While EDF I improved the basic economic infrastructure (roads, railways and quays in the fishing port) and the social infrastructure (schooling, the national public health institute, the Institut Pasteur and a number of secondary hospitals), EDF II helped to diversify the Ivory Coast productive machinery by introducing new export crops and products, such as cotton and palm, which now play an important part in the national economy.

The chief purpose of the EDF III financings was to diminish the development imbalances between the Abidjan region and the rest of the country. A large part of this aid, which amounted (up to the end of 1974) to u.a. 57.9 m, was used for transport improvements (34% of the total) which will be beneficial to these regions both directly and indirectly.

The agricultural projects included rice development in the north; farm modernisation as part of the campaign to restore peasant farming around Lake Kossou; a share in a 13 500 ha plantation scheme for rubber in the south-west; and setting up 9 600 ha of village cocoa plantations, also in the south-west. The chief infrastructure works were the improvements on the San Pedro-Issia road, linking the new port of San Pedro with its hinterland; the partial reconstruction of the road system around Lake Kossou; and the modernisation of the railway between Dimbokro and Bouaké (the improvement of the Agboville-Dimbokro section had been financed by EDF II). The projects for a regional hospital centre at Korhogo and a ranch on the Maraoué are other examples of aid channelled into previously neglected areas. ■

(1) Food and industrial crops



# MADAGASCAR

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

— Areas covered by production improvement schemes:

- 60 000 ha rice
- 3 000 ha coffee
- new plantations:
- village plantations:
  - 20 530 ha rice
  - 4 000 ha cotton
- industrial estates:
  - 3 650 ha coconut
  - 10 ha palm
  - 500 ha tea

— 1 stock-raising project

#### 2. Industrial projects

- 1 abattoir
- 1 industrial town electrification project

#### 3. Miscellaneous

5 programmes of aid to production (EDF II)

1 advance to the stabilisation fund (sugar)

1 emergency aid project

### II. Infrastructure improvements

Construction or improvement of:  
776 km of surfaced roads  
a number of small bridges in one project

10 km of railway

3 seaport improvement schemes

### III. Social development

#### 1. Buildings

a) education:

135 primary classes (120 in the bush)

12 secondary schools (2 745 pupils)

2 teacher training colleges (488 pupils)

7 technical schools (860 pupils)

b) public health:

4 hospitals (1 136 beds)

c) housing, urban development, water:

25 km conduits for urban water supply in 1 town (daily supply 9 100 cu.m.)

140 water points

4 km town drainage in one town  
urban housing development (67 ha in one town)

#### 2. Training

a) office courses with EEC Commission: 16 awards

b) bursary awards (study and training courses): 1 118 study-years

c) specific training:  
training of about 320 instructors; instruction and supervision by these instructors of about 22 600 staff workers ("fokonolona" and "firaïsam-pokonolona")

appointment of an expert to the Philibert Tsirana Foundation.

### Amount of EDF aid

The total financial and technical aid to Madagascar up to 31.12.74 was as follows:

	million u.a.
EDF I	57.1
EDF II	70.3
EDF III	60.3

This amounts to nearly 20% of the total public aid granted to Madagascar since 1959. The multilateral aid from the EEC comes second in amount after France.

### Sector distribution of the aid

The action of the EDF in Madagascar since 1959 has been mainly concentrated on feeding the population, diversifying the crops and developing the transport system. There were a certain number of other operations concerning the social infrastructure.

Some of the big projects are designed to serve more than one end. This applies, for example, to the hydro-agriculture project at Bas-Mangoky, which will bring under cultivation 5 500 ha of unfarmed land to produce the paddy needed to feed the growers and provide them with a definite income from their cotton, which will be used in the cotton industry at Antsirabé and so help make the island independent of textile imports.

Rice is the principal foodstuff and the problem of supplies has been becoming more and more difficult. Special importance was therefore attached to the operation aimed at great-

er productivity in rice-growing, including the scheme on the highland plateau which will cover 40 000 ha of land and involve 120 000 farmers within a few years.

Another operation in the same Vohémar-Sambava region is important for the twin purposes of crop diversification and import substitution. This is the introduction of coconut over an area of 3 650 ha, which may be increased later.

The introduction of tea plantations in the Fianarantsoa region is also aimed both to diversify the rural economy, in an over-populated area devoted to rice-growing, and provide an additional export crop.

The second main sector is the modernisation of roads. In this the EDF aid was initially concentrated on the partial improvement of two vital road arteries—Tananarive-Tuléar and Tananarive-Majunga. Later special attention was given to two specific regions—the north-east coast (Vohémar-Sambava-Andapa roads) and the south-east coast (the Vangaindrano-Manajary highway). Another important road on the west of Lake Alaotra serves "the rice granary" of Madagascar.

On the social infrastructure side, mention must be made primarily of the important new university hospital at Ampéfiloha (Tananarive), scheduled for opening shortly, and a number of provincial hospitals at Majunga, Manakara and Fort Dauphin. On the education side several colleges and secondary schools have been built.

In the industrial sector the EDF contributed by building the new abattoir at Tananarive, which came into operation in autumn 1973 and has already proved very useful.

The southern part of Madagascar is a special problem. It is a particularly backward region and for some years the EDF has been considering it. Emergency help was provided in 1973 for the population affected by the exceptional drought. This was done by the supply and operation of tanker road trucks and the financing of 140 water points. ■

# MALI

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

— Areas covered by production improvement schemes:

48 000 ha rice

65 000 ha cotton

— new plantations:

● village plantations:

8 700 ha rice

20 000 ha cotton

3 200 ha dah

300 ha tobacco

— 12 stock-raising projects

— 1 fisheries project

#### 2. Industrial projects

1 abattoir with refrigeration

#### 3. Miscellaneous

3 emergency aid projects

6 production aid programmes (EDF II)

### II. Infrastructure improvements

Construction or improvement of:

895 km of surfaced roads

3 major bridges

1 airport

### III. Social development

#### 1. Buildings

a) education:

1 secondary school (1 200 pupils)

1 teacher training college (200 pupils)

1 technical school (48 pupils)

104 rural training centres

b) public health:

4 small hospitals and dispensaries (144 beds)

c) housing, urban development, water:

136 km of urban water supply conduits in 6 towns (daily volume of 48 700 cu.m.)

26 water points

urban housing development (23 ha in 1 town)

#### 2. Training

a) office courses with EEC Commission: 8 awards

b) bursary awards (study and training courses): 1 151 study-years

### Amount of EDF aid

As of 31.12.74 the amount of technical and financial aid provided for Mali was as follows:

million u.a.

EDF I	42.3
EDF II	33
EDF III	50

It should be noted the aid provided for Mali under EDF III (up to the end of 1974) was 51% more than the total under EDF II and 19% above the total under EDF I.

In addition, the whole of the Community aid to Mali has been financed by non-repayable grants.

### Sector distribution of the aid

About 80% of the total funds allotted to Mali by the three EDFs was used in almost equal parts in the rural sector and for transport, while the other 20% was applied in the social sector. Between the different funds, however, there were considerable differences in the proportions.

Transport was given about half the funds provided by EDF I and EDF II, while most of the finance from EDF III went to the rural sectors. This reflects definite preferences on which Mali and the Commission agreed.

Mali asked the Community, during the first decade, to deal with the most urgent of its problems which called for a trans-

port system in the part of the country which was economically most promising, and for the purpose of opening a second outlet to the sea (via Upper Volta and the Ivory Coast), as well as the railway to Dakar.

The last five years, on the other hand, were a period when Mali had satisfied its most urgent requirements on the transport side and was anxious to begin work on industrial development by strengthening what it already had, and decided accordingly to give top priority to the traditional rural activities, which alone held out some promise of a rapid rise in the national income and a balancing of the national trade accounts. The Community aid followed and encouraged these lines of policy, enabling Mali to bring its development operations within reach of a rapidly growing proportion of its peasantry.

To summarise, the Community's financial and technical co-operation has helped Mali by providing finance—in some cases several times over from the different EDFs—to make a success of a number of the investments, the chief among which were the following:

— in transport, the arterial road to the Ivory Coast (Bougouni-Sikasso-Zégoua), the central road axis (Ségou-Mopti) and the inter-continental airport at Bamako;

— on the rural side, improvement of several rice-growing areas by controlled flooding, with supervision provided for the Ségou région (44 000 ha). Introduction, also, of new industrial crops, such as dah and tobacco, the fisheries operation and the Bamako abattoir;

— on the social side, several urban water supply schemes (Bamako, Sikasso, Mopti and Timbuktu) and the secondary school/teacher training college campus at Bamako. ■



# MAURITANIA

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

- New plantations:
- village plantations:
- 3 600 ha subsistence crops
- 300 ha rice
- 3 stock-raising projects

#### 2. Miscellaneous

- 2 emergency aid projects

### II. Infrastructure improvements

- Construction or improvement of:
- 204 km of surfaced roads
- 64 km of unsurfaced roads
- 2 airports
- 3 seaport improvement allocations

### III. Social development

#### 1. Buildings

- a) education:
  - 196 primary classes (118 in the bush, including 20 for nomads) and housing for 28 teachers
  - 11 secondary schools (1 320 pupils)
- b) public health:
  - 1 hospital (300 beds)—extension and modernisation
  - 1 small hospital (33 beds)
  - 1 central supply pharmacy
- c) housing, urban development, water:
  - 84 km of urban water supply conduits in one town (daily supply of 5 000 cu.m.)
  - 70 water points

#### 2. Training

- a) office courses with EEC Commission: 4 awards
- b) bursary awards (study and training courses): 396 study-years
- c) specific training: 1 training expert for Sofrima.

### Amount of EDF aid

The amount of Community aid made available for Mauritania up to 31.12.1974 was as follows:

	million u.a.
EDF I	15.4
EDF II	18.5
EDF III	26.1

It should be noted that the aid from EDF III (up to 31.12.74) was 40% greater than that provided by EDF II. Moreover, it was entirely financed by non-repayable aid, but the finance provided under EDF II included a loan on special terms (15% of the funds provided).

### Sector distribution of the aid

The finance provided under EDF III was largely used to complete the action put in hand under the previous funds, especially the social projects. The biggest investment in terms of cost was the hospital extension and the general clinic at Nouakchott.

The only really new project was connected with stock-raising which, for the first time, was the subject of considerable Community financing, for building up livestock in the south-east. It was, however, only a first approach, which had to be undertaken because the facts were insufficiently known.

The transport project was for lengthening the runway at Kaédi airport and was primarily designed to promote the export of meat from the local abattoir.

Attention should also be called to the pilot project in the Gorgol region, aimed at carrying out a first section of irrigation

improvements and paving the way, both technically and financially, for the development of up-to-date agriculture in the central part of the Senegal valley.

### Sector distribution (%)

	EDF I	EDF II	EDF III
Development of production	13	14	37
Transport infrastructure	53	43	15
Urban and social development	33	40	33
Emergency aid	—	—	11
Miscellaneous technical assistance, bursaries, trade promotion, technical control, assignments, etc.)	1	3	4

The only significant changes in the sector distribution of the finance are the considerable decline in the share of transport in EDF III and the increase in the productive sector proper. It was not possible to finance the roadworks scheduled when the programme was laid down, because the technical surveys had still not been completed.

It is a fair summary to say that the Community aid so far given to Mauritania has been concentrated, with exceptional continuity, on a few main projects. The chief of these are:

- development of Nouadhibou (fishing port, cold storage and water supplies);
- equipping the country's central health service (national hospital at Nouakchott and the central pharmacy);
- carrying out the first stage in giving central and southern Mauritania an outlet to the sea and its main link with the south (the Nouakchott wharf and the Nouakchott-Ross road, the latter of which was financed jointly with the World Bank);
- building a comparatively large number of schools, especially primary schools;
- building several series of small retention dams to make it possible for the nomad populations of the Sahel to supplement their pastoral activities with subsistence farming. ■

# MAURITIUS

## Principal investments up to December 31, 1974

### I. Development of production

### II. Infrastructure improvements

### III. Social development

#### *Buildings*

education:

3 secondary schools (200 pupils)

1 high school (50 pupils)

On the signature (May 12, 1972) of an Association Agreement providing that Mauritius should become a member of the Yaoundé II Convention (which dated from July 29, 1969), the Member States of the EEC decided to increase by u.a. 5 m the funds put at the disposal of the EDF.

The credits available for Community aid to Mauritius were thus limited to the u.a. 5 m. They had to cover a much shorter period than the Yaoundé Convention, which had at that time only two and a half years to run.

The Government of Mauritius and the EEC Commission made a joint attempt to draw up an investment programme for this short period which would shift the aid rapidly. With

this in view, the first projects approved by the Commission for Mauritius concerned education.

The depreciation in the purchasing power of money in Mauritius resulted in the two educational construction projects using up the whole of the funds available. Other projects, which had also been considered for execution under EDF III could not therefore be financed. Outstanding among these was the project for the irrigation of the western coastal region, but this does not necessarily mean that this project will be delayed. The preparatory survey, financed by EDF credits, is now being carried out. ■



*Harvesting sugar-cane and picking tea in Mauritius: industrialisation is also going ahead well*



# NIGER

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

- Areas covered by production improvement schemes:
  - 250 000 ha of subsistence crops
  - 12 000 ha mixed crops (1)
  - 150 000 ha groundnuts
- new plantations:
  - village plantations: 500 ha rice
  - 7 stock-raising projects

#### 2. Industrial projects

- 1 cold-storage depot
- 1 flour mill
- 1 storage silo

#### 3. Miscellaneous

- 5 production aid programmes (EDF II)
- 5 emergency aid projects

### II. Infrastructure improvements

Construction or improvement of:  
928 km of surfaced roads

### III. Social development

#### 1. Buildings

- a) education:
  - 50 primary classes in the bush
  - 5 secondary schools (1 000 pupils)
  - 1 technical school (212 pupils)
  - 1 high school (80 pupils)
  - 100 rural training centres
- b) public health:
  - 2 hospitals (318 beds)—extension and modernisation
  - 42 small hospitals and dispensaries (223 beds)

- 1 nursing school
- 1 central supply pharmacy
- c) housing, urban development, water:
  - 51 km urban water supply conduits in 3 towns (3 500 cu.m. daily supply)
  - 1 391 water points

#### 2. Training

- a) office courses with EEC Commission: 8 awards
- b) bursary awards (study and training courses): 1 201 study-years
- c) specific training: various extension schemes for women.

### Amount of EDF aid

The total aid to Niger from the three EDFs up to 31.12.74 was as follows:

	million u.a.
EDF I	31.1
EDF II	31.9
EDF III	44.4

The aid from EDF I and EDF II was much the same, but there was a 40% increase under EDF III, in addition to the considerable help given to Niger by the European Community by way of food aid and the Cheysson Fund.

### Sector distribution of the aid

The sector distribution of the EDF aid was in line with the plans sketched out by the Niger government. It amounted, up to the end of 1974, to u.a. 107.5 m, of which 40.2% was used for the transport infrastructure, 29.4% for social development and 22.7% for developing production, the remainder going to miscellaneous projects (3.6%) and emergency aid (4.1%). A breakdown of the allocations by fund shows successive emphasis on the three main intervention sectors.

EDF I gave particular attention to road improvements, which took 35% of the total. Improvements in rural production took 29.8% and social development 31.8%, mainly for school buildings. The sector distribution was thus quite well balanced between the three key sectors.

(1) Food and industrial crops.

EDF II, on the other hand, gave much greater emphasis to social development, especially village drainage and water supplies. Agricultural improvements and roadworks received, respectively, 24.7 and 21.6% of the total.

Roadworks were also top of the list in EDF III, receiving u.a. 24.5 m, or 57.1% of the total commitments. Social development had 15.2% and production development 14.2%, only slightly greater than the emergency aid (9.5%), which is an emphatic reminder of the serious drought conditions prevailing in Niger during this period.

First and foremost among the projects aided by the EDF was the improvement of the Niamey-Zinder road. This was formerly a packed-earth road and the Niger government had given priority to laying a metalled surface and connecting it with the Benin and Nigeria frontiers, to further the political and economic cohesion of the country and facilitate its relations with the outside world. The total EDF financing was u.a. 43 m, which provided for surfacing 900 km of roads.

When it came to dealing with the more urgent educational and health requirements, the Niger government found the requirements were many, and the EDF gave aid to a number of building and equipment projects in both sectors. The major programme of well-sinking and urban water supplies was aimed at mitigating the shortage of water and securing some control over water supplies in a country in which, it must be emphasised, this is a crucial problem.

In rural production the accent was on the development of cotton-growing, groundnuts and subsistence crops, including especially the hydro-agricultural improvements in the Niger valley. The EDF also took part in financing two joint campaigns against cattle-pest and providing 118 cattle-pens and vaccination corridors. The loss of a large proportion of the cattle which made up so much of the national wealth led the Niger government to ask for EDF help in the herd reconstitution programme. ■

# RWANDA

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

— Areas covered by production improvement schemes:

5 022 ha mixed crops (1)

— new plantations:

● village plantations

31 800 ha mixed crops (1)

3 600 ha pyrethrum

2 080 ha tea

● industrial estates:

1 970 ha tea

#### 2. Industrial projects

Laying out an industrial area

373 km of energy transport

1 mineral prospecting project

### II. Infrastructure improvements

Construction or improvement of 2 major bridges

### III. Social development

#### 1. Buildings

a) education:

42 primary classes in the bush

1 secondary school (400 pupils)

1 technical school (130 pupils)

b) public health:

3 small hospitals and dispensaries

#### 2. Training

a) office courses with EEC Commission: 9 awards

b) bursary awards (study and training): 1 645 study-years

c) specific training:

training of staff for audio-visual instruction

1 rural centre for artisan training

### Amount of EDF aid

Here, even more than in Burundi, development is a tough problem because of the poor natural resources, the high population density, the shortage of arable land and the lack of access to the sea. These factors have led to Rwanda being ranked among the poorer countries of the ACP.

This has attracted a considerable variety of aid from the outside to supplement the efforts of the local people, which are actively encouraged by the government. The financial and technical cooperation of the EDF is the biggest source of aid to Rwanda after Belgian aid. Up to 31.12.74 it has amounted to:

million u.a.

EDF I	5
EDF II	22.4
EDF III	28.9

The commitments have been rather slow in execution, because of the long time necessary for getting electrical development schemes off the ground. These are an important part of the projects under way.

### Sector distribution of the aid

The EDF aid has mostly been used for rural development (47.4%) and electrical development (27.3%). The rest has been divided between social projects (15.5%), roads (3.5%) and industry (3.4%).

Agricultural production for export was formerly dominated by coffee and EDF aid has been decisive in its diversification. The vigorous development of tea and pyrethrum was due to the EDF, later supplemented by aid from other sources. These

two crops already contribute 15% of the value of exports, even though the main part of the plantations is only just coming into bearing.

The initiative taken by the EDF in regard to diversification has led other financial sources to undertake an increasing number of similar commitments.

A considerable amount of aid (10% of the total) has been devoted to improvements in the Bugesera-Mayaga region, so as to remedy the over-population of the surrounding area and secure a more rational utilisation of the soil. This area contains only 5% of the Rwanda coffee planters but contributes 10% of the national production.

The very considerable proportion of EDF aid devoted to electrical development (u.a. 15 m) is due to the necessity for covering the energy requirements of a landlocked country without depending exclusively on costly and sometimes hazardous imports of oil products. The works now in course of execution are aimed to provide a high-tension interconnexion between the Rwanda, Burundi and Kivu (Zaire) systems, and a low-tension connexion to the general grid of practically all the important consuming centres in the country.

Also under construction are 180 km of high-tension and 190 km of medium-tension transmission lines. The demand for electric power is expected to increase and surveys are in hand for the siting and construction of further power stations. In the energy field, the intervention of the EDF in the basic infrastructure has led to complementary German cooperation, especially for low-tension distribution.

Under the communications heading, the EDF financed the re-building of the two most important bridges in the country, and the surveys for modernising the main arterial road.

In the difficult conditions which obstruct the development of Rwanda, the EDF has taken in hand the essential points at which external aid could supply really effective support, and has paved the way for the new aid scheduled in the Lomé Convention. ■

(1) Coffee and subsistence crops



# SENEGAL

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

— Areas covered by production improvement schemes:

250 000 ha subsistence crops  
750 000 ha groundnuts

— new plantations:

● village plantations:

13 250 ha rice  
20 000 ha groundnuts  
37 500 ha cotton

● industrial estates:

1 000 ha market gardening

— 3 stock-raising projects

#### 2. Industrial projects

2 regional abattoirs

1 ginning mill

#### 3. Tourist development

contribution to building a hotel (interest rebate on EIB loan)

### 4. Miscellaneous

9 production aid programmes (EDF II)

1 marketing and sales promotion scheme

1 advance to the stabilisation fund (groundnuts)

2 emergency aid projects

### II. Infrastructure improvements

Construction or improvement of:

687 km of surfaced road

575 km of unsurfaced road

2 major bridges

50 km of railway

2 seaport improvement schemes

### III. Social development

#### 1. Buildings

a) education:

441 primary classes in the bush and housing for 441 teachers

4 technical schools (770 pupils)

1 high school (150 pupils)

42 rural training centres

b) public health:

extension and modernisation of a hospital

2 small hospitals and dispensaries (270 beds)

c) housing, urban development, water:

67 km of urban water supply conduits in 9 towns (daily supply

74 000 cu.m.)

400 water points

#### 2. Training

a) office courses with EEC Commission: 12 awards

b) bursary awards (study and training courses): 1 303 study-years

c) specific training: secondment of expert for training statisticians

### Amount of EDF aid

The total financial and technical aid for Senegal, up to 31.12.74, has been as follows:

	million u.a.
EDF I	42.9
EDF II	61.5
EDF III	64.3

In 15 years operation of the European Development Fund (1960-74), the EEC aid to Senegal has been over u.a. 168.7 m, almost all of which was in the form of non-repayable grants. This is 22% of the total public aid received by Senegal during the period. Also to be noted is the jump of 43% in the aid from EDF II by comparison with EDF I.

### Sector distribution of the aid

The two factors affecting the sector distribution of the Community aid were the general cooperation policy between the EEC and the AASM and the economic and social development policy of Senegal itself.

Under EDF I, 82% of the aid was used for economic and social infrastructure. This was in line with the wishes of the Senegalese government to give the country a minimum of basic infrastructure and with the Community policy of financial cooperation as laid down in the Implementing Convention annexed to the Treaty of Rome.

Under EDF II the accent was on the development of groundnut production and increased diversification of agriculture. The aid earmarked for these purposes was 76% of the total.

Under EDF III the accent on agricultural development was maintained, but the request was for a better balance between the different economic sectors. The balancing tendency, incidentally, reflects the growing interpenetration between the projects which are directly productive (agriculture and stock-raising) and the infrastructure projects (communications, hydraulic development and industrial infrastructure).

Over the whole period 1958-74, the EDF modes of finance reflected the development of economic conditions in Senegal. All the financings from EDF I and EDF II were in the form of non-repayable grants; but under EDF III there were three financings in the form of loans on special terms and subscription of risk-bearing capital.

This reflects the desire of the Community to adapt its aid to economic conditions, diversifying the mode of finance when the type of project lends itself to such treatment. This was the case in 1971 for a cotton ginning mill, and in 1973 for the projected ship-building yard at Dakar, and again in 1974 for the market gardening project at Cape Verde.

One tendency is clearly visible, both in the 3rd and 4th Senegalese development plans, and in the interventions of EDF III. It consists of closer integration between the different projects, so as to secure the maximum of useful side-effects. Priority was given, for example, to roads serving the productive regions, and rural hydraulic schemes are now designed for the joint development of arable farming and stock-raising. The EEC has made a contribution to this by financing both the productive projects (groundnuts, cotton, rice, bananas, stock-raising) and the infrastructure accessory to them (fishing quays, pastoral water development, roads).

The Community followed this new orientation of agricultural policy by financing (inter alia) several cotton ginning mills and improvements in the industrial market gardening complex of the BUD-Senegal company in the Cape Verde region. ■

# SOMALIA

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

- New plantations: nursery for industrial grapefruit estate (40 ha)
- stock-raising programme

#### 2. Miscellaneous

- 12 emergency aid projects

### II. Infrastructure improvements

Construction or improvement of:  
338 km of surfaced roads  
the port at Mogadishu  
576 km of telecommunication lines

### III. Social development

#### 1. Buildings

- a) education:
  - 5 secondary schools (1 420 pupils)
  - 1 teacher training college (200 pupils)
  - 1 technical school (240 pupils)
  - 1 high school (2 000 pupils)
- b) public health:
  - 1 hospital (730 beds)
- c) housing, urban development, water:
  - 70 water points

#### 2. Training

- a) office courses with EEC Commission: 7 awards
- b) bursary awards (study and training courses): 2 191 study-years

### Amount of EDF aid

In the 16-year period (1959-75) of EDF operations, the EEC has provided Somalia with over u.a. 84 m of financial aid, or a little more than 600 m Somali shillings. Apart from a repayable advance of u.a. 5.4 m to the National Banana Office in 1975, the whole of this aid has consisted of non-repayable grants.

The EDF credits represented about 17% of the total official aid received by Somalia in 1967-74. It should be emphasised that the non-repayable character of these credits is an obvious advantage from the standpoint of the public debt.

The EDF financial intervention in Somalia has grown substantially, from u.a. 9.8 m from EDF I to u.a. 27.1 m from EDF II and u.a. 34 m (up to 31.12.74) from EDF III. Somalia was particularly under-equipped at the time of its independence and the growth in the aid reflects both the scale of the requirements for providing it with an adequate economic and social infrastructure, and the progress the Somali administration has made in identifying the needs and preparing the projects. Community aid contributed by financing a number of the preparatory surveys.

### Sector distribution of the aid

The lack of basic infrastructure involved EDF finance in a number of projects of vital importance to the country. These

included the national telecommunications system, roads to serve the principal production regions, a deep-water port and a national university and general hospital at Mogadishu. Though there were possibilities of combining the financing of these requirements with aid from other sources, they were in themselves indivisible, and this meant that the available credits must necessarily be concentrated on a limited number of projects. These were, in themselves, a precondition for balanced future development.

The aid for directly productive projects had to allow for the fact that the possibilities were limited (aids to stock-raising and farmland irrigation in some areas) and that Somalia is subject to certain specific difficulties. Ecological conditions were such as to necessitate long preparatory surveys and the introduction of costly production techniques.

This applies with equal force to the formation of a nursery, from which selected grapefruit plants have been available from 1974 onwards. They are to be used in an industrial plantation project, the first section of which was financed by the EEC in April 1975.

Apart from the finance for basic equipment and the preparation of projects in the productive sector, a point to be emphasised is the scale of emergency aid required, owing to the successive droughts in 1965, 1969 and 1974; the special difficulties of the banana-growers in 1967 (closure of the Suez Canal) and in 1975; and the technical and other training programmes at university level.

In the latter connexion it will be noted that most of these training programmes are now carried out in the country itself. ■



# TOGO

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

— Areas covered by production improvement schemes:

- 5 000 ha subsistence crops
- 10 000 ha groundnuts
- 1 000 ha cotton
- 1 300 ha coffee

— new plantations:

- village plantations:
  - 12 000 ha cotton
  - 2 000 ha palm
- industrial estates:
  - 2 200 ha palm

#### 2. Industrial projects

- 1 oil mill

#### 3. Miscellaneous

- 4 production aid programmes (EDF II)

### II. Infrastructure improvements

Construction or improvement of:

- 668 km of surfaced roads
- 44 km of railway (incl. supply of equipment)
- seaport extension scheme

### III. Social development

#### 1. Buildings:

- a) education:
  - 30 primary classes in the bush
  - 6 secondary schools (400 pupils)
  - 2 technical schools (380 pupils)
- b) public health:
  - 1 small hospital (43 beds)
  - 1 nursing school
- c) housing, urban development, water:
  - 10 km of urban water supply conduits in 1 town (8 000 cu.m. daily supply)
  - 262 water points

#### 2. Training

- a) office courses with EEC Commission: 10 awards
- b) bursary awards (study and training courses): 1 587 study-years
- c) specific training: secondment of agricultural instructors

### Amount of EDF aid

All the Community aid has been provided in the form of grants. Apart from one item of food aid in 1973 (3 500 tonnes of cereals), all the aid has come through the EDF.

In each year the Community aid was between 20 and 25 % of the public aid given to Togo.

The total technical and financial aid provided for Togo through the EDF up to 31.12.74 was as follows:

	million u.a.
EDF I	15.8
EDF II	19.8
EDF III	26.4

### Sector distribution of the aid

The principal sectors to which the aid was allocated were as follows (%):

	EDF I	EDF II	EDF III
Industrialisation	—	—	2.8
Rural production	4.2	32.6	17.7
Transport and communications	42.1	57.6	61.7
Education and training	35.6	6.4	7.1
Health	6.2	—	—
Housing, urban development, water	9.3	—	8.2
Miscellaneous	2.6	3.4	2.5
Total	100.0	100.0	100.0

The main purpose for which the EDF aid was used was the development of transport and communications, which absorbed 40% of EDF I and 60% of EDF II and III. Community aid was the chief source of funds for improving the road system, especially the central road artery linking Lomé with the Upper Volta frontier and Ouagadougou. It also contributed to modernising the railway infrastructure and the port. The extension of the port of Lomé was financed jointly by bilateral aid from West Germany in the form of loans, and by the EEC in the form of grants.

The financing of directly productive investment was comparatively important under EDF II, and in EDF III these investments accounted for 21% of the total aid. Apart from the development of farming, cotton and subsistence crops, in the central area and the upland plateaux, the Community aid to agriculture was focussed on extending the plantations of selected oil palm and the infrastructure for the connected processing. It should be noted that since Togo became independent, the EDF has financed all the investments carried out for providing an up-to-date production system for oil palm, palm kernels and their products.

The social sector, which absorbed 51.1% of the aid provided by EDF I, took only 15.3% of the financing from EDF III. ■

# UPPER VOLTA

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

— Areas covered by production improvement schemes:

- 1 000 000 ha subsistence crops
- 2 000 ha rice
- 18 000 ha groundnuts

— new plantations:

- village plantations: 600 ha rice
- industrial estates: 2 250 ha sugar cane
- various interventions for stock-raising

#### 2. Industrial projects

- 1 industrial abattoir
- 1 sugar mill
- 1 flour mill (interest rebate on EIB loan)
- 1 industrial water conduit

#### 3. Miscellaneous

- 2 emergency aid projects

### II. Infrastructure improvements

Construction or improvement of:  
567 km of surfaced roads  
supply of railway equipment

### III. Social development

#### 1. Buildings

- a) education:
  - 50 primary classes (47 in the bush) and housing for 11 teachers
  - 2 technical schools (640 pupils)
  - 1 high school (150 pupils)
- 250 rural training centres
- b) public health:
  - 58 secondary hospitals (480 beds)
- c) housing, urban development, water:
  - 85 km of urban water supply conduits in 5 towns (daily supply of 35 940 cu.m.)
  - 150 water points

#### 2. Training

- a) office courses with EEC Commission: 16 awards
- b) bursary awards (study and training courses): 1 515 study-years
- c) specific training: rural education: training of young farm workers.

### Amount of EDF aid

Up to the end of December 1974 the aid to Upper-Volta from the three EDFs was as follows:

million u.a.

EDF I	29.5
EDF II	30.9
EDF III	43.2

It must be emphasised that the total aid from EDF III up to the date in question was already 40% more than that given from EDF II. Practically the whole of these sums are in the form of non-repayable aid, the other methods of finance employed consisting of one loan on special terms (sugar growing and processing complex at Banfora) and two instances of interest-rate rebates.

### Sector distribution of the aid

Guided by the priorities scheduled by the Upper Volta government, the EDF has provided well-balanced aid designed to contribute to the smooth development of the country.

This aid has been shared between the key economic sectors with 33.4% of the total going to production development, 31.5% to transport infrastructure and 27.8% to social development, the remainder having been used for miscellaneous projects and emergency aid.

Though there was an even balance between the three main sectors over the whole period, there were marked differences in emphasis during the periods of the three EDFs.

Under EDF I the accent was on the development of production and on the social sector, to which 49.8% and 43.4% of the aid from the fund was allocated respectively.

In EDF II, 55% of the total was allocated to transport, 23.1% to the production sector and 17.3% to the social sector, the two latter receiving a considerably smaller proportion than under EDF I.

In EDF III the sector distribution was put back into balance by transport development receiving 34.5% of the total, the production sector 29.6% and social development 25%.

Under the production improvements heading, EDF aid was mainly aimed at improving traditional farming in the Yatenga and south-western regions. A seed and crop treatment operation on the national scale produced encouraging results, especially in the seed treatment. The large sugar complex at Banfora and the industrial abattoir at Ouagadougou are part of an industrialisation scheme based on the processing of local raw materials.

Under transport infrastructure, the main EDF contribution was to the modernisation and surfacing of the principal main roads. These included the Upper Volta portion of the cross-frontier roads: Bobo-Dioulasso-Faramana, running into Mali (118 km); Ouagadougou-Pô to the Ghana frontier (163 km), and Ouagadougou-Lomé (286 km).

The main activity in the social sector was education. Many buildings were put up and a good deal of training was organised at staff level. Further contributions to social development in depth were the rural and urban water programmes, various water conduit projects and the financing of public health buildings and equipment. ■



# ZAÏRE

## Principal investments up to December 31, 1974

### I. Development of production

#### 1. Rural production

— Areas covered by production improvement schemes:

48 440 ha subsistence farming (maize, groundnuts) and cash-crop cotton

— new plantations:

● village plantations

500 ha tobacco

750 ha tea

● industrial estates:

1 000 ha cocoa

2 000 ha palm

500 ha tea

#### 2. Industrial projects

409 km of electric transmission lines

### II. Infrastructure improvements

Construction or improvement of:

456 km of surfaced roads

54 km of unsurfaced roads

700 km of track

3 major bridges

supply of railway rolling stock

supply of a motorised plough

### III. Social development

#### 1. Buildings:

a) education: 1 university faculty

1 secondary school (500 pupils)

7 higher education institutes (2 800 pupils)

b) public health:

1 hospital (300 beds)

1 nursing school

c) housing, urban development, water:

26 km of urban water supply conduits in one town (daily supply of 2 000 cu.m.)

#### 2. Training

a) office courses with EEC Commission: 40 awards

b) bursary awards (study and training courses): 3 160 study-years

c) specific training: staff training for transport (972 trainees)

promotion of small businesses (180 refresher course places)

### Amount of EDF aid

Since 1959, the EDF has provided finance for 73 projects, programmes and miscellaneous operations, to a total amount of u.a. 154.6 m.

The total technical and financial aid for Zaïre up to 31.12.74 was as follows:

	million u.a.
EDF I	18.0
EDF II	75.9(*)
EDF III	60.7(*)

A feature of these amounts is that the aid from EDF II was more than four times as much as from EDF I.

The aid shown for EDF III does not cover the whole of the credits available for Zaïre, since several projects for large amounts are still being studied.

### Sector distribution of the aid

The distribution by sector of the aid so far committed has been u.a. 103.8 m (67.1 % of the total) for economic projects;

(\*) The total from EDF II includes u.a. 9 m in the form of a loan on special terms. The total for EDF III includes u.a. 5.8 m in the form of a similar loan and u.a. 143 000 by way of interest rebate on a loan from EIB.

u.a. 47.4 m (or 30.7 %) for social projects and the remaining 2.2 % or u.a. 3.4 m, for miscellaneous items.

The improvement of the transport infrastructure, especially roads, took about a third of the aid (u.a. 54.6 m). These projects were mainly concerned with breaking down the isolation of the agricultural areas. The agricultural operations, at a cost of u.a. 29.6 m, or nearly 20 % of the commitments, provided for the reorganisation of peasant farming, setting up industrial and village plantations and the reactivation of the agricultural research stations. This contributed to the improvement and better use of some of the subsistence and industrial crops, providing food for urban centres and raw material for the processing industries.

It should also be noted, under the economic heading, that the EDF helped in financing the important hydroelectric project for developing the Inga site, the completion of which will mark a decisive step towards the industrialisation of the Bas Zaïre and Shaba provinces.

Among the social operations, the EDF action was concerned mainly with developing reception facilities, university and senior high school education and various training programmes. The principal other projects in the social sector include the building of a hospital complex at Goma and the improvement of the primary water distribution system at Kinshasa. ■

# Overseas countries and territories

## Principal investments up to December 31, 1974

### AFARS and ISSAS

- Economic infrastructure:  
2 seaport improvement schemes
- social construction:  
-1 km of water supply conduits in 1 town  
2 urban housing developments (28 ha)

### NETHERLANDS ANTILLES

- Economic infrastructure:  
37 km of surfaced roads  
1 major bridge  
improvement of 3 airports  
4 seaport improvement schemes
- social construction:  
100 primary classes  
12 technical schools (2 022 pupils)  
1 urban housing development (50 ha)
- training:  
bursaries for study and training courses: 960 study-years awarded to the Netherlands Antilles and Surinam overall

### COMORO ISLANDS

- Economic infrastructure:  
116 km of surfaced roads  
1 seaport improvement scheme
- social buildings:  
111 primary classes in the bush and housing for 36 teachers  
1 secondary school (850 pupils)  
2 technical schools (160 pupils)  
8 small hospitals (155 beds)  
35 km of water supply conduits in 1 town (5 800 cu.m daily supply)

### GUADELOUPE

- Economic infrastructure:  
47 km of surfaced road  
4 seaport improvement schemes
- social buildings:  
155 km of water supply conduits in 6 towns (7 615 cu.m. daily supply)

### GUYANA

- Economic infrastructure:  
109 km of unsurfaced roads  
1 major bridge  
improvement scheme for a river port

### MARTINIQUE

- Rural production:  
5 000 ha mixed crops (tobacco, sugar, market gardening)
- economic infrastructure:  
46 km of surfaced roads;  
3 seaport improvement schemes
- social buildings:  
76 km of water supply conduits in 9 towns (14 400 cu.m. daily supply)  
42 km of urban drainage

### NEW CALEDONIA

- Economic infrastructure:  
5 major bridges  
2 seaport improvement schemes
- 1 mineral prospecting project
- social buildings: extension and modernisation of a hospital (40 beds); 1 small hospital (16 beds)

### FRENCH POLYNESIA

- Social buildings: 1 hospital (333 beds)

### REUNION

- Rural production: village plantations: 5 400 ha of sugar cane
- economic infrastructure: 49 km of surfaced roads; seaport extension scheme
- social buildings:  
60 km water supply conduits in 8 towns (9 000 cu.m. daily supply)  
10 km of urban drainage in 1 town

### ST.-PIERRE and MIQUELON

- Economic infrastructure: 2 seaport improvement schemes
- social buildings: 2 km of water supply conduits in 1 town

### SURINAM

- Rural production:  
16 000 ha rice (resulting from construction of the Stondansie dam); village plantations: 14 960 ha rice; 840 ha citrus fruit
- economic infrastructure:  
112 km of surfaced roads  
2 seaport improvement schemes (incl. supply of material)
- social buildings:  
544 primary classes (370 in bush),  
housing for 96 teachers; 4 secondary schools (1 620 pupils);  
2 technical schools (1 350 pupils); 1 central supply pharmacy;  
1 urban housing scheme (200 ha)

### WALLIS and FUTUNA

- Economic infrastructure: 21 km of non-surfaced roads

### ALGERIA

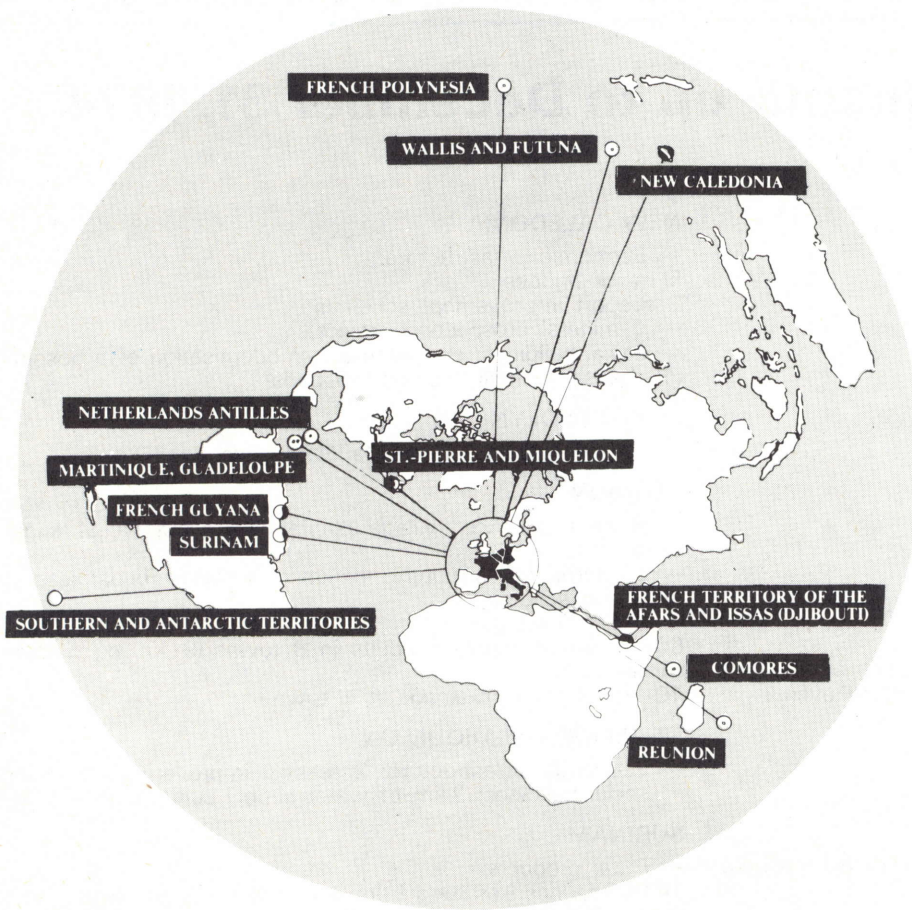
- Rural production:  
1 palm plantation project  
1 stock-raising project
- social buildings:  
21 technical schools (1 140 pupils)  
6 hospital blocks (720 beds)  
3 water points

### NEW GUINEA (Dutch)

- Rural production: 1 experimental agricultural station
- 1 geological prospecting project
- social buildings: 1 medical centre

Note: 215 study-years of student grants were awarded to the overseas countries and territories (OCT) not including the Netherlands Antilles and Surinam.





Countries	Secteurs	Industrialisation
Afars and Issas		—
Neths. Antilles		10
Comores		352
Guadeloupe		—
Fr. Guyana		—
Martinique		—
New Caledonia		—
Fr. Polynesia		—
Reunion		—
St. Pierre/Miquelon		—
Surinam		—
Wallis/Futuna		—
Algeria (*)		—
New Guinea (*)		—
Total OCT		362
% of total		0,17
All countries/territories		1 252

(\*) Algeria and Dutch New Guinea only benefitted under EDF I

As well as the associated States signatory to the Yaoundé Convention, the EDF's field of action has covered the overseas countries and territories (OCT) maintaining particular relations with the European Community: Surinam, Netherlands Antilles, French Polynesia, New Caledonia, Wallis and Futuna, the Comores, the French territory of the Afars and Issas, St.-Pierre and Miquelon, Southern and Antarctic territories, and four French overseas departments : Guyana, Martinique, Guadeloupe and Reunion.

*Opposite : landscape in the Comores, road-building in Surinam*



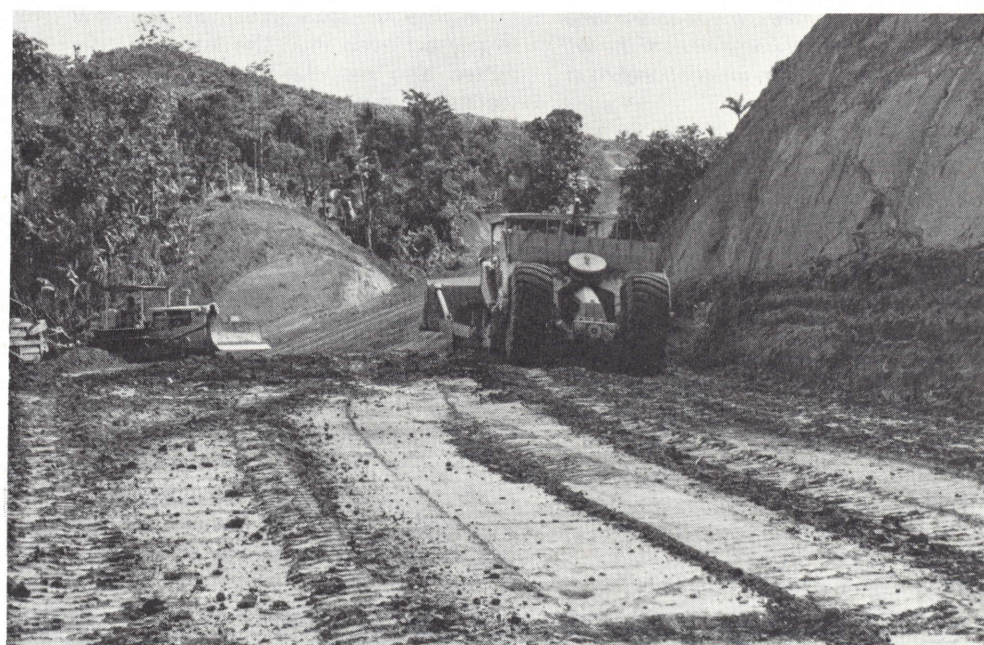


# BREAKDOWN BY SECTORS OF EDF FINANCING DECISIONS FOR THE OVERSEAS COUNTRIES AND TERRITORIES UP TO 31.12.1974

('000 u.a.)

Tourism	Rural production	Trade promotion	Transports and communications	Teaching and training	Health	Housing, water urban develop.	Misc.	Total	% of total
—	—	—	867	26	—	3 769	13	4 675	2,14
—	9	—	29 090	6 945	15	5 640	1 728	43 437	19,86
—	—	—	6 727	249	752	1 602	68	9 750	4,46
—	128	—	10 282	—	—	3 226	1 073	14 709	6,72
—	—	—	7 230	—	—	—	43	7 273	3,32
—	1 546	—	9 335	—	—	3 778	75	14 734	6,74
—	—	—	3 992	2 023	285	—	266	6 566	3,—
—	25	—	2 986	794	4 261	—	69	8 135	3,72
—	14 189	—	8 970	—	—	2 967	514	26 640	12,18
—	—	—	2 997	51	—	499	31	3 578	1,64
—	12 480	—	12 870	13 910	645	6 630	1 249	47 784	21,84
—	—	—	1 288	—	—	—	32	1 320	0,60
—	2 957	—	—	15 503	6 205	—	1 363	26 028	11,90
—	2 327	—	—	—	40	—	1 750	4 117	1,88
—	33 661	—	96 634	39 501	12 203	28 111	8 274	218 746	100
—	15,39	—	44,18	18,06	5,58	12,85	3,77		
50	142	7 518	—	11 243	230	—	12 227	32 662	

as members of the French and Dutch zones, before becoming independent.





## The IMF meeting in Kingston

### Interview: W. De Clercq, Belgian Minister of Finance



Amid a variety of international meetings in recent months, the International Monetary Fund Interim Committee meeting on January 7-8 in Kingston, Jamaica, was of particular interest. Since the international press gave different and sometimes contradictory reports on this complex subject, the "Courier" asked for clarification from Belgian finance minister Willy De Clercq,

who chaired the IMF Interim Committee meeting.

International monetary affairs directly concern developing countries in need of financial facilities and the choice of Kingston, where a breakthrough was made in the Lomé negotiations, was perhaps a good omen for the ACP.

► *Minister, would you first explain how the Interim Committee is made up and what it does in the general framework of the IMF and the negotiations on international monetary reform?*

— The Interim Committee is made up of 20 finance ministers who represent their own countries or a group of countries—for example, Belgium, Luxembourg, Austria and Turkey make up a group in the IMF, the Interim Committee and the Development Committee because they are not big enough, under the quota system, to be represented individually. Eleven of the 20 ministers are from the rich industrial countries and nine from developing countries (1). The Interim Committee replaced the Group of 20 and its purpose is to reform the sta-

tutes of the International Monetary Fund. The Kingston agreement has now largely achieved this. The Interim Committee also has the job of acting as watchdog over trends in the money markets and exchange rates, so you might even call it the IMF's security council.

► *In brief, what were the main results of the Interim Committee meeting in Kingston and what are we to make of them? The press reports were a bit contradictory.*

— Very briefly, the Kingston agreements mark the end of more than three years of efforts to work out a new international monetary system. They have taken the needs of the developing countries into account to a large extent. Some important decisions have been taken about gold. And the results of this meeting will probably strengthen the International

Monetary Fund in future. Those are the four main points.

► *What practical measures have been taken in favour of the developing countries and how much will these measures provide overall, in dollars?*

— As far as the actual working of the International Monetary Fund itself is concerned, I think we can say three important decisions were made at Kingston. First, to set up without delay an IMF fund, the "Trust Fund", which should provide around \$4-500 million for the poorest countries in 1976. This fund will be formed from the profits on gold sales by the IMF, and these sales will be spread over four years. This fund will be able to help countries where the income per head, at 1973 rates, is on average less than the equivalent of 300 Special Drawing Rights.

The second important decision was to

(1) The ministers at Kingston were from: Argentina, Australia, Belgium, Brazil, Canada, France, India, Italy, Iraq, Japan, Mexico, Morocco, Netherlands, Nigeria, Norway, Thailand, United Kingdom, USA, West Germany, Zaire.

step up the rights to IMF credit by 45 % until the reformed statutes come into force, when there will be an across the board rise of 32.5 % in the quotas each country puts in. This means in theory that the developing countries will be able to draw a maximum of about \$3000 million extra from the IMF. In reality it will be rather less, probably about half as much.

The third decision was to make the Compensatory Financing Facility more widely available. The IMF agreed on this recently and it was ratified at Kingston. This means that the IMF is willing to allow a member country to withdraw the equivalent of 75 % of its quota instead of 50 % under the financing facility, which is meant to help compensate certain countries in case of a sudden fall in the prices of the raw materials they export. Thanks to this decision, the developing countries will probably be able to draw on an extra \$1000 million in 1976.

I think it should be made clear that all these decisions come within the operation of the International Monetary Fund, which supervises exchange rate policies and monetary policy at the international level and is also there to help bail out countries with temporary balance of payments difficulties. But these are only some of the mechanisms which can assist the developing countries. The International Monetary Fund is not a bank and it is not its aim to give medium or long-term help to countries which may need it. The IMF only exists to help countries with balance of payments difficulties, with financing difficulties; it helps them pay for their imports so as to discourage them from such practices as dumping, monetary manipulation, devaluation, etc. It can apply immediate and temporary mechanisms to avoid this.

The more fundamental aid to developing countries must come through other channels—the World Bank and regional banks such as the Inter-American, Asian and African Development Banks. And then there are organisations such as the International Development Association, which gives loans to developing countries on easy terms. Each regional bank has a fund, such as the African and Asian bank funds, which are to their region what the IDA is on the world scale. The basic aid must go through these and not through the IMF.

► *The developing countries had a balance of payments deficit of \$35 000 million in 1975 and the forecast for 1976 is \$31 000 million. Since their financing possibilities under the IMF can hardly go beyond half this amount, do you think these proposals are adequate?*

— Here again I must emphasise that the three main decisions made at Kingston are only part of the means that can be used to help the developing countries. Bilateral aid will, of course, also continue to compensate for their deficits.

► *When will the Third World be able to start drawing on this aid?*

— As soon as possible, we hope. That's why Belgium and other countries have insisted from the beginning that the Trust Fund should be able to start immediately, and that the three decisions taken by the Interim Committee in Washington in August 1975 should be applied in parallel and simultaneously—these were to return one sixth of the gold to the IMF member countries in proportion to their quotas, to sell another sixth of the gold at market price and to allow central banks to start transactions on gold. As far as all this was concerned, the main question was settled in 1975, but it still had to be settled when this agreement was to be carried out. The more legalistically-minded members considered it more correct to wait until the statutes were ratified; others, including Belgium, thought it should be carried out immediately, and this was what was finally decided. At Kingston, therefore, we agreed to allow the gold sales immediately in order to be able to set up the Trust Fund as fast as possible.

► *A number of commentators considered this meeting marked the end of the Bretton Woods system set up after the Second World War, in which gold played a leading role. But gold is still going to be important in generating greater liquidity for the developing countries. Do you think these sales of gold will give the required results, particularly for financing the Trust Fund, when there is a risk of a fall in its market price?*

— We just have to hope so. The idea will probably work because we have

gone so far as to aim at public actions to sell the gold, spread over a period of four years, and another thing is that the Bank for International Settlements will be able to step in, which should keep the exchange rate for gold up compared with the old official price, which has now been completely superseded. So I think we can hope to make a substantial profit.

In my opinion this has nothing to do with the question of knowing whether gold should be maintained as an international standard, as a reference or even as a reserve asset, in the monetary system. This decision was not taken at Kingston; it was made earlier. There will no longer be an official gold price, nor will IMF members be required to contribute their quotas in gold, and Special Drawing Rights will replace gold as an international standard.

► *What was the importance of this meeting in the context of the North-South dialogue in Paris and of the relations between industrial and developing countries in general?*

— I think this was an important meeting and that its success was in itself very important, because, on the political level, the Kingston meeting was the first big international get-together we have had since the North-South dialogue opened in December. When that started there was a general expression of willingness to approach the crucial problem as a dialogue between rich and poor countries, not as a confrontation or a struggle between them. So it would have been particularly disappointing if the first international meeting after the opening of the Paris conference had been a failure. As the new chairman of the committee, I was very much aware of this, and I tried to do everything to make it a success. I must say I was greatly helped by the attitudes of all the finance ministers present. It was clear that we had the political will to succeed, despite differences of opinion which were sometimes very apparent, and I think this is the reason for the success of the Kingston meeting. If the political will to succeed or to fail is there, success or failure usually follow accordingly. ■

Interview by  
ROGER DE BACKER



# EDF transport projects in the AASM 1959 - 1974

by André HUYBRECHTS (\*)

The importance of transport and communications in the general process of economic and social development is such that the European Community has necessarily devoted a substantial part of its aid funds to this aspect of its development campaign in the Associated African States and Madagascar (AASM).

This article serves a double purpose. In the first place, it restates the principal conclusions of economic theory

on the relationship between improved transport and economic development in countries which are still underdeveloped. The main question is how, and how far, development is influenced by improvements in transport. Secondly, and in the light of this, the article recapitulates with comments the interventions of the European Development Fund (EDF) in the AASM transport and communications sector.

## TRANSPORT IN AN UNDERDEVELOPED ECONOMY

The long centuries of poverty among the underdeveloped peoples did not become really intolerable until they had standards of **comparison**. It was the improvement in transport and, most of all, the progress in communications (press, radio, cinema) which fanned their aspirations towards better living conditions, and if the claims now coming forward may seem unduly forceful, they should not conceal the fundamental significance of this new awareness, which should not only make it possible for countries to develop but even be the motive force for such development.

Economic development and a considerable intensification of transport always seem to go together, and the volume of transport is often taken as the measure of the progress secured. In a modern economy transport is a factor of the first importance and it cannot avoid

playing a part in the development process. Why is it so important and how is progress in transport made?

### Transport insufficiencies in underdeveloped countries

Attention has often been called to the insufficiency and high cost of transport in underdeveloped countries. Mountainous country, long distances and scattered populations and resources mean costly investment and high operating costs. Waterways can dry up in the dry season and roads become impracticable during the rains. Railway systems differ in their key characteristics and frequent load-breaking makes transport unnecessarily expensive. Traffic volume is small and mainly either agricultural or mineral, one of which is seasonal and irregular while the other is highly localised geographically. Modern transport systems in underdeveloped countries are to be found only in the principal centres and along a few main lines. Progress remains limited to a few privileged (e.g. coastal) areas, where greater mobility and some degree of development go together.

There are great obstacles to transport in the underdeveloped economies and if any improvement is successfully secured the results are usually spectacular, both for the country's external and its internal trading.

In some ways, nevertheless, the transport situation in underdeveloped countries has the edge over industrial countries at the same stage of economic

growth, and even over the state of things in their present more advanced stage. The underdeveloped countries have at their disposal the resources of modern science and technology, giving them a wide choice of different modes of transport and technological levels. They are not overloaded with old and obsolete infrastructures and have every opportunity of making their transport systems dovetail into one another. In contrast, countries with old industrial backgrounds are having to carry the cost of different and costly infrastructures which reached their technological maturity at very different times, and they are faced with the much more difficult problem of competing systems.

Yet the inadequacy of transport facilities is not often quoted among the **causes** of underdevelopment. Some observers describe the stagnation in a poor economy which cannot hoist itself over the investment threshold with a massive outlay for social fixed capital, which includes the transport infrastructure. Others include transport in lists of varying length, setting out the symptoms rather than the causes of underdevelopment, or set the transport data against population figures to measure and compare economic development levels.

### Transport progress

All the good effects of lower transport costs come spectacularly to life in a new economy. Some economists think the

(\*) André Huybrechts holds doctorates in economic science and law. He is a principal administrator at the EEC Commission in the Directorate General for Development, where his field is industrial cooperation.

He also teaches at the Catholic Institute for Higher Commercial Studies (ICHEC, Brussels) and lectures at the European centre for training economic statisticians from developing countries (Paris), and is a member of the Royal Academy of Overseas Sciences. In the latter capacity, he recently gave a lecture at the 16th course on transport, organised by the University of Trieste (Italy), from which most of this article is derived.





*The EDF surfaced this road from Kinkala to Brazzaville to speed up market supplies into the Congo capital*

West made one of its principal contributions by improving transport facilities and bringing producers into touch with world markets.

There are a number of facts and factors regarding underdeveloped countries which need special emphasis:

- the importance of better transport in conversion from a subsistence economy to a modern monetary economy;
- the part played by transport improvements in integrating economies marked by a lack of articulation (dualism);
- the accentuation of inequality in regional development, as transport costs can only be reduced on routes carrying dense traffic, which are exceptional in the underdeveloped countries. Enormous areas remain out of reach of progress;
- the dependence upon transport of underdeveloped countries which export over long distances to world markets. The transport cost is added to the world market price, to the detriment of their terms of trade. Ocean transport is wholly in the hands of industrial countries and under the control of the liner conferences, in which the underdeveloped countries are usually unrepresented. This is a matter of bitter complaint;
- the transport systems in underdeveloped countries exist for the purpose of exporting raw materials. The trade operates at the convenience and in the interest of foreign firms and not for the purpose of furthering local trade. Very seldom do the transport networks correspond with the traffic potentially required for internal or inter-regional trade, and

still less do they constitute the high-density system for general traffic which might "irrigate" the whole economy of the country, through increased agricultural productivity and the creation of an adequate means of distribution in which development centres could be judiciously set up and exercise their full influence. In cases where an export economy has set up development centres which could get the economy moving, the export-oriented transport systems have had their own job to do, and are so laid out that these growth centres cannot become fully effective in the internal economy. The obstacle to trade between underdeveloped countries is, perhaps, even more considerable;

- the role of improved transport in giving the international division of production its present form (one-crop tropical economies and specialised mining areas), in keeping things this way (in some cases it is economically advantageous to ship raw materials unprocessed) and as an obstacle to industrialisation (distance no longer limits competition from imported manufactures);

- the influence of improved transport on the sociological causes of underdevelopment: through its tendency to alter the social class structure, lead to changes in habits and induce a "keeping up with the Joneses" effect, it creates new needs and the determination to satisfy them in a bigger economic framework. Transport improvements have particularly important repercussions on population movements, encouraging rural

migration by concentrating the workforce around the new urban production centres. By contributing to food and health improvements, better transport also helps the population explosion;

- political frontiers have always been points of discontinuity in transport systems. This is at its worst in underdeveloped countries. Their frontiers are the heritage of the colonial system, recording the boundaries of exploration or of European occupation and very rarely defining natural or economic regions, and still less the divisions of the population. Their transport systems are strictly national, reflecting the same political or military considerations and without any cross-frontier coordination at all. Both in East and in West Africa there are many examples of this incoherence, which is in practice one of the chief obstacles to economic regionalisation.

### Infrastructure investments

1. In the early phase of development, by far the greatest part of a country's investment goes into infrastructure. This is true in the period before the "take-off" and at the beginning of the growth period, when the underdeveloped country is just beginning to equip itself with the "minimum of fixed social capital" without which its economic growth cannot begin. After this phase there is much more scope for choosing the investments, and more particularly for deciding between infrastructure and invest-



ments which are directly productive, and will play their part in whatever growth process seems most clearly indicated.

In underdeveloped countries where the atmosphere is not particularly dynamic, it seems reasonable to expect there will be unbalanced growth in which the insufficiency of fixed social capital will set up strains both upstream and downstream in the economy and disclose a necessity for investment, particularly in the infrastructure. In these conditions, when infrastructure investments are carried out under the pressure of existing demand to deal with existing bottlenecks, care must be taken that they do not simply consolidate such settlement of population and production as has already taken place, and fail to do anything for the backward regions. Infrastructure built ahead of demand, as part of a general economic area development plan, stands a much better chance of promoting ordered growth including the backward areas.

2. A distinction is drawn between two different types of investment. The first is "human investment", the effect of which is to modify the mentality, the behaviour and the productivity of human beings; the other is "capital investment", which leads simply to an increase in production. The position of transport lies between these two, for its extension, its many purposes, its impact on population and the degree of its accessibility give it a definite influence on the quality of life. Modes of transport generally accessible to large numbers of people, such as roads, have a specially marked influence, both direct and indirect, on the spread of progress. Others, such as aircraft, are more adapted to development of a highly localised kind. Yet others, such as the railway, have less effect as "developers" and often operate only for specific purposes in the same way as a pipeline, so that the induced effect is very small.

3. The beneficial effect of roads on the spread of progress deserves emphasis. This is a form of infrastructure which greatly increases contacts between people and peoples and is easily accessible to a great mass of small independent users, who do not require any special new training or attitude, but only need to get accustomed to it, which they easily do by degrees. Investment in roads can be undertaken with national capital

and the work of local firms, needing only a minimum of imported equipment and, perhaps, using cheap local manpower as a substitute for modern machinery. Such investments provide a maximum stimulus to a country's economic activity, and are only a light burden on the balance of payments. Professional road transport, too, seems to be a hopeful area for a class of genuine local businessmen, differing from merchant activities in that it needs only a small fixed capital, but provides would-be road carriers with an opportunity and an obligation to pick up the idea of maintenance and depreciation. Unlike the railways and many other modes of transport, road haulage does not promote big monopoly incomes; and the keen competition which is its usual characteristic will help to keep transport costs low to the consumer. In the actual road building and maintenance, too, local bodies can play a big part and, with adequate decentralisation, State control need amount to very little.

### **Transport and development**

In the process of economic growth, transport is often put at the beginning of the chain and regarded as a major causal factor. Yet the experience both of the USSR and of China, and a more conjectural reading of economic history in the United States and Great Britain, make it clear that a large-scale increase in transport capacity is not the necessary preliminary to economic progress, but that growth is apt to result from a succession of imbalances. The countries which are at present underdeveloped are not going through the experience of the industrial countries all over again; and it is obvious that quite a number of railway investments were over-generous in allowing for traffic which did not come about.

The overall good effects of better transport depend on the assumption that the economic atmosphere is attuned to progress, so that the higher incomes generated by reduced transport costs will indeed be spent, and opportunities really exist for investing some part of the resources made available. In reality these are no more than contingent possibilities. The basic assumptions may be true enough in industrial countries, but the same is not necessarily true in

underdeveloped countries where the other factors of progress—the dynamic approach and up-to-date institutions well shaped to promote progress—do not exist, so that the beneficial influence of transport improvements is liable to flag. Nevertheless, better transport and communications will contribute to altering the social hierarchy and induce changes in habits, giving rise to the emulation effect which brings new requirements and the determination to satisfy them in a modern framework.

The accessibility and/or the mobility of the factors of production—which is what we mean by transport—is indispensable to the development process. It is a condition of this progress and one of the key factors in securing it. There is, however, no single and solitary cause of growth, and neither capital nor any other component of the complex process of development is sufficient in itself to set the process in motion, nor yet is additional transport investment.

Before investing in transport a number of connected factors and underlying motives must be established. Subject to this, transport will make the growth possible, and help to fix its pace and direction. The important thing about transport is its pervasiveness. It is not a separate economic sector but a link between all the various branches of the economy.

Transport problems, therefore, cannot be considered by themselves. They have to be seen as part of a bigger picture, linking the transport with all the other sectors it serves and on which its traffic depends. It is not a question of saying whether transport is more or less important than any of the other sectors or factors of production, but of seeing where, when, how and in what circumstances transport determines economic progress.

### **EDF TRANSPORT INVESTMENTS IN THE AASM**

#### **Transport: top of the EDF list**

The predominance of transport and communications among the investments financed by the European Development Fund is obvious from the outset. Over the period 1958-74, covering the three Association conventions and the three

successive funds, transport and communications account for nearly 700 m units of account (1) out of a total of UA 1 800 m, or nearly 38% of the total commitments. This is more than the amount which went to the next two sectors in order of importance—rural production and education. In the first EDF, transport and communications took first place, with nearly half the finance provided. In EDF II this sector was marking time, accounting for only 30%, whereas rural production was at its peak with 40% of the total and absorbed practically the whole of the increase in the fund's resources. In EDF III, transport and communications regained the lead with 39% of the commitments.

It can be noted in passing that rural production took about 31% of the three funds, while training and education accounted for 12%. The proportion used for industrialisation was comparatively

modest, at only a little over 5% (2). The high proportion of transport investment in total EDF financing is a good illustration of the close connexion seen by the beneficiary countries between transport progress and their general economic development.

#### Geographical breakdown of transport investments

The transport and communications investments financed by the three EDFs was almost equally spread between West Africa (41.5%) and Central Africa (44.5%), while Madagascar by itself took 9.5% and Somalia 4.5%.

In the individual countries (Table I), the proportion of the aid going into the transport sector varies for the most part between a quarter and a half. Rwanda is an exceptional case, with transport accounting for only 4% of the aid received. Countries showing above average fi-

gures include Gabon (86%), Congo (72%) and Togo (58%).

#### The different modes of transport

Transport and communications are divided into five sub-sectors, according to the mode of transport or communication. These are, roads and bridges, railways, ports and waterways, airports, telecommunications (Table 2).

#### (1) Roads and bridges

The road investments predominate, accounting for nearly UA 450 m over the 1958-74 period. This is two-thirds of the total investment in the transport sector. The predominance is most marked in Madagascar, where these investments account for nearly 90%, but the figure is also high in West Africa (79%) and less striking in Central Africa (49%) and Somalia (only 42%). An examination of the distribution by country shows that

(1) The value of the unit of account is 0.88867088 gr of fine gold, equal to the US dollars as it was before the monetary adjustments of recent years.

(2) On the other hand, industrialisation in the widest sense received nearly 80% of the loans made to the AASM by the European Investment Bank.

**Table 1**  
**Finance by European Development Fund for transport and communications (1959-1974)**  
(by period and country)

Commitments up to 31.12.1974

UA: '000

Country	EDF I (1959-62)			EDF II (1963-68)			EDF III (1969-74)			Total EDF (1959-74)		
	Total	Transport	%	Total	Transport	%	Total	Transport	%	Total	Transport	%
Benin	20 375	5 571	27.34	23 917	5 544	23.18	21 671	5 187	23.94	65 963	16 302	24.71
Burundi	4 995	1 082	21.66	21 302	3 636	17.07	27 203	8 016	29.47	53 500	12 734	23.80
Cameroon	51 737	35 309	68.25	54 178	25 755	47.54	53 228	24 454	45.94	159 143	85 518	53.74
Central African Rep.	16 328	5 316	32.56	27 195	6 513	23.95	27 274	10 660	39.08	70 797	22 489	31.77
Chad	27 922	10 542	37.76	33 513	13 290	39.66	25 916	5 442	21.00	87 351	29 274	33.51
Congo	24 247	17 619	72.66	20 220	10 784	53.33	18 801	17 144	91.19	63 268	45 547	71.99
Ivory Coast	39 098	13 220	33.81	58 030	9 869	17.01	56 046	19 435	34.68	153 174	42 524	27.76
Gabon	17 266	10 913	63.21	20 563	18 235	88.68	24 342	24 014	98.65	62 171	53 162	85.51
Madagascar	56 140	36 234	64.54	70 252	12 026	17.12	58 079	16 027	27.60	184 471	64 287	34.85
Mali	41 773	18 246	43.68	32 992	16 696	50.61	48 683	4 723	9.70	123 448	39 665	32.13
Mauritania	15 316	8 169	53.34	18 568	7 961	42.87	24 716	3 954	16.00	58 600	20 084	34.27
Niger	30 650	11 130	36.31	31 917	6 897	21.61	42 829	25 362	59.22	105 396	43 389	41.17
Rwanda	4 946	321	6.49	20 802	264	1.27	28 414	1 386	4.88	54 162	1 971	3.64
Senegal	42 300	22 904	54.15	61 520	5 438	8.84	62 846	19 407	30.88	166 666	47 749	28.65
Somalia	9 912	3 850	38.84	27 096	10 586	39.07	30 923	16 476	53.28	67 931	30 912	45.50
Togo	15 619	7 314	46.83	20 393	11 992	58.80	25 763	16 304	63.28	61 775	35 610	57.64
Upper Volta	28 208	720	2.55	30 981	17 047	55.02	41 561	14 881	35.81	100 750	32 648	32.40
Zaire	17 649	9 834	55.72	75 872	17 609	23.20	58 933	29 912	50.76	152 454	57 355	37.62
<b>TOTAL</b>	<b>464 481</b>	<b>218 294</b>	<b>47.00</b>	<b>649 311</b>	<b>200 142</b>	<b>30.82</b>	<b>677 228</b>	<b>262 784</b>	<b>38.80</b>	<b>1 791 020</b>	<b>680 120</b>	<b>37.97</b>



**Table 2**  
**European Development Fund finance for transport and communications (1959-1974)**  
 (by sub-sector and country)

Commitments to 31.12.1974

UA '000

Country	Roads and bridges		Railways		Ports and waterways		Airports		Telecommunications	
	UA	%	UA	%	UA	%	UA	%	UA	%
Benin	13 090	80.30	—	—	3 212	19.70	—	—	—	—
Burundi	12 665	99.40	—	—	—	—	—	—	—	—
Cameroon	25 124	29.38	55 344	64.72	5 050	5.91	—	—	—	—
Central African Rep.	14 575	64.81	—	—	7 694	34.21	220	0.98	—	—
Chad	29 274	100.00	—	—	—	—	—	—	—	—
Congo	18 953	41.61	957	2.10	24 106	52.93	—	—	1 531	3.36
Ivory Coast	19 591	46.07	16 181	38.05	4 698	11.05	—	—	2 031	4.78
Gabon	13 003	24.46	7 044	13.25	30 429	57.24	—	—	2 686	5.05
Madagascar	57 630	89.64	1 215	1.89	5 442	8.47	—	—	—	—
Mali	27 686	69.80	—	—	—	—	11 979	30.20	—	—
Mauritania	5 662	28.19	—	—	11 109	55.31	3 313	16.50	—	—
Niger	43 389	100.00	—	—	—	—	—	—	—	—
Rwanda	1 971	100.00	—	—	—	—	—	—	—	—
Senegal	42 803	89.64	2 114	4.43	2 832	5.93	—	—	—	—
Somalia	12 806	41.43	—	—	11 550	37.36	—	—	6 556	21.21
Togo	28 992	81.42	1 709	4.80	4 889	13.73	—	—	—	—
Upper Volta	32 469	99.45	179	0.55	—	—	—	—	—	—
Zaire	48 299	84.20	4 241	7.40	4 815	8.40	—	—	—	—
<b>TOTAL</b>	<b>447 982</b>	<b>65.79</b>	<b>88 984</b>	<b>13.06</b>	<b>115 826</b>	<b>17.00</b>	<b>15 512</b>	<b>2.27</b>	<b>12 804</b>	<b>1.88</b>

*The Lomé-Dogbo road (Togo)*



EDF



the national governments have, with only four exceptions, devoted almost the whole of their transport credits—in most cases two-thirds, and in many cases a good deal more—to their road improvements. The exceptions are Cameroon, which gives priority to its railway investment? Congo, which has earmarked large investments for its waterway transport; and Gabon and Mauritania, which reserve a higher proportion of their credits for improving their seaports.

Another breakdown of the EDF intervention shows the nature of the works, as follows:

surfaced roads (1):	8 618 km
non-surfaced roads:	1 873 km
farms tracks and pathways:	1 701 km
bridges (2):	

(1) Including bridges and ancillary works—i.e. drainage, etc.

(2) Other than bridges on the above roadworks.

- major works 38 bridges
- multiple bridge projects 4 projects

Road-building material supplied to six countries. Road-building surveys covering 9 546 km (including 262 km of survey used for works financed by other institutions).

It will be seen from the above that the big item in EDF financing was the surfaced roads, though it has not neglected unsurfaced roads and farm tracks. The choice between the different solutions for each project was made in the light of financial and technical conditions in each individual case. Most of the projects are concerned with the improvement of existing roads (surfacing, lay-out improvements and bridges), but there were also cases in which new roads were built. The purpose of these road-building schemes included improved seaward ac-

cess (e.g. Ouagadougou-Lomé), the creation of a standing national road system (e.g. Niamey-Zinder), cross-frontier links (especially in West Africa—the Mali-Upper Volta, Mauritania-Senegal, Niger-Nigeria, Dahomey-Togo roads) dealing with regional isolation (the Andapa road in Madagascar), or special local improvements, such as on the Sakay road in Madagascar. For the most part the road-works include the bridge-building, but in some cases big bridges and collections of little bridges have been built, and waterways improved, without having to reconstruct the corresponding roads. Many of the projects include not only the works themselves, but the execution surveys and operating or maintenance equipment, and quite often the technical assistance needed for the supervision and management of the works, and sometimes the training of maintenance gangs.



*The road to Nkolebilye, Cameroon. Walking is still the usual way to travel in Africa*



EDF



An excellent example of a road investment is the inter-African highway (757 km surface out of a total length of 977 km), running from Lomé, the capital of Togo, to Ouagadougou, the capital of Upper Volta. It has had the benefit of several EDF interventions, covering 80% of the total cost, and phased in with other external financings covering the remaining 20%. For Upper Volta the road provides a third access and offtake route linking the country with the sea, and largely for service to the eastern part of the country. The railway to Abidjan is the main route for the western part of the country and the southern regions of Upper Volta have their road to Accra. For Togo the road solves important national traffic problems. Both the countries concerned have always regarded the Lomé-Ouagadougou road as of primary importance, both nationally and regionally. As an earth road it had become incapable of carrying the necessary traffic and the improvements included rectifications of its course, which is now rational and shorter, and laying a hard surface which could stand up to heavier vehicles and more intense and faster-moving traffic throughout the year. As the improved section advances,

the road-counts indicate that through and local traffic is still growing at a rate well beyond the initial estimates.

## (2) Railways

Railway works account for UA 85 m, or 12.5% of the transport financings. Nine of the associated countries shared in this, but its main importance was to Cameroon (65%), Ivory Coast (38%) and Gabon (13%).

In physical terms this represents 378 km of new railway lines, including 25 metal bridges; 253 km of modernised line of earlier construction; and also the provision of 19 locomotives and 164 coaches, trucks and other vehicles.

In Cameroon and Gabon the credits have gone into two very big railway projects, in which the EDF is co-financing the work with other financial sources. In the Ivory Coast the works consist of modernising the existing system of the Abidjan-Niger Railway Authority (RAN).

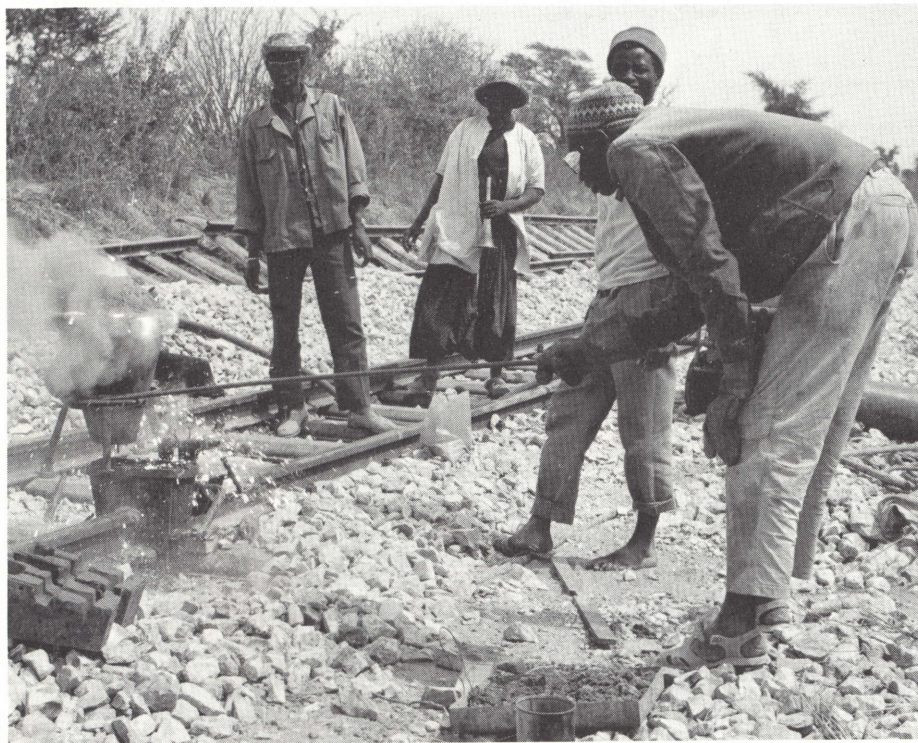
The outstanding example here is the Trans-Cameroon Railway, which is a 628 km extension (Yaoundé-Belabo-Ngaoundéré) of the existing line from Douala to Yaoundé. The project is as-

signed a high priority by the Cameroon government. It is expected to produce a number of advantages, the first of which is a big off-take facility for the produce of the country's farms, forests and mines. It will be a powerful integrating factor in the national economy and, in the longer term, will open up desirable traffic possibilities with Chad and the Central African Republic, which may well decide to set up a link (probably by road) with this new railway artery.

This is a very big project (1). Cameroon itself is covering 6.7% of the total cost (UA 93 m) and the other finance sources are EDF (53%), US AID (22.8%) and France (17.5%).

The construction of the Trans-Cameroon took 10 years (1964-74) and is just finished. Added to it have been road improvements, prolonging the railway route. The rail traffic (timber, meat and cattle, sugar, cocoa, food products and other items) is already three times as big as it was, and a large population has already flowed into the regions served by the railway. With the considerable facilities it offers, it will make a major contribution to lowering transport costs and will greatly help in the execution of new projects in mining (bauxite), forestry, farming and industry in central and northern Cameroon.

*Re-laying rails on the Dakar-Thies-Tambacunda line (Senegal)*



EDF

## (3) Ports and waterways

Ports and waterways took UA 115 m, or 17% of the credit made available for transport by the three EDFs. The investments account for over half the total transport credits for Mauritania (Port-Etienne fishing port and the wharf at Nouakchott), Congo (ports at Pointe-Noire and Brazzaville) and Gabon (the port at Owendo) and about a third for the Central African Republic (river transport equipment and improvements on secondary rivers) and Somalia (port at Mogadiscio). In other cases the EDF has financed port extensions (Diego-Suares in Madagascar and Abidjan in the Ivory Coast) or port superstructure (Cotonou in Dahomey).

The EDF intervention for the "Trans-

(1) It includes 22 m cu m. of earth-moving, 460 000 cu m. of ballast, 42 000 tonnes of rail, 1.1 m sleepers, 85 000 cu m. of concrete, 1 260 m. of bridges and 34 km of metal pipes and tubes.





*Cranes in the port of Pointe Noire (Congo Rep.)*

equatorial route" is a fine illustration of the diversity and complexity of the fund's work in providing finance for waterborne transport systems moving by sea and inland waterway. The route is an enormous system of transport by road, river, railway and through seaports, concerning Congo, Cameroon, the Central African Republic and Chad. The EDF has in fact financed port extensions successively at Pointe-Noire and Brazzaville and improvements in small river ports, including the equipment of some of them. It has also financed track and equipment improvements for the Congo-Océan Railway (Brazzaville-Pointe-Noire), river transport material, upkeep material for inland waterways, improvements in river courses and roads used as prolongations of the waterway. In 1974 this had amounted to nearly UA 40 m and a number of further projects for Pointe-Noire, the Congo-Océan railway and the port of Bangui were still under consideration, mainly as co-finance projects in association with other sources.

#### **(4) Airports**

The airport projects are concerned both with improvements (e.g. at Nouakchott) and with laying out new facilities (e.g. Bamako). They are not much more

than 2% of the total transport investment in the AASM, and are essentially for the benefit of very large countries with comparatively small "useful surface", such as Mali and Mauritania, which have earmarked for this purpose 30% and 17% respectively of their EDF transport credits.

#### **(5) Telecommunications**

Less than 2% of the EDF transport credits have gone to telecommunications. This is mainly in Somalia (21%), but some has also gone to Central Africa (e.g. the radio link between Gabon and Congo).

## **CONCLUSION**

The interventions of the EDF in financing transport schemes in the associated countries illustrate the multiplicity of development objectives that may be assigned to improving transport. They include: dealing with the isolation of specific regions to bring them up from subsistence level into the market economy; opening up the countryside by laying out farm tracks and service roads; promoting the integration of the different regions which make up a national econ-

omy; modifying and diversifying transport systems to make them less exclusively export-oriented; improving the competitive capacity of these countries in the export markets by improving their offtake routes, and so on. These are only examples. The economic geography of the AASM makes roads the primary mode of transport; they can play a remarkable role in the process of development and their investment priority is abundantly justified.

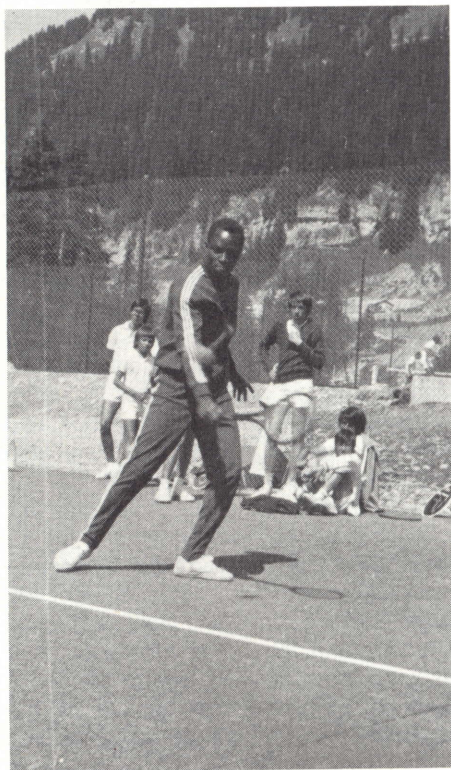
The EDF interventions in this field are extremely diverse and closely adapted to the needs of each of the associated countries which, it must not be forgotten, have the initiative in the whole operation. They are to be found in the form of infrastructure investment, including new works, extensions and improvements, in the supply of transport material, help in the maintenance and improvement of transport systems and in the training of personnel.

The interventions for transport improvements are complementary to the other development campaigns and closely linked with them. This is especially true of agriculture, and applies also to industry and the social infrastructure. It is part of a general view of economic and social development served by the different forms of transport and defining their objectives. ■ A.H.





*Antoine Akakpo, on a summer course at Annecy (France); next stop Africa*



## ANTOINE AKAKPO

### Togolese tennis ace in Paris

**A**ntoine Akakpo of Togo is one of the few African tennis stars playing the French circuits. Now doing a course at the National Sports Institute in Paris, he plays in many tennis tournaments in France as well as teaching young players. On his way through Brussels recently he talked about the future of tennis in Africa and his personal plans for developing it.

For a long time, tennis in Africa was exclusively a European game, a prestige game, which very few Africans could get into. This has left something of a hangover, Akakpo said, in that many young Africans today not only have no interest in tennis but claim they are "allergic" to it. Unlike other imported games (such as boxing) which were taught in the schools, nothing has ever been done to popularise tennis. This is hardly surprising, Akakpo said, as "even in France lawn tennis has always had a snob value".

So how did Antoine Akakpo come to be a tennis player? It began with a chance meeting between two young people when Antoine was a keen rugby player. One of his friends had had a present of a racket and Antoine went into his club to see him play. At first, after simply bashing a ball against a wall, he played as an ordinary amateur. Now, through the National Sports Institute in Paris, he is training to be a professional tennis coach in Africa and is already well into the complicated tournament system in France.

Before leaving for Europe he was al-

ready well known in his own country and other parts of Africa. He was in the Togo team in a number of inter-African tournaments, not only in nearby Nigeria, Dahomey and Ghana, but also in several other central African countries where international matches have become regular annual fixtures.

Antoine Akakpo's course at the Sports Institute is now nearly finished and he is thinking about getting back to Togo. He has plenty to do back home.

The first task is to make the young Togolese tennis-conscious. Akakpo wants to go on prospecting tours through the country, talent-spotting among the very young.

After this, he says, he will try to set up an African tennis organisation, looking for cooperation in countries where the game is already well on its feet such as Senegal and Cameroon, where there are tennis federations and a good many players. This is the real task.

But Akakpo does not want to stop at the national or the regional level. He looks to the future of African tennis on a much bigger scale, with an eye to the whole of Africa and, some day, to an all-Africa organisation, an African Wimbledon and Africa's own—why not? Arthur Ashe.

The programme is ambitious. He has no illusions about the difficulties, especially the lack of clubs and equipment. But he has faced tougher challenges on the centre court. ■

B.T.

# The Courier Dossiers from 1973 to 1976

- No. 17 The European Development Fund**
- p. 16 Discussion with J. Ferrandi, Deputy Director-General of Development Aid
- p. 20 Discussion with Seydou Djim Sylla, Co-secretary of the Association Council
- p. 26 EDF development policy
- p. 34 EDF procedure
- No. 18 Tourist development in Africa**
- p. 21 Reflexions before the Association Parliamentary Conference
- p. 26 First international conference on tourist development in Africa, at Yaoundé  
— The conference report (p. 27)  
— Implementing the recommendations (p. 32)
- p. 34 "It is black Africa's turn to become a tourist objective": discussion with Arthur Haulot, Commissioner-General for Tourism in Belgium
- p. 35 Tourism and cultural values
- p. 40 The animal world in Africa
- No. 19 Cotton**
- p. 16 A product which is always topical
- p. 21 The International Cotton Institute and the defence of the cotton markets
- p. 29 Cotton-growing in the AASM and EDF aid
- p. 36 Problems of cotton production in East Africa
- No. 20 The Institutions of the Association**
- p. 27 How I see it, by Daniel Vignes
- p. 34 Ninth session of the Association Parliamentary Conference
- p. 38 Function and usefulness of the AASM organs of coordination
- No. 21 Industrialisation in the AASM**
- p. 15 The Dakar congress
- p. 18 Experience of the European Investment Bank
- p. 22 Industrialise—yes, but why, how and where?
- p. 27 Report of the Association Council Parliamentary Conference
- p. 30 Community aid
- p. 36 A new survey programme
- No. 22 Promotion of tropical timber**
- p. 12 Promotion in Community countries of tropical timber hitherto unmarketed or unknown
- p. 23 Interview with Gérard Lemaigen, Chairman of the French Tropical Timber Federation
- p. 26 Chief conclusions of meetings with associated countries
- p. 34 Technical and financial assistance from the EEC
- No. 23 Water and drought in the Sahel**
- p. 12 Points of view
- p. 12 The Head of State
- p. 21 The engineer
- p. 25 The agronomist
- p. 29 The livestock specialist
- p. 36 Experts at the Berlin Congress
- p. 41 Examples of Community intervention
- p. 41 Two cases for the EDF (Mali and Niger)
- p. 45 Food aid
- p. 48 The association between Europe and the Third World
- p. 50 In brief
- No. 24 Promotion of African business**
- p. 15 The Kinshasa conference
- p. 15 Is life an equation?
- p. 16 African points of view
- p. 21 The Kinshasa Declaration
- p. 23 Industrial development and promotion
- p. 28 External aid and promotion of small and medium African firms
- p. 33 International industrial sub-contracting and the developing countries
- p. 39 Mobility of capital and development finance for the Third World
- p. 44 Eurafrican cooperation and the new international division of industrial labour
- No. 25 Education**
- p. 18 Interview with Amadou Mahtar M'Bow, Deputy Director-General for Education, UNESCO
- p. 26 Education and the Association
- p. 35 Community training schemes
- No. 26 Telecommunications**
- p. 19 Interview with Mohamed Mili, Secretary-General of ITU
- p. 22 Africa's existing telecommunications
- p. 25 The development of telecommunications and their infrastructure in Africa



- p. 30 EDF aid for African telecommunications  
 p. 40 Aesop the African: a tele-education project for Africa south of the Sahara
- No. 27 Facing the food crisis**
- p. 16 Interview with Dr. A.H. Boerma, Director-General of the FAO  
 p. 21 Europe and the food crisis in developing countries  
 p. 25 Famine – a fight to the finish  
 p. 28 The World Food Programme: interview with Francisco Aquino, WFP Executive Director  
 p. 31 Food and health  
 p. 35 Womens' role in African food  
 p. 38 Food growing in Africa's tropical rain belt  
 p. 43 Crisis in fertilizers  
 p. 44 EDF contribution to subsistence farming  
 p. 48 A weapon to fight hunger: the EDF project for improving millet
- No. 28 The railways of Africa**
- p. 31 Railways south of the Sahara  
 p. 39 The rail situation in English-speaking tropical Africa  
 p. 43 The EDF on the track  
 p. 47 The Trans-Cameroon  
 p. 50 The Trans-Gabon gets up steam  
 p. 52 Nigerian railways  
 p. 53 The EEC at work on the Trans-Equatorial  
 p. 55 Zaïre railways  
 p. 57 Tanzam: a major project takes shape  
 p. 60 Mining railways  
 p. 60 The RAN and its future  
 p. 66 Madagascar railways
- No. 29 Energy in the ACP**
- p. 18 The energy situation in the ACP  
 p. 37 The ACP and the oil crisis  
 p. 43 Independent electric power units in Africa  
 p. 46 British aid for energy  
 p. 48 Electricity for Kenya, Tanzania and Nigeria  
 p. 51 EDF contribution to electrical development in the AASM  
 p. 61 Oil refining in the Ivory Coast  
 p. 63 Niger: the strangest uranium mine in the world  
 p. 65 Edéa-Cameroon: Franceville-Gabon  
 p. 66 Cabora Bassa: what future?  
 p. 67 Development, technology and energy  
 p. 69 Making better use of wood for energy
- No. 30 Transport and the EDF**
- p. 25 Should we build more roads?  
 p. 27 EDF assessment of transport projects  
 p. 31 Transport in the latest Commission report to the Association Council  
 p. 33 Port problems  
 p. 37 Inland waterways
- p. 39 A cross-section of EDF projects, Senegal  
 p. 41 Togo: the international highways  
 p. 43 Mali: the airport at Bamako-Sénou  
 p. 44 Gabon: building a port at Owendo  
 p. 46 Cameroon: improvements in the port of Douala
- No. 31 The Lomé Convention (special issue)**
- No. 32 EDF agricultural projects**
- p. 25 Evaluating the projects  
 p. 27 Improvements as a basis for productive investments  
 p. 31 Hydro-agricultural projects for better farming conditions  
 p. 39 Introduction and development of industrial crops
- No. 33 Industrial cooperation**
- p. 22 Definition and orientations of industrial cooperation  
 p. 28 Lima: towards a new international economic order  
 p. 31 UNIDO and the hopes of the developing countries  
 p. 34 The basis of an industrialisation policy for West Africa  
 p. 36 European industrialists, Africa and the Third World  
 p. 38 EEC aid for industrialisation in developing countries — measures under the Association with the AASM — industrial cooperation under the Lomé Convention (p. 42) — industrial cooperation with third countries (p. 44)  
 p. 49 Towards a contractual policy for industrial transfers  
 p. 51 The problem of job creation in developing countries  
 p. 57 The case of the Mumias Sugar Company, Kenya
- No. 34 Health**
- p. 26 Interview with Dr. H. Mahler, Director-General of WHO  
 p. 32 Tropical medicine and the Pasteur Institute  
 p. 35 The fight for health in Africa: interview with Dr. A. Quenum, WHO Regional Director  
 p. 38 Health revolution and population growth  
 p. 39 The health war: women in the front line  
 p. 41 Health and social conditions in Mayombé (Zaïre)  
 p. 44 Health service management in developing countries  
 p. 47 The main EDF health projects
- No. 35 The world food problem**
- p. 28 Interview with Dr. Boerma, former FAO Director-General  
 p. 32 Interview with Dr. Aziz, Executive Director of the World Food Council  
 p. 35 Community food aid and food policy  
 p. 37 Aims, instruments and beneficiaries of Community food aid  
 p. 40 Community food aid in action  
 p. 44 Food aid in the future  
 p. 47 The International Committee of the Red Cross and the Community  
 p. 49 EDF aid for food production. ■

# BOOKS

René DUMONT. — **La croissance... de la famine! Une agriculture repensée.** (The growth... of famine! — Fresh thoughts on agriculture). Editions du Seuil, 1975 — 191 pp. BF. 209.

René Dumont stood as an "ecologist" in the French presidential elections in 1974. In this book he again utters his cry of alarm at the widespread wastefulness in the so-called developed countries at a time when, he says, world famine is coming nearer and nearer. His argument is not unlike that of Dr. Boerma who, when he was Director General of the FAO, dampened excessive optimism and said "the problem of famine will not be solved in a decade". René Dumont is convinced that the more "progress" we make, the more we put our civilisation in danger, and that we are heading for a bankruptcy which will be "fraudulent because we are trying to hide it".

He calls for general mobilisation against the evils of "famine, robbery, profit and over-population". He is an agronomic engineer by training, and has travelled widely in the Third World. The right course, in his view, is to organise the farming population which, after analysing our own mistakes and limitations, would have to "think out our agriculture afresh". This, he argues, is the only effective path to reorganisation if we want our planet to survive.

This book takes its natural place in the general thesis of René Dumont about the "various development patterns and various types of transition towards socialism" needed to bring us more rapidly away from the poverty and ignorance that accompany hunger. The three main constraints of the new agriculture—population, politics and ecology—impose responsibility on everybody, "each within his own scope".

ooo

Paul-Henri SIRIEX. — **"Félix Houphouët-Boigny, l'homme de la paix"** (Félix Houphouët-Boigny, the man of peace). — Editions Seghers, Paris, Nouvelles éditions africaines, Dakar et Abidjan — 360 pp. 1975.

"When all is said, does the true quality of a Houphouët-Boigny consist of anything more than these human qualities which are too rarely found—perspicacity without conceit, firmness without intolerance, indulgence without weakness,

goodheartedness without illusions and without complacency and, most important of all, respect for "the other person and his ideas?" The above is the introduction of the first biographer of Félix Houphouët-Boigny, President of the Ivory Coast, with whom we follow the thread of the statesman's political career through four separate parts. It is a complicated task to write the biography of a man with so full a past, about whom the "Nouveau Dossier Afrique" wrote: "the course of his very existence is difficult to follow, and still harder is it to follow the thought of President Houphouët-Boigny whose personality has illuminated many different areas, whether among tribal affairs, urban communities or even national governments".

The first section of the book is called "Tradition and Combat" and in this we first meet the rebellious student, later to become the "medicine man of Africa" before he took the first steps in trade union politics. "The revolutionary statesman" of the second part was in at the start of the political experiment, and this was in that period of pre-decolonisation from which emerged the man who made a success of "the birth of a nation" described in the third part. While Houphouët-Boigny was battling for "the promotion and well-being of the Ivory Coast citizen", his practical approach on the politico-economic side shaped the "Ivory Coast democracy" of today. Finally, in "An African destiny" we follow the President's attitude to foreign affairs, in which, though he often made use of his "privileged relationships", he was always the man who fought unrelentingly for peace in Africa.

The main features of this man's character are those of the course the Ivory

Coast has followed since its independence. He was a man to whom a nation entrusted its destiny and who has now retained that confidence for more than 15 years. His life is closely linked with a phase in the history of the African continent, and its story should be better known through this book.

ooo

— **L'Administration Zaïroise** (The Zaïre Administration) by Serge VIEUX — 96 pp. FF 12.

The two fundamental sides of administration in Zaïre are competently examined in this compact study. The structural side is covered under a central/regional breakdown of the administrative machinery; and the human side is looked at via the size, status and management of the civil service. Various observations follow, on the kinds of administration exercised and the general characteristics of the 1972-1973 reforms, in a third chapter.

— **L'Administration Ivoirienne** (Ivory Coast Administration) by Hugues TAY — 130 pp. FF 16.

This essay is divided into three parts. The first describes the main constituents of the central and decentralised administrative machine. The second outlines the legal aspect of the administrative function in the Ivory Coast and the general position and establishment of administrative personnel. The third part discusses the tasks of the administration—sovereignty, economic development, education and culture and the social system.

**THE COURIER**  
EUROPEAN COMMUNITY —  
AFRICA - CARIBBEAN - PACIFIC

C.E.C.  
200, rue de la Loi  
1049-BRUSSELS  
(Belgium)

Tel. 735 00 40 — 735 80 40  
Telex COMEURBRU 21877

**PUBLISHER**  
**Jean Durieux**

**EDITOR**  
**Alain Lacroix**

**ASSISTANT EDITORS**  
Lucien Pagni  
Barney Trench  
Roger De Backer

Secrétariat and circulation :  
Colette Grelet (ext. 4784)  
Nico Becquart (ext. 6367)



**the courier**  
EUROPEAN COMMUNITY - AFRICA-CARIBBEAN-PACIFIC

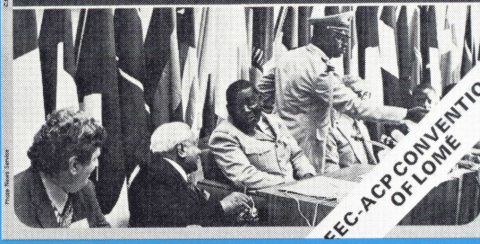
N° 30 - MARCH-APRIL 1975



**TRANSPORT AND THE E.D.F.**

**the courier**  
EUROPEAN COMMUNITY - AFRICA-CARIBBEAN-PACIFIC

Published every two months No. 31 - SPECIAL ISSUE - MARCH 1975



**E.C.-ACP CONVENTION OF LOME**

**the courier**  
EUROPEAN COMMUNITY - AFRICA-CARIBBEAN-PACIFIC

Published every two months No. 32 - JUNE-JULY 1975



**EDF AGRICULTURAL PROJECTS**

**the courier**  
EUROPEAN COMMUNITY - AFRICA-CARIBBEAN-PACIFIC

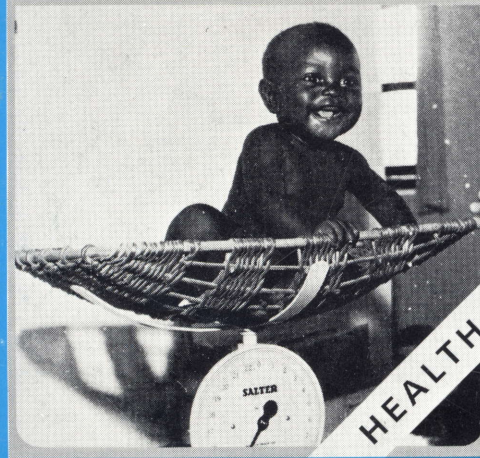
Published every two months No. 33 - SEPTEMBER-OCTOBER 1975



**INDUSTRIAL COOPERATION**

**the courier**  
EUROPEAN COMMUNITY - AFRICA-CARIBBEAN-PACIFIC

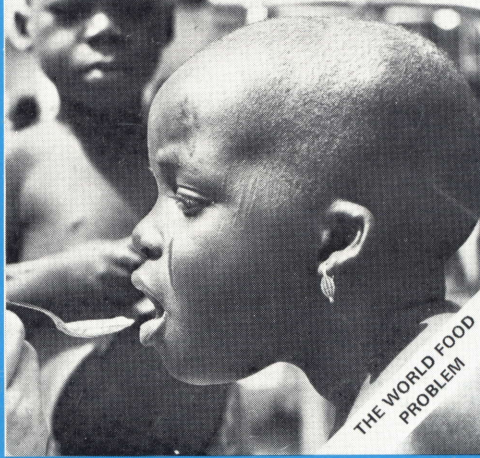
Published every two months No. 34 - NOVEMBER-DECEMBER 1975



**HEALTH**

**the courier**  
EUROPEAN COMMUNITY - AFRICA-CARIBBEAN-PACIFIC

Published every two months No. 35 - JANUARY-FEBRUARY 1976



**THE WORLD FOOD PROBLEM**