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***REPORT ON THE ADMINISTRATION OF  
COMMUNITY FINANCIAL AND TECHNICAL ASSISTANCE  
UNDER THE SECOND AND THIRD LOME CONVENTIONS***

***(PERIOD UNDER REVIEW : 1986 and 1987)***

(presented by the Commission)

Report on the administration of  
Community financial and technical assistance  
under the second and third Lomé Conventions  
(period under review: 1986 and 1987)

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REPORT ON THE ADMINISTRATION OF COMMUNITY  
FINANCIAL AND TECHNICAL ASSISTANCE

This report has been drawn up by the Commission in collaboration with the European Investment Bank pursuant to Article 193(7) of the third Lomé Convention. The Convention calls for this report to "facilitate the work" of the ACP-EEC Committee set up by Article 193. The Committee is called on to examine all matters connected with the implementation of financial and technical cooperation, to study any general or specific questions which may arise, to propose solutions and to help draw up guidelines for cooperation.

The Article 193 Committee held its first ministerial-level meeting on 14 May 1987, following two earlier meetings of authorized representatives (pursuant to Article 193(3) of the Convention) held in December 1986 and May 1987. The Ministers adopted the Committee's work programme and a resolution on the basic principles derived from evaluation studies in the irrigation, health and water supply sectors. They also carried out an initial examination of the General Conditions for contracts financed from EDF resources. Since the Brussels meeting, the Committee has concentrated on the technical examination of the General Conditions.

This report on the administration of financial and technical cooperation covers 1986 and 1987. It is a follow-up to the report on ten years of cooperation (1976-85) which the ACP-EEC Council, meeting in Luxembourg in June 1985, asked the Commission to draw up; that report took stock of cooperation under the arrangements set up by the first and second Lomé Conventions.

The year 1983 marks a transition in the history of ACP-EEC cooperation. The entry into force of the third Lomé Convention on 1 May 1986 was followed by the first financing decisions and the virtual completion of the programming exercise. Implementation of financial and technical cooperation under Lomé II has also continued (with a record level of commitments and disbursements) and, on a smaller scale, under Lomé I as well.

In accordance with the provisions in force, the outstanding balances of the European Development Fund are used up under the conditions provided for in the Conventions.

In 1988 EDF commitments under Lomé totalled 890 million ECU and disbursements totalled 835 million ECU.

This report contains a detailed analysis of these financial flows under the second and third Lomé Conventions, and in particular under the fifth and sixth EDFs. However, the figure given above includes some 86 million ECU of commitments under the fourth EDF (Lomé I). Most of this (78 million ECU) concerns funding under the Rehabilitation and Revival Plan for the countries most affected by the drought, decided on in November 1985 and implemented from the beginning of 1986. The Plan comprises a Community contribution of 100 million ECU from EDF resources.<sup>1</sup> This contribution is exclusively in the form of grants and is in addition to the sums allocated to national programmes and regional cooperation. The following ACP States have benefited under the commitments: Chad (11 million ECU), Ethiopia (34.5 million ECU), Mali (8.3 million ECU), Mauritania (7.9 million ECU), Niger (10.8 million ECU) and Sudan (14.8 million ECU).

The operations financed in these countries are aimed at dealing with urgent problems arising from the drought and famine. Their aim is thus quite different from that of the longer-term operations programmed under Lomé III.

Disbursements under the Rehabilitation and Revival Plan accounted for 29 million ECU out of the total in 1986 under the fourth EDF of 103 million ECU, which shows that this really is quick-disbursing aid.

After the year of transition in 1986, 1987 was marked above all by the entry of the third Lomé Convention into its fully operational phase.

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<sup>1</sup> Made up for the most part of unused amounts from Lomé I and Lomé II (interest rate subsidies on EIB loans and interest accrued on EDF funds).

In all, some 2 249 million ECU was committed in 1987 under the fifth and sixth EDFs,<sup>1</sup> broken down as follows:

293 million ECU under the fifth EDF (Lomé II)  
1 953 million ECU under the sixth EDF (Lomé III)

Financing under the sixth EDF during the second year of application of the third Lomé Convention accounted for more than a quarter (23.4%) of the total funds available (7 400 million ECU). This is higher than the corresponding percentage for the second year (1982) of the fifth EDF (20.6% of a total of 4 700 million ECU). The results expressed in absolute terms are even more significant: the volume of financing doubled between the second year of Lomé II (1982: 976 million ECU) and the corresponding year of Lomé III (1987: 1 953 million ECU).

Financing under the fifth EDF continued throughout the year and reached 293 million ECU, compared with 483 million ECU in 1986, which shows that we have reached the final stage of commitments under this EDF. By 31 December 1987, the end of the seventh year of the fifth EDF, the level of financing had reached 4 400 million ECU or 93.6% of the total of 4 700 million ECU. Financing under the fourth EDF had reached 93% at the end of the sixth year (1981).<sup>2</sup>

Financing decisions are followed by "secondary" commitments in the form of contracts or estimates. This stage marks the start of the practical implementation of projects and programmes. Secondary commitments in 1987 totalled 870 million ECU, broken down as follows:

41 million ECU under the fourth EDF (Lomé I)  
338 million ECU under the fifth EDF (Lomé II)  
491 million ECU under the sixth EDF (Lomé III).

Thus, although no financing decisions were taken under the fourth EDF in 1987, the contracts awarded pursuant to earlier decisions were still quite substantial in terms of absolute value (41 million ECU), even if they accounted for only a small percentage (4.7%).

Secondary commitments under the fifth EDF in 1987 (338 million ECU) exceeded primary commitments (293 million ECU). This shows that although the fifth EDF is almost exhausted implementation is still in full swing.

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1 Cancellations of fourth EDF commitments released a further 136 600 ECU.

2 See "Ten years of Lomé", p. 19.

At the end of 1987 total secondary commitments accounted for 77% of the funds available under the fifth EDF.

The opposite is true of the sixth EDF. Secondary commitments (494 million ECU) accounted for a quarter of primary commitments (1 953 million ECU). This is mainly due to the large scale of financing for development programmes, which is characteristic of the new financial and technical cooperation policy introduced by the third Lomé Convention. In some cases these programmes are approved by a single financing decision involving an amount of up to 100 million ECU, covering a number of aspects which are closely linked but which have to be implemented in stages over a fairly long time scale.

Disbursements made in 1987 from EDF resources totalled 829 million ECU, broken down as follows:

67.1 million ECU under the fourth EDF (Lomé I)  
409.4 million ECU under the fifth EDF (Lomé II)  
352.5 million ECU under the sixth EDF (Lomé III).

In 1986 and 1987 disbursements by the European Investment Bank totalled 313 million ECU (17.2 million ECU under Lomé I, 260.3 million ECU under Lomé II and 35.5 million ECU under Lomé III). Of that sum 216.4 million ECU was from the Bank's own resources and 96.6 million ECU was risk capital (EDF resources).

The Community is particularly committed to helping the sub-Saharan African countries. Following the Venice Western Summit (June 1987), the Commission proposed to the Council of the European Communities the implementation of a 100 million ECU Special Programme to aid the most highly indebted low-income countries in the region which were making significant adjustment efforts. The Council approved the programme in November 1987.

The 100 million ECU allocated to the programme is earmarked for grants to finance sectoral or general import programmes. These funds are in addition to Lomé III resources (40 million ECU is from the outstanding balances of previous Conventions and 60 million ECU from servicing of special loans and risk capital).

With the agreement of the countries concerned the Commission also intends to accelerate the quick-disbursing operations provided for under existing indicative programmes. This should provide at least 200 million ECU for sectoral import programmes (Article 188 of the Lomé Convention).

Allocation of part (some 200 million ECU) of the as yet unallocated Lomé III programmable resources to the countries covered by the Special Programme enables the total package to be increased to 800 million ECU.

The ACP States have not escaped the curse of AIDS. The Commission has given its agreement to participate significantly in national and international efforts to combat this disease by approving in July 1987 a programme of 35 Million ECU out of EDF resources (Lomé II) for the fight against AIDS in ACP States. This action forms part of the "Special AIDS Programme" of the World Health Organisation (WHO). The purpose of the Commission's financing is to supply technical, financial and scientific aid to countries which are carrying out national programmes to combat AIDS and to develop coordination of bilateral assistance at Community level.

Title I Accomplishing the objectives of financial and technical cooperation

Chapter I PROGRAMMING

National programming

The two years under review were marked by the completion of the programming exercise. The last indicative programme (Equatorial Guinea) was signed in May 1987.

The Lomé Convention introduced a new approach, which has been successfully applied to the aid programming exercise and is based on support for sectoral policies, policy dialogue and the concentration of aid on focal sectors. These principles, which underlie the new approach to cooperation, and their translation into indicative programmes, have yielded a number of important lessons:

First, the sectoral strategies which each State has asked the Community to support have been remarkably coherent.

The adoption or continuation of the reforms and adjustment measures undertaken by a growing number of ACP States is of major importance and is a decisive step towards solving their underlying development problems.

Second, in accordance with the guidelines laid down in the Convention itself, most of the States concerned have chosen to focus Community support on a sectoral strategy of rural development aimed at increasing self-sufficiency or food security (70-80% of available resources).

As regards the means to be used, the stress has been placed on upstream and downstream incentives aimed at increasing the production and improving the marketing of products (price policies, land reform, improved agricultural techniques, etc.).



The theme of rural development has been adopted by almost all the African ACP States, by half of the Pacific ACP States (4 out of 8) and by 6 of the 15 Caribbean ACP States.

This sectoral concentration has been accompanied in a number of countries by geographical concentration on one or two selected regions. All the States concerned decided to place the stress on greater food production, diversification or the promotion of cash crops.

In almost half of the national programmes rural development includes livestock farming. Fisheries have been included in 27 indicative programmes because of their importance for food production.

In all the national programmes a social aspect is associated with rural development, thus placing the local population at the centre of the development process.

Environmental protection and the rational use of natural resources are associated with the rural development objective in 41 countries. Desertification control has naturally received particular attention in countries in the Sahel area.

In 16 ACP States the provision of economic infrastructure was considered essential for rural development. This concerns in particular the road network, telecommunications, water supply and electricity.

A number of specific operations have also been programmed outside the focal sector of the indicative programme. They cover health, trade, tourism, craft industries, new and renewable sources of energy, industry, mining and SME (small and medium-sized enterprises).

In accordance with the provisions of Lomé III, and in particular Article 187(11), special treatment was accorded to the least-developed, land-locked and island countries when the volume of financial resources (indicative programmes) was determined under the sixth EDF. The least-developed, land-locked and island countries received an average of 14.3 ECU per capita, as against 5.3 ECU for the other ACP States.

The indicative programmes of the least-developed, land-locked and island countries contain 83.2% in grants.

Moreover, the programmes concluded with these countries are deliberately designed to contain a minimum amount of risk capital, giving them priority access to the Community's most highly concessional funding.

These measures are currently being evaluated by a group of ACP and EEC experts - their study covers the whole period covered by the three Lomé Conventions up to the end of 1987.

#### Regional cooperation

The third Lomé Convention contains important innovations in the field of regional cooperation. The programming of regional resources was one of the main tasks tackled in 1986 and the first half of 1987.

From June 1985, the Commission notified the ACP States of the amount of resources available for regional programming in each of the seven subregions (West Africa, Central Africa, East Africa, Southern Africa, Caribbean, Pacific, Indian Ocean).

During the programming missions the priorities expressed individually by each ACP State were recorded in an annex to their indicative programmes.

The results of Lomé I and II regional programming had shown that regional operations had not been very systematic and had sometimes resulted in too wide a scattering of funding, so the Commission opted for more structured programming and the focusing of resources on major priority themes of a truly regional nature concerning where possible an entire region (such as desertification control). Where possible this programming had to be based on collective dialogue among the ACP States themselves and between them and the Community, using regional organizations as a forum where this was possible and warranted.

Programming concerns mainly the sectoral breakdown of regional cooperation and avoids drawing up an exhaustive list of projects - individual operations are identified and appraised case by case.

Starting from the objective of collective dialogue, two formulae were used:

- (i) dialogue with a regional organization - the existence of such an organization, which must be representative and mandated by the ACP States, can clearly make it easier to reach consensus (this formula was used with the SADC in Southern Africa);
- (ii) dialogue with a group of States at a special regional programming meeting (this flexible solution, where no regional organization plays a leading role, was used in West and Central Africa).

The results of regional programming can be summarized as follows:

REGION	ACP PARTNER	AMOUNT (million ECU)	SECTORAL PRIORITIES	
Southern Africa	SADCC (Southern Africa Development Coordination Conference)	110	Transport and communications	40%
			Food security and agriculture	30%
			Human resources in the above two sectors	15%
			Operations outside the priority sectors	15%
Pacific	SPEC (South Pacific Bureau for Economic Cooperation)	34	Natural resources (rural development, marine resources, energy)	
			Transport and communications (percentage breakdown between these two sectors not fixed in advance)	
Caribbean	CARISEC (Caribbean Community Secretariat) OECS (Organization of Eastern Caribbean states) Governments of Dominica and St Vincent	72	Tourism and trade	35%
			Transport and communications	30%
			Agriculture and fisheries	20%
			Human resources	15%
Indian Ocean	IOC (Indian Ocean Commission)	26	Marine resources	
			Inter-island cooperation	
			Economic development	
			Research and training (percentage breakdown between these sectors not fixed in advance)	

REGION	ACP PARTNER	AMOUNT (million ECU)	SECTORAL PRIORITIES
West Africa	1. National Authorizing Officers of Sahel countries	210	Desertification control Road transport
	2. National Authorizing Officers of coastal countries		Protection of national heritage Road transport Specific operations: fisheries, health, air safety, training, research (percentage breakdown between sectors not fixed in advance)
East Africa	States of the region	185	Transport corridors Desertification control Selective operations: rural development, energy, trade, education, training (percentage breakdown between sectors not fixed in advance)
Central Africa	National Authorizing Officers	80	Rural development, forestry and fisheries resources Transport and communications

In addition to operations in specific regions there have already been a number of major operations of benefit to all ACP countries, involving in particular the Centre for the Development of Industry (CDI), the Technical Centre for Agricultural and Rural Cooperation (TCARC), the ACP Secretariat General, the Joint Assembly and the ACP-EEC Courier.

Chapter II      COMMITMENT SITUATION

During 1986 and 1987 (the first 20 months of the third Lomé Convention) some 2 283 million ECU was committed from the sixth EDF, accounting for 30% of total available resources, which breaks down as follows:

	million ECU
Grants	4 860
Special loans	600
Risk capital	600
Staber	925
Symmin	<u>418</u>
	7 400

This overall amount is divided between programmed and non-programmed aid. According to Article 216 of the Convention, programmable assistance comprises on the one hand grants (excluding the amounts reserved for emergency aid, interest rate subsidies and regional cooperation) and also special loans and, "where possible", risk capital.

In spite of this provision, which would appear to exclude the amounts allocated to regional programming (1 000 million ECU) from programmable assistance, regional aid is also programmed.

I. Programmed aid

Commitments made for projects and programmes from aid administered by the Commission totalled 1 835 million ECU in 1986 and 1987. Programmable aid administered by the Commission includes grants and special loans on particularly favourable terms - duration of 40 years, ten-year grace period, rate of interest of 1%, reduced to 0.5% for LLDCs.

Most of the commitments of aid administered by the Commission occurred during 1987 (1 425 million ECU).

Funding for national indicative programmes accounted for 90 million ECU of the 110 million ECU committed in 1986. This concerned mainly projects funded by grants (68.6 million ECU) or special loans (19.8 million ECU).

Thus 1986 saw a concentration on funding individual projects, although the theme of rural development is involved directly or indirectly in most operations.

Projects and programmes in 25 ACP States received funding. The main recipients (those receiving at least 4 million ECU) were Malawi (30.9 million ECU), Lesotho (13.2 million ECU), Madagascar (8.4 million ECU), Jamaica (7.3 million ECU), Zimbabwe (4.4 million ECU) and Sao Tomé and Príncipe (4 million ECU).

Apart from Malawi and Lesotho, where about 30% of the national indicative programmes was committed, commitments in 1986 accounted for only a small proportion of national indicative programmes, and in most countries there were no commitments at all.

Regional cooperation financing committed in 1986 concerned all ACP States and not one particular region. Regional programming commitments from the sixth EDF totalled 20.6 million ECU in 1986. The largest commitments were 7 million ECU for the 1986 budget of the Centre for the Development of Industry (CDI) and 5 million ECU for the 1986-87 budget of the Technical Centre for Agricultural and Rural Cooperation (TCARC).

In contrast to the previous year 1987 saw the sixth EDF fully operational, with financing for programmed aid reaching 1 425 million ECU. Grants (1 200 million ECU) still represent the bulk of this financing (84%).

Commitments for national indicative programmes rose to 1 279 million ECU in 1987, or 34.5% of total programmable aid for these programmes (grants and special loans) administered by the Commission (3 703 million ECU). Total financing since the entry into force of the Convention amounted to 1 369 million ECU or 37% of the indicative programmes.



This result, achieved less than 2 years after the entry into force of the third Lomé Convention, is far higher than the result achieved in the first 2 years of Lomé II both in terms of absolute value and as a percentage (32% of indicative programmes). This clearly shows that the new approach to programming has been transposed into reality. This satisfactory rate of implementation of the indicative programmes was achieved thanks to three complementary factors:

- (i) implementation of those cooperation instruments contained in the Convention which are best suited to the reform and structural adjustment efforts being undertaken by a number of ACP States. This has required the formulation not of isolated projects but of programmes involving substantial financial resources and comprising a network of coherent components linked together over a period of time and aimed towards the same objective. These programmes reach the "critical mass" needed to provide essential support to the economic policy reforms which the ACP States have decided to implement. This process also involved the "sectoral import programmes" (Article 188 of Lomé III) - a form of quick-disbursing aid - which provide a flow of foreign currency to remedy a shortage of imported inputs and combine with the reforms they are intended to support to constitute a particularly appropriate instrument for bringing about a revival of the development process in a number of ACP States;
- (ii) constant efforts to ensure that the measures which each government has undertaken to implement are linked coherently with the support provided by the Community, with particular emphasis being laid on those sectoral policy measures which are considered essential;
- (iii) permanent dialogue arrangements set up in each ACP State between the Commission delegations and the various national authorities involved in the implementation of Community aid. This process enables Community assistance to be coordinated with the sectoral policy measures which are the responsibility of the government. Coordination with other aid donors was also continued and intensified.

Thus 1987 can be considered the start of the period of large-scale financing, whether for sectoral programmes proper or for specific sectoral import programmes.<sup>1</sup>

These two types of assistance are of different kinds but they do have at least one point in common: the amount of finance involved is often very large. The financing of all kinds of projects of every shape and size has continued in parallel. Besides the new projects numerous operations were mounted in 1987 to rehabilitate and repair earlier projects, particularly in the roads sector.

The figure of 37% of financing of indicative programmes for all ACP States is naturally an average which covers a fairly wide range of situations. Such disparities are not surprising when the financing decision for one programme can absorb a very substantial share of a particular country's indicative programme in one go. This is the case for Tanzania, where the financing of a major agricultural support programme (94 million ECU) accounted for more than half of its indicative programme. This particular programme comprises six closely interrelated areas of assistance: food security, coffee production and marketing, cooperatives, vehicle and tractor repair, access road maintenance and programme management.

Senegal provides an even more striking example. The whole of the indicative programme (97 million ECU) has been committed to the financing of the development support programme for the Podor region. This programme is intended to help Senegal to attain a higher level of food security and to intensify the fight against desertification. It consists of complementary operations aimed at developing intensive, integrated agriculture, restoring the natural environment, mobilizing the potential for setting up businesses, providing various kinds of infrastructure, particularly roads and urban facilities, and supporting the institutions responsible for implementing the programme.

The sectoral import programmes can also involve large sums of money. A 40 million ECU sectoral import programme in Mozambique is aimed at reducing the severe shortage of foreign currency afflicting the country and hindering the development of agricultural production, particularly by small farmers.

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1 Articles 187 and 188 of the Convention.

The financing of such programmes largely explains the differences from one country to another in the level of commitments under the indicative programmes. If 100% of the available funds was committed in 1987 in at least one case, and the average was far exceeded in a good number of others, there must necessarily be other cases where the outcome is below the average. In just about twenty countries the rate of commitment was rather low (under 10%).

Such disparities exist between the three regions forming the ACP group (Africa, the Caribbean and the Pacific) as well as within those regions. The overall commitment rates for the indicative programme funds administered by the Commission were as follows on 31 December 1987:

Sahel:	37.9%	East Africa	49.6%
Coastal West Africa	31.2%	Southern Africa	49.1%
Central Africa	46.5%	Caribbean	21.7%
Horn of Africa	14.3%	Indian Ocean and Pacific	29.5%

Article 112 of the third Lomé Convention reserves 1 000 million ECU of the overall financial package for regional cooperation. Under regional programming 717 million ECU was committed to various regions in the ACP group. The Convention allocates 60 million ECU to regional trade promotion. The balance (223 million ECU) is reserved for operations of benefit to the whole ACP group (such as financing for the Centre for the Development of Industry and the Technical Centre for Agricultural and Rural Cooperation).

Regional cooperation financing from resources administered by the Commission (grants and special loans) totalled 145.7 million ECU in 1987, bringing total commitments under this heading to 165.6 million ECU since the entry into force of the Convention. This includes the 42.2 million ECU committed to the ACP group as a whole and to regional trade promotion (Article 100 of the Convention). Thus total funding for programmed regional assistance reached 124 million ECU or 17.3% of the 717 million ECU available for the various regions. The rate of commitment was thus lower for regional cooperation than for the national indicative programmes. This is hardly surprising in view of the fact that regional programming was not completed until 1987 and given the collective nature (Article 101 of the Convention) of this form of cooperation.

The situation is as follows (in '000 ECU):

Region	Programme	Commitments at 31.12.1987 (Commission-administered funds)
West Africa	210 000	9 648
Central Africa	80 000	557
East Africa	185 000	60 500
Southern Africa	110 000	52 983
Indian Ocean	28 000	-
Caribbean	72 000	188
Pacific	<u>34 000</u>	<u>187</u>
	717 000	124 033

## II. Non-programmed aid

### 1. Stabex

In 1986 Stabex was the largest source of financial transfers from the sixth EDF to the ACP States.

The requests which the Commission examined in 1986 related to the 1985 application year, the first application year covered by the third ACP-EEC Convention. The total amount transferred for that year was 149.4 million ECU. Since 185 million ECU is available each year under the Convention those requests which were justified could be met in full.

Appraisal of requests from ACP States in 1986 showed that 25 requests for transfers from 16 countries were justified. The bulk of the transfers (125.3 million ECU or 83.9%) went to 6 countries. Five products accounted for four fifths of the transfers.

The situation for 1988 (1988 application year) was as follows:

Country		Product	
	(million ECU)		
Sudan	42.6	Groundnut products	40.9%
Ethiopia	28.1	Coffee	14.1%
Senegal	27.6	Oil cake	9.2%
Togo	9.3	Beans	8.6%
Mozambique	8.9	Cocoa	7.3%
Tanzania	8.9		80.1%
	<u>128.4</u>		

The Commission has also examined the reports sent to it by the ACP States on the utilization of transfers for the 1983 and 1984 application years.

Both for 1983 and 1984 it was found that only one third of the reports required by Article 41(3) of the second Convention have been sent to the Commission. A considerable number of ACP States appeared not to have perceived the link between the drawing-up on time of such reports and the credibility of the system. This situation is likely to improve for transfers made under the third Convention, Article 171 of which provides for sanctions in cases of failure to comply with this requirement.

In the vast majority of cases for which the Commission has received reports the use to which the transfers were put was in line with the objectives of the system as set out in the Convention. The resources were allocated either to agricultural projects aimed at increasing, restoring or diversifying production potential and food self-sufficiency or to price support measures to help producers.

The requests for transfers examined by the Commission in 1987 related to the 1986 application year, the second year covered by the third Lomé Convention. The 43 transfers made totalled 279.2 million ECU.

This far exceeds the amount available under Stabex each year (185 million ECU); however, with the surplus brought forward from the 1985 application year and the replenishments made in 1987, the overall financial resources of the system amounted to 293.4 million ECU<sup>1</sup> and it was possible to cover in full all justified requests for transfers.

A geographical breakdown shows that nine ACP States received 83.3% of the total transfers made to 27 countries. Very substantial transfers went to the Pacific States, mainly in response to the exceptional fall in their earnings from exports of oilseed products.

Five products again accounted for the bulk (86.8%) of transfers, but with the exception of groundnuts these were not the same products as in 1983.

Country	(million ECU)	Product	
Senegal	54.6	Groundnut products	26.0%
Papua New Guinea	46.4	Coconut products/copra	20.1%
Côte d'Ivoire	44.9	Wood	16.1%
Solomon Islands	19.0	Cotton	15.1%
Sudan	17.6	Palm products	11.5%
Mali	14.2		83.8%
Chad	12.8		
Vanuatu	11.4		
Mozambique	11.2		
	232		

## 2. Syria

There were no Syria transfers in 1986 under Lomé III. However, the Commission did decide that a request presented by Niger for Syria assistance to compensate for the fall in export earnings in the mining sector, more than 80% of which come from uranium, was admissible.

1 This amount breaks down as follows:

	(million ECU)
Carry-over from 1985 application year	61.3
Annual appropriation	185.0
Replenishment of Lomé II transfers received in 1987	40.7
Interest on Stabex funds in 1986	6.4
	293.4

The operations to be financed to strengthen and diversify Niger's economy still have to be defined.

In 1987 the Commission declared that a request from Mauritania concerning iron ore, which accounts for more than 10% of Mauritania's export earnings, was admissible. Almost all of Mauritania's iron ore exports go to the Community iron and steel industry.

### 5. Emergency aid and aid to refugees and returnees

The concept of emergency aid in the event of natural disasters (or comparable circumstances) was supplemented by an innovation in the third Lomé Convention providing for the financing of operations to integrate and rehabilitate refugees and returnees. Thus the concept of man-made disasters has been added to that of natural disasters.

Article 205 of the Convention reserves an appropriation of 290 million ECU (not included in the indicative programmes) for such operations: 210 million ECU for emergency aid and 80 million ECU for refugees and returnees. Funds can be transferred from one heading to the other if one is exhausted before the end of the Convention.

Fifteen financing decisions were taken during 1983 for emergency aid under the third Lomé Convention to help 18 ACP States (one decision can cover several States and one State can benefit under several decisions). A total of 6.6 million ECU was involved (plus a reserve of 650 000 ECU committed for all African States). The main situations giving rise to emergency aid ranged from the drought in Ethiopia and the invasion of locusts in the Sahel and West Africa (Burkina Faso, Chad, Mali, Mauritania, Senegal, Niger, Gambia, Guinea-Bissau and Botswana) to cyclones and torrential rain (Solomon Islands, Jamaica and Saint Vincent). The various operations were mounted by the governments, specialized agencies (FAO, Red Cross, non-governmental organizations) and the Commission.

Assistance to refugees under Article 204 of the Convention totalled nearly 2 million ECU in 1983, and concerned a campaign to wipe out tuberculosis among Ethiopian and Somali refugees in Djibouti and help for refugees returning from Sudan to Chad and Uganda.

Emergency aid in 1987 totalled 25 million ECU and went to 33 ACP States. A substantial part of this aid went to help the victims of the drought and civil war in Mozambique (8.68 million ECU) and the drought in Ethiopia (8 million ECU). Ethiopia received a further 8 million ECU under Article 950 of the Community budget. In all, assistance to the victims of drought and internal conflicts accounted for 65% of emergency aid. In 1987 the Commission granted 3.8 million ECU (14% of the total) to help ACP States with locust control.

More than 9 million ECU was allocated to assist refugees and returnees. Five operations provided help for people who have recently returned to Chad, Niger, Uganda or Mozambique. Two further operations in Benin and Zambia are to help resettle returnees in better conditions. Another seven operations provided various forms of assistance to refugees in Somalia, Sudan, Swaziland and Botswana. It is already clear that the possibilities offered by Article 204 of Lomé III provide an appropriate response to the need for reception facilities for refugees and returnees not covered by traditional emergency aid.

### Chapter III DISBURSEMENTS

Disbursements made in 1986 and 1987 from the sixth EDF to ACP States totalled 469.2 million ECU (116.7 million ECU<sup>1</sup> in 1986 and 352.8 million ECU in 1987). This represents 20.7% of the total amount for which financing decisions had been taken since the entry into force of the third Lomé Convention (2 268 million ECU).

An alternative approach would be to compare disbursements with secondary commitments, i.e. with practical operations actually carried out (in particular contracts under way). Secondary commitments totalled 669.5 million ECU in 1986-87, and total disbursements (469.2 million ECU) represent 70% of that amount. Thus the main delays in implementing financial and technical cooperation occur between the financing decision (primary commitment) and the secondary commitment.

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<sup>1</sup> Including 105.8 million ECU under Stabex. A number of transfers approved in 1986 were paid in 1987.



These delays are inherent in the nature of certain development programmes and projects, particularly in the rural sector where implementation needs to be spread over a number of years.

A third approach would be to break down disbursements between aid under indicative programmes and non-programmable aid. The bulk of disbursements in 1986-87 concerned the second type of aid, in particular Stabex and emergency aid, both of which are quick-disbursing forms of aid (decision, secondary commitment and disbursement follow each other in quick succession). Disbursements for non-programmable aid totalled 402.1 million ECU or 85.6% of the total in 1986-87 (469.2 million ECU).

Total disbursements represented 6.3% of total appropriations under the sixth EDF (7 400 million ECU). The total by the end of the second year of the Convention far exceeded in terms of absolute value the total for the equivalent period of the fifth EDF. However, disbursements were quite noticeably lower in percentage terms (10.9% at the end of the second year of the fifth EDF).

#### Chapter IV      EUROPEAN INVESTMENT BANK

In the period 1986-87 the EIB was confronted with a continuing difficult economic situation in most ACP countries - particularly as regards the balance of payments and external debt - which resulted in the continuation of adjustment programmes restricting public expenditure and the granting of bank credit and, as a result, restricting investment.

In spite of the continuation of this unfavourable situation and the difficulties inherent in starting to implement the new Convention in 1986, financing by the Bank over the last two years reached 550.4 million ECU,<sup>1</sup> including 304.8 million ECU of loans from the Bank's own resources with interest rate subsidies and 245.9 million ECU of assistance in the form of risk capital; this represents 34% of the amounts provided for in the Convention. In 1987 financing increased by 63% by comparison with the previous year, owing in particular to an expansion of risk capital operations, which more than tripled compared with 1986 to reach 187 million ECU, while assistance from the Bank's own resources stayed at approximately the same level.

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1 Including 8.6 million ECU under the second Lomé Convention.

Sectoral breakdown of commitments by the European Investment Bank  
(see Tables 1 and 2)

In 1986-87 some 59% of assistance (326.9 million ECU) concerned industrial investment, 23% went to the energy sector (125.7 million ECU) and 18% to infrastructure (97.7 million ECU). In 1987 there was a considerable upswing in Bank assistance to industrial small and medium-sized enterprises: global loans to national development banks and contributions to increases in the capital of such banks totalled 103 million ECU, compared with 27.5 million ECU in 1986, and alone accounted for 54% of financing in the industrial sector.

This increase reflects the Bank's wish to support the policy followed in a very large number of ACP States aimed at strengthening the industrial fabric by supporting small businesses. The other main areas in the industrial sector which received assistance in 1986-87 were mining (82.4 million ECU or 25.2% of financing) and textiles (43.4 million ECU or 13.3%). In the energy sector, the transmission and distribution of electricity continue to receive substantial sums (52.3 million ECU in 1986-87 or 41.6% of financing in this sector); whereas in 1986 financing for electricity generation was concentrated on the construction and rehabilitation of hydro-electric power stations, in 1987 it focused on conventional power stations. Water supply and distribution and telecommunications continue to receive the bulk of financing in the infrastructure sector (43.6 million ECU and 43 million ECU respectively, or 88% of financing in this sector).

Sectoral breakdown of Bank financing 1986-87

	Total	Own resources	Risk capital	Energy	Infrastructure	Industry	Global loans
Africa	478.8	245.6	233.2	90.8	84.0	199.2	104.8
Caribbean	48.5	38.4	10.1	17.9	13.8	0.9	15.9
Pacific	23.1	20.5	2.6	17.0	-	4.9	1.2
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ACP Total	550.4	304.5	245.3	125.7	97.8	205.0	121.9

## Geographical breakdown

### 1. Africa

In 1986 and 1987 the Bank assisted 31 African States with a total of 478.8 million ECU (164.4 million ECU in 1986 and 314.4 million ECU in 1987), including 233.2 million ECU of risk capital. The major operations in 1986 concerned 60 million ECU granted to Zaire for the rehabilitation of copper and cobalt mines; 24.2 million ECU to Côte d'Ivoire for improvements to the telecommunications network, a cotton ginning factory and a cardboard box factory; 18.5 million ECU to Mauritius for a cloth factory working in cooperation with a Malagasy firm and a global loan to the development bank; 17 million ECU to Ghana for improvements to and modernization of the electricity grid; 13.8 million ECU to Senegal for industrial projects (restructuring of a phosphates processing complex and financing of small and medium-sized enterprises in the tourism and fisheries sectors); and 10 million ECU to Congo to help repair the water supply system at Pointe-Noire.

The major operations in 1987 concerned 32.5 million ECU granted to Kenya, covering a global loan, the modernization and extension of tea processing factories and development of Mombasa port; 32 million ECU to Zimbabwe for a water supply project, the construction of abattoirs and a global loan to the development bank; a global loan of 30 million ECU to Nigeria to finance industrial small and medium-sized enterprises; 21 million ECU to Ethiopia to open up a gold mine following a study financed by the Bank in 1986; 16.9 million ECU to Côte d'Ivoire for the replacement of three cotton ginning factories and the modernization of a textiles mill; 16 million ECU to Botswana in the form of a global loan and assistance for the construction of an industrial abattoir; 15.2 million ECU to Madagascar for the repair of conventional power stations; 15 million ECU to Mauritania for the rehabilitation of the electricity supply grid and the modernization of an iron ore concentration plant; 14.3 million ECU to Niger for the construction of a high-tension line; 13 million ECU to Somalia for a conventional power station; 12 million ECU to Senegal for developing the national telecommunications network; 10.2 million ECU to Zambia in the form of a global loan for industrial small and medium-sized enterprises.

### 2. Caribbean

The Bank's loans totalled 48.8 million ECU (23.5 million ECU in 1986 and 25 million ECU in 1987), including 10.1 million ECU in risk capital, and went to seven countries. Loans in 1986 concerned projects for small and medium-sized enterprises in Jamaica (10 million ECU), repairs to the water supply and sewerage network on an island in the Bahamas (8.8 million ECU) and electrical installations in Saint Lucia (6 million ECU).

In 1987, 9.1 million ECU was granted to the Bahamas for the construction and extension of diesel-fired power stations; 5.3 million ECU to Jamaica for improvements to the port at Montego Bay; 3.6 million ECU to Dominica and Belize for the construction of a hydro-electric power station and in the form of a global loan respectively; and global loans of 1.9 million ECU to Grenada and 1.8 million ECU to Saint Christopher and Nevis.

### 3. Pacific

In the Pacific the Bank granted 23.1 million ECU: 21.5 million ECU in 1986, including 17 million ECU to Papua New Guinea to finance a dam and extend a power station and 4.5 million ECU to Fiji for the construction of sawmills at Vanua Levu and Viti Levu, and 1.6 million ECU in 1987, including 1.5 million ECU to Tonga for a global loan to the development bank and 90 000 ECU to the Solomon Islands to finance a feasibility study concerning the possibilities for oil storage.

#### Impact of the projects financed

The total cost of the projects to which the Bank has contributed, on the basis of provisional estimates, is about 2 400 million ECU. On the basis of the appraisal files, the direct impact of the projects financed on employment can be estimated at about 6 000 jobs.

Breakdown of financing by level of development of the ACP States concerned

The breakdown of financing by level of development shows that more than half of loans from the Bank's own resources were granted to ACP States where *per capita* income is higher than USD 400, and about two thirds of risk capital went to projects in the least developed ACP countries.

Title II      Continued implementation of financial and technical  
cooperation (Lomé II)

Chapter I      Commitments

During 1986 and 1987, the sixth and seventh years of the fifth EDF, financing totalled 764.5 million ECU (483.7 million ECU in 1986 and 277.8 million ECU in 1987). This represents 16% of the total appropriation, which breaks down as follows:

	(million ECU)
Grants	2 999
Special loans	525
Risk capital	284
Stabex	634
Sysmin	282
	<hr/>
	4 724

By 31 December 1987 total financing under the fifth EDF since the entry into force of Lomé II had reached 4 400 million ECU or 93.6% of the funds available.

Those funds are divided into programmed and non-programmed aid.

I. Programmed aid

Programmed aid (grants and special loans) for ACP national programmes totalled 2 515.9 million ECU. Regional cooperation was allocated 631.5 million ECU (including risk capital and the Bank's own resources). Total programmed aid was therefore 3 147.4 million ECU.

	(million ECU)
National indicative programmes	2 515.9
Regional projects	631.5
	<hr/>
	3 147.4

By 31 December 1987 commitments for all projects and programmes had reached 2 907.7 million ECU or 92.4% of all national and regional indicative programmes (3.147.4 million ECU).

Commitments under national programmes reached 2 331.7 million ECU or 92.7% of those programmes (2 518.9 million ECU). The annual rate of commitment was as follows:

	Annual rate	%	Cumulative rate
1981	11.9		11.9
1982	21.1		33
1983	15.9		48.9
1984	16.4		65.3
1985	11.3		76.6
1986	10.6		87.2
1987	5.8		93

Commitments under regional programmes totalled 576.5 million ECU or 91.3% of available appropriations (631.5 million ECU).

## II. Non-programmed aid

### 1. Stabex

The outstanding Stabex balances from the second Lomé Convention were allocated in 1986. Since 1984 was the last year of application covered by Lomé II, it was possible, once the transfers relating to 1984 had been paid, to determine the outstanding balance: 127 180 016 ECU.

The ACP-EEC Council of Ministers decided on 18 April 1986 (Decision 5/86) to use this money to pay part of the transfers relating to 1980 and 1981 which had not been paid on account of a shortage of available resources. The outstanding balance was divided up in the same way as the transfers made for 1980 and 1981 and more favourable treatment was accorded to the least developed ACP States. Payment of the transfers pursuant to the Council's decision continued into early 1987.



The amounts concerned were as follows:

ACP State	Amount (million ECU)
Benin	0.50
Burundi	2.20
Cameroon	8.65
Central African Republic	1.01
Chad	0.51
Côte d'Ivoire	23.89
Dominica	0.50
Ethiopia	0.52
Fiji	0.47
Gambia	3.87
Ghana	16.36
Guinea-Bissau	0.25
Jamaica	1.03
Kenya	13.78
Madagascar	2.11
Malawi	0.27
Mali	0.75
Papua New Guinea	8.84
Rwanda	1.62
Saint Lucia	0.27
Samoa	1.42
Sao Tomé	0.53
Senegal	25.70
Sierra Leone	0.80
Solomon Islands	0.39
Somalia	0.79
Sudan	8.50
Tanzania	1.62
	<hr/>
	127.18

The allocation of the outstanding balance of Stabex funds under the second Lomé Convention ends the management of those funds.

## 2. Sysmin

In 1986 a request for Sysmin assistance presented by Liberia concerning the production of iron ore was declared admissible under Lomé II.

In 1987 the request was followed by a transfer of 49.3 million ECU to Liberia for the renovation of the iron ore industry.

Following the declaration at the end of 1985 that a second Sysmin request presented by Zaire was admissible, it was decided to grant 41 million ECU for a rehabilitation programme for Zaire's copper and cobalt industry to be cofinanced with the European Investment Bank, the World Bank, the African Development Bank and French bilateral aid.

### 3. Emergency aid

According to Article 137 of the second Lomé Convention emergency aid may be granted following natural disasters or extraordinary circumstances having comparable effects. In Lomé II - unlike Lomé III - there is no express reference to refugees and returnees.

Although the situation caused by the drought in Africa became less critical in 1986, it was still necessary to carry out emergency aid operations in the ACP States, and particularly in Africa. Eleven financing decisions were taken in 1986 granting a total of 24 million ECU in emergency aid under Lomé II to 9 ACP States. The bulk of this aid went to emergency operations in regions affected by the drought in Ethiopia and Sudan. Emergency aid operations are carried out by the authorities of the recipient countries, specialized international or non-governmental organizations or the Commission itself.

At the end of 1986 almost all the appropriations available for emergency aid had been allocated (196.6 million ECU out of a total of 202 million ECU).

### III. Funds managed by the European Investment Bank

The latest Bank commitments under the second Lomé Convention concern 4.45 million ECU of risk capital for two projects: the construction of a sawmill and a plywood factory in the North of Malawi (4 million ECU) and a feasibility study for the opening of a gold mine in Ethiopia (0.45 million ECU).

Chapter II      DISEURSEMENTS

Disbursements to ACP States in 1986 and 1987 from the fifth EDF totalled 1 017 million ECU (608 million ECU in 1986 and 409 million ECU in 1987). This brings total disbursements from the fifth EDF since the entry into force of the second Lomé Convention to 3 036 million ECU or 69% of total commitments (4 400 million ECU).

This sum also represents 64% of total funds available (4 724 million ECU). Thus the rate of disbursement in 1986 (12.9% of total appropriations in one year) was faster than in 1987 (8.6%). Annual disbursements from the fifth EDF are given in the table below:

	%	
	Annual rate	Cumulative rate
	-----	-----
1981	4.0	4.0
1982	6.9	10.9
1983	8.8	19.7
1984	10.6	30.3
1985	12.4	42.7
1986	12.9	55.6
1987	8.6	64.2

Both overall and in percentage terms the level reached at the end of the seventh year of the fifth EDF was slightly lower than that reached at the end of the corresponding period of the fourth EDF, when cumulative disbursements had reached 70.3% of total appropriations.

Disbursements to projects and programmes under the fifth EDF totalled 1 781.4 million ECU or 61.4% of commitments to those projects and programmes (2 900 million ECU).

Disbursements by the Bank in 1986 and 1987 under Lomé II totalled 260.3 million ECU (including 96.6 million ECU in risk capital from EDF resources).

Title III      Evaluation

The provisions on the evaluation of aid are contained in Article 118 of the second Lomé Convention (they are taken over almost word for word into Article 224 of the third Lomé Convention). Two types of evaluation of projects and programmes are provided for:

- (i) evaluation of operations being implemented;
- (ii) evaluation of completed operations.

In both cases the provisions in force stress that the evaluation exercise is a joint matter for the Community and the ACP States. Likewise, the measures needed to respond to the evaluation results must be taken by the responsible authorities on both sides as appropriate.

These principles were applied in numerous evaluations carried out in 1986. The ACP General Secretariat was associated with this work, particularly through missions in the field.

The three main types of evaluation were:

- (i) sectoral evaluations, which concerned energy, irrigation, fisheries and fishfarming and the training of statisticians in Africa; earlier evaluations concerning health, water supply, rural development, education and training were updated;
- (ii) evaluations of cooperation instruments, which covered microprojects financed under Lomé II and emergency aid;
- (iii) *ad hoc* evaluations, which covered specific projects in various countries (Seychelles, Mauritius, Zaire and Belize) and evaluations on more general matters but in less detail covering subjects such as Community aid to rural development in Cameroon, Senegal and Tanzania.

In 1986 the Lomé II Article 103 Committee (succeeded on 1 May 1986 by the Lomé III Article 193 Committee, which has similar functions) drew up the "basic principles" derived from earlier evaluations in a number of important fields: road infrastructure, livestock production, technical cooperation and trade promotion. These basic principles were adopted by the ACP-EEC Council at its session in Barbados on 24 and 25 April 1986. This approval from the highest political authority of the Convention imposes the duty on those responsible for drawing up and implementing projects to apply the guidelines and recommendations derived from the evaluations to future projects in the sectors concerned.

The practical application of the evaluation results is of fundamental importance. Both positive and negative experiences from the past must serve to make improvements in the future. To that end the Commission has widely circulated the basic principles drawn from completed evaluations among all concerned - Commission departments, delegations in the ACP States, national authorities and administrations, diplomatic representations, consultancy firms and experts. The basic principles have also been published on a regular basis in the "ACP-EEC Courier" and included in the instructions for drawing up financing proposals.

Work on the three types of evaluation (sectoral, instruments and *ad hoc*) continued in 1987. A number of basic principles were adopted by the Article 193 Committee at its first meeting, which was held on the occasion of the twelfth session of the ACP-EEC Council of Ministers, which took place in Brussels on 14 and 15 May 1987. These basic principles concerned:

- (1) public health (revision of an earlier version); and
- (11) water supply and irrigation (this is a new evaluation).

Four other basic principles were drawn up in 1987. They are due to be

examined by the Article 193 Committee at the next meeting of the ACP-EEC Council of Ministers. The sectors concerned are:

- (i) agro-industrial projects, the subject of a meeting of experts from the ACP States and the EEC held in Jamaica in June 1987; and
- (ii) rural development, agricultural development and education and training: the basic principles which had been adopted previously were revised in Brussels in September 1987.

The basic principles drawn up so far cover the most important economic sectors, in particular rural development. Current work has therefore moved on to cover other subjects such as emergency aid, inter-university cooperation, and certain aspects of food aid (triangular operations, counterpart funds, alternative operations).

Under the third Lomé Convention and in conjunction with the Commission's evaluation departments, in 1986 and 1987 the Bank carried out *ex-post* evaluations of a number of projects in the energy and agro-industrial sectors. These studies covered ten energy projects and four agro-industrial projects financed by the Bank in eight ACP States (Barbados, Cameroon, Côte d'Ivoire, Fiji, Ghana, Kenya, Papua New Guinea and Swaziland). This work was carried out by external consultants who drew up detailed reports; their conclusions, particularly those concerning agro-industrial projects, were discussed at the meeting of ACP-EEC experts held in Kingston, Jamaica, in June 1987. In addition to those fourteen projects, eleven projects cofinanced by the Bank and the Commission were evaluated on behalf of the Commission, thus bringing the total number of *ex-post* evaluations concerning Bank operations to 25. The Bank supervises all the projects it finances under the Lomé Conventions.

Annex                    Sectoral breakdown of financing

Three major sectors have shared the bulk of the financing from the fifth and sixth EDFs - rural production, transport and communications and industrialization. Any comparative examination of the fifth and sixth EDFs must take account of the fact that one is almost over while the other is only just beginning. One thing they do have in common, however, is that the same three sectors still account for the bulk of EDF financing. Overall the importance of these sectors has tended to increase: they accounted for a little under two thirds of the fifth EDF as against three quarters of the sixth EDF.

	Fifth EDF	Sixth EDF	(%)
Rural production	24.49	40.48	
Transport and communications	18.17	20.38	
Industrialization	20.37	14.14	
	<hr/>	<hr/>	
	65.03	75	

The results of the sixth EDF show clearly that the guidelines adopted for the sectoral programmes, which focused mainly on rural development, have been put into practice.

Taken together Stabex and emergency aid account for nearly one fifth of financing from the fifth and sixth EDFs (13.4% of the fifth EDF and 17.8% of the sixth EDF).

SECTORAL BREAKDOWN OF FINANCING  
LOMB II (8th EDF)

<----- CUMULATIVE ----->  
1981-85    1986-87    1981-87    % of (3)  
          (1)            (2)            (3)            (4)

	1981-85 (1)	1986-87 (2)	1981-87 (3)	% of (3) (4)
<b>INDUSTRIALIZATION</b>				
<hr/>				
GENERAL (INDUSTRIALIZATION)	151.63	2.29	153.92	3.49%
MINING - SYSTEM	205.98	95.33	301.31	6.84%
METALWORKING	0.10	0.38	0.48	0.01%
CHEMICALS	12.70	22.11	34.81	0.79%
MANUFACTURING	76.91	4.71	81.62	1.85%
AGRI-FOODS	54.15	1.65	55.80	1.27%
ENERGY PROJECTS	241.34	14.04	255.38	5.80%
INFRASTRUCTURE INTEGRATED INTO IND. PROJ.	10.03	-0.02	10.04	0.23%
CRAFT INDUSTRY	2.35	1.71	4.06	0.09%
<b>TOTAL</b>	<b>755.22</b>	<b>142.20</b>	<b>897.42</b>	<b>20.37%</b>
<b>TOURISM</b>				
<hr/>				
GENERAL (TOURISM)	21.60	0.07	21.67	0.49%
VARIOUS	0.00	0.00	0.00	0.00%
<b>TOTAL</b>	<b>21.60</b>	<b>0.07</b>	<b>21.67</b>	<b>0.49%</b>
<b>RURAL PRODUCTION</b>				
<hr/>				
GENERAL (RURAL PRODUCTION)	101.95	14.72	116.67	2.65%
PLANTATIONS	167.21	3.51	170.72	3.87%
IRRIGATION	68.34	8.89	77.23	1.75%
ARABLE FARMING	253.68	39.39	293.07	6.65%
DEVELOPMENT OF CREDIT/MARKETING COOPERATIVES	15.68	7.01	22.69	0.51%
STOCKFARMING	93.49	22.81	116.30	2.71%
FISHERIES	33.39	34.19	67.58	1.60%
FORESTRY	8.59	4.43	13.02	0.30%
VARIOUS	67.50	7.34	74.84	1.70%
AGRICULTURAL INTEGRATED PROJECTS	117.87	2.93	120.83	2.74%
<b>TOTAL</b>	<b>933.70</b>	<b>145.25</b>	<b>1 078.95</b>	<b>24.49%</b>
<b>TRANSPORT AND COMMUNICATIONS</b>				
<hr/>				
GENERAL (TRANSPORT AND COMMUNICATIONS)	12.97	0.08	13.05	0.30%
ROADS AND BRIDGES	470.91	103.08	573.99	13.10%
RAILWAYS	55.82	14.23	70.05	1.59%
PORTS AND WATERWAYS	37.31	23.04	60.35	1.37%
AIRPORTS	23.83	7.67	31.50	0.78%
TELECOMMUNICATIONS	33.72	11.53	45.25	1.03%
METEOROLOGY AND REMOTE SENSING		0.33	0.33	0.01%
<b>TOTAL</b>	<b>637.59</b>	<b>163.03</b>	<b>800.64</b>	<b>18.17%</b>
<b>EDUCATION AND TRAINING</b>				
<hr/>				
GENERAL (EDUCATION AND TRAINING)	4.81	4.93	9.74	0.22%



SECTORAL BREAKDOWN OF FINANCING  
LOME II (5th EDF)

	←———	CUMULATIVE	———→	
	1981-85	1983-87	1981-87	% of (3)
	(1)	(2)	(3)	(4)
EDUCATION INFRASTRUCTURE	79.94	10.58	90.52	2.05%
SPECIFIC VOC. TRAINING & INSTRUCTION PROJ.	53.17	4.60	57.77	0.63%
AWARDS	130.19	3.94	134.13	3.04%
TRAINING COURSES	1.20	0.00	1.20	0.03%
VARIOUS		3.00	3.00	0.07%
<b>TOTAL</b>	<b>249.51</b>	<b>21.05</b>	<b>276.56</b>	<b>6.27%</b>
<b>HEALTH</b>				
-----				
GENERAL (HEALTH)	3.51	3.58	6.89	0.16%
INFRASTRUCTURE	51.23	17.83	69.11	1.57%
HEALTH CAMPAIGNS & TECH. COOP.	13.17	8.82	21.99	0.50%
AIDS		35.00	35.00	0.79%
<b>TOTAL</b>	<b>67.73</b>	<b>65.23</b>	<b>132.99</b>	<b>3.02%</b>
<b>WATER ENGINEERING, URBAN INFRASTRUCTURE &amp; HOUSING</b>				
-----				
GENERAL (WATER ENGINEERING, URBAN INFRASTRUCTURE & HOUSING))	65.84	7.51	73.35	1.66%
VILLAGE WATER ENGINEERING	89.00	9.23	98.23	2.23%
WATER SUPPLY	49.50	4.04	53.54	1.22%
URBAN SANITATION	12.73	0.25	13.01	0.30%
URBAN IMPROVEMENT	7.65	5.83	13.53	0.31%
<b>TOTAL</b>	<b>224.75</b>	<b>26.91</b>	<b>251.66</b>	<b>5.71%</b>
<b>TRADE PROMOTION</b>				
-----				
GENERAL (TRADE PROMOTION)	21.59	1.31	22.90	0.52%
TRADE STRUCTURES	3.12	0.23	3.38	0.08%
FAIRS & EXHIBITIONS	10.59	0.63	11.22	0.25%
COMMERCIAL TRAINING	0.13	0.00	0.13	0.00%
MARKETING	10.42	0.08	10.50	0.24%
COMMERCIAL INFORMATION	3.72	0.03	3.78	0.09%
VARIOUS		0.03	0.03	0.00%
<b>TOTAL</b>	<b>49.57</b>	<b>2.37</b>	<b>51.94</b>	<b>1.18%</b>
<b>EMERGENCY AID</b>	<b>173.07</b>	<b>20.12</b>	<b>193.19</b>	<b>4.38%</b>
-----				
<b>STABEX</b>	<b>463.73</b>	<b>153.03</b>	<b>619.76</b>	<b>14.07%</b>
-----				
<b>REHABILITATION</b>		<b>24.95</b>	<b>24.95</b>	<b>0.57%</b>
-----				
<b>OTHER</b>				
-----				
INFORMATION & DOCUMENTATION	4.39	0.10	4.49	1.10%
SEMINARS	4.77	0.55	5.32	0.12%
PROGRAMMING & GENERAL TECH. COOPERATION	23.09	9.15	32.24	0.73%
GENERAL STUDIES	1.87	1.83	3.83	0.09%

SECTORAL BREAKDOWN OF FINANCING  
LOMB II (5th EDF)

	(----- CUMULATIVE -----)			% of (3) (4)
	1981-85 (1)	1986-87 (2)	1981-87 (3)	
MULTI-SECTORAL PROGRAMMES	0.05	2.80	2.85	0.07%
IMPROVEMENTS TO PUBLIC BUILDINGS	0.05	0.00	0.05	0.00%
FINANCIAL & ADMINISTRATIVE EXPENSES	3.00	4.50	7.50	0.17%
<b>TOTAL</b>	<b>37.22</b>	<b>19.16</b>	<b>56.38</b>	<b>1.28%</b>
<hr/>				
<b>GRAND TOTAL</b>	<b>3 616.52</b>	<b>786.39</b>	<b>4 402.91</b>	<b>100.00%</b>

SECTORAL BREAKDOWN OF FINANCING  
LOME III (6th EDF)

	1983	1987	CUMULATIVE	%
<b>INDUSTRIALIZATION</b>				
=====				
GENERAL (INDUSTRIALIZATION)	25.18	65.70	90.88	4.01%
MINING	7.78	31.03	38.81	1.71%
CHEMICALS	7.00	25.20	32.20	1.42%
MANUFACTURING	9.32	12.90	22.22	0.98%
AGRI-FOODS	0.02	20.63	20.68	0.91%
ENERGY PROJECTS	31.50	41.59	73.09	3.23%
CRAFT INDUSTRY	0.00	1.20	1.20	0.05%
DEV. MINING & ENERGY POTENTIAL & SYSMIN	0.00	41.41	41.41	1.83%
TOTAL	80.80	239.69	320.49	14.14%
<b>CAMPAIGNS ON SPECIFIC THEMES</b>				
=====				
FIGHT AGAINST NATURAL DISASTERS, ESPECIALLY DESERTIFICATION & DROUGHT		42.59	42.59	1.85%
ENERGY RESEARCH		0.16	0.16	0.01%
LONG-TERM OPERATIONS	2.00	1.05	3.05	0.13%
TOTAL	2.00	43.80	45.80	2.02%
<b>RURAL PRODUCTION</b>				
=====				
GENERAL (RURAL PRODUCTION)	1.37	128.07	129.44	5.71%
PLANTATIONS		21.85	21.85	0.96%
IRRIGATION	8.35	22.98	31.33	1.38%
ARABLE FARMING	20.58	88.29	108.87	4.80%
STOCKFARMING		10.79	10.79	0.48%
FISHERIES	0.23	7.98	8.21	0.36%
FORESTRY	0.09	48.49	48.58	2.14%
VARIOUS		6.15	6.15	0.27%
AGRICULTURAL INTEGRATED PROJECTS	4.00	502.18	503.18	22.34%
TOTAL	34.62	836.78	871.40	38.46%
<b>TRANSPORT &amp; COMMUNICATIONS</b>				
=====				
GENERAL (TRANSPORT & COMMUNICATIONS)		8.84	8.84	0.39%
ROADS & BRIDGES	37.23	326.97	364.20	16.07%
RAILWAYS	0.02	38.86	38.88	1.72%
PORTS & WATERWAYS		5.30	5.30	0.23%
AIRPORTS		7.14	7.14	0.32%
TELECOMMUNICATIONS	1.73	35.63	37.39	1.65%
TOTAL	38.98	422.77	461.75	20.38%
<b>SOCIAL &amp; CULTURAL DEVELOPMENT</b>				
=====				
GENERAL (EDUCATION & TRAINING)	2.35	5.56	7.91	0.35%
EDUCATION INFRASTRUCTURE		11.74	11.74	0.52%
SPECIFIC VOC. TRAINING & INSTRUCTION PROJ.	3.92	13.43	17.35	0.77%
AWARDS		2.60	2.60	0.11%
CULTURAL & SOCIAL COOPERATION		7.48	7.48	0.33%
TOTAL	6.27	40.81	47.08	2.08%

SECTORAL BREAKDOWN OF FINANCING  
LOME III (6th EDF)

	1986	1987	CUMULATIVE	%
<b>HEALTH</b>				
GENERAL (HEALTH)		13.39	13.39	0.69%
INFRASTRUCTURE	0.05	13.17	13.22	0.64%
HEALTH CAMPAIGNS & TECH. COOPERATION	0.55	0.33	0.88	0.04%
<b>TOTAL</b>	<b>0.60</b>	<b>26.89</b>	<b>26.49</b>	<b>1.17%</b>
<b>WATER ENGINEERING, URBAN INFRASTRUCTURE &amp; HOUSING</b>				
GENERAL (WATER ENGINEERING, URBAN INFRASTRUCTURE & HOUSING)		3.33	3.33	0.16%
VILLAGE WATER ENGINEERING		9.31	9.31	0.41%
WATER SUPPLY	10.00	14.94	24.94	1.10%
URBAN SANITATION	1.78		1.78	0.08%
URBAN IMPROVEMENTS				
<b>TOTAL</b>	<b>11.78</b>	<b>27.58</b>	<b>39.36</b>	<b>1.74%</b>
<b>TRADE PROMOTION</b>				
GENERAL (TRADE PROMOTION)		6.94	6.94	0.31%
TRADE STRUCTURES & STRATEGIES		18.08	18.08	0.66%
FAIRS & EXHIBITIONS	2.03	2.28	4.28	0.19%
MARKETING		0.32	0.32	0.01%
COMMERCIAL INFORMATION		0.33	0.33	0.01%
DEVELOPMENT OF TRADE & SERVICES	4.40	2.00	6.40	0.28%
TOURISM	1.41	0.88	1.98	0.09%
<b>TOTAL</b>	<b>7.83</b>	<b>27.45</b>	<b>35.28</b>	<b>1.59%</b>
<b>EMERGENCY AID &amp; REFUGEES</b>				
EMERGENCY AID	9.29	25.95	35.21	1.55%
REFUGEES		0.87	0.87	0.04%
<b>TOTAL</b>	<b>9.29</b>	<b>26.82</b>	<b>36.08</b>	<b>1.59%</b>
<b>STABEX</b>	<b>114.63</b>	<b>252.83</b>	<b>367.36</b>	<b>16.21%</b>
<b>OTHER</b>				
INFORMATION & DOCUMENTATION	1.39	1.27	2.66	0.12%
SEMINARS	0.80	1.64	2.44	0.11%
PROGRAMMING & GENERAL TECH. COOPERATION	2.60	4.40	7.00	0.31%
GENERAL STUDIES	0.57	0.03	0.60	0.03%
MULTI-SECTORAL PROGRAMMES	0.00	1.03	1.03	0.05%
FINANCIAL & ADMINISTRATIVE EXPENSES	1.00		1.00	0.04%
<b>TOTAL</b>	<b>6.36</b>	<b>8.40</b>	<b>14.76</b>	<b>0.65%</b>
<b>GRAND TOTAL</b>	<b>313.06</b>	<b>1 952.82</b>	<b>2 265.88</b>	<b>100.00%</b>