

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(84) 525 final

Brussels, 28 September 1984

SEVENTH REPORT FROM THE COMMISSION TO THE COUNCIL

AND THE EUROPEAN PARLIAMENT

on the implementation of financial and technical
aid to non-associated developing countries
(at 31 December 1983)

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1. INTRODUCTION

1.1 FINANCIAL AND TECHNICAL AID TO NON-ASSOCIATED DEVELOPING COUNTRIES

1.1.1 General remarks

Financial and technical cooperation with non-associated developing countries was first introduced in 1976, with an appropriation of 20 million units of account (then equivalent to approximately US \$ 25 million) under Article 930 of the General Budget of the European Communities.

The amount of money allocated in the budget for this purpose has risen steadily, reaching 235 million ECU in 1983 and amounting cumulatively to almost 1000 million ECU for the period 1976-83. It has been used to finance development activities and projects in some 30 non-associated countries in Asia, Africa and Latin America. In addition it has provided help for certain regional institutions and organizations run by these countries or active in them.

1.1.2 Objectives: Council Regulation 442/81 and the annual guidelines

The fundamental aims of financial and technical aid to non-associated developing countries were set out in Council Regulation 442/81, which laid down the general framework and principles for Community operations in this area. Briefly, these may be summarized as follows:

- (a) aid should be directed towards the poorest developing countries and the most needy sections of their population, with special importance being attached to rural development, particularly in order to improve food supply;
- (b) as a subsidiary form of action, participation in regional projects may be considered (and in this case, projects do not necessarily have to be in the rural sector); some aid is earmarked for measures to deal with exceptional circumstances, in particular reconstruction projects in the event of a disaster;
- (c) aid is given in the form of grants and may cover imports and local expenditure; projects may be financed autonomously or by means of co-financing with Member States or with international bodies;
- (d) funds should be allocated in such a way that a Community presence in the major regions of the developing world is ensured.

Regulation 442/81 is supplemented by general guidelines adopted each year by the Council on a proposal from the Commission and after consulting the European Parliament. These guidelines spell out the general objectives, mainly by defining possible priorities or by setting the quantitative criteria for dividing aid between the major geographical areas or the different types of operation.

1.1.3 Procedures

The procedures by which programmes are adopted are also laid down in Regulation 442/81. Starting from the 1981 programme (when such procedures were introduced), financing decisions for the various projects are taken by the Commission, after receiving the opinion of a financing committee composed of representatives of the Member States, under the chairmanship of the Commission. This committee meets several times a year, making it possible to examine projects in batches as and when they are ready. There were six meetings of the committee in 1983 and five in the first half of 1984.

The same Regulation stipulates that the Commission must provide Parliament and the Council with information on the administration of the programme.

1.2 THE SEVENTH REPORT ON THE IMPLEMENTATION OF THE PROGRAMME

1.2.1 Report on implementation in 1983

This report is the seventh report on implementation and concerns 1983.

It begins (in Chapter 2) with a review of the programme for 1983, describing the allocation of the budget funds for the year, in the light of both the available funds and the annual guidelines. The distribution of the funds, by geographical area, by country, by sector and so on, is described with comments on how it compares with previous years.

The second part (in Chapter 3) consists of a report on implementation proper for the year. It deals with the commitments made in the year ending 31 December 1983 (whether under the 1982 or 1983 programme) and the disbursements effected in the course of the year in connection with the implementation of any of the annual programmes from 1976 onwards.

1.2.2. Evaluation of aid to the non-associated developing countries

The Council and Parliament have suggested that the annual report should also provide details on the experience gained with some of the projects.

Such an analysis would have proved difficult up to now, because the programme is relatively new, some of the projects are spread over a long period, and the necessary perspective from which to assess a sufficient number of projects has therefore been lacking.

Now that the number of completed projects is growing, it is legitimate to consider the extent to which they have achieved their objectives, especially the general one of contributing to the development of the country and the population concerned. We shall therefore be looking at some individual projects and thereby attempting a few generalizations and conclusions.

2. THE 1983 PROGRAMME

2.1. BACKGROUND

2.1.1. Commitment appropriations available

Commitment appropriations approved by the budget authorities for the 1983 programme of technical and financial cooperation with the non-associated developing countries (Article 930 of the General Budget) amounted to 235 million ECU.

At a later stage, a small part of this total was transferred to other articles, leaving the Article 930 budget at 212.2 million ECU.¹ In addition, at 31 December 1982, there were outstanding commitment appropriations from 1982 amounting to 48.736 million ECU which were carried over to 1983.

Here, it should be noted that the Commission has to report on the content and implementation of a particular programme a considerable time in some cases before the period available for committing funds has in fact expired.² The result is often that at the time of making the report, part of the funds has not yet been programmed and is therefore carried over to the following year.

¹ Transfer of 20 million ECU to a new Article 952 to provide special aid for Lebanon and of 2.8 million ECU to Article 934 (Training of nationals of non-associated developing countries).

² Under the Community's financial regulations, appropriations made available for an annual budget may be committed during the year in question or the following year; however, the annual report is prepared before the expiry of the second year.

The following table summarizes the situation:

<u>Table 1 - Funds available - 1983 Programme</u>	
	<u>ECU</u>
1983 appropriations	212 200 000 (235 000 000 less 22 800 000)
1982 appropriations	48 736 000
TOTAL	260 936 000

2.1.2. Guidelines

The annual guidelines for the 1983 programme were proposed by the Commission in September 1982 and adopted by the Council in December 1982.¹ The guidelines confirmed the basic policy objectives referred to in the Regulation and elaborated on some of them.

The main points made were that:

- (a) the reserve earmarked for special post-disaster operations would account for 5-6% of the total resources (1982: 5-7%) and the cost of managing the 1983 programme (use of experts and specialists from outside) would be limited to 3% of the total aid (1982: 4%);
- (b) the geographical breakdown of resources would be similar to that of 1982, namely 75% for Asia, 20% for Latin America and 5% for Africa;
- (c) the list of eligible countries remained unchanged;
- (d) special efforts were called for to step up the volume of cofinancing operations involving the Community and the Member States.

¹ Council Decision of 21 December 1982

In November 1983, the general guidelines for the current programme were supplemented by a Council Decision adding China to the list of countries eligible for aid under Article 930.¹

The guidelines can be summarized in the following table:

<u>Table 2 - General guidelines - 1983 Programme</u>	
<u>General appropriations</u>	
Disaster reserve	5-6%
Cost of managing the programme	3% maximum
<u>Breakdown by continent</u>	
Asia	75%
Latin America	20%
Africa	5%

2.1.3. Allocation of funds

A sum of 23 900 000 ECU out of the total budget was, in accordance with the guidelines, earmarked for specific operations, namely:

- (i) 11 400 000 ECU for five post-disaster projects: this sum represents 5.4% of the 1983 appropriations and is therefore within the bracket laid down in the Council's guidelines;
- (ii) a special allocation of 4 000 000 ECU to pay for external experts' services; representing 1.9% of the total, this percentage is well within the bracket approved;
- (iii) 6 000 000 ECU, amounting to 2.8% of the annual budget, for international research activities under the aegis of the CGIAR.

In addition, 238 825 000 ECU was provided in the programme for 30 different projects or operations (two of them involving the supply of products in order to generate counterpart funds for projects), in the three geographical areas covered by the programme, as follows: 182 030 000 ECU - Asia; 47 720 000 ECU - Latin America; 9 075 000 ECU - Africa.

¹ Council Decision of 4 November 1983.

The sum of 211 489 000 ECU representing the 1983 appropriations was divided in accordance with the guidelines as follows: 142 650 000 ECU - Asia; 38 246 000 ECU - Latin America; 9 193 000 ECU - Africa.

The appropriations carried over from 1982 (48 736 000 ECU) were apportioned according to the geographical criteria adopted for the 1982 programme.

A more detailed analysis of the way in which this breakdown was achieved is given in the next chapter.

The global breakdown may be summarized as follows :

<u>Table 3 - Allocation of funds - 1983 Programme</u>			(ECU)
	1982	1983	Total
	appropriation	appropriation	entered
			in programme
<u>General appropriations</u>			
Disaster reserve	-	11 400 000	11 400 000
Cost of managing the programme	-	4 000 000	4 000 000
International agricultural research	-	6 000 000	6 000 000
Subtotal	-	21 400 000	21 400 000
<u>Geographical breakdown</u>			
Asia	39 380 000	142 650 000	182 030 000
Latin America	9 474 000	38 246 000	47 720 000
Africa	- 118 000	9 193 000	9 075 000
Subtotal	48 736 000	190 089 000	238 825 000
TOTAL	48 736 000	211 489 000	260 225 000

The table shows that virtually all of the available commitment appropriations (260 936 000 ECU, see Table 1) were included in the 1983 programme with just 711 000 ECU having to be carried over to the 1984 programme.

2.2. ANALYSIS OF THE PROGRAMME

An exhaustive list of the various operations with details of the type, sector and sum committed, in respect of the 1983 programme will be found in Annex I. Details of the financing (bilateral or regional operation, autonomous or cofinanced, size of Community's contribution, etc.) are also given.

2.2.1. Breakdown of programmed funds

2.2.1.1. Breakdown by recipient

This is given in the following table:

<u>ASIA</u>	<u>ECU</u>
ASEAN	7 500 000
Bangladesh	17 000 000
Burma	2 500 000
China	6 000 000
Interim Mekong Committee	750 000
India	64 500 000
Indonesia	21 200 000
Nepal	5 300 000
Pakistan	7 800 000
Sri Lanka	20 000 000
Thailand	26 740 000
Yemen	2 740 000
Total Asia	182 030 000
<u>LATIN AMERICA</u>	
Bolivia	16 000 000
Intergovernmental Committee for Migration	1 400 000
Honduras	9 000 000
Andean Pact	6 060 000
Nicaragua	3 660 000
Peru	11 600 000
Total Latin America	47 720 000

* For a detailed list of projects, see Annex I.

	<u>ECU</u>
<u>AFRICA</u>	
Mozambique	9 075 000
Total Africa	9 075 000
Subtotal: Asia, Latin America, Africa	238 825 000

Post-disaster operations	11 400 000
Cost of managing the programme	4 000 000
International agricultural research	6 000 000
Subtotal: General appropriations	21 400 000

GRAND TOTAL	260 225 000

As the table shows, 20 countries have received or will receive funding for new projects under the 1983 programme. China appears on the list for the first time.

The major recipient is still India with a total 64 500 000 ECU, amounting to 26% of the geographically committed funds.

Other countries to have received substantial allocations are four in Asia (Thailand: 26.74m ECU or 10.7% of the total; Indonesia: 21.2m ECU or 8.5%; Sri Lanka: 20m ECU or 8.0%; Bangladesh: 17m ECU or 6.8%) and one in South America (Bolivia: 16m ECU or 6.4% of the total). In the last case, an exceptional effort was made because of the resumption of aid following an over two-year break for political reasons.

Together the six main recipients accounted for 64% of the programmed funds.

As in previous years, the bulk of the aid was allocated to the poorest developing countries.

Of the total funds allocated to countries, 86% went to those with a per capita income of \$ 740 or less (IBRD 1980 data), representing a higher average than in previous years.¹

Countries in the World Bank's low-income group (per capita income of \$ 410 or less) accounted for 55% of the total funding.²

The share of programmed funding going to countries on the United Nations least developed list (LLDCs) was 12% of the total.³

Changes in these percentages from one year to another are not particularly significant given that few countries are involved, with most of them small and not therefore able to benefit from the programme regularly. Moreover, the number of projects involving LLDCs is bound to be small as the majority of such countries are in Africa and thus not covered by the programme.

2.2.1.2. Sectoral breakdown

The overall breakdown of commitments by sector is given below.

Table 5 - 1983 programme - Allocation by sector

	<u>ECU</u>	<u>%</u>
Rural production	17 735 000	6.8
Agricultural services	43 940 000	16.9
Agricultural infrastructure	85 200 000	32.7
Integrated rural development	65 780 000	25.3
Agricultural research	13 560 000	5.2
Village infrastructure	10 300 000	4.0
Other	23 710 000	9.1
Of which:		
Technical assistance at central level and support for institutions	2 310 000	
Disasters (rehabilitation and prevention)	11 400 000	
Industry	6 000 000	
Experts and monitoring	4 000 000	
TOTAL	<u>260 225 000</u>	<u>100.0</u>

¹ Bangladesh, Burma, Bolivia, China, Haiti, Honduras, India, Indonesia, Laos, Nepal, Pakistan, Sri Lanka, Thailand, Yemen.

² Bangladesh, Burma, China, Haiti, India, Laos, Nepal, Pakistan, Sri Lanka, Yemen.

³ Bangladesh, Haiti, Laos, Nepal, Yemen.

As in previous years, the 1983 programme was almost entirely concentrated on the agricultural and rural sector.

A substantial proportion of projects (seven in all in the various regions, and accounting for 25% of the funds) were integrated rural development projects in which technical, economic and social elements were combined. Other focal areas for projects were rural production (crops, silviculture, livestock, fisheries), agricultural infrastructure (irrigation, drainage, storage facilities, etc.) and agricultural services (credit, extension services, training, technical assistance for agricultural projects etc.), to which must be added village infrastructure projects, for example water supply, and agricultural research schemes either at the central level or at a more local and specific level.

The total amount allocated to agriculture and/or the rural sector was 236 515 000 ECU, or 91% of the funds.

2.2.1.3. Breakdown by type of operation

Five of the operations fell into the category of post-disaster measures. Between them, they accounted for 11 400 000 ECU or 5.4% of the 1983 appropriations, which is within the financing bracket approved for this category. It will be noted that such projects can cover a wide variety of activities and sectors and are not necessarily confined to the rural sector. The 1983 programme, for example, included several reconstruction projects, among them the rebuilding of homes and the rehabilitation of the transport infrastructure. With a slightly different focus, there was also an integrated rural development project to assist former refugees.

Technical assistance, research and studies accounted for 7.9% of the total programme for the year, at a cost of 20 470 000 ECU. Only technical assistance and studies undertaken as individual projects are included in the total; there is obviously a technical assistance or study component in the majority of projects but the costs of these are not included here. It will be noted that, largely because of an initial set of technical assistance projects in China costing 6 000 000 ECU, spending on this category of operation reached its highest level ever in 1983, both in absolute amount and as a percentage of total spending.

2.2.2 Financing arrangements

2.2.2.1. Autonomous and cofinanced projects

Cofinancing with Member States and other aid agencies continued to play significant part in the 1983 programme and reached a new high ; 14 new projects were cofinanced (compared with 12 in 1982) at a cost to the Community of 112 590 000 ECU (compared with 75 400 000 ECU in 1982) i.e. 43.3% of the total programme (35.9% in 1982). This result reflects the continuing effort by the Commission to increase the effectiveness of Community aid, where suitable cases arise, by cofinancing operations with other aid donors.

In the 1983 programme six of the Member States (Belgium, France, Germany, Italy, Netherlands, United Kingdom) are cofinancing partners for eight separate projects (one of which is an extension of an existing project), at a total cost to the Community of some 50 000 000 ECU. Its other cofinancing partners are regional or international organizations (IBRD, UNICEF, UNHCR, Asian Development Bank, CGIAR), with whom a further six projects, at a cost to the Community of 43 600 000 ECU, have been cofinanced. Here, mention should be made of an unusual case, where Community funds have been combined with financing provided by Saudi Arabia, for investment in a project in Sri Lanka, an example of triangular cooperation, the first in the case of aid to a non-associated developing country.

As one might expect, cofinanced projects naturally tend to be larger than the average, and the share of the EEC in total project cost correspondingly lower. The phenomenon is particularly marked in the case of cofinancing with regional or international agencies, but less so where the cofinancing partner is a Member State. In 1983 the EEC's share was in such cases usually predominant. This situation is a measure of the experience the Commission has acquired over the years, which has enabled it increasingly to attract the Member States' participation in its own projects rather than proposing to contribute Community funds towards projects identified by the Member States.

Figures illustrating the various aspects referred to are given in the following table:

Table 6 - 1983 Programme - Cofinancing

	No of projects ¹	Total cost of projects ²	ECU	
			Amount	%
<u>Cofinancing with:</u>				
Member States	7	88 900 000	48 990 000	55 %
International organizations	6	244 500 000	43 600 000	18 %
Other countries	1	73 000 000	20 000 000	27 %
	—	—	—	—
TOTAL	14	406 400 000	112 590 000	27.7 %
<u>Recapitulation</u>				
Whole programme	35	593 525 000	255 405 000	43 %
Autonomous projects	21	187 125 000	142 815 000	76.3 %

(1) Only new projects and projects based on counterpart funds have been included. Cost overruns, the supply of products and the cost of experts and monitoring are not treated as separate projects.

(2) Estimates.

2.2.2.2. Bilateral and regional projects

In the 1983 programme there were seven regional projects costing 23 210 000 ECU, i.e., 8.2% of the total programme. Regional cooperation organizations were the recipients in four of them (Andean Pact, ASEAN and the Mekong Committee). Not only are such projects of direct benefit for the purposes specified, but they also encourage regional cooperation efforts by the countries concerned.

Along the lines of similar operations in previous years, another project consisted of support for the CGIAR's international agricultural research institutes, for which an overall sum of 6 000 000 ECU was allocated.

Among operations in the post-disaster category there was one regional project to set up a radar system to provide early warning of hurricanes in Haiti and the Dominican Republic. Finally there was a regional project to help five Spanish-speaking countries in Central America by offering nationals with professional qualifications who have emigrated to the industrialized countries incentives to return home.

3. IMPLEMENTATION IN 1983

3.1 BACKGROUND

3.1.1. Commitments

During the year, commitments amounting to 225 790 000 ECU were made, a much higher sum than in any earlier year.

Before commenting in greater detail on this result, it should again be noted that the Community's financial regulations allow appropriations made available under a particular annual budget to be committed either in the current budget year or in the succeeding one. The sums effectively committed, therefore, during the 1983 calendar year consisted of appropriations for 1982 (second commitment year) , plus appropriations for 1983 proper.

A distinction must also be drawn between 1982 budget appropriations which were actually programmed under the 1982 Programme (these have been dealt with in the 1982 annual report) and those which were not programmed and therefore carried over into the 1983 Programme at the end of the year.

In other words the sum of 225 790 000 ECU referred to above consists of 1982 budget appropriations of 91 550 000 ECU allocated to the 1982 Programme (projects that were included in the 1982 Programme but where approval was given and commitments made at the beginning of 1983), plus 134 240 000 ECU allocated to the 1983 Programme, made up of 48 736 000 ECU uncommitted in 1982 and carried over, and 85 504 000 ECU in 1983 budget appropriations.

Most of the commitments made early in the year (91 550 000 ECU) related to the continuation and completion of the 1982 programme, for it will be recalled that the commitment rate by the end of that year was barely 42%. 1982 was chiefly marked as being the year of Special Action to assist Central America, for which appropriations were only voted in October so that they could not therefore be absorbed by the end of the year. It is of interest that by the end of the first half of 1983 all the funds in respect of the 1982 programme had been committed.

It was then necessary to commit around 50 million ECU from the 1982 budget, uncommitted that year and carried over to 1983. Once all the 1982 appropriations had been committed (around the middle of the year) a start could be made on committing the actual 1983 appropriations.

During the year, about 85 000 000 ECU of 1983 appropriations were committed out of a total of 211 489 000 ECU entered in the programme. It is now possible to say that all of the 1983 programme will be committed by mid-1984 (apart from the operation concerning China, for which financing will be committed only in the second half of 1984).

The table on page 18 includes all of these figures and summarizes the statistics on aid to the non-associated developing countries since its introduction in 1976.

The following conclusions can be drawn from the table:

- (a) generally speaking it has been possible to programme aid using the funds earmarked under Article 930 of the budget well within the period authorized for such commitments: carry-over from one year to the next has on the whole been moderate, seldom amounting to more than 10% of the programme. The only exception to this was in 1982, when, it will be remembered, the Special Action projects were not approved until October. Note that there is no carry-over from the 1983 programme.
- (b) Until 1982, the bulk (75%) of the aid had been committed by the end of the first of the two years allowed for this. However, at the end of 1982 a large part of the programme, topped up by a further 58 million ECU in October, remained uncommitted. Because of having to catch up on this backlog, only 40% of the 1983 appropriations had actually been committed by the end of 1983 despite the record commitment rate throughout the year. The same rate has been maintained in the early part of 1984 so that the whole of the 1983 budget will have been committed by mid-1984. There is thus no doubt that all funds will have been committed within the prescribed period.
- (c) One of the main conclusions to be drawn from the table is that despite the programme's exponential growth curve and the fact that it has not been matched by any comparable increase in the administrative staff to manage it, all the funds have been committed within the period laid down and no aid has ever gone by default.

3.1.2. Disbursements

During the year ending 31 December 1983 disbursements in respect of all programmes combined amounted to 128 767 000 ECU, a record sum. It was made up of 100 169 000 ECU paid out for projects programmed in previous years and 28 599 000 ECU for those included in the 1983 programme itself. This high figure by comparison with other years is attributable to the volume of disbursements for the current year's programme, the bulk of which went on a single major project in India, consisting of the supply of fertilizers designed to generate counterpart funds which, over a longer period, will be used to carry out three different projects.

Another sizeable disbursement, this time relating to the 1981 programme and amounting to nearly 35 000 000 ECU, had originally been intended for December 1982, but in the event was made in the first quarter of 1983; it also concerned India and a similar project.

Disbursements in 1983 bring the total sum disbursed in connection with aid to non-associated developing countries since its reception to 359 300 000 ECU. Overall, 36.3% of the cumulative amount of successive programmes has now been paid out, with the percentage varying from almost 100% in the case of the 1976 programme ¹ to 5% for the 1982 programme. For 1983, where the entire appropriations for the year have been programmed, 85 500 000 ECU has already been committed and 28 600 000 ECU disbursed, giving a disbursement rate of 10.9%.

Full details of implementation in 1983 are given in the tables on pages 18 and 19.

3.2. OTHER POINTS

3.2.1. Administrative framework agreements

Another significant development during recent years has been the signing of administrative framework agreements with certain major recipient countries. Such agreements had already been concluded with Thailand and Indonesia and in 1983 similar agreements were concluded with the Philippines and Bangladesh. The agreement with the latter was signed at the beginning of 1984.

¹ See note on page 19.

These agreements are intended solely to facilitate project implementation and contain no financial commitment on the Community's part; nor do they provide for the signatories to receive better treatment than other non-associated developing countries.

Instead these framework agreements are intended simply to establish, once and for all, with a particular recipient, the general provisions relating to project implementation. The matters dealt with are essentially legal or technical, covering such points as disbursement procedures, procurement eligibility, taxation and exchange control, inspection and audit, etc.

The introduction of these framework agreements has considerably simplified the process of concluding project financing agreements with the countries concerned. So far, only the four countries mentioned have requested such framework agreements, but there is no reason why the practice should not be extended to other major recipients where appropriate.

3.2.2. Project preparation and monitoring

Given the limited absorptive capacity of many developing countries, the specialized technical assistance element usually included in any particular project is frequently inadequate to ensure that the project is prepared and implemented under optimum conditions.

It is for this reason that it has been decided to use a small proportion of total programme resources to provide personnel, either for a specific scheme or at the centre, to assist in preparing, implementing and monitoring projects, especially in countries where the economic, social or administrative conditions are particularly difficult.

A sum of 3 970 000 ECU has been earmarked in the 1983 programme for this purpose:

- Part of this amount (2 050 000 ECU, i.e., 52%) is for the short-term use of experts or consulting firms to assist with project preparation or monitoring missions, or to carry out small studies or technical assistance actions.
- The remaining amount (1 920 000 ECU, i.e., 48%) has been used to establish full-time development advisers in certain key recipient countries, to help monitor the implementation of current projects and to provide general assistance to the administration in the recipient country with project preparation and implementation.

There are now five such advisers attached to the Commission's regional delegations (one in Bangkok, to cover south-east Asia; one in Dhaka, covering Bangladesh, but attached to Delhi for administrative purposes; one recently posted to New Delhi, to cover India (November 1983) and two in Caracas, covering Central and South America). In addition, the services of outside consultants have been used to set up a full-time technical advice service in Honduras and one divided between Costa Rica and Nicaragua.

More detailed information on the use of the special appropriation earmarked for management of the programme is set out in Annex II.

million ECU³

YEAR t	BUDGET a	PROGRAMME (Appropriations entered in the programme for the year in question)				COMMITMENTS (Appropriations committed during the year in question)					
		b	c	d (b - c)	e (a - d)	f	g (d _{t-1} - i _{t-1})	h (e _{t-1})	i (f - g - h)	j (i/a)	k (i + g _{t+1} + h _{t+1}) (a)
		Total for programme	of which: carried over from previous year ¹	of which: appropriations for the year in question (excl. carryover)	not programmed during the year, therefore carried over to following year ¹	Total commitments	of which: appropriations from previous programme ²	of which: appropriations carried over from previous year	of which: appropriations for the current year's programme	commitment rate at 31 December of year in question %	commitment rate at 31 December of following year
1976	20	20	-	20	-	20	-	-	20	100	
1977	45	45	-	45	-	45	-	-	45	100	
1978	70	63.100	-	63.100	6.900	63.100	-	-	63.100	90	100
1979	110	105.900	6.900	99.000	11.000	86.900	-	6.900	80.000	73	100
1980	138.5	145.300	11.000	134.300	4.200	133.900	19.000	11.000	103.900	75	100
1981	150.0	138.260	4.200	134.060	15.940	154.530	30.400	4.200	119.930	80	100
1982	243.0	210.204	15.940	194.264	48.736	132.784	14.130	15.940	102.714	42	100
1983	212.2	260.225	48.736	211.489	0.711	225.790	91.550	48.736	85.504	40	
	988.7					862.004					

¹ As the Commission has to report on a particular year's programme before the end of the period allowed for the commitment of the funds, this usually means that part of the budget has not been allocated at that time and must thus be carried over to the following year. The appropriations thus carried over are incorporated into the next year's programme.

² The Community's financial regulations allow appropriations for an annual budget to be committed during the year in question or in the following year. This was not the case in 1976 and 1977, when the appropriations had to be committed in the year in question (non-differentiated appropriations).

³ See footnote on page 19.

million ECU

Appropriations entered in the programme	<u>Disbursements effected in:</u>									Total disbursements at 31 December 1983	Disbursement rate %
	1976	1977	1978	1979	1980	1981	1982	1983			
1976 20*	-	6.1	3.3	4.3	1.3	1.9	1.4	2.0	20.3*	(101.5)*	
1977 45*		-	5.0	6.9	12.0	6.9	3.2	2.8	36.8*	(81.8)*	
1978 63.100			-	9.0	7.8	11.1	6.4	4.4	38.7	61.3	
1979 105.900				0.2	18.9	27.1	18.2	14.5	78.9	74.5	
1980 145.300					1.2	40.6	29.1	15.6	86.5	59.5	
1981 138.260						-	7.0	52.1	59.1	42.7	
1982 210.204							1.7	8.7	10.4	4.9	
1983 261.425								28.6	28.6	10.9	
989.189	-	6.1	8.3	20.4	41.2	87.6	66.9	128.8	359.3		

* In 1976 and 1977 a conventional parity between the US\$ and the u.a. was used for the purpose of external commitments, but the ECU, which has been used since then, is based on European currencies.

Although these units have followed different trends, they have been taken as equivalent for the purposes of this table.

The sums allocated to the 1976 and 1977 programmes have not therefore been adjusted and are not directly comparable with the corresponding disbursements. The relationship between figures is not a precise one and is given as an indication only.

4. TOWARDS AN EVALUATION

By 31 December 1983, there were 77 financial and technical assistance operations in aid of the non-associated developing countries which, on the basis of a 90% or more disbursement rate, could be considered completed or virtually so.

A list of these operations, with a brief description (type of operation, sector, total cost and amount of the Community's commitment, bilateral or regional operation, autonomous or cofinanced, etc.) and some comments on the execution (rate of disbursement, any difficulties encountered, results achieved and extent to which the original objectives were attained) is annexed to this report. This information provides the basis for a preliminary qualitative assessment of Community aid to non-associated developing countries, even though for a full analysis, specific post-evaluation studies will be needed.

The first point to emerge from the list of completed operations is that the bulk of them are not projects in the true sense of the word, but fall rather into one of the following categories: the funding of studies, budget support (particularly for research institutes), the financing of technical assistance, provision of supplies. If these are left aside, only 25 projects proper remain, of which 23 lend themselves to evaluation, the other two being cofinanced projects where the Community contribution, in the form of supplies only, was disbursed before the whole project was completed. It is obvious, therefore, that in attempting any generalization in relation to this type of action, considerable caution has to be used.

Despite these reservations, a brief overview of completed projects does reveal some constant features.

- 4.1. The first observation is that, although not entirely immune to problems when getting off the ground (mostly administrative - see point 4.2. below), operations consisting of studies (19 completed), research (22 completed), technical assistance (6 completed) and supplies (4 completed, 8 if one counts cofinanced projects in which the Community input consisted of supplies) once begun are generally completed rapidly, usually in a single disbursement.

In comparison, development projects proper, especially rural development projects which call for structural changes, have a much longer execution time, with disbursements spread out over a period. The cost of managing such projects, in terms of both money and administrative resources, is therefore much higher, at the level of staff in Brussels and of technical assistance in the field.

It is not unusual for such projects to be spread out over a number of years and this should not be taken as a sign of inefficiency or lack of enthusiasm. On the contrary, it is only by tackling some projects at a cautious rate, integrated rural development for instance, that the conditions for durable results can be achieved.

- 4.2. A second fact that soon becomes obvious is that the problems arising during the execution of a project are far more often administrative than technical. They may be far more serious than a temporary setback and they sometime paralyse the operation for some time and lead to considerable delays in execution.

A whole number of circumstances can aggravate administrative and procedural difficulties, usually resulting in a slowing down of the project.

The following are examples:

- (a) the built-in complexity of the method of financing in the case of co-financed projects and more generally of projects where several partners are involved. Here the disbursement rate is markedly lower than the average.
- (b) A lack of experience of one or other of the partners. The early projects in a particular country, or with a particular agent in that country, are generally troublesome, whereas once the procedure has become familiar, cooperation becomes easier. In this context, the value of administrative framework agreements, laying down once and for all the procedure to be followed and establishing a frame of reference, cannot be over-emphasized.
- (c) The shortcomings in the administrative ability of some authorities on the spot making it consistently more difficult to manage projects in some countries - unfortunately all too often the poorest, with the weakest administration - than in others.

The following observations lead on from these findings. Firstly it is reasonable to hope that by working with a smaller number of agencies and by acquiring experience, it will gradually be possible to reduce the difficulties. Some problems could be eliminated by cooperating only with the most efficient bodies, but such a policy might leave out of the picture those with a real potential for aiding the development process even though, here and now, they do not have the necessary ability.

Whole sectors or, in countries organized on federal lines, just the regions which are often the worst off and for this reason have the weakest administration might find themselves cut off from development in this way.

- 4.3. The third, and not surprising, observation is that projects connected with extending or complementing other operations which have already proved themselves have a higher success rate than projects with an element of novelty (a new country, region, sector or approach, for example). In a really innovative or experimental operation a degree of risk often goes hand-in-hand with the latent promise.

Any appreciation of the situation should not overlook the specific conditions under which the Community's programme is managed, especially limited staff resources of the Commission, particularly where the presence of its representatives in the field, even for short spells is concerned.

The Commission is naturally concerned that its programme should be as well suited as possible to local conditions and needs. To achieve this, it should continue to deploy less conventional means of action, notably those where its forms of aid can be particularly effective (grants, the possibility of covering local and recurrent costs, etc.). In the circumstances however, it is highly risky to try and effect savings on project preparation and technical assistance or on the input of knowhow in general. It is also vital for Commission staff to keep as close a watch as possible on the way the operation is being executed in the field.

- 4.4. In this connection, it should be stressed that it is usually not the technical aspects of projects that play the most crucial role. Where third world development projects are concerned there is rarely anything novel about the technical side; technical ability is not such a difficult commodity to come by and the real difficulties projects run into are seldom all of a material kind.

What is really crucial is to ensure that the development project fits into the prevailing atmosphere, be it physical, economic or human and here, knowledge of the country's social and economic background, and of the target area and population will all be of considerable importance. An understanding of this background when projects are being prepared and continual reference to it as the project is being executed must be maintained unremittingly, particularly on the part of those providing the technical assistance for the project.

1983 PROGRAMME OF AID TO NON-ASSOCIATED DEVELOPING COUNTRIES
LIST OF PROJECTS

(m ECU)				
RECIPIENT AND TITLE	SECTOR	FINANCING	TOTAL COST*	EEC CONTRIBUTION
<u>I. ASIA</u>				
<u>India</u>				
State rural development training centres (NA/83/16)	Agricultural services	Autonomous	7.70	6.50
Modernization of tank irrigation systems in Tamil Nadu (NA/83/18)	Agricultural	Autonomous	41.30	25.00
Supply of fertilizer and counterpart projects (NA/83/26)		Autonomous	(33.00)	(33.00)
- Extension work in connection with correct farming practices	Agricultural services (training)	Autonomous	6.00	6.00
- Reclamation of saline lands in Maharashtra	Agricultural infrastructure (drainage)	Autonomous	20.00	20.00
- Small-scale irrigation in Gujarat (Phase I)	Agricultural infrastructure (irrigation)	Autonomous	7.00	7.00
<u>Bangladesh</u>				
Improvement of grain storage (NA/83/27)	Agricultural infrastructure (storage)	Autonomous	7.00	7.00
Production of cereal seed (NA/83/81)	Agricultural production	Parallel cofinancing D	17.00	10.00
<u>Sri Lanka</u>				
Mahaweli Ganga - System B (NA/83/28)	Integrated rural development	Parallel cofinancing Saudi Arabia	73.00	20.00
<u>Pakistan</u>				
Baluchistan water supply programme, Phase II (NA/83/12)	Rural infrastructure (water)	Parallel cofinancing UNICEF	13.20	7.80

* Estimates

(m ECU)

RECIPIENT AND TITLE	SECTOR	FINANCING	TOTAL COST*	EEC CONTRIBUTION
<u>Indonesia</u>				
Madura groundwater development (NA/83/14)	Agricultural infrastructure (irrigation)	Parallel cofinancing UK	19.30	13.10
West Pasaman irrigation (NA/83/25)	Agricultural infrastructure (irrigation)	Autonomous	10.44	7.50
Crop development in Sumatra (supplement for NA/79/8)	Agricultural production	Autonomous	0.60	0.60
<u>ASEAN</u>				
Timber research (NA/83/32)	Agricultural research (wood processing)	Autonomous	12.90	7.50
<u>Nepal</u>				
Supply of fertilizers and counterpart project (NA/83/17)	Agricultural production	Autonomous	(5.30)	(5.30)
Second forestry project	Agricultural production (forestry)	Cofinancing IDA (IBRD)	32.20	5.30**
<u>China</u>				
Rural technical assistance projects	Agricultural services (TA)	Autonomous	6.00	6.00
<u>Thailand</u>				
Agricultural cooperatives training (NA/83/11)	Agricultural services (training)	Autonomous	7.88	5.44
Cashew development (NA/83/15)	Agricultural production	Autonomous	1.92	1.30
Agricultural credit project (NA/83/22)	Agricultural services (credit)	Parallel cofinancing ADB	125.00	20.00
<u>Burma</u>				
Rural water supply and sanitation (NA/83/20)	Rural infrastructure (water)	Parallel cofinancing UNICEF	11.50	2.50

* Estimates

** Total incurred under Article 930. Further financing of 2 400 000 ECU is planned under Article 958.

(m ECU)

RECIPIENT AND TITLE	SECTOR	FINANCING	TOTAL COST*	EEC CONTRIBUTION
<u>Interim Mekong Committee</u>				
Technical assistance to Mekong secretariat (NA/83/5)	Support for institutions	Autonomous	0.75	0.75
<u>Yemen (A.R.)</u>				
Al Bayda integrated rural development (NA/83/13)	Integrated rural development	Parallel cofinancing NL	11.00	2.74
SUBTOTAL ASIA				182.030
<u>II. LATIN AMERICA</u>				
<u>Nicaragua</u>				
Integrated regional development in Waslala (NA/83/1)	Integrated rural development	Autonomous	7.70	3.50
Rural technical assistance (supplement for NA/80/3)	Support for institutions	Parallel cofinancing F	0.32	0.16
<u>Honduras</u>				
Project to consolidate agrarian reform in the southern region (NA/83/23)	Integrated rural development	Cofinancing B	11.00	9.00
<u>Intergovernmental Committee for Migration</u>				
Reintegration of qualified LA nationals in five CA countries (NA/83/2)	TA and support for institutions	Autonomous	1.40	1.40
<u>Bolivia</u>				
Rural microprojects	Integrated rural development	Autonomous	18.00	16.00
<u>Andean Pact</u>				
Regional project for industrial promotion of timber (NA/83/8)	Industry	Autonomous	12.61	6.00

* Estimates

(m ECU)

RECIPIENT AND TITLE	SECTOR	FINANCING	TOTAL COST*	EEC CONTRIBUTION
Studies on nutrition and food technology (supplement for NA/79/27)	Agricultural research (nutrition)	Autonomous	0.06	0.06
<u>Peru</u>				
Rural capital projects programme (NA/83/21)	Integrated rural development	Parallel co-financing NL	8.70	6.00
Majes pilot project (irrigation) (NA/83/10)	Agricultural infrastructure (irrigation)	Parallel co-financing I	17.00	5.60
SUBTOTAL LATIN AMERICA				47.72
<u>III. AFRICA</u>				
<u>Mozambique</u>				
Beira fish processing plant (NA/83/6)	Food industry (fishing)	Autonomous	1.075	1.075
Boasting agriculture in the Maputo area (NA/83/33)	Integrated rural development	Autonomous	8.00	8.00
SUBTOTAL AFRICA				9.075
<u>IV. DISASTER RESERVE</u>				
<u>Ecuador</u>				
Rebuilding of bridges (NA/83/3)	Reconstruction after floods	Autonomous	2.85	2.85
<u>Dominican Republic</u> <u>Republic of Haiti</u>				
Installation of radar hurricane warning system	Prevention of hurricane damage	Autonomous	2.20	1.50
<u>Yemen (A.R.)</u>				
Dhamar rehabilitation project (NA/83/19)	Reconstruction after earthquake	Joint co-financing NL	4.90	2.55

* Estimates

(m ECU)

RECIPIENT AND TITLE	SECTOR	FINANCING	TOTAL COST*	EEC CONTRIBUTION
<u>Angola</u>				
Permanent resettlement of former refugees in Uige province (NA/83/24)	Resettlement of refugees after civil war	Parallel co-financing UNHCR	2.60	2.00
<u>Mozambique</u>				
Assistance with reconstruction work in the Moamba district (NA/83/30)	Restoration of agricultural production after floods	Autonomous	4.40	2.50
SUBTOTAL DISASTER RELIEF				11.40
<u>V. AGRICULTURAL RESEARCH</u>				
CIAT, CIP, IRRI, ICRISAT and ISNAR (NA/83/36)	Agricultural research	Parallel cofinancing CGIAR	60.00	6.00
SUBTOTAL AGRICULTURAL RESEARCH				6.00
<u>VI. TECHNICAL ASSISTANCE AND MONITORING</u>				
Services of external experts	TA	Autonomous	4.00	4.00
SUBTOTAL SPECIAL EXPENDITURE				4.00
TOTAL COMMITTED				260.225

* Estimates

SPECIAL APPROPRIATIONS FOR MANAGEMENT OF THE 1983 PROGRAMME

LIST OF OPERATIONS FOR WHICH COMMITMENTS WERE MADE
 IN THE PERIOD 1 JANUARY 1983 TO 31 DECEMBER 1983
 ('000 ECU)

(a) Short-term studies and technical assistance:

<u>Recipient</u>	<u>Title</u>	<u>Cost</u>
Mozambique	Evaluation of the use made of the ECP School in SADCC energy sector projects	41
Andean Pact ¹	Preparation of regional project (wood)	18
Bolivia	Identification of rural development project	34
Yemen	Assessment of effects of earthquake	14
Maldives ¹	Hydrological survey (water supply and drainage at Male)	286
Honduras	Study on the establishment of a grain reserve (emergency food aid)	60
Philippines	Study on the dairy sector	2
Haiti	Integrated rural development study	12
Pakistan	Irrigation study (Kachni Plan)	284
Honduras	Identification of an agrarian reform project	42

¹ Already mentioned in 1982 Report.

<u>Recipient</u>	<u>Title</u>	<u>Cost</u>
Nepal	Preparation of a project to establish an administrative staff training college	38
Bolivia	Preparation of a set of microprojects	67
Nepal	Project identification	3
Sri Lanka	Evaluation of hydro-agricultural projects	12
North Yemen	Evaluation of food aid facilities	34
Mozambique	Study of problems at Beira fish processing plant	42
India	Study for five hydro-agricultural projects	18
Angola	Evaluation of cashew nut plantation output	17
Angola	Study on the rehabilitation of refugees	16
Bangladesh	Study on the improvement of grain storage capacity	219
Bolivia	Reconnaissance mission for a reconstruction project	23
India	Evaluation of reforestation projects	53
Thailand	Market survey on cashew nuts	47
Indonesia	Study in connection with the development of south Solok	35
Colombia	Identification of projects in the Pacific coastal area	16
Bolivia	Study on dairy sector	19
Honduras	Study aimed at more effective use of food aid	29
India	Identification of appropriate technology projects	23
All	Various short-term studies	1 000
	TOTAL (a)	2 502 ¹

¹ Because figures have been rounded off, the total may not correspond to the sum of the individual project costs.

(b) Provision of full-time advisers:

Technical assistance contracts for monitoring current projects in Central America, etc.	687
Experts attached to the Commission's regional delegations (Vene- zuela, India, Thailand and branch offices)	1 200
TOTAL (b)	1 887
GRAND TOTAL (a) + (b)	<u>4 389</u>

FINANCIAL AND TECHNICAL AID TO NON-ASSOCIATED DEVELOPING COUNTRIES

<u>List of projects completed as at 31 December 1983*</u>			<u>Page</u>
76/1	India	Drought-prone areas project	1
76/2	Pakistan	Khaipur tile drainage	1
76/3	Bangladesh	Barrisal irrigation	1
76/5	Bolivia	Agro-industrial projects (BISA)	1
76/6	Indonesia	Soya pilot project, Sumatra	1
76/7	ICRISAT	Research project	2
76/8	ADB	Technical assistance programme	2
77/1	India	Grain and fertilizer storage	2
77/2	India	Village grain storage	2
77/5	Sri Lanka	Mahaweli Ganga Development	3
77/6	Viet Nam	Supply of land-clearing equipment	3
77/8	Thailand	Pig-breeding pilot project	3
77/9	Yemen	Taiz agricultural research centre	3
77/11	ICRISAT	Research support	2
77/12	IRRI	Research centre	2
77/14	ADB	Technical assistance programme	2
77/16	Honduras	Artisanal fisheries	3
77/19	Andean Pact	Rural sector technical assistance	4
77/20	Andean Pact	Food technology research	4
78/2	India	Cyclone protection shelters	4
78/4	Pakistan	Tarbela dam	4
78/7	Indonesia	Baturraden dairy project study	4
78/8	Indonesia	Bank of Indonesia's small credit programme	5
78/11	Thailand	Seed centre study	5
78/12	Thailand	Crop diversification study	5
78/17	ASEAN	Timber study	5
78/18	IRRI	Research support	2
78/19	ICRISAT	Research support	2
78/20	Haiti	Integrated rural development at Jacmel	6
78/21	Haiti	Rural water supply and sanitation	6
78/24	OLADE	Geothermic study	6
78/26	CABIE	Technical assistance programme	6

* Those projects for which 90% of the sum committed has been disbursed are considered completed.

Although this criterion has been adopted because it is an objective one, it may mask some very different situations. From the analysis which follows, for example, it will be seen that the objectives of some projects which are thereby included have not yet in fact been achieved. Others, which are virtually complete, have been left out because of the length of time needed for disbursements.

			<u>Page</u>
78/27	Andean Pact	Wood technology research	4
78/28	Andean Pact	Wood technology research	4
78/29	Andean Pact	Wood technology research	4
78/31	Andean Pact	Industrial standardization and quality control	4
78/32	CIP	Research support	2
78/33	CIAT	Research support	2
78/34	CATIE	Pilot project for rural development	6
78/35	Mozambique	Beira fish canning plant	7
78/36	Angola	Moçamedes fish processing plant study	7
79/1	Thailand	Winged bean development	7
79/7	Indonesia	Talungagung drainage and flood control	7
79/9	India	Fertilizer supply	8
79/12	Thailand	Preliminary crop development	5
79/15	Yemen	Taiz agricultural research centre	3
79/16b	Indonesia	Irrigation studies	8
79/18	Mekong Committee	Technical assistance to secretariat	8
79/19	IRRI	Research support	2
79/20	ICRISAT	Research support	2
79/22	Honduras	Drinking water and rural sanitation	8
79/27	Andean Pact	Food technology research	4
79/29	CIP	Research support	2
79/30	CIAT	Research support	2
79/31	CATIE	Agricultural research	6
79/33	Angola	Moçamedes fish processing plant	7
79/39	Nicaragua	Economic and social rehabilitation	8
80/2	Thailand	Cooperative development	9
80/3	Nicaragua	Rural sector technical assistance	9
80/4	Zimbabwe	Reconstruction of infrastructure in peasant farming areas	9
80/5	India	Fertilizer supply	8
80/9	Pakistan	Baluchistan village water supply	9
80/17	IRRI	Research support	8
80/18	ICRISAT	Research support	2
80/21	Honduras	Coffee development	10
80/24	Honduras	Distribution centres(Banasupro)	10
80/32	CIP	Research support	2
80/33	CIAT	Research support	2
80/43	Zimbabwe	Technical assistance programme	10
81/10	India	Fertilizer supply	8
81/11	ADB	Technical assistance programme	2
81/18	ICRISAT	Research support	2
81/19	CIP	Research support	2
81/20	CIAT	Research support	2
82/2	Bangladesh	Development of seed production	10
82/24	ICRISAT	Research support	2
82/27	CIP	Research support	2

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Year and No of operation	Recipient and title of operation	Type of operation	Sector	Type of financing	Total cost (m ECU)	EEC contribution		Disbursement rate %
						m ECU	%	
76/1	India Drought-prone areas project	Project	Integrated rural development	Autonomous	12.00	6.00	50	99.9

The purpose of this project was to bring assistance to isolated areas of the country suffering from chronic drought, through a programme consisting of a range of small measures in connection with agriculture, livestock farming, soil conservation, etc., the design and development of which was directly geared to the local circumstances.

The project followed in the footsteps of an IDA-financed project on which the Community's project, broadly speaking was modelled, and with strong support from the local authorities.

The design of the project proved to be well adapted to needs and was therefore able to be executed smoothly with results that, by and large, be considered successful.

76/2	Pakistan Khalpur tile drainage	Project	Drainage and irrigation	Cofinancing IBRD	23.30	3.00	13	94.7
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The project, aimed at reclaiming land for cultivation in the Indus Basin (Sind Province), through the use of new drainage processes, is designed as a pilot project on soil desalination. If successful, the government plans to extend the experiment to some 1.4 million acres of land.

Complex coordination arrangements involving the World Bank, the Pakistan Government, the Netherlands and the EEC, coupled with a wide variety of technical approaches and the use of technology that has been tried out only in industrialized countries all mean that it has not been possible to attain the optimum rate of implementation for this project.

76/3	Bangladesh Barrisal irrigation	Project	Drainage and irrigation	Cofinancing IBRD	34.80	2.50	7	100
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The projects concerns the irrigation of some 140 000 acres near the town of Barrisal, by means of a system of pumping water from a network of natural channels. It also contains an agricultural component, consisting in the provision of various services to farmers. The project, cofinanced with the IBRD, is on a very large scale.

Technically speaking the project has fulfilled its objectives, but the use to which it was put was initially disappointing.

This was due to a whole set of circumstances (system of land tenure, inadequate extension work with farmers, faulty credit facilities, etc.) on which the World Bank has since concentrated.

Note that Community aid was limited to its financial contribution, which represented only a minor part of this large project.

76/5	Bolivia Agro-industrial projects (BISA)	Line of credit	Agro-industry	Autonomous	2.00	2.00	100	100
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The contribution was to enable the Central Bank of Bolivia to open a credit line in favour of the BISA (Banco Industrial SA) for subsequent onlending for several food industry projects. Once the loans are repaid a revolving fund will be constituted for financing similar activities.

The Commission has a right to oversee the use to which the revolving fund is put, but as yet no payments have been made. The start of this first Community project in Latin America was retarded owing to a renegotiation of the terms of the loan in order to increase its social element (a lowering of the Central Bank's commission and the final borrower's interest rate).

The project has provided impetus for some agro-industrial activities, although the general political and economic climate has not been conducive to achieving the objectives set.

76/6	Indonesia Soya pilot project, Sumatra	Project	Agricultural production	Autonomous	1.40	1.00	71	99.4
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This project, which was supported on the basis of an existing study and then financed autonomously by the EEC, ran into great difficulty until it was substantially revamped and accorded fresh financing (Project NA/79/8), which finally enabled it to get off the ground in 1979. In the second phase, the procedural difficulties encountered previously were overcome (project 76/6 was the first to be undertaken in Indonesia) and the project was better adapted to the local economic, agricultural and social circumstances.

The second project is still in progress and the Indonesian Government has already expressed an interest in launching similar projects in other areas.

Year and No of operation	Recipient and title of operation	Type of operation	Sector	Type of financing	Total cost (m ECU)	EEC contribution		Disbursement rate %
						m ECU	%	
76/7	ICRISAT	Support for applied re- search bud- get (region- al)	Agriculture	Cofinanc(IBRD)	4.80	2.00		100
77/11	Research support			Cofinanc(CGIAR)	7.60	1.00		100
78/19				Cofinanc(CGIAR)	7.20	0.80		96
79/20				Cofinanc(CGIAR)	6.20	0.80		100
80/18				Cofinanc(CGIAR)	9.70	0.95		100
81/18				Cofinanc(CGIAR)	15.80	1.20		100
82/24		Cofinanc(CGIAR)	1.70	1.30		100		
					63.00	8.05	13	
77/12	IRRI	Support for applied re- search bud- get (region- al)		Cofinanc(CGIAR)	12.30	1.00		100
78/18	Research support			Cofinanc(CGIAR)	11.20	0.80		100
79/19				Cofinanc(CGIAR)	11.60	1.00		100
80/17				Cofinanc(CGIAR)	14.50	1.20		100
					49.60	4.00	8	
78/32	CIP	Support for applied re- search bud- get (region- al)		Cofinanc(CGIAR)	5.60	0.40		100
79/29	Research			Cofinanc(CGIAR)	6.20	0.50		100
80/32				Cofinanc(CGIAR)	6.50	0.60		100
81/19				Cofinanc(CGIAR)	9.60	0.80		100
82/27				Cofinanc(CGIAR)	1.75	0.90		100
					29.65	3.20	11	
78/33	CIAT	Support for applied re- search bud- get (region- al)		Cofinanc(CGIAR)	10.00	0.80		100
79/30	Research support			Cofinanc(CGIAR)	11.00	1.00		100
80/33				Cofinanc(CGIAR)	12.90	1.15		100
81/20				Cofinanc(CGIAR)	20.20	1.40		100
					54.10	4.35	8	

Having been gradually extended to four specialized international agricultural research institutes (ICRISAT: arid zones, IRRI: rice; CIP: potatoes, CIAT: tropical agriculture) which form a coordinated network under the aegis of the consultative body CGIAR, the Community contribution to the annual research budgets of these institutions is paralleled either by aid from other non-European industrialized countries or by bilateral EEC aid. Although the Community's contribution is less than 10% of these budgets it represents essential support for the institutions. The combined contribution of the Community and its Member States amounts to about 30% of the cost of financing their activities.

76/8	ADB	Pre-investment Rural deve-	Autonomous	1.50	1.50	100	100
77/14	Technical assistance	studies (re-	development	0.40	0.40	100	100
81/11	programme	gional)		1.00	1.00	100	100
				2.90	2.90	100	100

Ever since the EEC started to collaborate with the ADB on cofinancing operations, it has at the same time been helping the Bank to finance the preparation of dossiers for rural projects.

It has in this way financed several studies on behalf of its aid recipients over the years, so that the latter could identify and present viable projects. The money thus granted by the Community has provided support at the most risky stage of the projects, when they would probably not have been eligible for financing by the ADB itself, which provides only loans.

The most recent programme was financed in 1981, at which time this form of collaboration was temporarily suspended because of the incompatibility of the two partners' rules on eligibility. The Community cannot agree to exclude firms in certain Member States which are not members of the Bank, while the Bank has serious difficulty in changing its rule whereby only firms from its member countries are eligible.

77/1	India	Project	Infrastructure	Autonomous	13.00	6.40	49	100
	Grain and fertilizer storage		(storage)					

The purpose of the project was to assist an inter-state corporation responsible for storage facilities throughout the country, but particularly the silos situated near the coasts. Under the project, a number of warehouses were built and equipped, and the associated infrastructure was financed.

In view of its design and the technology employed, the project was well suited to the goals set for it and fitted into the local environment. Although it was completed without difficulties, it should be noted that Community aid did not play a decisive role in the carrying-out of the project.

77/2	India	Project	Infrastructure	Autonomous	5.60	5.60	100	99.9
	Wheat grain storage		(storage)					

The purpose of this project was to assist farmers in grain storage techniques, through various measures (distribution of pesticides, revision of water courses, sanitation work in connection with correct methods, purchase of demonstration equipment, etc.) carried out at different levels (individual and village, county training centres, government, etc.). It is the result of a rather long process to reduce post-harvest losses and helped to "top up" that programme. By introducing the technology on a wide scale it led to a substantial rise in the amount of food available, even though production did not increase.

Year and No of operation	Recipient and title of operation	Type of operation	Sector	Type of financing	Total cost (m ECU)	EEC contribution		Disbursement rate %
						m ECU	%	
77/5	Sri Lanka Mahaweli Ganga development	Project	Integrated rural development	Cofinancing (IBRD)	89.70	2.00	2	100

An integrated rural development project in an arid region of Sri Lanka, consisting of land clearance followed by rehabilitation and development of a system of irrigation and drainage. A number of operations connected with infrastructure and the provision of agricultural and social amenities, including the settlement of peasant farmers, were also included. The Community put up a small amount of money for the project as part of an overall arrangement with several other aid donors, under the leadership of the World Bank (IDA), to whom it delegated entire responsibility for project implementation, agreeing to the latter's tendering procedure and confining itself to disbursing funds when requested. The Community's contribution amounted to no more than 2% of the total, spread over a number of the project's components, which makes it virtually impossible to judge its impact.

77/6	Viet Nam Supply of land-clearing equipment	Supply	Agricultural equipment	Autonomous	6.90	2.40	35	100
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Supply of equipment (bulldozers) in order to prepare land for new agricultural projects in the "Song Ray, new economic zone" in the south of the country.

77/8	Thailand Pig-breeding pilot project	Project	Livestock farming	Autonomous	0.11	0.10	90.9	96.5
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The project, which formed part of a cooperatives scheme still in its infancy, was designed to increase the profitability of pig farming, the country's main form of livestock farming, through the introduction of new European breeds on a pilot farm. The project, of an experimental nature, was cut short, the Thais having abandoned it because of an outbreak of disease among the animals.

77/9	Yemen Taiz agricultural research centre	Technical assistance	Agricultural research	Cofinancing (IBRD)	10.70	1.30	12	100
79/15	Taiz agricultural research centre	Technical assistance	Agricultural research	Cofinancing (IBRD)	13.20	1.10	8	100

These two projects consisted of financing technical assistance for Yemen's Ministry of Agriculture and contributing to an applied research centre (CARS) run by the latter at Taiz in the south of the country. The project aimed at supporting the efforts of a country which depends to a large extent on agriculture but is beset by an acute shortage of cultivable land and water resources together with mass migration from the countryside. For these reasons it was vital to improve the efficiency of the departments responsible for planning and carrying out agricultural projects and to encourage the optimum use of local agricultural resources. One way in which research was applied to tackle the problem was through the breeding of improved varieties of the main food crops able to adapt to local conditions.

It should be noted that this research was later applied in Project NA/81/24, which followed on in the same area, but at producer level, and consisted of the construction of several centres for the propagation of selected seeds.

77/16	Honduras Artisanal fishing	Project	Fisheries	Cofinancing (IDB)	3.00	1.00	33	100
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The project consisted of providing 12 coastal fishing vessels for artisanal fishermen and of building certain port and marketing installations. The project, which was cofinanced with the IDB, was difficult to launch because of differences in the two donors' procedures which were not easily reconciled. The IDB's financing was then exhausted before the installations had become sufficiently profitable and the Community therefore decided to allocate counterpart funds from EEC food aid to the project to ensure its success.

Year and No of operation	Recipient and title of operation	Type of operation	Sector	Type of financing	Total cost (m ECU)	EEC contribution		Disbursement rate %
						m ECU	%	
	Andean Pact	Pre-investment		Autonomous	1.20	1.00	83	100
77/20	Food technology research			Autonomous	0.60	0.30	50	100
79/27	Food technology research			Autonomous	0.60	0.30	50	100
78/27	(1)			Autonomous	3.80	1.60	42	100
78/28	(2) Wood technology research			Autonomous	0.10	suppl. 0.10	100	100
78/29	(3)			Autonomous	0.40	0.40	100	100
78/31	Industrial standardization and quality control			Autonomous	0.20	0.20	100	100
					12.40	6.60	53	

- 77/19: Surveys with a regional bearing in several specific fields (improved seeds, cold storage, plant quarantine). A second programme was approved in 1982 to take over from this project.
- 77/20 }
79/27 } These two complementary programmes of applied research in food technology were designed, through the use of appropriate technology and locally available foodstuffs to develop nutritious and cheap compound foodstuffs for low-income groups.
- 78/27 }
78/28 } Three applied research projects in tropical wood technology aimed at extending the use of wood in building, carrying out studies on by-products of wood and setting up pilot projects for low-cost housing schemes. In 1983 the
78/29 } project was followed up by another, to promote the results of the research on an industrial scale.
- 78/31: A small project involving European technical assistance (transfer of technology), aimed at laying down industrial standards and quality control methods for specific branches of industry.

The Community's financial and technical support for these projects has had a double impact. First, it has contributed to studies on - and indeed the solution of - certain specific technical problems. Second, by stepping up the resources at the Andean Pact's disposal, it has supported the latter's attempts at integration and added to the Junta's credibility. Overall, these operations have achieved their objectives.

78/2	India	Project	Rural infrastructure	Autonomous	2.00	2.00	100	100
	Cyclone protection shelters							

This project consisted of building cyclone protection shelters, using a very simple yet effective technology, in a number of villages hitherto without any concrete buildings, situated in cyclone-prone areas (Tamil Nadu and Andhra Pradesh States). The shelters were designed to guard against losses of life and livestock during cyclones. It should be noted that the completed shelters have not yet had to be used for this purpose, but the village communities can meanwhile put them, as planned, to other uses, e.g. for village meetings and training activities.

Several other coastal states have expressed a wish to be provided with similar shelters.

78/4	Pakistan	Project	Irrigation and drainage	Cofinancing (IBRD)	120.00	4.80	4	100
	Tarbela dam							

The Community's financial contribution to this major development scheme, still needing several years before completion, was put towards certain emergency work which had to be carried out following unexpected erosion. The Community's contribution has now been spent, but the project is continuing (especially the part relating to the production of hydroelectric power) and because of its vast size and the long period required for completion, further one-off contributions will still be required regularly in order to consolidate it. This enormous dam is vitally important for Pakistan, because of the volume of water it supplies for irrigation purposes and the considerable amount of power generated.

78/7	Indonesia	Studies - technical assistance	Agriculture	Autonomous	0.15	0.15	100	98
	Batutaden dairy project study							

Feasibility study aimed at consolidating an existing national dairy centre, combined with a pilot project to set up milk production on marketing co-operatives.

This study is the subject of a project agreement with the Government of Indonesia, signed in 1982.

Year and No of operation	Recipient and title of operation	Type of operation	Sector	Type of financing	Total cost (m ECU)	EEC contribution		Disbursement rate
						m ECU	%	
78/8	Indonesia Bank of Indonesia small credit programme	Technical assistance	Rural services	Autonomous	2.35	2.35	100	98

A technical assistance project aimed at providing management staff of commercial banks with training in order to improve the running of an existing programme for loans in the rural sector. This is a national programme whereby the Central Bank of Indonesia lends small sums to private customers via the commercial banks (average loans not exceeding a few thousand dollars). However, in order to make the programme more effective, the commercial banks needed to improve their management capacity and gear it specifically to development objectives.

This programme, which for a modest outlay is enabling new jobs to be created, has received wide external support. The Community's financing has covered three rural provinces. The success of the scheme was such that the Community, like other donors, has decided to extend its support during a further phase (NA/82/19).

78/11	Thailand Seed centre study	Studies - Technical assistance	Agriculture	Autonomous	0.10	0.10	100	100
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Study for the establishment of a propagation centre for improved rice and other cereal seeds, which had hitherto been unavailable in Thailand.

The study paved the way for a project (NA/81/4), currently under way.

78/12	Thailand Crop diversification study	Studies - Technical assistance	Agriculture	Autonomous	0.20	0.20	100	100
79/12	Preliminary crop development	Project	Agriculture	Autonomous	2.60	2.60	100	100

This project is part of the EEC-Thailand Agreement on manioc. An applied research project, its purpose is to develop crop-growing systems likely to encourage greater product diversification. The project has been focused on the north-east, the poorest part of the country. It has encountered problems because of the difficulty in identifying an alternative product which is as profitable as manioc. The latter fetches high prices on the world market and can be grown easily and profitably in a region which is otherwise deprived.

The Community's first contribution, topped up with further financing amounting to an additional 20%, has now been exhausted. A second phase is under consideration at present; it provides for a continuation of the research, taking into account the problems encountered.

78/17	ASEAN Timber study	Study	Wood industry	Autonomous	0.30	0.30	100	94
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It proved extremely difficult to get this project - the first providing financial aid for ASEAN - off the ground, largely owing to administrative and procedural difficulties.

Finally started towards the end of 1981, the study resulted in an interesting report in the summer of 1983 which has formed the basis for a regional project currently being examined with a view to its inclusion in the 1984 programme. It concerns the establishment of an Asean centre for wood technology, which would coordinate, finance and carry out research and training activities in order to encourage the use of species that are not commonly employed at present.

Year and No of operation	Recipient and title of operation	Type of operation	Sector	Type of Financing	Total cost (m ECU)	EEC contribution		Disbursement rate
						m ECU	%	
78/20	Haiti Integrated rural development at Jacmel	Project	Integrated rural development	Cofinancing F	1.20	0.80	66	100

Under this integrated rural development project conducted in the southern peninsula of Haiti, financing was provided for infrastructure (tracks, storage facilities, etc.) and a range of productive operations (agricultural activities, a mini power station, coastal fisheries, craft industry, etc.). The project was cofinanced with France, which had complete responsibility for the implementation, but it ran into difficulties at the outset mainly owing to uncertainty about the division of responsibilities. Further serious setbacks arising from the specific constraints imposed by the very uncertain social and economic situation in this country occurred at a later stage.

However, these problems were gradually overcome and the second phase of the project (NA/80/19) got off on a much surer footing. Jacmel II is now being actively pursued and current operations are proceeding satisfactorily.

78/21	Haiti Rural water supply and sanitation	Project	Water supply - rural sanitation	Cofinancing (IDB)	3.20	1.60	50	91
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This project entailed the construction of drinking water supply systems for domestic and village use, to bring water to a hundred or so small communities numbering between 200 and 3 000 people. It was carried out under the responsibility of the IDB, in which full administrative authority was vested, the Community's participation being confined to the purchase of the supplies.

Considerable delays have been experienced with this project, the first disbursements not commencing until 1982. These were almost entirely due to differences between the IDB and the Haitian government over administration and procedures (the majority of the studies were already completed before the IDB-Haiti loan was finally concluded); the main problem area was the tendering procedure.

It is estimated that at the present moment the project is about 50% complete.

78/24	OLADE Geothermal study	Study (regional)	Energy	Autonomous	0.80	0.60	75	98
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Support for studies in the geothermal energy field, the first phase of which consisted of a reconnaissance study designed to cover the whole continent, but for which several countries were selected. The project is part of a wider one to which the Community also contributed a few years later, at more advanced phases (pre-investment), especially in Colombia and Haiti (still in progress).

78/26	CARIF Technical assistance programme	Studies (regional)	Agricultural science	Autonomous	0.43	0.43	100	100
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The CARIF, a bank established by the Central American Common Market at the beginning of the sixties, is chiefly concerned with financing regional capital projects. The Community has been unable to participate directly in these since the bank's strict rules only allow financing in the form of loans. It has been possible, through the financing of studies, for the Community to assist the bank in its operations more fully, enabling it to make a contribution to an institution which, despite its key role in the Central American integration process, has seen its impact reduced by the complicated political situation in the isthmus.

78/30	CARIF Rural project for rural development	Applied to rural development (regional)	Agricultural science	Autonomous	0.57	0.57	100	100
78/31	CARIF Rural project for rural development	Applied to rural development (regional)	Agricultural science	Autonomous	2.00	1.40	55	92

The CARIF bank has been established by the Central American Common Market at the beginning of the sixties, and continues to operate. The project is one of the first in the CARIF programme of rural development, which was initiated in 1975 and is still in progress. The project is one of the first in a series of projects in the CARIF programme of rural development, which was initiated in 1975 and is still in progress.

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Year and No of operation	Recipient and title of operation	Type of operation	Sector	Type of financing	Total cost (m ECU)	EEC contribution		Disbursement rate
						m ECU	%	
78/35	Mozambique Beira fish canning plant	Project	Fisheries	Cofinancing I	3.20	3.00	94	100
						0.60 (1982 supplem.)	89	
						3.60		

The objective of the project was the reconstruction of a fish canning plant near the port of Beira. There have been a series of holdups over the implementation of this project (the plant will not run at full capacity until the spring of 1985, whereas it was due to become operational before the end of 1981), coupled with substantial cost overruns (the original estimate was 4 million ECU, but the cost now seems likely to exceed 10 million ECU). The project cannot properly be described as complete since the supplementary commitment approved in 1982 has not yet been entirely disbursed. The project relied too heavily on an existing technical dossier which proved inadequate, particularly in its technical assumptions, and this has led both to the delays in the project and the need to make adjustments.

It should be noted that this is the first Community operation in this country.

78/36	Angola Moçamedes fish processing plant study	Study	Fisheries	Autonomous	0.50	0.50	100	100
79/33	Moçamedes fish processing plant	Project	Fisheries	Autonomous	0.90	0.90	100	100

The first of these projects, consisting of technical assistance combined with a minor training programme and the delivery of supplies, was aimed at relaunching fisheries activities - a sector vital to the country, which had been completely destroyed - in the province of Moçamedes.

The first consultancy phase paved the way for financing the complete restructuring of the fish factory complex (SOMAR), consisting of freezing and processing machinery and cold storage facilities. The Community's contribution paid for the necessary machinery and equipment and for specialist technical assistance. Although the installations provided were operating satisfactorily, they were not used to full capacity, since the country's small fishing fleet could not keep them fully supplied. Project NA/82/21, consisting of repairs to a dockyard and the supply of equipment and technical assistance to SOMAR, was designed to cope with this. Project NA/82/28 is to provide technical assistance for SOMAR's management so that advantage can be taken of the new opportunities offered.

It should be noted that these two projects - NA/82/28 and NA/82/21 - which have contributed to the rehabilitation of fisheries complexes, owe their existence to the original experiment.

79/1	Thailand Winged bean development	Research	Agricultural science	Autonomous	0.60	0.60	100	94
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Applied research aimed at:

- (i) investigating the possibility, from the agricultural angle, of introducing into the dry area of north-east Thailand a variety of bean traditionally used as a vegetable, as an alternative cash crop to manioc;
- (ii) ascertaining, through a technical study on the possible uses of the bean, its economic advantages as a source of edible oil and cattle cake.

While constituting a useful contribution to future research by Thai institutes (for instance in connection with support for Project No NA/82/3 on oil-bearing crops) the study unfortunately led to the conclusion that, under present market conditions, winged beans do not offer sufficiently attractive prospects.

79/7	Indonesia Talungagung drainage and flood control	Project	Drainage and irrigation	Cofinancing {ADB}	47.70	6.50	14	99
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The Community's contribution covered the cost of building a drainage canal, one element in a much larger project financed by Asian Bank. The part of the project financed by the Community has been completed, but the project is still not finished yet.

Year and No of operation	Recipient and title of operation	Type of operation	Sector	Type of financing	Total cost (m ECU)	EEC contribution		Disbursement rate %
						m ECU	%	
79/9	India Fertilizer supply	Supplies	Agricultural inputs	Autonomous	25.00	25.00	100	100
80/5	Fertilizer supply	Supplies	Agricultural inputs	Autonomous	28.00	28.00	100	100
81/10	Fertilizer supply	Supplies	Agricultural inputs	Autonomous	36.00	36.00	100	100

Although India's own fertilizer production capacity is considerable, it cannot cope with the high and constantly growing demand. Part of the problem is the fact that existing capacity is not being fully used; furthermore, because of distribution difficulties, very large reserves are needed, which in turn means that fertilizers must be obtained from abroad.

The fertilizer deliveries under these three projects were used to generate counterpart funds by means of which development projects could be financed. At this stage, the latter cannot be evaluated, since they are incomplete; indeed some of them have only just been started.

By allowing disbursements to be made more rapidly than the rate of project execution, the Community's operations, as well as meeting India's fertilizer needs, have provided a financing mechanism which goes some way towards easing the constraints of the country's external payments situation.

79/16b	Indonesia Irrigation studies	Studies - technical assistance	Drainage and irrigation	Autonomous	0.80	0.80	100	100
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This study, carried out in collaboration with the ADB, consisted of drawing up the plans for two major irrigation systems, a particularly costly element in the preparation of projects. Its objective was to help the country in the preparation of "bankable" projects which could then be presented to the ADB.

79/18	Mekong Committee Technical assistance to secretariat	Technical assistance (regional)	Project preparation and management	Autonomous	0.40	0.40	100	100
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Technical assistance (financing of two experts) for the purpose of assisting the Mekong Committee in preparing, carrying out and supervising development projects, particularly in the irrigation sector. A second Community contribution has been approved, with similar objectives.

79/22	Honduras Drinking water and rural sanitation	Project	Rural water engineering	Autonomous	6.00	3.20	53	99.5
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The aim was to supply a number of small communities (with populations ranging from 50 to 2000) in Olancho province with basic sanitary installations and drinking water points. Depending on the size of the community, wells or a system of water supply pipes were provided; latrines, toilets and septic tanks were constructed in the villages, particularly in schools.

The project ran into difficulties at the outset because the drilling equipment supplied was too sophisticated, but by calling on suitable technical assistance these problems were overcome. The overall result was very satisfactory: the project by and large met its objectives and the hopes of the people concerned.

Note that a detailed evaluation of the project is planned.

79/39	Nicaragua Economic and social rehabilitation	Project	Rural production	Autonomous	2.50	2.50	100	100
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In the aftermath of the 1972-73 crop, this project's objective was to rehabilitate the harvesting, storage and distribution system for basic grains, in other words, the main foodstuff of the population. The operation consisted of rebuilding or repairing regional or local storage centres and rehabilitating the fleet of trucks used for transporting grain and the workshops for servicing them. Carried out in a very short period of time under entirely satisfactory conditions, the project made it possible, in the space of a few months, to re-open marketing channels in a fundamental sector of local production and consumption.

Year and No of operation	Recipient and title of operation	Type of operation	Sector	Type of financing	Total cost (m ECU)	EEC contribution		Disbursement rate
						m ECU	%	
80/2	Thailand Cooperative development	Project	Support for rural institutions	Autonomous	2.50	2.50	100	97.2

The project consisted of establishing one national and four regional centres for training agricultural cooperative personnel also included a small pilot project providing agricultural equipment for some of the cooperatives. The centres were equipped, training programme was developed and managers for 40% of the country's cooperatives were trained under the project, which was part of a national programme arising from the recognition that independent cooperative structures were needed. The rest of the programme was funded by other donors. The project provided support for institutions and the first phase concentrated on the development of technical skills.

A second phase has been planned and financed by the Community (Project No NA/83/11). It will consolidate the cooperative movement's institutional structure with the ultimate objective of ensuring that it can operate independently and is capable of generating its own finances.

80/3	Nicaragua Rural sector technical assistance	Technical assistance	Central administration	Cofinancing P	3.40 +0.32 3.72	2.80 +0.16 2.96	82	93
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This project was designed to strengthen two key Nicaraguan ministries in the post-Somoza period - the Ministries of Planning and of Agriculture. A team of 10 experts was made available to these ministries, eight financed by the Community and two by France.

The operation at the Ministry of Planning was only a qualified success, owing to under-utilization of the experts. However at the Ministry of Agriculture, the result was on the whole satisfactory and sufficient to warrant the two donors agreeing to a partial extension of the operation for an extra year.

80/4	Zimbabwe Reconstruction of infrastructure in peasant farming areas	Supplies for project	Agricultural equipment	Cofinancing D, NL, UK	40.40	4.00	10	99.7
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Reconstruction project following the struggle for independence. It consisted of the most urgent work in connection with rehabilitating essential rural infrastructure (re-opening of roads and tracks, repairs to agricultural infrastructure), the Community's contribution being confined to the former Tribal Trust Lands, to which the project accorded priority. All the Community funds were used for the purchase of equipment (road-building equipment, animal-dipping tanks), but not for works or related technical assistance.

The equipment provided was deemed entirely satisfactory.

80/9	Pakistan Baluchistan village water supplies	Supplies for project	Water supply and rural sanitation	Cofinancing UNICEF	25	4	16	90
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This project is part of a comprehensive programme - the Baluchistan Integrated Area Development - which was designed in conjunction with UNICEF. The 25 million ECU referred to above covers a first pilot phase of the operation concentrated in four districts for the purpose of defining the approach on both the technical and human level. It was a typical water supply project with a sanitation and family education aspect. The EEC's contribution was used to purchase the necessary supplies (materials and equipment), the project being administered by UNICEF.

The pilot scheme turned out to be well-founded and prepared the way for Project No NA/83/12, which constitutes the second phase on the Community's aid, one in which it will play a wider role since it will assume entire responsibility for all aspects of the new project in two districts.

Year and No of operation	Recipient and title of operation	Type of operation	Sector	Type of financing	Total cost (m ECU)	EEC contribution		Disbursement rate
						m ECU	%	
85/21	Honduras Coffee development	Project	Rural infrastructure	Autonomous	3.00	2.10	70	93

Under this project, 250 km of access tracks were built and a further 200 km were rehabilitated, in coffee-growing areas. These tracks made the areas accessible, making it easier to move products in and out and thus encouraging diversification in what had been a single-crop zone, at the same time as improving coffee marketing. A parallel operation to improve the production of coffee was carried out, consisting of the opening of a training centre promoting the control of coffee-crop diseases.

The project was implemented very smoothly, from the angle of the time schedule and achievement of objectives. An evaluation exercise planned for 1984 will no doubt verify this and possibly lead to the preparation of a second phase of the project.

80/24	Honduras Distribution Centre	Project	Marketing	Autonomous	2.10	1.00	48	91
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Banasupro is an institution set up in the Honduran public sector for the purpose of supplying consumers with basic products at reasonable prices through the introduction of a distribution network. At the present stage, it is capable of reaching 50% of the population. The purpose of the EEC project was to strengthen Banasupro's distribution circuit in rural areas by opening 75 new sales points.

Honduras's financial problems have affected the institution, however, and the government was unable to pay the subsidies due. These difficulties coupled with the effects of inflation hampered the implementation of the project with the result that by 1983 only 31 of the centres had been set up and equipped.

Faced with these problems, the Commission, with the agreement of the authorities, decided to send a team of experts in auditing and organization to propose measures for setting the institution back on its feet; a substantial amount of the counterpart funds generated by the Community's food aid are channelled into Banasupro.

80/43	Zimbabwe Technical assistance programme	Technical assistance	Preparation of rural develop- ment projects	Autonomous	0.50	0.50	100	99.8
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The project's objective was to provide the Government with technical assistance for preparing rural development projects. To this end, a team of three qualified experts was attached to ARDA (Ministry of Lands, Resettlement and Rural Development) for two years. A final evaluation of their contribution is expected. It should be noted that the Government has requested that the contract of one of the experts should be extended for two years for the purpose of monitoring the execution of EDP-financed projects for the speedy reinstallation of peasant farmers and preparing further projects.

82/2	Banladesh Development of seed production	Supplies for project	Agricultural inputs	Cofinancing 0	8.80	3.60	41	99
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By increasing local seed production and by providing and supplementing vital imports, the project is aimed at meeting the needs of farmers.

The Community's attention was drawn to this project by the German bilateral cooperation authorities and it managed, within a very short period, to provide the rest of the financing necessary in order to get the project off the ground. Its contribution was used to deliver cereal seed supplies provided by India.

The signing of contracts by Bangladesh presented some problems of procedure and delivery, but these were overcome.