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PRESS RELEASE

EUROPEAN DEVELOPMENT FUND : SIX MORE SCHEMES FINANCED
TOTALLING NEARLY 41 MILLION UNITS OF ACCOUNT

On 7 May 1965, the EEC Commission approved the financing of six projects endorsed by the EDF Committee at its eighth meeting on 27 April 1965 to a total of 40 695 000 units of account (= US dollars). These are as follows :

1. Planting of 32 000 ha. with selected oil-palms in Ivory Coast : 8.100 million Frs. CFA, or some 32 813 000 u.a. This is the first project under the five-year programme of aid to diversification - (totalling 46.7 million u.a.) in Ivory Coast. It is also the largest scheme ever financed by the EDF : the aim is to lay out 32 000 ha. of palm plantations on an industrial scale; work on the project will last from 1965 to 1973.
2. Planting of selected oil-palms in the Congo (Brazzaville) : 745 900 000 Frs. CFA or some 3 022 000 u.a. The aim is to create three centres in the Congo basin for the cultivation of oil-palms and for the industrial-scale production of palm and palm-kernel oil. The project is part of the five-year diversification programme in the Congo.
3. Electric power plant at Garoua in Cameroon : 185 million Frs. CFA, or some 749 000 u.a. This is the first diversification project under the five-year programme of aid to diversification in Cameroon . The present power station at Garoua will be rebuilt and its capacity raised from 800 to 3 200 KW. The scheme is directly connected with the building of a textile mill, which will be set up with French and German bilateral aid.
4. Cattle markets and tracks in the Central African Republic : 455 million Frs. CFA, or some 1 843 000 u.a. This project, which falls into two sections, concerns the development of livestock-raising in an area inhabited by 25 000 herdsmen. It is calculated that the EDF aid will increase the value of output marketed and the cash income of breeders by over 25 %.

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5. Irrigation scheme in the Madirovalo plain, Madagascar : 240 million Malagasy francs or some 972 000 u.a. The aim is to irrigate 3 200 ha. of very fertile alluvial land, thus increasing the output of rice and groundnuts and raising the average income of the 6 200 inhabitants of the plain by over 40 % .

6. Survey for the Mikongo-Lastourville road, Gabon : 320 million Frs. CFA, or some 1.296.000 u.a. The project has two aims : to prepare for the building of a 150 km. road into the heart of an almost uninhabited forest area, the considerable wealth of which has not yet been tapped; and secondly to link the road systems of east and west Gabon. The project also includes deforestation and stump-removing operations.

These decisions bring the commitments authorized under the second EDF since it started functioning in July 1964 to a total of 124.3 million units of account.

Annexe IFirst diversification project for Ivory Coast:
32 000 hectares of palm plantations

On 7. May 1965, the EEC Commission approved the financing by non-repayable grants from the second European Development Fund (EDF) of the first diversification project in Ivory Coast, the aim of which is to plant 32 000 ha. with selected oil-palms. The project was submitted under the five-year aid-to-diversification programme and had been endorsed by the EDF Committee at its eighth meeting.

Industrial-scale plantations will be laid out in seven areas of the forest belt. Work on the project will last from 1965 to 1973, by which time the last hectares planted in 1970 will begin to yield.

This is the largest scheme ever financed by the EDF: it will cost 8 100 million Frs. CFA, or some 32 813 000 units of account (= US dollars), supplemented by a special EDF loan of some 3 600 000 u.a., arrangements for which are being made by the Commission and the European Investment Bank.

This project, which will make a decisive contribution to the diversification of the Ivory Coast economy - up till now dependent mainly on coffee and cocoa - has been made possible by a combination of various favourable factors: climate and soil; the outstanding results of forty years' agricultural research; and prospects for the sale of palm-oil at home and on the world market.

The total agricultural and industrial complex to be set up, including the six palm-oil mills that will be financed subsequently, will have an average turnover of more than 30 million u.a.; the plantations will provide work for 8 000 families of agricultural workers or some 50 000 persons, and the oil-mills will offer employment for 1 250 people.

The net annual income of palm growers will be 630 u.a. per family, which is more or less double that of coffee growers.

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From the angle of the general economy, the output of the plantations will represent 8% of the increase in agricultural output reckoned at the period of full production in about 1978, while the turnover of the oil-mills will represent 10% of the total increase for the food industry. The 70 000 tons of oil to be exported, after the home market has been supplied, will make up some 6% of the increase in Ivory Coast's industrial exports.

Annexe IIFirst diversification project for the Congo
(Brazzaville): palm plantations in the Congo basin.

On 7. May, 1965, the EEC Commission approved the financing by non-repayable grants from the second European Development Fund (EDF), of the first diversification project in the Congo. The project, which is to set up palm plantations in the Congo basin, was submitted under the five-year diversification programme and had been endorsed by the EDF Committee at its eighth meeting.

At a cost of 745.9 million Frs. CFA, or some 3 022 000 units of account (= US dollars), three centres will be created in the Congo basin for the cultivation of selected oil-palms and for the production on an industrial scale of palm-and palm-kernel oil.

In the neighbourhood of the oil-mills of Lebango and Etoumbi 1 300 ha. will be replanted with selected palms; a 300 ha. pilot palm plantation will be laid down near the Kunda oil-mill; and the village plantations will be extended over 900 ha. around the Lebango and Etoumbi oil-mills.

These 2 500 ha. of selected palms will help to develop agricultural production and make full use of the industrial plant already available; within a reasonable time the agricultural and industrial complex of oil-mills and plantations in the Congo basin will be running at a profit.

Though financed in part by an EDF non-repayable grant, the project also benefits under a large-scale scheme of agricultural credit. A considerable share of the expenditure on the village plantations will have to be repaid to the Congo National Development Bank (BNDC), which will manage the "Fund for the Modernization and Extension of Palm Cultivation", out of which similar schemes will be financed later.

Annexe III

First diversification project for Cameroon:
electric power plant at Garoua

On 7 May 1965, the EEC Commission approved the financing by non-repayable grants from the second European Development Fund (EDF) of the first diversification project in Cameroon. The project, which had been endorsed by the EDF Committee at its eighth meeting, is to move and completely reorganize the Garoua electric power station, which will then have a capacity of 3 200 KW instead of 800 KW.

A new power station will in fact be set up, making use of the low-power generating sets, electrical plant and engineering structures of the old power station. The EDF grant of 185 million Frs. CFA, or some 749 000 u.s. (= US dollars), will pay for buildings to house the power station, two generating sets each developing 1 200 KW and electrical equipment necessary for the two new sets and for the reinstallation of the existing sets.

The project is a form of aid to diversification because it is directly connected with the building of a textile mill at Garoua, near the cotton-growing areas of north Cameroon (14 000 tons of cotton fibre a year). The Garoua mill, which will be a French and German enterprise, will itself require a total investment of over 7 million u.s., in the form of capital and long- and medium-term loans under bilateral and European aid.

It is interesting to observe, moreover, that this industrialization scheme is part of an intra-African agreement between Cameroon and Chad, which are both cotton producers. Under the agreement, the textile mills in Cameroon and Chad will co-ordinate their production programmes and will not compete with each other. Each State will also hold shares in the factory set up in the neighbouring country.

Annexe IV

Cattle markets and tracks in the Central
African Republic

On 7. May 1965, the EEC Commission approved the financing by non-repayable grants from the second European Development Fund (EDF) of an investment project in the Central African Republic to develop livestock-raising in the western part of the country. The project had been endorsed by the EDF Committee at its eighth meeting.

It will cost 455 million Frs. CFA, or some 1 843 000 units of account (= US dollars), and falls into two sections: the repair, improvement and extension of the system of main and secondary tracks in the livestock-raising area of the west; and secondly, the setting up in three rural centres of markets equipped for cattle sales and other trading, and the construction in Bouar of buildings to house the regional market and fair.

The livestock area is situated in the two prefectures of Ouham-Pende and Bouar-Badoua and is inhabited by 25 000 herdsmen, who raise 300 000 head of zebu and sell 20 000 each year. The present scheme is one of the measures planned by the Central African Government to improve cattle productivity by providing road and commercial infrastructure and by taking steps to improve health, promote and supervise trade, instruct herdsmen and give advice on better methods of raising herds and utilizing pasture land.

It is calculated that the EDF aid will increase the value of output marketed and the cash income of breeders by over 25%.

Annexe V

Irrigation scheme in the Madirovalo plain, Madagascar

On 7. May 1965, the EEC Commission approved the financing by non-repayable grants from the second European Development Fund (EDF) of an irrigation scheme in the Madirovalo plain in Madagascar. The scheme had been endorsed by the EDF Committee at its eighth meeting.

The project, which is to cost 240 million Malagasy francs, or some 972 000 units of account (= US dollars), provides for the irrigation of five areas, totalling 3 200 ha., on the left bank of the River Betsiboka and some 100 km. from the port of Majunga on the north-west coast of Madagascar.

The soil in the area is alluvial and very fertile. Improved farming methods with well-regulated watering will increase yields and raise the average income of the 6 200 inhabitants of the plain by over 40%.

It will be necessary to build small dams, canals and other works to carry and drain water (200 million Malagasy francs, or some 800 000 u.s.) for irrigation works and to provide a network of tracks between outlying areas and the routes by which crops will be transported (40 million Malagasy francs, or some 160 000 u.s.).

The project will permit the good use of land in a densely populated area and increased output of two commodities - rice and ground-nuts - which have been given priority under the 1964-68 Malagasy five-year programme.

Annexe VI

Surveys for the Mikongo-Lastourville road, Gabon

On 7. May 1965, the EEC Commission approved the financing by non-repayable grants from the second European Development Fund (EDF) of a technical assistance project connected with the building of the Mikongo-Lastourville road in Gabon. The project was endorsed by the EDF Committee at its eighth meeting.

The project has two aims: first, to prepare for the building of a road into the heart of the "Région des Abeilles", a mountainous area entirely covered by equatorial forest and almost uninhabited, the considerable wealth of which has not yet been tapped. In order to transport the timber, which will be gathered by large European companies equipped with heavy machinery, it is necessary to build a 244-km. road from Ayem to Lastourville. The first 94-km. stretch between Ayem and a point 17 km., beyond Mikongo, is being built with a loan under German bilateral aid and a contribution from Gabon itself; the remainder to be surveyed by the EDF is therefore some 150 km. in length.

The second objective is to connect the road systems of east and west Gabon by linking the Ogooue-Lolo and Haut-Ogooue areas with a main road leading to the Gabon coast. The Ayem-Lastourville road will achieve both these objectives.

The project, which will cost a total of 320 million Frs. CFA, or 1 296 000 units of account (= US dollars), includes a survey for the building of the road and deforestation and stump-removing operations along a 30-metre wide strip.