

**ACP-EEC CONVENTION OF LOME**

**ANNUAL REPORT  
OF THE  
ACP-EEC COUNCIL OF MINISTERS  
(1982)**

Brussels, 16. VI 1983

Mr Pieter DANKERT,  
Mr J.T. KOLANE,  
Co-Presidents of the ACP-EEC  
Consultative Assembly,  
European Parliament,  
LUXEMBOURG  
(Grand Duchy of Luxembourg)

Sirs,

At its meeting in Brussels on 19 and 20 May 1983,  
the ACP-EEC Council of Ministers adopted the annual report  
which it must publish in accordance with Article 168(5) of  
the Second ACP-EEC Convention.

./.

I hereby forward the report to the Consultative  
Assembly for its consideration in accordance with  
Article 175(6) of the Convention.

The necessary copies of the report will be placed  
at the disposal of your Secretariats as soon as possible.

.../...

The Commission report to the ACP-EEC Council of Ministers on the management of the financial and technical co-operation for 1982 which should be annexed to the annual report will be forwarded to the Consultative Assembly as soon as it is received by the Council of Ministers.

(Complimentary close).

OKELO-ODONGO

Daniel VIGNES

Enclosure

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## INTRODUCTION

This annual report for 1982 is the first to cover the period of a normal calendar year from January to December.

Like 1981, it was a particularly difficult year from the standpoint of the international economic and social situation. This factor did not, however, prevent ACP/EEC Cooperation from making positive contributions.

This was the case, for instance, in February 1982, when the Convention was presented to the GATT. Further confirmation of this positive role came, at another level, at the meeting of the Council of Ministers in Libreville in May, when, due mainly to the mutual understanding and constructive spirit of ACP/EEC cooperation, it was possible to find a solution beyond the strict limits of the Convention to the highly delicate problem of the insufficiency of STABEX funds. Even if the solution was accepted without great enthusiasm by the partners, its realisation represented an important achievement until such time as the difficulties encountered by the system could be comprehensively examined.

ACP/EEC Cooperation has now entered a phase of normal day-to-day administration and the Lomé partners are already looking ahead to the commencement of the negotiations for a successor Convention, which should formally open by 1 September 1983.

The ACP and the Community, each for its own part, has already made a start in their preparations, which, for the time-being are essentially centred on reflection. In the case of the Community, the thought being given to this subject forms part of a broader review of its development policy as a whole, and the Commission recently invited the Member States to participate in this exercise by placing a weighty Memorandum on the subject before them.

.../...

The forthcoming major events on the timetable under the Convention - starting with the first ever special session of the Council of Ministers called to review the functioning of the STABEX system - will provide opportunities for assessing how ACP-EEC co-operation may develop without losing sight of the achievements which its partners have made together.

At a time when worldwide the dialogue between industrialized countries and developing countries is encountering difficulties - which are certainly not unconnected with the world economic crisis - and when there is a growing tendency for countries to tackle the recession by turning in upon themselves, it appears all the more important to maintain and improve the instruments assembled within the system of relations between the Community and the ACP, the originality and qualities of which are recognized worldwide.

Also, at a time when it seems clearly necessary to deal with development problems in a wider perspective and bearing in mind the growing interdependence which dictates international economic relations, it is essential that the links which now exist between the countries of the Community and the ACP States emerge strengthened from the test they will undergo at the forthcoming negotiations.

It is more than ever necessary to bear in mind the concluding remarks of the 1980 annual report, namely that "the advances so far achieved should not serve to create the illusion that sufficient progress has been realised or that success in the future will follow automatically or easily".

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The structure of this report is the same as that of previous reports, and examines in turn the outcome of activities in the various fields of ACP-EEC co-operation during the period in question.

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## I. TRADE

### 1. General trade arrangements

#### (a) General characteristics of ACP-EEC trade arrangements

##### (i) General

It should be recalled that essentially the trade arrangements set up by the second Convention of Lomé correspond very closely with those introduced by the first Convention, in other words they are based on the principle of free access to the Community market for virtually all products from the ACP States.

Thus it will be remembered that:

- under Article 2 of the Convention, with the exception of certain agricultural products, products originating in the ACP States are imported into the Community free of customs duties and charges having equivalent effect;
- as regards agricultural products, the exemption from customs duties applies to those for which Community provisions in force at the time of import do not provide, apart from customs duties, for the application of any other measure relating to their import;
- special, more favourable treatment than that granted to third countries benefiting from the most-favoured-nation clause is laid down for those agricultural products which, within the framework of the implementation of the common agricultural policy, are covered by a common market organization and, therefore, not automatically eligible for free access;

- the arrangements applicable to these products are laid down in Regulation (EEC) No 435/80 <sup>(1)</sup>, to which the Community had autonomously decided to give advance implementation during the transitional period and which, under Article 2(2)(c) of the Convention, is to remain applicable until the expiry of the Convention <sup>(2)</sup>;

Thanks to the specific provisions adopted beforehand to ensure the necessary continuity between the two Conventions, the introduction of the new trade arrangements was possible without difficulties as from the first months of 1981.

In 1982 the Council and the Commission adopted various implementing texts concerning trade; these covered:

- arrangements for imports of ACP rum <sup>(3)</sup>;
- arrangements applicable to fresh or chilled tomatoes <sup>(4)</sup>;
- the establishment of ceilings and Community surveillance for imports of carrots and onions <sup>(5)</sup>;
- a derogation from Regulation No 486/80 as regards the calculation of the amount of the reduction of import duties for beef and veal products <sup>(6)</sup>;
- the list of establishments in the Kingdom of Swaziland approved for the purpose of importing fresh meat into the Community <sup>(7)</sup>;
- a derogation from the rules of origin for Mauritius in respect of canned tuna <sup>(8)</sup>.

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(1) OJ No L 55, 28.2.1980

(2) See Regulation (EEC) No 3486/80, OJ No L 365, 31.12.1980

(3) Council Regulation (EEC) No 1699/82 of 24 June 1982, OJ No L 189, 1.7.1982

(4) Commission Regulation (EEC) No 2606/82 of 29 September 1982, OJ No L 278, 30.9.1982

(5) Commission Regulation (EEC) No 2605/82 of 29 September 1982, OJ No L 278, 30.9.1982

(6) Commission Regulation (EEC) No 3077/82 of 17 November 1982, OJ No L 325, 20.11.1982

(7) Commission Decision (82/814/EEC) of 17 November 1982, OJ No L 343, 4.12.1982

(8) Decision No 1/82 of the ACP-EEC Customs Co-operation Committee and Commission Regulation (EEC) No 2087/82, OJ No L 221, 30.7.1982

(ii) Arrangements for the importation of certain ACP agricultural products into the Community

At the 7th meeting of the ACP-EEC Council of Ministers, which took place in Libreville, the ACP States referred to the difficulties encountered by some of their exports to the Community (wheat bran, chicks, coffee and maize). In a letter dated 17 June 1982, the ACP States requested consultations on these products (and also on cocoa butter and strawberries) under Article 2(2)(b) of the Convention.

Consultations first took place on 7 July 1982 at the meeting of the ACP-EEC Subcommittee on Trade Co-operation. The ACP States stated their case, set out subsequently in a memorandum forwarded to the Community on 25 August 1982. The ACP States pointed out in particular that the difficulties encountered by their exporters were occurring at a time when their trade balance with the Community had deteriorated seriously. They also considered that the Community should have informed them before taking decisions on certain agricultural products, in accordance with Article 16(1) of the Convention.

Two further meetings of the ACP-EEC Subcommittee on Trade Co-operation (on 17 September and 27 October 1982) made it possible to resolve some of the problems. In certain cases solutions were sought bilaterally between the parties concerned ; other problems are still under examination in the Community's bodies:

.../...

- Wheat bran and wheat residues

With regard to these products, the (EEC) Council had decided in May 1982, as part of the decisions on the 1982/1983 agricultural prices (Regulation No 1459/82), to increase the coefficient used in calculating the variable component of the import levy, which applied to all third countries, including the ACP States. As the considerable increase in import duties could prove harmful to the ACP States' exports of these products, the ACP States maintained that the Regulation was incompatible with Article 2(2)(a)(ii) of the Convention, which accords them genuine preference over third countries in general. Consequently, the Community agreed to consider ways of giving the ACP States genuine preference over third countries, in accordance with that Article.

- Strawberries

The ACP States asked that the Community agree to give preferential treatment to strawberry imports during the off-season in Europe. There is no preferential rate of duty for the ACP States for strawberries in Regulation (EEC) No 435/80 laying down the preferential arrangements for ACP agricultural products under Lomé II.

On 7 October 1982 the ACP States forwarded to the Community statistics and economic data which are now being studied by the Community in accordance with normal procedure.

(iii) Arrangements applicable to trade between Greece and the ACP States

It will be remembered that the negotiations initiated, under Article 181 of the Convention, between the Community and the ACP States concerning the enlargement of the Community to include Greece were formally concluded on 8 October 1981 by the signing of:

- a Protocol to the second ACP-EEC Convention consequent on the accession of the Hellenic Republic to the European Economic Community, and
- a Protocol to the Agreement between the Member States of the European Coal and Steel Community and the ACP States consequent on the accession of the Hellenic Republic to the Community.

These texts must be approved by the Contracting Parties in accordance with their respective procedures. At 31 December 1981 only a very small number of ACP and EEC States had deposited their instruments of ratification.

Pending the entry into force of these two Protocols, the Community again autonomously extended the provisional arrangements applicable to trade between Greece and the ACP States which it had introduced early in 1981.

These arrangements - which have in the interval been extended several times and under which the ACP States benefit from the improved arrangements for imports into Greece provided for in the Protocol - have most recently been extended until 30 June 1983 <sup>(1)</sup>.

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<sup>(1)</sup> See Regulation (EEC) No 3551/82 and the Decision of the Representatives of the Governments of the Member States of the European Coal and Steel Community, meeting within the Council, of 29 December 1982, OJ No L 373, 31.12.1982.



(iv) Consultation procedure (application of the safeguard clause)

It will be remembered that in 1981 the ACP-EEC Council of Ministers instructed the Committee of Ambassadors and its Subcommittee on Trade Co-operation to examine any proposals from either side concerning implementation of the consultation procedures on safeguard measures provided for in Article 13 of the Convention.

Following a detailed examination of these proposals, the ACP-EEC Subcommittee on Trade Co-operation approved a joint declaration at its meeting on 17 September 1982. The text in question (see Annex I) was submitted to the ACP-EEC Committee of Ambassadors pending final adoption at the next meeting of the ACP-EEC Council of Ministers.

In this connection, the Community has made a statement which it has requested should be included in the minutes of the Council meeting which approves the joint declaration.

.../...

(b) ACP-EEC trade and relations with third countries

(i) General Agreement on Tariffs and Trade (GATT)

- Presentation of the Convention to GATT

On 23 and 24 February 1982 a GATT Working Party examined the second ACP-EEC Convention in accordance with a mandate instructing it to verify the Convention's compliance with the General Agreement.

The Working Party's discussions had been prepared at co-ordination meetings between representatives of the ACP States and of the Community, in accordance with the Joint Declaration in Annex I to the Final Act of the Convention.

At the GATT Working Party there was wide sympathy for the view that the purposes and objectives of the Convention were in line with those embodied in the General Agreement, including Part IV, in as much as the Convention aimed at improving the standard of living and economic development of the developing country participants including the least developed among them <sup>(1)</sup>. For their part, the representatives of the ACP States and of the Community voiced their satisfaction at the spirit in which the examination of the Convention had taken place and stated that to subject the Convention to criticism was a way of ensuring that the Convention, already regarded as a model in North/South relations, did not remain static.

The ACP-EEC Council of Ministers in Libreville expressed satisfaction at the effective co-operation which the Lomé partners had demonstrated at the abovementioned meeting. It emphasized the need for such co-operation to continue at the appropriate levels, including at the GATT Ministerial meeting in November 1982 at which discussions on the treatment of various tropical products were due to take place.

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(1) The Working Party's conclusions (GATT doc. L 5292 of 5 March 1982) are given in Annex II hereto. .../...

- GATT Ministerial meeting

As part of the 38th session of the Contracting Parties to the GATT, a Ministerial meeting was held in Geneva from 24 to 29 November 1982.

Certain informal consultations between the ACP and the Community took place on this occasion.

(ii) Enlargement of the Community to include Portugal and Spain

A Community statement on the progress of the accession negotiations with Spain and Portugal was made to the Committee of Ambassadors on 20 April 1982 and repeated before the ACP-EEC Council of Ministers in Libreville <sup>(1)</sup>. In this statement the Community recalled 'the rule that States applying for accession to the Community must adopt the "acquis communautaire" in full and that, consequently, any problem of adjustment should be settled only by interim measures. The Community informed the ACP States that an agreement had been reached at Ministerial level with Spain and Portugal on transitional measures for capital movements, transport, economic and financial affairs and regional policy.

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<sup>(1)</sup> At the 14th meeting of the Committee of Ambassadors on 1 February 1983, the Community provided the ACP States with a new statement on the latest developments in the negotiations. See Annex III hereto for the texts of the statements.

2. Evolution of trade

(a) Statistics

The evolution of trade between the ACP and the Community, a matter of great concern to the ACP side, was brought to the attention of the joint ACP-EEC bodies when it appeared that the trade balance of the ACP States with the Community, which had generally been fairly favourable for the ACP States under the first Lomé Convention, was beginning to deteriorate, while a certain rigidity continued to characterize trade patterns between the two parties. This question, which is being closely examined by the ACP-EEC Working Party on the Evolution of Trade (see (b) below), assumed even greater importance in the light of the trade figures for 1981.

Tables containing the most recent statistics on the evolution of ACP-EEC trade are set out below.

.../...

TABLE I (EUR 10)

Evolution of ACP-EEC trade compared with the development of EEC trade  
with third countries and with developing countries

Thousand million ECU

	1975	1976	1977	1978	1979	1980	1981	1982
EEC imports <sup>(1)</sup>	125,8	160,0	172,9	179,7	219,3	272,9	303,8	321,5
from developing countries	55,9	71,1	76,3	72,3	89,7	116,7	129,1	128,8
- OPEC	33,8	42,6	43,0	38,8	52,8	68,1	75,4	71,8
- ACP (59 countries) <sup>(2)</sup>	8,8	10,6	12,6	12,0	14,9	19,0	16,4	17,8
ACP annual growth		+ 20,5%	+ 19,3%	- 4,9%	+ 24,1%	+ 27,9%	- 14,0%	+ 8,5%
ACP share in extra EEC imports	7,0%	6,6%	7,3%	6,7%	6,8%	7,0%	5,4%	5,5%
Share of other developing countries in extra-EEC imports	37,4%	37,9%	36,9%	33,6%	34,1%	35,8%	37,1%	34,5%
ACP imports compared with imports from other developing countries	18,7%	17,4%	19,8%	19,9%	19,9%	19,5%	14,5%	16,0%
EEC exports <sup>(1)</sup>	118,3	138,0	160,4	170,1	189,2	218,8	266,7	286,5
to developing countries	44,0	51,5	62,5	67,2	70,4	84,4	112,0	117,1
- OPEC	18,7	23,9	30,0	31,5	30,7	37,2	53,5	55,6
- ACP (59 countries) <sup>(2)</sup>	8,2	9,9	12,6	12,8	11,8	15,8	18,6	18,2
ACP annual growth		+ 21,5%	+ 26,6%	+ 1,6%	- 7,2%	+ 32,9%	+ 17,8%	- 2,2%
ACP share in extra-EEC exports	6,9%	7,2%	7,8%	7,5%	6,3%	7,2%	7,0%	6,4%
EEC trade balance (ACP-EEC trade) - in favour of the ACP States; + in favour of the EEC	- 0,6	- 0,6	0,0	+ 0,8	- 3,0	- 3,3	+ 2,2	+ 0,4

Source: EUROSTAT

<sup>(1)</sup> See attached comment under 1.

<sup>(2)</sup> See attached comment under 2.

Comments

1. The trade figures appearing in Table I concern the 10 Member States of the Community. Greek trade has thus been retrospectively integrated into the figures for 1975-1980, which allows for comparability of the figures updated to EUR-10.
  
2. Trade with the ACP States is limited to 59 ACP States and thus does not include the following four States:
  - Antigua and Barbuda
  - Belize
  - Zimbabwe
  - Vanuatu.

In 1981 trade with these countries was as follows (in thousand million ECU):

	<u>Imports</u>	<u>Exports</u>
1. Antigua and Barbuda	Nil	Nil
2. Belize	0,03	0,03
3. Zimbabwe	0,30	0,24
4. Vanuatu	0,02	.

3. The figures for Community trade in crude and refined petroleum products (Table II) were supplemented as regards Greece by statistical data from the OECD for 1975-1980, for which EUROSTAT does not yet have figures.

.../...

TABLE II (EUR 10)  
Evolution of ACP-EEC trade compared with the development of EEC trade  
with third countries and with developing countries

	Crude and refined petroleum products					Thousand million ECU			
	1975	1976	1977	1978	1979	1980	1981	1982	
EEC imports <sup>(1)</sup>	35,3	47,3	46,4	42,9	57,0	80,7	94,0	94,3	
from developing countries	32,4	43,0	42,1	38,2	49,4	70,2	80,5	76,0	
- OPEC	30,4	40,2	39,5	35,9	46,0	63,7	70,8	66,2	
- ACP (59 countries) <sup>(2)</sup>	2,8	3,4	3,5	3,4	5,8	9,2	7,0	8,1	
ACP annual growth		+ 21,4%	+ 2,9%	- 2,9%	+ 70,6%	- 58,6%	- 23,9%		
ACP share in extra EEC imports									
Share of other developing countries in extra-EEC imports									
ACP imports compared with imports from other developing countries									
EEC exports <sup>(1)</sup>	4,0	5,0	6,1	5,9	9,1	9,1	13,6	15,7	
to developing countries	0,7	0,7	0,9	1,3	1,8	2,5	3,5	3,3	
- OPEC	0,3	0,3	0,3	0,4	0,8	1,2	1,6	1,7	
- ACP (59 countries) <sup>(2)</sup>	0,2	0,2	0,4	0,5	0,9	1,1	0,8	0,6	
ACP annual growth		+ 0,0%	+ 100%	+ 25%	+30%	+ 22,2%	- 27,3%	- 37,5%	
ACP share in extra-EEC exports									
EEC trade balance (ACP-EEC trade) - in favour of the ACP States, + in favour of the EEC									

Source: EUROSTAT

(1) See attached comments under 1.

(2) See attached comments under 2.

.../...

TABLE III (EUR 10)

Evolution of ACP-EEC trade compared with the development of EEC trade  
with third countries and with developing countries

- excluding crude and refined petroleum products -

Thousand million ECU

	1975	1976	1977	1978	1979	1980	1981	1982
EEC imports <sup>(1)</sup>	90,5	112,7	126,5	136,8	162,3	192,2	209,8	227,2
from developing countries	23,5	28,1	34,2	34,1	40,3	46,5	48,6	52,8
- OPEC	3,4	2,4	3,5	2,9	6,0	4,4	4,6	5,6
- ACP (59 countries) <sup>(2)</sup>	6,0	7,2	9,1	8,6	9,1	9,8	9,4	9,7
ACP annual growth		+20,0%	+26,4%	- 5,5%	+ 5,8%	+ 7,7%	- 4,1%	+ 3,2%
ACP share in extra-EEC imports	6,6%	6,4%	7,2%	6,3%	5,6%	5,1%	4,5%	4,3%
Share of other developing countries in extra-EEC imports	19,3%	18,5%	19,8%	18,6%	19,2%	19,1%	18,7%	19,0%
ACP imports compared with imports from other developing countries	34,3%	34,4%	36,3%	33,7%	29,2%	26,7%	24,0%	22,5%
EEC exports <sup>(1)</sup>	114,3	133,0	154,3	164,2	180,1	209,7	253,1	270,8
to developing countries	43,3	50,8	61,6	65,9	68,6	81,9	108,5	113,8
- OPEC	18,4	23,6	29,7	31,1	29,9	36,0	51,9	53,9
- ACP (59 countries) <sup>(2)</sup>	8,0	9,7	12,2	12,3	10,9	14,7	17,8	17,6
ACP annual growth		+ 21,3%	+25,8%	+ 0,8%	-11,4%	+34,9%	+21,1%	- 1,1%
ACP share in extra-EEC exports	7,0%	7,3%	7,9%	7,5%	6,1%	7,0%	7,0%	6,5%
EEC trade balance (ACP-EEC trade) - in favour of the ACP States, + in favour of the EEC	+ 2,0	+ 2,5	+ 3,1	+ 3,7	+ 1,8	+ 4,9	+ 8,4	+ 7,9

Source: EUROSTAT

<sup>(1)</sup> See attached comments under 1.

<sup>(2)</sup> See attached comments under 2.

.../...



As recalled above, a full analysis of the evolution of ACP/EEC trade is now being undertaken by the Working Party entrusted with that responsibility.

However, an examination of the above tables indicates that :

- (1) the share of the ACP States in Community imports, which had been relatively steady in the period 1975-80, fell sharply in 1981 and picked up very little in 1982;
- (2) the ACP States' share in Community imports from all developing countries also decreased in 1981 but showed some recovery in 1982;
- (3) the share of EEC exports going to the ACP States, which increased over the period 1975-1977, has subsequently been on a declining trend;
- (4) after two years (1979 and 1980) in which the ACP States had a favourable overall trade balance with the EEC, they swung into a deficit of 2.2 thousand MECU in 1981; there was, however, a marked improvement in 1982, the deficit being reduced to 400 MECU.

.../...

(b) ACP-EEC Working Party on the Evolution of trade

The Working Party instructed by the ACP-EEC Council of Ministers on 9 and 10 April 1981 in Luxembourg to examine the development of ACP-EEC trade and whose mandate was finalized by the ACP-EEC Council of Ministers in Libreville in May 1982 <sup>(1)</sup>, held two meetings in 1982, namely on 29 March and 24 September.

The Working Party's first meeting was mainly devoted to defining its tasks and work programme. At its second meeting on 24 September 1982 the Working Party began examining global ACP-EEC trade on the basis of Community statistics. The two Parties agreed to proceed step by step and to go progressively into a more detailed analysis of trade patterns between the ACP States, the Community and other third countries.

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<sup>(1)</sup> The Working Party's mandate is as follows:

"The Working Party shall:

1. make a global assessment of ACP-EEC trade performance over the period 1970/1980. In evaluating this assessment, account will be taken of the evolution of world trade amongst other items;
2. examine the evolution of trade and production of the ACP and the EEC over the period 1975/1980, by product and by country, in volume and value in comparison with:  
  
world trade including: Developing countries: ACP, Maghreb and Machrak, Asean, Latin and Central America, and Developed countries: USA, Japan and others;
3. analyse the pattern, structure and distribution of ACP-EEC trade and examine possible future trends;
4. examine and determine the ACP terms of trade with the EEC;
5. examine the EEC and ACP trade barriers;
6. draft the conclusions of the analytical study;
7. prepare recommendations."

.../...

3. Specific questions

(a) Available agricultural products

This question has been the subject of discussions between the ACP and the EEC since the first ACP/EEC Council of Ministers in July 1976.

In 1978 the Community replied to a formal request by the ACP submitted in 1977, for a guarantee to make available and to deliver regular and substantial supplies of EEC agricultural products, by declaring itself prepared to make use of all the instruments available under the common agricultural policy to permit ACP and EEC traders to conclude long-term contracts on the best possible terms.

As it had proved impossible to reach an agreement satisfying both the ACP - who wanted (a) a guarantee for a multi-annual programme of supplies, (b) at preferential prices, (c) with special payment terms - and the Community - which referred constantly to the machinery of the common agricultural policy (in particular the system of export refunds) and was not prepared to accept commercial transactions outside the normal contractual framework - the ACP-EEC Council of Ministers in 1980 instructed the ACP-EEC Subcommittee on Trade Co-operation "to set up as soon as possible a joint Working Party to examine the measures to be taken to implement the statement which the Community had made on the matter in the context of the Second Lomé Convention." <sup>(1)</sup>

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<sup>(1)</sup> In this Declaration, which mainly repeats the offer made in 1978, the Community states that, in order to contribute to greater food security in the ACP States, it will "endeavour to implement the instruments of the common agricultural policy so as to enable transactions to be carried out through the normal commercial structures in respect of certain essential food products, on conditions which make it possible to achieve greater stability of supplies" (see page 517 of the Second Lomé Convention).

This objective having been considered too limited by the ACP, the Sixth ACP-EEC Council in 1981 "agreed that the positions of the two parties on the supply of available agricultural products should be examined by the Joint Working Party".

Following this definition of its mandate the Working Party held its first two meetings during 1982, on 8 January and 29 March March respectively.

These meetings made it possible to clarify a number of mechanisms of the common agricultural policy and certain restrictions which the Community considered were applicable to commercial transactions in agricultural products and to conduct its exchange of views on the ACP States' supply requirements and on the terms on which they hope to acquire such products.

At the meeting of the ACP-EEC Subcommittee on Trade Co-operation on 31 March 1982 the (EEC) co-Chairman of the Working Party submitted a progress report, in which he recalled that the Working Party still needed to examine certain aspects in greater detail, especially the factual and statistical aspects of this subject, together with a list of products put forward by the ACP States.

The ACP-EEC Council of Ministers in Libreville invited the Working Party "to continue its discussions with a view to completing its deliberations in time to report back to the next meeting of the ACP/EEC Council of Ministers".

(b) Generalized preferences

The improved procedures for information and consultation on the Community GSP, finalized by the Subcommittee on Trade Co-operation <sup>(1)</sup>, functioned satisfactorily in 1982. An informal meeting was held in July between the Commission departments and the ACP States to inform the latter in good time of the GSP proposed for 1983.

The ACP States' comments on the 1983 GSP reached the Community on 20 October 1982 and were immediately brought to the attention of the representatives of the Member States in the subordinate bodies of the (EEC) Council. The ACP States were informed at the meeting of the ACP-EEC Subcommittee on Trade Co-operation on 27 October 1982 that the Community was studying their memorandum.

At its meeting on 22 November 1982 the (EEC) Council adopted all substantive positions concerning the 1983 GSP, and the formal texts were adopted later, by the Council on 8 December 1982 <sup>(2)</sup>. These texts were formally transmitted to the ACP States on 9 December 1982.

During joint meetings both parties also expressed the hope that the ACP-EEC Working Party set up a number of years earlier to examine the effects of the GSP on ACP-EEC trade would shortly resume its activities.

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- <sup>(1)</sup> The procedures mainly involve convening each year a meeting between the Commission departments and representatives of the ACP States as early as possible to enable Commission departments to explain the major changes compared to the previous year's scheme which the Commission contemplates introducing in its proposal.
- <sup>(2)</sup> The generalized system of preferences adopted by the (EEC) Council appears in OJ No L 363, 23.12.1982.

.../...

(c) Rum

The ACP-EEC Working Party on Rum held its third meeting on 9 July 1982 to discuss the 1982-1983 import arrangements for ACP rum and the recent Commission proposal defining rum.

On 24 June 1982 the EEC Council adopted the Regulation opening, allocating and providing for the administration of a Community tariff quota for ACP rum <sup>(1)</sup>. The purpose of that Regulation is to implement Protocol No 5 on rum in the context of the second ACP-EEC Convention. Essentially, it provides that, until the entry into force of a common organization of the market in spirits, rum is to be allowed into the Community free of customs duties within the limits of a Community quota and under conditions such as to permit the development of traditional trade flows between the ACP States and the Community on the one hand and among the Member States on the other.

This Regulation opened a Community tariff quota of 193,178 hl for imports of ACP rum into the Community. The quota was calculated in accordance with the provisions of the Protocol on rum, which stipulates that the level of the quota shall be that of the best of the three previous years plus an annual increase of 18% on the markets of 9 Member States and 40% on the United Kingdom market.

The Community recalled that the 1982-1983 import arrangements for rum originating in the ACP States were in line with the rules adopted in previous years and complied with the provisions of the Protocol on rum. The ACP States nonetheless had reservations on the current tariff quota system and also expressed concern at the definition of rum proposed by the Commission.

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<sup>(1)</sup> See Regulation (EEC) No 1699/82, OJ No L 189, 1.7.1982.

#### 4. Customs co-operation

The ACP-EEC Customs Co-operation Committee held its 11th meeting on 22 June 1982.

(a) Replacement of the unit of account (EUA) by the ECU in Protocol No 1 (Origin)

The Committee decided to replace the European unit of account (EUA) by the ECU in Protocol No 1, a statement being included in the minutes of the meeting to the effect that the change of denomination would not result in a reduction of the real value of the amounts mentioned in the Convention.

(b) Derogations from the rules of origin

The Committee agreed to grant a request from Mauritius for a derogation from the rules of origin in respect of 1,000 tonnes of canned tuna, but for a 2-year and not a 3-year period<sup>(1)</sup>. Article 30 of Protocol no 1 (Origin) to the Convention provides that the Customs Co-operation Committee may grant such derogations to assist the development of existing industries.

As agreed at the meeting of the ACP-EEC Council of Ministers in Libreville, the Committee examined the requests for a derogation in respect of artificial fishing flies (Malawi and Kenya). The Community indicated that it was pursuing the examination on the basis of the latest information provided by the ACP States.

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<sup>(1)</sup> This decision was implemented by Commission Regulation (EEC) No 2087/82 (OJ No L 221, 30.7.1982).

(c) Origin of fishery products

Annex XXI to the Final Act of Lomé II provided that an examination of the problems concerning the origin of fishery products was to be undertaken after the signing of the Convention and was to continue after its entry into force. The results of that examination were to be submitted "at the latest" during the second year of application of the Convention to the Council of Ministers so that the latter could find a solution satisfactory to both sides.

The ACP-EEC Council of Ministers in Libreville decided to postpone until 31 December 1982 the deadline by which the results of the examination of the rules of origin concerning fishery products were to be submitted. On 25 November 1982 the ACP States forwarded a detailed paper on fishing industries in certain ACP States including proposals for changes to the rules of origin. At the end of the year this paper was being examined by the relevant Community bodies.

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5. Trade promotion

(a) General

The second ACP-EEC Convention contains provisions on trade promotion which are more comprehensive and detailed than those in Lomé I.

The importance which the ACP partners attached to the trade promotion chapter is reflected, furthermore, in the total amounts allocated to this sector <sup>(1)</sup>. It should be recalled that for all trade promotion operations taken together, the 5th EDF provides for expenditure totalling 77.3 million ECU <sup>(2)</sup> broken down as follows :

national projects	37.3 MECU
regional projects	40 MECU

The main trade promotion activities undertaken during the period covered by this report related to participation by the ACP States in trade fairs and exhibitions. 37 ACP States and 2 regional bodies took part in 18 trade fairs and 5 special exhibitions. The number of appearances and stands organized with the help of the Commission totalled 160.

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<sup>(1)</sup> Below are some indicative elements - drawn from the Commission report to the ACP-EEC Council of Ministers on financial and technical co-operation in 1981 under the Lomé Convention - showing the growing interest on the part of the ACP States in trade promotion activities.

- 50 ACP States had included by the end of 1981 trade promotion measures in their indicative programmes compared with 5 when Lomé I started operating ;
- Under Lomé II, trade promotion represents 2.6 % of the overall resources (national and regional) made available to the ACP States by the EDF, compared with 1.7 % under Lomé I.

<sup>(2)</sup> Under the first Lomé Convention, 34.2 million ECU was devoted to 77 national and 16 regional projects, involving 35 ACP States in all.

(b) Financing of the ACP States' participation in trade fairs and exhibitions

In 1982 the EDF financed 200 projects relating to participation in trade fairs and exhibitions involving 45 ACP States and 5 regional organizations (ECOWAS, CEAO, COLEACP, African Groundnut Council and FEDEAU).

The sums involved in these projects totalled 2 million ECU.

The Member States and the Commission of the European Communities agreed in July 1982 on a text which will in future govern the financing of ACP States' participation in trade events held inside or outside the European Community (see page 34 of 1981 Annual Report).

Under this arrangement, it will be for an organizing Member State to ensure that the participation of ACP States in a trade event (fairs and exhibitions, specialized international shows) is financed through bilateral aid, wherever such participation responds to a wish or is in the interest of the Member State concerned. For its part, the Community will finance ACP participation in trade events, in accordance with usual EDF procedures, where such participation can be considered the culmination of a trade promotion exercise incorporating a specific interest of the ACP State or ACP States involved. In this latter case, Member States may of course offer co-financing for such participation, in the form of free exhibition space or technical assistance, for example.

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## II. EXPORT EARNINGS FROM COMMODITIES

### 1. STABEX

#### (a) STABEX transfers for 1980 and 1981

From the moment of the adoption by the Committee of Ambassadors of decisions concerning the STABEX transfers for 1980, involving substantial reductions for the vast majority of payments, the ACP States urged the Community to endeavour to bring these transfers up to strength through additional funds.

As major problems had also arisen in connection with the guaranteed prices for sugar for 1981/1982, the ACP States requested an extraordinary meeting of the Council of Ministers to be devoted to these two questions. The turn of events early in 1982 (agreement on the sugar question and the emergence of an even greater STABEX problem for the year 1981) did not allow this meeting to take place.

However, the Council of Ministers devoted a major part of its discussions at its ordinary meeting in Libreville to the problems connected with STABEX resources.

It first of all noted that in the 1981 year of application, as in the previous year, the funds available under the Convention for loss of earnings suffered by the ACP States had been exceeded by a considerable amount (about 453 million ECU against an annual instalment - reduced by the 20% allocated to 1980 transfers - of about 90 million ECU) ; even if advance use were again made of the 20% maximum available from the following instalment, it would be possible to cover only about 25% of the transfers requested for 1981.

.../...

In view of this situation the ACP States reserved their right to full transfers for 1980, but at the same time pointed to the threat which these successive shortfalls posed for the STABEX system; they emphasized the need to find solutions to the difficulties which had arisen, possibly through adjustments to the machinery, and laid particular emphasis on a political solution to raise additional resources.

The Community declared its support for the STABEX system which it considered one of the cornerstones of the Convention, and stated its willingness to make a special effort to accommodate the ACP States whilst emphasizing that this solution would be a one-off arrangement applicable solely to 1981, a qualification that the ACP did not accept.

The solution which was in principle accepted by the ACP-EEC Council involved raising an additional amount of 70.8 million ECU of which 30.8 million ECU was to be paid directly to the STABEX in cash and 40 million ECU was to be allocated, in the form of subventions, to projects capable of being implemented swiftly. The Council also agreed, on a proposal by the Community, that those ACP States which requested transfers and which owed amounts to the STABEX system for the replenishment of resources, would have their positions reviewed with the Commission on a case by case basis with a view to having the sums owed by them (about 25.8 million ECU) deducted from their requests. Finally, the Council agreed to the advance use of 20 % of the 1982 instalment.

The Council of Ministers instructed the Committee of Ambassadors to adopt the decisions concerning the 1981 transfers, after having dealt with a specific problem arising from the method used for the calculation of transfer requests, and to "carry out in the letter and the spirit of the Convention, a thorough examination of the STABEX system with a view to preparing for the deliberations of a special meeting of the Council of Ministers convened to this end".

.../...

The Committee of Ambassadors took the corresponding decisions on 5 August 1982. The decisions mainly involved advance use of a portion (20%) of the 1982 instalment, a reduction of transfers for 1981 and deduction of amounts owed to the system from the requests lodged by ACP States <sup>(1)</sup>. In this way, account being taken of the additional credits opened by the Community, total resources for allocation among the ACP States concerned amounted to 182,853,710 ECU. On the basis of certain principles proposed by the ACP States themselves, a total cover rate of 46.5 % was applied for the least developed ACP States and 41.9 % for the other ACP States ; in addition, all the requests for up to 1 million ECU were met in full.

Total disbursements effected on this basis amounted to:

STATES	PRODUCTS	
BENIN	COTTON NOT CARDED OR COMBED	130,169
"	PALM OIL	254,585
"	PALM NUT AND KERNEL OIL	544,668
CAMEROON	COCOA PRODUCTS	10,348,448
"	RAW OR ROASTED COFFEE	6,988,461
CENTRAL AFRICAN REP.	RAW OR ROASTED COFFEE	1,536,796
IVORY COAST	RAW OR ROASTED COFFEE	35,329,724
DOMINICA	COCONUT PRODUCTS	502,143
ETHIOPIA	RAW OR ROASTED COFFEE	968,702
FIJI	COCONUT OIL	653,391
GAMBIA	GROUNDNUTS SHELLED OR NOT	2,225,089
"	GROUNDNUT OIL	1,440,360
"	OIL-CAKE	529,741
GHANA	COCOA PRODUCTS	32,776,692
GRENADA	NUTMEG AND MACE	197,531
KENYA	RAW OR ROASTED COFFEE	21,054,231
LESOTHO	MOHAIR	354,533
MADAGASCAR	RAW OR ROASTED COFFEE	3,440,826
MALAWI	TEA	653,391
MALI	SHEANUT KERNEL	653,391
PAPUA NEW GUINEA	RAW OR ROASTED COFFEE	9,421,513
"	COCOA BEANS	5,739,012
"	COPRA	1,385,695
"	COCONUT OIL	1,168,130
RWANDA	RAW OR ROASTED COFFEE	653,391

.../...

<sup>(1)</sup> The ACP States have challenged the manner in which this last aspect of the decision was implemented.

SOLOMON ISLANDS	COPRA	723.321
WESTERN SAMOA	COCOA BEANS	1.170.846
" "	COPRA	1.035.401
SAO TOME PRINCIPE	COCOA BEANS	994.895
SENEGAL	GROUNDNUT PRODUCTS	26.272.999
SIERRA LEONE	PALM KERNEL PRODUCTS	1.082.263
" "	COCOA BEANS	53.351
SOMALIA	FRESH BANANAS	949.211
SUDAN	COTTON NOT CARDED OR COMBED	10.879.030
TANZANIA	RAW OR ROASTED COFFEE	694.174
TUVALU	COPRA	56.606
TOTAL		182.853.710

b) Other decisions taken by the Council of Ministers at its meeting in Libreville

At the request of the ACP States, the Council decided to add nutmeg, mace and sheanut kernels to the list of products eligible for STABEX as set out in Article 25(1) of the Convention. It also delegated authority to the Committee of Ambassadors to take a decision on the inclusion of other products in that list. No such decision had been taken by the end of 1982.

The Council adopted a decision under Article 27 of the Convention applying the system to exports, by Dominica, of coconuts and coconut oil to other ACP States.

.../...

## 2. Questions concerning the Sugar Protocol

### (a) Guaranteed prices

As stated in the previous report, a difference of opinion arose between the ACP States and the Community concerning the Community's proposal to grant for 1981/1982 a price increase of 7.5 % for raw sugar, including ACP raw sugar. This increase was 1 % less than that proposed for white sugar (8.5 %). The corresponding prices would have been 48.16 and 38.58 ECU/100 kg respectively.

Since the great bulk of the ACP sugar exports consists of raw sugar, this proposal - which introduced such a differential for the first time - was rejected by the ACP States, which asked for negotiations to be held on this question.

Such negotiations having produced no positive results, the ACP States requested in December 1981 that an extraordinary meeting of the Council of Ministers be convened to discuss both this question and that of STABEX resources for 1980.

The Council of the European Communities, having discussed the problem afresh on 26 January 1982, agreed to offer a uniform increase of 8.5 % and to suspend the system of storage compensation applicable to preferential sugar for three marketing years (1982-1985).

Negotiations between the Community and the ACP States were resumed on this basis on 19 February 1982 and resulted in an agreement on the prices for the 1981/1982 marketing year, i.e. 38.94 ECU/100 kg for raw sugar and 48.16 ECU/100 kg for white sugar. On that occasion, as well as at the seventh meeting of the Council of Ministers at Libreville, the ACP States voiced concern at the procedural difficulties encountered during these negotiations, and also at the cost of maritime freight and the problem of the inflation level, which exceeded the rate of increase in the guaranteed prices.

With regard to the 1982/1983 year of delivery, the negotiations which took place on 28 June 1982 resulted in prices being set at 42.63 ECU/100 kg for raw sugar and 52.62 ECU/100 kg for white sugar. It was also agreed that the Contracting Parties would, as a matter of urgency, examine the problem of maritime freight as outlined by the ACP States and that the results would be submitted in good time before the negotiations on the guaranteed prices for 1983/1984 <sup>(1)</sup>. The ACP States remain firm in their position that the freight element is an economic factor and should be taken into account in determining the price which they should receive for their sugar.

(b) Review of the conditions of application of the guarantee referred to in Article 1 of the Protocol

The review of the guarantee in Article 1 of the Protocol - which defines the Contracting Parties' fundamental commitments - was formally initiated on 19 February 1982, i.e. before the expiry, on 1 March 1982, of the five-year period provided for in Article 2(2) of the Protocol. The re-examination process has already been the object of discussion between the ACP and the Commission but the review remains to be completed at the level of the Contracting Parties.

(c) Accessions to the Protocol

In the context of the association of the OCT with the Community, Belize had been allocated a quota for the export of 39,400 tonnes of sugar. Following its accession to the Convention on 5 March 1982, it also acceded to the Sugar Protocol with effect from 1 July 1982, and with the same exportable quantity. A Protocol was signed to this end on 26 May 1982. On the same day a similar Protocol was signed with a view to the accession of Zimbabwe to the Sugar Protocol with effect from 1 July 1982, the fixing of an agreed quantity of 25,000 tonnes and the allocation of a quantity of 6,000 tonnes for the period up to 30 June 1982.

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<sup>(1)</sup> See OJ L 197/4, 6.7.1982.



The Ivory Coast also requested, in February 1982, accession to the Sugar Protocol, on account, in particular, of the efforts it was making to diversify in the agricultural and industrial spheres. The ACP States supported this request and asked that the quota to be allocated to the Ivory Coast be in addition to the original quantities to which sugar-exporting ACP States were entitled. This request for accession was being examined by the Community at the end of 1982.

(d) Re-allocations of newly available sugar quantities

Among those ACP States for which the agreed quantities had been reduced following delivery shortfalls in 1977/1978, the Congo and Kenya requested re-allocations under Article 7(4) of the Protocol. The Commission decided to make these new allocations which were 3,907 tonnes for Kenya (new agreed quantity: 4,000 tonnes) with effect from 1 July 1982 and 3,043 tonnes for the Congo (new agreed quantity: 8,000 tonnes) with effect from 1 July 1983.

### III. MINERAL PRODUCTS

#### 1. SYSMIN

It will be remembered that Title III of the Second ACP-EEC Convention on mineral products is an important innovation in relations between the Lomé partners.

The new minerals instrument (SYSMIN) created under this title aims on the one hand to guarantee the ACP States help in maintaining their capacity for producing the principal mineral products which they export and, on the other hand, to provide those States with technical and financial assistance from the Community for the long-term development of their mining and energy resources.

The amount earmarked for SYSMIN totals 280 million ECU.

Requests for assistance under SYSMIN, which are subject to the procedure relating to financial and technical co-operation (EDF Committee), must pass through two distinct stages:

(a) the admissibility phase, which involves ascertaining,

- for a product covered by Article 50

- for a country eligible within the meaning of Article 53,

the existence of the conditions laid down in Article 52, namely a substantial fall, either recorded or expected, in the capacity to produce or to export, or in export earnings, to such an extent as to seriously affect the development of the ACP State concerned;

.../...

(b) the intervention phase proper, which begins with the submission of a financing proposal to the EDF Committee.

The first two requests for application of the new system (from Zaire and Zambia), which had already been judged admissible in 1981, were examined with regard to substance in 1982.

Thus the Commission approved, following a favourable opinion from the EDF Committee:

- a special loan of 55 million ECU for Zambia to finance the rehabilitation of copper and cobalt mines;
- a special loan of 40 million ECU for Zaire to finance the rehabilitation and consolidation of the Zaire copper/cobalt mining industry.

## 2. Development of the mining and energy potential of the ACP States

At the meeting of the ACP-EEC Council of Ministers in Libreville several ACP States, concerned at what seemed to them to be a lessening of interest on the part of European countries in mining investment in Africa, emphasized the importance they attached to active Community participation in the development of their mining and energy potential and stressed the need for more activity in the field of research.

In reply to these questions, Commissioner PISANI referred to the requests for assistance in the context of SYSMIN (see point 1 above) and also to the Community's interest in possible mining projects in Gabon and Senegal (Falémé) and a project involving both Guinea and Liberia. He emphasized the Community's willingness to help ensure that the development of underground resources in the ACP States had a multiplier effect beneficial to the global economy, the regional development and the social advancement of the countries owning these resources.

Mr PISANI told the Council that he had recently organized a meeting of European mining companies at the Commission to stimulate their awareness of mining research in Africa and of the mutual benefits of their developing this wealth. At the meeting he had said that the object of any intervention by the Community would be to create conditions under which the mineral resources of Africa could be exploited. Talks with the mining companies had indicated that, as things stood at present, they did not consider that conditions in Africa, in particular as regards infrastructure and security, were favourable to investment. Whether or not a mine was developed depended on an analysis of its quantitative and qualitative wealth, but also on the existence of an infrastructure enabling the underground resources to be exploited. It was on the basis of these data: quantity, quality, exploitation possibilities, that the Commission was currently investigating the three dossiers which had been submitted to it.

Mr PISANI considered that the future of raw mineral supplies to the Community would be better assured by developing African resources than any others. He wanted the ACP States to know that the Community would be very receptive towards any initiatives they might take in that area.

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#### IV. INDUSTRIAL CO-OPERATION

The implementation of Title V of the Convention relating to industrial co-operation was continued and stepped up as regards both general policy aspects and operational activities of the institutions and bodies involved.

##### 1. Proceedings of the ACP-EEC Council of Ministers

At its meeting in Libreville on 13 and 14 May 1982 the Council of Ministers held a general exchange of views on the application of the provisions of the Lomé Convention relating to industrial co-operation, including the examination of industrial policy and its effects on the possibilities for industrial development in the ACP States.

It noted that the Committee on Industrial Co-operation had taken requisite steps for the operation of the Centre for Industrial Development, which had extended its activities.

The ACP States wanted the Centre's Advisory Council to meet over longer periods and deal with more diversified questions than simply routine matters concerning the Centre. For its part, the Committee on Industrial Co-operation should diversify its activities by dealing, for example, with problems of industrial policy which had a direct or indirect effect on trade and development.

The Community emphasized that the industrialization of the developing countries was an arduous task, which could not be achieved without determination on the part of the countries concerned. However, assistance from the European Investment Bank, the European Development Fund and the Centre for Industrial Development should help to ensure success.

.../...

The Community is of the view that discussions of general subjects relating to industrial cooperation are only useful if they are not at too high a level of abstraction. In this regard, the Community proposed that the Committee on Industrial Cooperation should concern itself with the problem of the development of the agricultural processing industry, an undertaking which it sees as being perfectly in line with the situation of those ACP States producing agricultural products. The ACP, for its part, considered it more urgent to have the framework clearly set out within which to discuss specific issues. As a result the ACP requested a discussion on the question of industrial restructuring and redeployment in the EEC in the context of ACP-EEC industrial cooperation.

The Council heard a statement by the President of the European Investment Bank on the role and importance of EIB financing for developing small and medium-sized industries in the ACP States ; it was these industries which, in the view of the Bank, would lead to the emergence of a genuine industrial fabric in those countries. The EIB President placed particular emphasis on the very flexible nature of the forms of financing (direct loans, loans with interest rate subsidies, lines of credit for national development banks and participation in their capital, quasi-capital aid and aid for financing studies, etc.). He noted in particular that the purpose of some of the projects financed was to export some or all of the production of the undertaking, that these projects allowed increased direct participation by nationals of the ACP countries in industrialization, and that their economic profitability was generally excellent (between 15% and 25 % on average).

More generally, the Council of Ministers confirmed the importance it attached to industrial development and welcomed the considerable efforts being made by the institutions and bodies responsible.

.../...

2. Proceedings of the ACP-EEC Committee on Industrial Co-operation

In 1982 the Committee on Industrial Co-operation met four times: on 23 July, 13 October and 30 November at expert level and on 7 December under the chairmanship of Ambassadors. The powers of this Committee are defined in Article 78 of the Lomé Convention. Its composition and its rules of operation are set out in detail in Decision No 5/81 of the ACP-EEC Council of Ministers of 10 April 1981.

The main questions dealt with in 1982 were as follows:

(a) 1983 work programme and budget of the Centre for Industrial Development

The Committee, meeting under the chairmanship of Ambassadors on 7 December 1982, adopted, in accordance with Article 81(5) of the Convention and Article 6 of the Financial Regulation of the Centre (Decision No 3/81/CIC of the Committee on Industrial Co-operation of 2 September 1981), the draft budget of the Centre for 1983 and agreed to forward it to the Commission so that the latter could implement the Community procedures in force with regard to the contribution from the European Development Fund. The budget was definitively adopted on the day of the Commission's decision, namely 21 December 1982. It will be remembered that the contribution from the Fund comes under a separate allocation with a ceiling of 25 million ECU provided for this purpose in the Convention (Article 81).

The Centre's 1983 budget, as adopted by the Committee following examination of a preliminary draft submitted by the Director and accompanied by the opinion of the Advisory Council, amounts to 5,806,832 ECU. In addition to appropriations for administration expenditure amounting to 3,019,832 ECU, the budget provides for appropriations for programme expenditure amounting to 2,787,000 ECU, covering the following areas:

- Industrial promotion - 643,000 ECU (appropriation to finance CID antennae field activities in ACP States and in the EEC for the promotion of industrial contacts, ACP industrial potential surveys, attendance at seminars, and an incentive scheme for industrialists, including members of Chambers of Commerce and promotional agencies, with a view to setting up joint ventures).
- New productive undertakings: studies, assistance, information - 817,000 ECU (appropriation to finance implementation/feasibility studies, assistance with actual implementation of industrial enterprises, the printing of publications and press relations).
- Technical operations and services - 896,000 ECU (appropriation to finance in particular assistance with expansion or rehabilitation of ACP industries).
- Common expenses directly related to interventions - 381,000 ECU (covering in particular travel expenses in connection with specific interventions, in-CID training schemes and expenses relating to the organization of specialized meetings).

.../...



(b) annual report of the Centre for Industrial Development for 1981

Following a technical examination the Committee, meeting under the chairmanship of Ambassadors on 7 December 1982, took note of this report and of the comments made on it, concerning in particular the imbalance between the large number of projects encouraged by the Centre and the small number actually carried out, and the priority to be given to the least-developed countries. The Committee also welcomed the new form of the report, which now also describes activities country by country.

(c) miscellaneous questions concerning the management of the Centre for Industrial Development

The Committee on Industrial Co-operation is responsible for guiding, supervising and controlling the activities of the Centre for Industrial Development (Article 78(1)(d) of the Convention).

In carrying out this task, the Committee approved:

- a number of amendments to the 1982 budget, proposed by the Director;
- the adjustment of salaries of the staff of the Centre to take account, to a certain extent, of the cost-of-living increase;
- a Decision on the appointment of two auditors to verify the financial management of the Centre;

- the extension of the terms of reference of the members of the Advisory Council of the Centre; this extension was only valid up to 7 May 1983, pending submission of the names of the persons to be designated by the ACP States. The Advisory Council is composed of persons with considerable industrial experience, especially in the manufacturing sector, who are chosen in a personal capacity and on the basis of their qualifications from nationals of States party to the Convention, and who are appointed by the Committee on Industrial Co-operation.

(d) selection of an industrial co-operation topic for discussion by the CIC

In order fully to discharge the role conferred upon it by Article 78 of the Convention, the Committee on Industrial Co-operation had previously agreed to select a major industrial co-operation topic for detailed discussion. As indicated above the Community proposed the topic of agro-industries, and the ACP States wanted to discuss the topic of industrial redeployment and restructuring.

After an exchange of views at the CIC meeting under Chairmanship of Ambassadors on 7 December 1982 concerning the problems posed by the selection of the topic most likely to generate fruitful discussions, the two Presidencies, assisted by the co-Secretaries, were instructed to contact each other shortly to that end.

3. Complementary financing of industrial co-operation (Annex X to Lomé Convention)

Further to the negotiations for the second Lomé Convention, the joint declaration in Annex X to that Convention states the resolve of both the Community and the ACP States jointly to study in depth the ways and means of tapping additional financial resources for industrial development of the ACP States. Emphasizing the importance of this question, the declaration provides for a detailed joint analysis of the problem, followed by a report to be submitted to the Council of Ministers through the Committee of Ambassadors.

At the request of the ACP-EEC Council of Ministers meeting in Nairobi in May 1980, a high level ACP-EEC Experts Group, chaired by Professor ONITIRI (Nigeria), drew up an important study on ways and means of tapping such additional financial resources. The study was submitted to the Council of Ministers, which took note of it at its annual meeting in 1981 in Luxembourg. The two parties then subjected the study to a very detailed examination and informed each other of their reactions.

During the examination of this question by the Committee on Industrial Co-operation, it was found that both the Community and the ACP States recognized the quality of the analysis carried out by the experts, and that there were a number of points of agreement between the Community and the ACP States on the study. Since it was decided at the meeting of the ACP-EEC Council of Ministers in Libreville that the joint report was to be submitted, through the Committee of Ambassadors, to the next annual Ministerial meeting, the CIC agreed on 7 December 1982 to instruct a small expert group to define, within three months, points of agreement between the Community and the ACP States, and to indicate those questions which are still open.

4. Activities of the Centre for Industrial Development (\*)

Integration of staff and work relations

1982 was the first year in which all the planned staff members have been present in the Centre, with the last two members arriving in the middle of the year. It would normally be expected that the integration of some twenty new members to form a group of forty would provide teething problems. However, such problems have been extremely limited and, naturally, the efficiency in operations has increased during the year.

In spite of the substantial increase of staff compared to Lomé I, the work load has remained extremely high because of the greatly increased activities. CID has to ensure that all ACP countries get some benefits and attention which, for the least developed countries in particular, may require a lot of action.

The obstacles encountered

The major part of the Centre's information and contact-creating work and, not least, the provision of technical expertise and training for existing industries, proceeds without serious obstacles. However, the deterioration in the world economic situation has become an almost insurmountable obstacle for most of the least developed ACP countries in starting up new productive investments, e.g. foreign exchange situations preventing the importation of basic raw materials and spare parts, devaluations completely changing financial predictions, change of priorities to agriculture reducing interest in industry, even the availability of local finance can also be a problem. When the present depressed employment situation in Europe is also taken into account, the outlook for redeploing industries into ACP states by joint ventures remains a sensitive issue.

To counteract this, CID only has limited technical assistance funds to overcome the heavy burden of training and no specific access to risk capital or soft loans for its projects to tackle the above-mentioned obstacles.

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(\*) The text of pages 44 to 49 was supplied by the CID.

.../...

The presence of CID in the ACP countries has been improved. However, a major problem still remains in that the Centre itself has no funds to pay properly for the services of its correspondent antennae. In addition, the Industrial Cooperation Expert Programme (proposed to be implemented by the EDF) is taking a long time to materialize. Provision of such on the spot technical assistance to prepare proposals, get projects moving and help them be implemented, would have overcome some of the difficulties.

#### Cooperation with the Commission of the E.C. and the EIB

The cooperation between the Centre and these institutions is most useful in many areas, particularly its relations with the Commission. Although there is no formal agreement to specify to what extent the Centre can make use of the Commission's services, the Centre is generally getting considerable support, particularly in its activities in the field - but no direct support to generate or follow up projects.

In the case of the EIB, cooperation is still limited to comparatively few projects that attain a certain size and have a promoter/country that is acceptable to the Bank.

In a meeting proposed by CID and arranged by the Commission between the Commission, the Bank and the Centre, these general constraints were discussed along with the questions of the Bank's credit lines in some ACP countries which could form valuable bases for CID joint venture projects. However, these credit lines are usually earmarked early, although there may be more of them in the future.

#### The Advisory Council

The Advisory Council held three meetings: in April, September and December.

During the period concerned, the Council discussed in particular the 1981 Annual Report of the CID, the Activity Report for the first six months of 1982, the Work Programme and Budget Proposal for 1983, as well as the operational policy of CID activities.

The Advisory Council requested the Centre to prepare a paper on post-Lomé II ideas. One of the Council members also sponsored a paper on "An Implementation and Assistance Arm of the Centre". The former paper has been re-edited and submitted to the Commission and the Committee on Industrial Cooperation, whereas the latter is to be redrafted and resubmitted to the Advisory Council.

Both papers highlight the limitation of the funds that are available for CID, in comparison to the tasks to be executed and, not least, suggest that much more technical assistance funds and risk capital have to be made available for projects to be implemented, in particular in the least developed countries.

#### Gold Mercury International Award

The Centre was honoured with an award for activities in the field of productive development by the Gold Mercury International Association at an impressive ceremony presided over by the Ethiopian Head of State in November 1982 at Addis Ababa.

#### The experience drawn from the use of the 1982 Budget

Through its missions, promotion activity and increase in staff, the CID is now able to utilize more funds efficiently. 1982 is the first year in the Centre's life in which it was able to spend what it said it could when presenting the Budget.

#### Analysis of CID activities in 1982

The chart shown overleaf was introduced in the Annual Report last year to illustrate better the activities of CID.

The most interesting conclusions to be drawn from this chart are the following :

##### The volume of assistance

The total number of projects where CID has assisted with a financial or essential in-house input was 45 in 1980, rising to 103 in 1981 and reaching 228 in 1982. This is due to a significant increase in activities on all accounts.

The distribution of these 228 projects regionally has favoured West and Central Africa, due to two sectoral meetings for these regions coming out of the 1982 Budget to finance particularly travel assistance and project identification experts. A sectoral meeting on East and Southern Africa, financed from the 1981 Budget, was held in February 1982 ; the Pacific and Caribbean will receive the benefit of similar activities in 1983.

.../...

ANALYSIS - CID ASSISTANCE PROJECTS 1982  
with financial and/or in-house CID essential inputs

Assistance Provided	Total		ACP Regions																		Sectors											
			Africa																		1982											
			West						Central						East						Caribbean						Pacific					
			1980	1981	1982	1980	1981	1982	1980	1981	1982	1980	1981	1982	1980	1981	1982	1980	1981	1982	1	2	3	4	5	6	7	8	9			
Project substantiation/identification in ACP countries 1)	-	31	45	-	1	14	-	9	-	-	6	-	-	7	9	-	5	6	4	5	6	4	5	6	7	8	9					
Travel assistance	6	23	93	-	7	22	-	8	6	2	2	2	-	1	1	2	1	1	2	5	3	6	4	8	4	3	32					
In-Plant & In-CID training 2)	14	15	33	4	2	14	5	6	8	-	-	3	1	1	1	-	-	-	-	4	2	3	1	2	-	10	10 <sup>5</sup>					
Technical expert and implementation assistance 3)	12	13	33	5	3	14	2	1	8	1	2	3	-	1	1	1	1	1	-	6	7	1	3	3	3	7	1					
Feasibility and market studies, etc.	13	21	24	2	5	4	4	5	7	-	2	1	2	-	1	-	-	-	-	5	-	3	4	1	11	-						
Total	45	103	228	14	27	101	11	18	68	11	29	29	3	11	12	3	6	9	19	55	8	15	13	22	70	2	22					
New enterprises/expansions																																
Entered production	6	4	7 <sup>4)</sup>	1	1	3	2	1	3	-	-	-	-	-	-	-	-	-	3	2	-	-	-	-	2	-	-					
Under implementation 6)	13	15	15	3	5	5	8	6	6	-	1	-	-	-	-	-	-	-	3	6	-	1	1	1	3	-	-					

Notes: 1) Refers to countries visited by CID experts  
 2) Includes 10 In-CID industrial promotion attachés, in 1982, 5 in 1981 and 3 in 1980  
 3) Covers both assistance to existing industries and new industrial undertakings  
 4) Including 3 projects based on CID's Inventory of Adapted Technologies  
 5) In-CID industrial promotion training programs  
 6) Projects under construction/machinery installation and projects with investors committed to invest and all financing secured

Legend for Sectors:  
 1. Building materials and minerals  
 2. Food and Beverages  
 3. Textiles and Clothing  
 4. Chemicals and Pharmaceuticals  
 5. Plastic, Rubber and Leather  
 6. Wood Industries  
 7. Metal Working, Engineering and Vehicle  
 8. Tourism, Services and others  
 9. Multisectoral

Some highlights of these activities are :

- The organization of the three industrial sector promotional meetings in Brussels for the four regions of Africa. Investment promotional meetings were also held in France, United Kingdom, Italy, Germany and Ireland. A total of 93 project proposals were presented at these meetings, leading to the identification of joint venture or technical partners for 36 of them.
- During the year, 24 feasibility and techno-economic studies were carried out.
- In the field of technical assistance advice and recommendations were provided to 33 ACP enterprises, and some 255 persons were provided with in-plant training in 33 projects.
- A number of publications were issued, introducing various operational services offered by the Centre. The bi-monthly Industrial Opportunities, published in 'The Courier', was revamped and given wider circulation.

Finally, to this should be added that the Centre is providing more and more information for entrepreneurs in ACP states, as well as for EEC industrialists, and that many contacts created may initially not lead now to new projects but may eventually be part of an evolution that leads to the creation of employment.

#### Physical results

Through active follow-up of projects, 7 enterprises entered production during the year due to CID's assistance, the highest annual figure so far. The number of enterprises that have entered the state of implementation has risen also by 7, thus giving, as for 1981, an overall total of 15 projects under implementation.

When it is realized that it is only a year and a half ago that the Centre increased its actual promotion activities, one cannot expect that these activities should have increased significantly the "entered production and implementation" numbers. When one takes into account the limitations on the Centre's funds and on its ability to create access to risk capital for many ACP countries, it is obvious that the present situation will remain for some time.

.../...



The expectations

One may ask then, under these conditions, what is the good of the Centre's promotion services?

For implementation of any industry in developing countries, one must have the long-term view, i.e. that it takes at least 2-3 years, perhaps even 5-6 years, to establish an ACP industry from the day of the first concept. Hopefully, the world economic situation may start to ease up during 1983, with interest rates already going down in the EEC - and really improve in 1984. Thus, the Centre's promotional activities in 1982 may result in projects becoming ready at a time when the economic situation would be conducive to undertaking an investment.

.../...

5. Activities of the European Investment Bank in the industrial sphere <sup>(1)</sup>

In accordance with the wishes of the contracting parties to the Lomé Convention, the EIB concentrated its activities in 1982 on the financing (through loans from own resources, generally with interest-rate subsidies, and risk capital assistance) of investments in energy and industry.

Of the total financial assistance, which amounted to 155.73 MECU in 1982, energy accounts for 32.1%, industry for 55.6% (with global loans representing 31.3% and directly financed industrial projects - of which 5 out of a total of 6 were agri-industrial projects - 24.3%), telecommunication infrastructures and maritime transport 7.8%, tourism 3.1% and studies of projects financed with risk capital 1.3%. No financing was granted to the extractive industries.

Tables III, IV and V below give:

- a breakdown by sector of EIB operations in 1982 (table III);
- a breakdown by objective of projects promoting industrialization (excluding energy) financed by the EIB (table IV);
- a breakdown by sector of the allocations on global loans in 1982 (table V).

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<sup>(1)</sup> The information for this section was supplied by the EIB.

TABLE III

BREAKDOWN BY SECTOR OF EIB OPERATIONS IN 1982 (\*)

SECTOR	PROJET	Amount of EIB operations (MECU)				E R R (1)	C P J (Cost Per Job) (ECU) (1)	I C O R (Incremental Capital Output ratio) (1)	F E R (Foreign Exchange Ratio) (1)
		Own resources	:	Risk capital:					
Agro-industry	Camdev (Cameroon)	6.90	-	-	-	20	132,000	3.0	2.5
	Socapalm (Cameroon)	3.80	-	-	-	12	152,000	4.1	6.0
	SAPH (Ivory Coast)	6.60	-	-	-	8	22,500	3.7	1.8
	Higacuru (Papua N. Guinea)	7.90	-	-	-	11	28,000	3.7	2.2
	Mogadishu Dairy (Somalia)	-	-	2.56	-	-	-	-	-
		25.20	20.6	2.56	6.9				
Chemical Industries	I C S (Senegal)	11.0	9.0	-	-	13	525,000	6.4	4.4
Energy	Morupule (Botswana)	15.0	-	-	-	14	-	-	-
	CUC (Cayman Islands)	3.0	-	-	-	30	-	-	-
	Okaria (Kenya)	9.0	-	-	-	11	-	-	-
	Wankie (Zimbabwe)	20.0	-	-	-	20	-	-	-
	Electra (Cape Verde)	-	-	1.80	-	13	-	-	-
Grenlec (Grenada)	-	-	2.40	-	17	-	-	-	
		47.0	38.4	4.20	11.3				
Telecommunications	Intelco (Ivory Coast)	10.0	8.2	-	-	25	-	-	-
Development Finance Companies (DFC)	S D S (Barbados)	4.0	-	-	-	-	-	-	-
	DFCK 2 (Kenya)	8.0	-	-	-	-	-	-	-
	D S M (Mauritius)	4.0	-	0.30	-	-	-	-	-
	TDF (Trinidad & Tob.)	8.0	-	-	-	-	-	-	-
	COFINCI (Ivory Coast)	5.2	-	-	-	-	-	-	-
	C D (Djibouti)	-	-	0.41	-	-	-	-	-
	N D S (Jamaica)	-	-	3.00	-	-	-	-	-
	U D S (Uganda)	-	-	10.00	-	-	-	-	-
	S D S (Seychelles)	-	-	1.00	-	-	-	-	-
	V D S (Vanuatu)	-	-	1.00	-	-	-	-	-
	ALDS (Dominica)	-	-	1.00	-	-	-	-	-
	BNDE (Burundi)	-	-	1.30	-	-	-	-	-
	DBNA (Nech. Antilles)	-	-	0.80	-	-	-	-	-
			29.0	23.8	21.01	36.3			
Tourism	Capital Hotel (Malawi)	-	-	3.00	-	11	210,000	-	-
	Sofisedic (Senegal)	-	-	1.86	-	10	48,000	5.9	5.6
				4.86	13.0				
Transport	Pacific Forum Line (Fiji)	-	-	1.80	-	-	-	-	-
	" (Western Samoa)	-	-	-	-	-	-	-	-
	" (Tonga)	-	-	0.33	-	-	-	-	-
	" (Tuvalu)	-	-	0.33	-	-	-	-	-
				0.13	6.9				
				2.59					
Studies	OIL (Benin)	-	-	0.35	-	25	-	-	-
	Pulp & Paper (Congo)	-	-	0.18	-	-	-	-	-
	Mining/En. (Guinea)	-	-	0.15	-	-	-	-	-
	Mining (Madagascar)	-	-	0.15	-	-	-	-	-
	Mining (Zaire)	-	-	0.38	-	-	-	-	-
	Mining (Zimbabwe)	-	-	0.40	-	-	-	-	-
	DFC, Studies (Ethiopia)	-	-	0.50	-	-	-	-	-
				2.11	5.6				
TOTAL		122.2	100.0	37.71	200.0				

(\*) Medians for all manufacturing projects individually financed during Locus 1 and 2 : E R R 13.2 ; C P J 52,000 ECU ; I C O R 5.2 ; F E R 5.0.

(\*) These statistics cover the ACP States as well as the OCF.

BREAKDOWN BY OBJECTIVE OF PROJECTS PROMOTING INDUSTRIALIZATION

(EXCLUDING ENERGY) FINANCED BY THE EIB (\*)

IN 1982 (\*\*)

- Objective sought - Sectors	Number of projects	EIB assis- tance granted (MECU)	Invest- ments (MECU)	Jobs created
<u>1. Import substitution using imported raw materials</u>	<u>-24</u>	<u>9.86</u>	<u>53.71</u>	<u>942</u>
- Agri-industrial complexes and food production	8	2.93	27.21	407
- Paper and pulp, printing	5	2.53	5.14	94
- Rubber and plastic processing	2	1.16	4.04	99
- Textiles and leather	2	1.09	2.23	91
- Metallurgical, metal and mechanical industry	3	1.02	7.15	56
- Other industries	4	1.13	7.94	195
<u>2. Import substitution through development of local resources <sup>(1)</sup></u>	<u>14</u>	<u>11.55</u>	<u>44.91</u>	<u>1 081</u>
- Agri-industrial complexes and food production	5	5.32	11.83	199
- Textiles and leather	5	3.41	26.55	691
- Wood industry	3	2.32	6.53	191
- Chemicals	1	0.50	-	-
<u>3. Development of local resources for export</u>	<u>5</u>	<u>36.20</u>	<u>211.30</u>	<u>3 475</u>
- Agri-industrial complexes and food production	4	25.20	105.10	3 310
- Chemicals	1	11.00	106.20	165
<b>TOTAL</b>	<b>43</b>	<b>57.61</b>	<b>309.92</b>	<b>5 498</b>

(\*) Including direct loans and allocations on global loans.

<sup>(1)</sup> Including industry handling local resources consumed previously in the countries without processing.

(\*\*) These statistics cover ACP States as well as the OCT.

.../...

TABLE V

BREAKDOWN BY SECTOR OF THE ALLOCATIONS ON GLOBAL LOANS IN 1982 \*

SECTOR	COUNTRY	PROJECT	Amount of operations (MECU)	Investment (MECU)	New employment	Cost per job (MECU)
Agro-industries	Ivory Coast	Sté Ivoirienne viande	0.10	0.43	50	-
		Sitab	0.65	2.36	40	-
		Sipra	0.08	0.35	5	-
		Uniriz	0.21	1.68	-	-
	Lesotho	Brewery	0.50	10.50	120	-
	Liberia	Moldaco	0.01	-	-	-
	Nigeria	Yola Dairy	0.75	7.09	72	-
		Hemason Ltd.	0.50	3.24	-	-
	Zambia	Aliuji Shagaya Bot.	0.35	3.43	115	-
		BRR Industry	1.00	2.85	92	-
	Zaire	Leopard Investment	0.07	0.15	10	-
		C.G.C.	1.43	2.80	102	-
		<u>12</u>	<u>5.65</u>	<u>34.88</u>	<u>606</u>	<u>57,600</u>
Textiles & Leather	Malawi	David Whitehead & Sons Ltd.	0.55	10.58	186	-
	Nigeria	OGE Nigerian Ltd.	0.90	4.09	128	-
		OGE Nigerian Ltd.	0.85	-	-	-
	Zambia	United Fabrics Co.	0.09	0.19	5	-
		Twinkle Shoe	0.11	0.38	28	-
		Swarp Spinning Mills	1.00	11.50	349	-
		Bata Shoe	1.00	2.04	86	-
	<u>7</u>	<u>4.50</u>	<u>28.78</u>	<u>782</u>	<u>36,800</u>	
Woodworking	Zaire	BIMPE	1.18	1.90	10	-
	Zambia	Minga Timber	0.14	0.25	-	-
		Wood Processing Ind.	1.00	4.38	181	-
		<u>3</u>	<u>2.32</u>	<u>6.53</u>	<u>191</u>	<u>34,000</u>
Paper & Pulp	Nigeria	Terytex	0.23	0.43	15	-
	Seychelles	Seychelles Nat. Printing	0.30	1.14	-	-
	Zaire	Sacherie du Zaire	1.44	2.71	50	-
		SODIMCA	0.41	0.54	11	-
	Ivory Coast	Sté Ivoirienne de Papier	0.16	0.32	18	-
	<u>5</u>	<u>2.53</u>	<u>5.14</u>	<u>94</u>	<u>54,700</u>	
Rubber & Plastic Processing	Ivory Coast	SOTICI II	0.16	0.61	-	-
	Zambia	MERCO	1.00	3.43	99	-
		<u>2</u>	<u>1.16</u>	<u>4.04</u>	<u>99</u>	<u>41,000</u>
Metal Prod. & Semi-processing, Metalworking	Ivory Coast	SOTACI	0.38	0.96	-	-
	Nigeria	Gidan Haki Partners Ltd	0.17	-	-	-
	Trinidad & Tobago	Dinosaur Ind. Ltd.	0.47	6.19	56	-
		<u>3</u>	<u>1.02</u>	<u>7.15</u>	<u>56</u>	<u>127,700</u>

\* These statistics cover the ACP States as well as the OCT.

.../...

TABLE V (continued)

SECTOR	COUNTRY	PROJECT	Amount of operations (MECU)	Investment (MECU)	New employment	Cost per job (ECU)
Chemicals	Nigeria	Phina Paint	0.50	-	-	-
		<u>1</u>	<u>0.50</u>	-	-	-
Other Manufacturing	Liberia	Monrovia Battery Corp	0.27	4.33	20	-
	Nigeria	Comrade Cycle Company	0.32	1.13	78	-
	Zambia	Rover Zambia Ltd.	0.36	2.12	77	-
	Ivory Coast	SIPAM	0.18	0.36	20	-
		<u>4</u>	<u>1.13</u>	<u>7.94</u>	<u>195</u>	<u>40,700</u>
Énergie	Togo	Centrale Rég. de la Kara	1.00	3.08	-	-
		<u>1</u>	<u>1.00</u>	<u>3.08</u>	-	-
Telecommunications	Niger	Réseau Cables Tel. Niamey	1.00	5.83	-	-
		<u>1</u>	<u>1.00</u>	<u>5.83</u>	-	-
Tourism	Ivory Coast	Hotel IBIS II	0.65	7.74	110	-
	Seychelles	Cosproh	0.15	0.68	-	-
	Tonga	Ramanlal & Sons Co. Ltd	0.30	0.56	20	-
	New Caledonia	Sté Relais de Fayaoude	0.05	-	-	-
		Sté Relais de Fayaoude	0.17	1.06	20	-
	Ivory Coast	Hôtel "Le Wafou"	0.39	1.18	34	-
		<u>6</u>	<u>1.70</u>	<u>11.22</u>	<u>184</u>	<u>61,000</u>
Services	Burundi	Sté Magasins généraux de Bujumbura	0.24	16.9	250	53,500
		<u>1</u>	<u>0.24</u>	<u>16.9</u>	<u>250</u>	<u>67,500</u>
TOTAL		<u>46</u>	<u>22.75</u>	<u>131.49</u>	<u>2457</u>	<u>53,500</u>

.../...

The above statistics call for the following comments:

One of the most characteristic aspects of the operations carried out in the ACP States in 1982 is the large share represented by assistance to development banks. Financing of small and medium-sized undertakings rose from 23.5 MECU in 1981 to 49.3 MECU in 1982 (+ 110%). The 46 allocations on global loans in progress have reached 22.8 MECU, with an average amount of 0.50 MECU per allocation. The increased assistance to SMUs is a result not only of the increased possibility of granting global loans on risk capital under Lomé II (56.3% of this kind of aid was granted in 1982) and the intrinsic interest of this type of operation, but also of the fact that industrial projects of a certain size qualifying for direct financing are relatively rare, especially in the most disadvantaged ACP States.

As in previous years, aid to the energy sector (6 projects totalling 51.2 MECU) was maintained at a high level. Three projects (44 MECU) will help reduce imports of oil products by about 700,000 tonnes per year, representing savings of some 2.5% of 1981 hydrocarbon imports by all the ACP States.

According to provisional estimates, the total cost of investments contributed by the Bank in individual financing operations amounts to approximately 1 thousand MECU. The direct impact on employment of the projects which have been financed can be assessed at some 3,600 new jobs, mostly (92%) in agri-industries. In the case of projects in industry and tourism, the average cost of directly created employment amounts to 63,000 ECU. Investments which were the subject of allocations on global loans totalled 131.5 MECU. Allocations in industry and tourism will help create directly some 2,500 jobs at an average cost of 49,900 ECU.

.../...

The breakdown by objective of projects in industry (excluding energy) shows that 82.7% of direct financing and allocations on global loans was granted to projects aimed chiefly at developing local resources, either for export (68.2%) or to meet domestic requirements (14.5%). Projects mainly based on import substitution using imported input (all financed by allocations) accounted for only 17.3% of total financing.



V. AGRICULTURAL CO-OPERATION

The basic objective of agricultural co-operation between the Community and the ACP States is to assist the ACP States in their efforts to resolve problems relating to rural development and the improvement and expansion of agricultural production for domestic consumption and export, and problems they may encounter with regard to security of food supplies for their populations.

Although it is part of the general objectives of financial and technical co-operation, agricultural co-operation nevertheless has certain specific aspects, detailed in Title VI of the Convention of Lomé, including the establishment, in accordance with Article 88 of the Convention, of the Technical Centre for agricultural and rural co-operation.

The ACP-EEC Council of Ministers feel bound to emphasize the importance of these provisions, which call for resolute action on the part of both the Community and the ACP States at a time when questions relating to food strategies and to the development of food production, especially in Africa, are being discussed at national, regional and world level, particularly with a view to reducing the growing dependence of the countries in question on food imports.

.../...

1. Technical Centre for Agricultural and Rural Co-operation

At its meeting in Libreville on 13 and 14 May 1982 the ACP-EEC Council of Ministers took note of

- the intention of the ACP States to select candidates in the near future to enable the ACP-EEC Committee of Ambassadors to nominate the Director of the Centre in accordance with the Convention,
- the ACP States' acceptance of the Community's proposal to establish the Centre's headquarters for the time being at Wageningen (Netherlands), and the fact that they were open to the idea of an operational branch in Brussels, if necessary,
- the confirmation of the agreement given by the ACP States in the competent subcommittee to the Centre initially having a very lightweight structure of twelve staff, although the ACP would continue to propose to the subcommittee that a start should be made in establishing a technical service.

The urgency of setting up the Centre is clear; for its part, the ACP-EEC Subcommittee for Co-operation on Agricultural and Rural Development will continue preparing all the necessary steps to enable the Centre to operate effectively as soon as possible.

.../...

## 2. Resolution concerning integrated rural development

After taking note of the progress of work on a Resolution in this area, the ACP-EEC Council of Ministers meeting in Libreville confirmed the instructions given to the Committee of Ambassadors to see that the Resolution was adopted <sup>(1)</sup>. As agreement has been reached within the subordinate bodies of the ACP-EEC Council of Ministers on the text of a Resolution on the evaluation of integrated rural development projects, that Resolution, the text of which is given in Annex IV, has been submitted to the Committee of Ambassadors <sup>(2)</sup>.

The purpose of the Resolution is to apply to integrated rural development projects the "basic principles" formulated in particular at the meeting of ACP and EEC experts held in Lomé in February 1981. In particular, it is recommended that "the relevant departments of the ACP-EEC partners take account, firstly, of these "basic principles" and, secondly, of the particular and specific conditions obtaining in the region where projects for integrated rural development are envisaged".

## 3. Other aspects

At the meeting of the ACP-EEC Council of Ministers in Libreville the Community informally briefed the ACP States on certain developments in its policy to combat hunger in the world. It noted in particular that the EEC Council had agreed in principle on a "plan of action" to combat hunger in the world, as proposed by the Commission. The first stage of that plan provided for the immediate granting of exceptional Community food aid to the least-developed countries; this would be followed by measures to increase food security in developing countries (operations in support of food strategies, operations with a specific theme and international operations). The various components of the plan are either already being implemented by the Community or will be shortly.

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(1) Decision 8/81 of 19 April 1981 delegating powers for this purpose to the Committee of Ambassadors

(2) This text was adopted by the Committee of Ambassadors on 1 February 1983.

VI. FINANCIAL AND TECHNICAL CO-OPERATION

1982 was an important year as regards the implementation of ACP-EEC financial and technical co-operation, which henceforward will be covered by the new institutional framework set up by the second Convention.

The Committee provided for in Article 108(6) of Lomé II began work, and this led to the adoption by the Council of Ministers in Libreville of a Resolution covering all aspects of financial and technical co-operation (see point 1 below).

The Subcommittee on the special problems of the least-developed, landlocked and island ACP States also held its first meetings in 1982 (see Chapter VII below).

Financial and technical co-operation was administered without interruption between Lomé I and Lomé II (see point 2 below).

Within the Community, 1982 saw the entry into force of the "Zimbabwe" Internal Financing Agreement and the adoption of the Council Decision amending the 1979 Internal Financing Agreement following the accession of Greece to the European Communities (see point 5 below).

.../...

1. Article 108 Committee

This Committee, which is a new joint body set up by Article 108(6) of the second ACP-EEC Convention to "study, in general terms and on the basis of specific examples, suitable measures to improve the implementation of financial and technical co-operation" <sup>(1)</sup>, was established in Luxembourg in April 1981 by the Council of Ministers, which adopted, inter alia, the Committee's Rules of Procedure <sup>(2)</sup>.

It is within this body that the Lomé partners have agreed to henceforward work together, on the basis of specific difficulties in the application of the Convention and drawing on past experience, to find ways of achieving the best possible results in administering financial and technical co-operation.

The contribution of this innovation - by which the Lomé II partners wished to confer an eminently political status upon the examination of the implementation of financial and technical co-operation, which under Lomé I had been carried out at expert level - must be underlined and its achievements continuously assessed.

The Article 108 Committee held two meetings at authorized representative level on 24 March and 28 April 1982 and one meeting at ministerial level on 12 May 1982, immediately before the annual meeting of the Council of Ministers.

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<sup>(1)</sup> The Committee is composed, on a basis of parity, of representatives of the ACP States (11) and of the Community (10 Member States plus Commission). It meets every quarter, and at least once a year at ministerial level, generally on the occasion and at the venue of the meeting of the Council of Ministers. The EIB and the Centre for Industrial Development attend meetings. By Decision No 7/82 of 14 May 1982, the Council of Ministers delegated to the Committee of Ambassadors necessary powers to make the annual appointment of the representatives of the Community and of the ACP States on the Article 108 Committee.

<sup>(2)</sup> See Decision No 7/81 of the ACP-EEC Council of Ministers of 10 April 1981 adopting the Rules of Procedure of the Article 108 Committee.

To carry out the mandate given by the Council of Ministers (Luxembourg, 9 and 10 April 1981), the Committee centred its proceedings on examination of the Commission reports on the implementation of financial and technical co-operation (1979 and 1980), and on the assessments which the ACP States had submitted on those reports under the provisions of the Convention.

The Committee also studied measures to improve the implementation of financial and technical co-operation.

It submitted to the ACP-EEC Council of Ministers a report and draft Resolution on financial and technical co-operation, which constituted the product of the Committee's work and reflected the constructive spirit in which it had been carried out.

The Resolution adopted by the Council, the full text of which will be found in Annex V to this report, contains the following Chapters:

- overall orientation of efforts;
- application of certain specific provisions of the Convention;
- sectors of intervention;
- principles of intervention;
- implementation of financial and technical co-operation.

.../...

After setting out, in its first chapter, the main aims of the efforts to improve financial and technical co-operation and the criteria and procedures for attaining those aims, the Resolution highlights, in its second chapter, four specific sectors to which particular importance should be attached, namely aid to the least developed, landlocked and island ACP States, regional co-operation, micro-projects (where encouraging results have already been achieved especially as regards the increase of the self-development capabilities of the populations concerned), and financing for small and medium-sized undertakings. On the last point, the Resolution calls on the ACP States to pay attention to the possible negative effects of large-scale projects on the social and economic conditions of the countries concerned, bearing in mind the fact that very often development is a result of the concomitant and complementary implementation of large, medium and small-scale projects.

The third chapter of the Resolution lists those sectors which have already benefitted from financial assistance, emphasizing the importance of developing agricultural resources, especially food crops, and the part played in this connection by the policy pursued with regard to the prices aid to producers.

The fourth chapter deals with the principles on which intervention should be based, such as the economic and financial viability of operations, participation by the local population and participation by the ACP States in contracts financed by the EDF.

.../...

The Resolution ends with a fifth chapter setting out a series of recommendations to speed up and improve the implementation of financial and technical co-operation. In general, the Resolution calls for acceleration of commitments and payments and for greater flexibility in the procedures governing the various phases of implementation of a project, from preparation and appraisal to the financing decision, payment, and the award of contracts.

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In Libreville, the Council of Ministers adopted a Decision supplementing its Decision No 10/81 on the delegation of certain powers to the ACP-EEC Committee of Ambassadors, so that in future that Committee can make the annual appointment of members at ministerial level to the Article 108 Committee.

.../...



2. Administration of financial and technical co-operation in 1982

At the end of the period covered by this report almost all programmable amounts under the 4th EDF had been committed and almost three quarters of the sum committed had been disbursed.

In the case of the 5th EDF, commitments continued at a fairly satisfactory rate, thanks in particular to the fact that programming of the Lomé II budget had been started well before the entry into force of the second Convention, beginning in the final months of 1979 and reaching completion towards mid-1981 <sup>(1)</sup>.

(a) Figures for the 4th and 5th EDFs

(i) Figures for the 4th EDF

Table VI below shows the situation of commitments and payments under the 4th EDF at the end of the year covered by this report.

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<sup>(1)</sup> Only the indicative programme of the Republic of Chad remained to be adopted at the end of 1982.

TABLE VI

Situation of commitments and payments (4th EDF) as at 21 December 1982 (million ECU)

	G R A N T S								
	Invest- ments	Micro- projects	Tied Techn. Co-oper- ation	General Techn. Co- operation	Trade Promo- tion	Indust. Co-oper- ation		Over- heads	Special Loans
BAHAMAS	-	-	55	352	238	-	-	80	1.136
BARBADOS	375	-	130	396	100	-	-	246	950
BENIN	27.422	-	4.189	2.440	-	-	-	1.805	350
BOTSWANA	13.824	-	118	1.430	513	1.900	-	1.061	650
BURUNDI	40.782	1.093	2.072	4.086	-	-	-	1.837	2.960
CAMEROON	25.512	410	4.737	2.230	303	-	-	3.610	17.457
CAPE-VERDE	3.450	84	300	100	-	-	-	33	-
CENTRAL AFRICAN REPUBLIC	31.846	130	2.433	1.911	89	227	-	2.319	-
COMOROS	5.437	-	682	120	80	-	-	389	-
CONGO	17.020	-	57	1.100	111	-	-	2.148	6.706
IVORY COAST	9.274	300	1.102	3.500	2.358	-	-	3.350	22.804
DJIBOUTI	460	-	820	925	-	-	-	49	-
DOMINICA	460	-	-	80	-	-	-	180	-
ETHIOPIA	108.775	858	929	4.025	500	-	-	1.809	-
FIJI	1.500	996	500	230	-	-	-	433	6.674
GABON	111	-	574	1.221	125	-	-	1.606	7.455
GAMBIA	9.922	44	330	988	-	-	-	752	-
GHANA	23.121	857	851	2.588	1.010	-	-	1.984	19.570
GRENADA	1.639	243	38	80	-	-	-	131	-
GUINEA	25.123	830	1.028	100	-	10.000	-	1.673	25.400
GUINEA-BISSAU	16.628	-	616	1.401	96	-	-	1.186	-
EQUATORIAL GUINEA	6.372	-	103	280	-	-	-	25	-
GUYANA	4.212	232	767	631	-	126	-	974	6.822
UPPER VOLTA	51.424	1.151	4.484	3.227	100	-	-	2.725	7.000
JAMAICA	3.790	363	9	3.090	1.790	-	-	1.405	8.627
KENYA	26.785	2.422	1.025	3.300	400	215	-	2.391	37.758

TABLE VI (continued)

	G R A N T S								
	Invest- ments	Micro- projects	Tied Techn. Co-opera- tion	General Techn. Co- operation	Trade Promo- tion	Indust. Co-oper- ation		Over- heads	Special Loans
KIRIBATI	3,150	-	-	-	-	-	-	-	-
LESOTHO	14,433	280	284	3,696	-	-	-	1,004	-
LIBERIA	15,760	300	757	2,690	300	-	-	1,217	-
MADAGASCAR	49,405	2,060	2,935	6,755	1,468	-	-	3,072	6,000
MALAWI	45,284	1,000	1,032	3,275	679	2,060	-	1,450	11,705
MALI	64,707	-	1,753	2,392	-	522	-	2,071	1,220
MAURITIUS	2,960	-	330	700	-	700	-	865	7,640
MAURITANIA	31,527	-	1,109	705	-	-	-	2,528	-
NIGER	62,066	-	1,208	2,789	118	-	-	5,108	-
NIGERIA	2,320	-	864	4,082	208	-	-	1,030	-
UGANDA	54,475	-	804	3,539	-	230	-	1,585	9,715
PAPUA NEW GUINEA	3,251	515	306	1,436	-	-	-	589	3,501
RWANDA	52,868	-	1,823	1,382	-	-	-	1,839	2,564
SAINT LUCIA	860	-	-	-	-	-	-	223	-
SAINT VINCENT	-	-	-	-	-	-	-	-	-
SOLOMON	625	-	40	50	35	-	-	-	5,980
WESTERN SAMOA	2,353	686	467	127	-	-	-	166	890
SAO TOPE AND PRINCIPE	1,202	-	508	90	-	-	-	116	-
SENEGAL	30,526	340	2,873	4,529	725	590	-	3,730	19,334
SEYCHELLES	1,890	336	-	-	-	-	-	106	-
SIERRA LEONE	23,463	740	719	2,300	-	-	-	1,214	3,770
SOMALIA	43,362	-	8,606	3,763	-	-	-	2,187	-
SUDANI	62,328	440	7,038	5,064	400	581	-	2,988	15,000
SURINAME	1,350	452	200	1,060	500	-	-	1,169	4,000
SWAZILAND	6,139	75	-	2,000	70	-	-	566	3,497
TANZANIA	66,621	-	1,563	575	40	529	-	2,227	32,850

TABLE VI (continued)

	G R A N T S								
	INVEST- MENTS	MICRO- PROJECTS	TIED. TECHN. CO- OPERATION	GENERAL TECHN. CO- OPERATION	TRADE PROMO- TION	INDUST. CO- OPERATION	OVER- HEADS	SPECIAL LOANS	
CHAD	38,764	380	534	4,650	-	-	-	2,587	7,550
TOGO	27,049	377	305	5,530	19	-	-	2,100	2,278
TONGA	2,376	-	196	40	33	-	-	116	130
TRIDIDAD AND TOBAGO	-	-	509	2,280	-	146	-	917	2,890
TUVALU	400	205	-	-	-	-	-	-	-
ZAIRE	76,700	-	2,936	8,060	133	-	-	3,341	8,033
ZAMBIA	18,619	300	2,705	4,970	567	-	-	1,757	17,595
SUB-TOTAL	1,262,301	18,501	70,733	118,729	13,208	18,224	-	80,890	338,460
REGIONAL PROJECTS	152,526	-	14,354	24,889	17,568	9,737	-	-	69,584
SUB-TOTAL	152,526	-	14,354	24,889	17,568	9,737	-	-	69,584

TABLE VI (continued)

	G R A N T S							
	INVEST- MENTS	MICRO- PROJECTS	TIED. TECHN. CO- OPERATION	GENERAL TECHN. CO- OPERATION	TRADE PROMO- TION	INDUST. CO- OPERATION	OVER- HEADS	SPECIAL LOANS
ALL ACP	-	-	-	-	-	-	4.000	-
ALL FRENCH OCT	-	-	-	100	-	-	-	-
A&L TERRITORIES (UNITED KINGDOM)	300	-	-	100	-	-	-	-
ALL COUNTRIES AND TERRITORIES	9.961	-	-	-	-	-	6.675	-
SUB-TOTAL	10.161	-	-	200	-	-	10.675	-
BLOCKED APPROPRIATIONS	-	2.061	-	966	-	-	-	-

TABLE VI (continued)

G R A N T S									
	INVEST- MENTS	MICRO- PROJECTS	TIED TECHN. CO-OPERATION	GENERAL TECHN. CO-OPERATION	TRADE PROMO- TION	INDUST. CO-OPE- RATION		OVER- HEADS	SPECIAL LOANS

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TOTAL	1,445,621	22,297	87,462	150,364	30,816	28,016	-	95,588	427,799
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TABLE VI (continued)

G R A N T S								
	TOTAL	STABEX		EXCEPTIONAL AID	INTEREST RATE SUBSIDIES (EIB)	RISK CAPITAL (EIB)	GRAND TOTAL	PAYMENTS
BAHAMAS	1.862	-	-	-	-	-	1.862	648
BARBADOS	2.197	-	-	50	1.266	-	1.511	1,130
BEHIN	36.206	20.367	-	20	-	350	36.942	40,137
BOTSWANA	19.495	-	-	2,670	1,253	1,750	25,168	20,407
BURUNDI	52.930	1,406	-	2,055	-	500	56,871	41,668
CAMEROON	54.339	4,065	-	2,300	4,246	4,600	69,550	52,122
CAPE VERDE	3.967	1,207	-	1,350	-	3,580	10,104	9,351
CENTRAL AFRICAN REPUBLIC	38.955	7,830	-	1,100	-	-	47,885	19,456
COMOROS	6.708	-	-	2,897	-	12	9,616	5,949
CONGO	27.143	7,362	-	250	-	3,412	37,866	36,367
IVORY COAST	42.687	15,000	-	125	7,157	925	66,194	47,686
DJIBOUTI	2.254	-	-	1,311	-	1,000	4,565	4,111
DOMINICA	720	-	-	3,900	-	-	4,620	4,522
ETHIOPIA	116,897	14,420	-	4,651	-	-	135,969	80,630
FIJI	10,333	2,115	-	3,589	4,217	170	20,424	17,102
GABON	11,091	6,703	-	-	-	-	17,795	15,436
GAMBIA	12,046	7,515	-	789	-	2,390	22,690	13,469
GHANA	49,961	5,176	-	2,730	2,140	222	60,229	43,936
GRENADA	2,131	-	-	451	-	-	2,582	2,020
GUINEA	64,154	-	-	3,035	548	300	68,137	59,094
GUINEA-BASSAU	19,926	11,280	-	467	-	-	31,682	28,081
EQUATORIAL GUINEA	6,760	-	-	300	-	-	7,060	5,735
GUYANA	13,762	-	-	-	-	3,200	16,962	12,591
UPPER VOLTA	70,111	7,262	-	-	1,636	7,600	85,816	68,487
JAMAICA	19,074	-	-	1,175	-	-	20,249	13,203
KENYA	4,296	-	-	1,346	8,998	1,296	15,877	71,016

TABLE VI (continued)

	I		GRANTS			I		GRAND TOTAL	PAYMENTS
	TOTAL	STABEX	EXCEPT- IONAL AID	INTEREST RATE SUBSIDIES (EIB)	RISK CAPITAL (EIB)				
KIPIRATI	3,350	-	-	-	-	-	3,350	333	
LESOTHO	19,687	-	-	1,230	-	130	21,047	15,454	
LIBERIA	21,025	7,587	-	-	1,250	286	30,155	23,160	
MADAGASCAR	71,675	5,748	-	1,700	-	2,290	81,412	55,819	
MALAY I	67,292	-	-	2,575	2,259	1,152	73,278	58,292	
MALI	13,265	9,781	-	1,020	-	6,360	90,426	81,474	
MAURITIUS	13,195	-	-	4,850	2,225	35	20,306	13,507	
MAURITANIA	35,950	37,000	-	1,657	3,637	-	78,244	69,600	
NIGER	69,308	22,654	-	9,614	1,045	860	103,560	90,224	
NIGERIA	9,392	-	-	-	9,778	-	19,170	14,030	
UGANDA	70,028	20,595	-	3,500	-	350	94,474	50,100	
PAPUA-NEW GUINEA	9,678	-	-	-	1,129	1,600	12,402	5,079	
RWANDA	60,476	609	-	5,926	-	3,000	70,011	64,782	
SAINT LUCIA	1,083	-	-	1,000	-	180	2,263	2,165	
SAINT VINCENT	-	-	-	-	-	-	-	-	
SOLOMON	6,730	-	-	-	-	-	6,730	2,873	
WESTERN SAMOA	4,689	2,837	-	-	-	-	7,526	7,023	
SAO TOME AND PRINCIPE	1,916	-	-	500	-	-	2,216	1,774	
SENEGAL	62,447	65,106	-	4,685	2,305	8,468	143,012	125,058	
SEYCHELLES	2,334	-	-	-	-	580	2,914	2,669	
SIERRA LEONE	32,266	3,977	-	-	-	-	36,243	24,483	
SOMALIA	57,918	1,932	-	13,426	-	250	73,526	55,646	
SUDAN	93,638	41,776	-	4,916	-	6,500	146,830	107,662	
SURINAME	8,731	-	-	-	-	-	8,731	6,023	
SWAZILAND	12,347	13,225	-	35	2,025	1,150	28,781	25,612	
TANZANIA	128,474	20,702	-	519	741	7,750	158,986	91,594	



TABLE VI (continued)

	GRANTS							
	TOTAL	STAREX	EXCEPT- TIONAL AID	INTEREST RATE SUBSIDIES (EIB)	RISK CAPITAL (EIB)	GRAND TOTAL	PAYMENTS	
CHAD	54,464	7,336	-	300	-	7,500	69,600	52,619
TOGO	37,659	3,627	-	-	419	3,043	44,748	37,164
TONGA	2,890	1,208	-	165	-	-	4,263	3,191
TRINIDAD AND TOBAGO	6,742	-	-	-	1,537	-	8,279	4,348
TUVALU	605	-	-	-	-	-	605	525
ZAIRE	99,204	-	-	19,300	-	5,256	123,760	71,304
ZAMBIA	46,653	-	-	17,009	1,698	3,425	68,785	56,964
SUB-TOTAL	1,921,126	377,496	-	130,037	61,809	91,129	2,581,596	1,965,608
REGIONAL PROJECTS	288,658	-	-	-	2,572	6,133	297,363	167,901
SUB-TOTAL	288,658	-	-	-	2,572	6,133	297,363	167,901

TABLE VI (continued)

	G R A N T S							Grand Total	Payments
	TOTAL	STADEX	Exceptional aid	Interest Rate Subsidies (EIB)	Risk Capital (EIB)				
All ACP	4.000	-	-	13.300	-	-	17.300	11.473	
All French OCT	100	-	-	-	-	-	100	100	
All territories (United Kingdom)	400	-	-	-	-	-	400	135	
All countries and territories	16.536	-	-	-	-	-	16.536	10.896	
Sub-total	21.036	-	-	13.300	-	-	34.336	22.153	
Blocked appropriations	3.027	-	-	-	-	3.114	6.141	-	

TABLE VI (continued)

	G R A N T S							
	TOTAL	STAREX		Exceptional Aid	Interest Rate Subsidies (EIB)	Risk Capital (EIB)	Grand Total	Payments
TOTAL	2,207,981	309,812	-	143,837	65,930	102,246	2,989,855	2,265,027

(ii) 5th EDF figures

Table VII below shows the situation of commitments and payments under the 5th EDF at the end of the year covered by this report.

.../...

TABLE VII

Situation of commitments and payments (5th EDF) as at 21 December 1982 (million ECU)

	G R A N T S								
	Invest- ments	Micro- projects	Tied Techn: Co-ope- ration	General Techn. Co- operation	Trade Promo- tion	Indust. Promo- tion	Agricult- ural Co- operation	T.A. SMU	Special Loans
ANTIGUA-BARBUDA	-	-	-	100	-	-	-	-	-
BAHAMAS	399	-	15	30	-	-	-	-	-
BARBADOS	1.225	-	45	350	175	-	-	-	-
BELIZE	-	-	-	100	-	-	-	-	-
BENIN	6.200	1.300	100	2.510	145	-	-	-	-
BOTSWANA	2.350	-	60	3.640	1.100	-	-	-	-
BURUNDI	7.675	457	500	400	15	-	-	-	-
CAMEROON	12.800	457	710	639	660	-	-	-	-
CAPE-VERDE	310	96	79	750	-	-	-	-	-
CENTRAL AFRICAN REPUBLIC	23.210	406	93	250	-	-	-	-	4.700
COMOROS	700	-	287	390	-	-	-	-	-
CONGO	2.500	-	211	1.188	68	400	-	-	-
IVORY COAST	8.500	-	140	13	2.325	-	-	-	8.000
DJIBOUTI	1.123	-	100	100	-	-	-	-	-
DOMINICA	34	91	134	222	-	-	-	-	-
ETHIOPIA	87.150	-	500	5.000	-	-	-	-	5.000
FIJI	-	350	370	930	146	-	-	-	-
GABON	3.715	-	3.225	600	10	-	-	-	1.815
GAMBIA	5.100	150	-	282	28	-	-	-	-
GHANA	10.499	500	710	1.950	30	-	-	-	-
GRENADA	357	-	-	306	10	-	-	-	-
GUINEA	10.650	670	852	716	-	-	-	-	-
GUINEA-BISSAU	9.930	116	480	390	-	-	-	-	470
EQUATORIAL GUINEA	-	-	20	30	-	-	-	-	-
GUYANA	4.050	-	130	925	69	-	-	-	-
UPPER VOLTA	33.478	1.193	3.942	1.400	-	-	-	-	-

TABLE VII (continued)

	G R A N T S								
	INVESTMENTS	MICRO-PROJECTS	TECH. COOPERATION	GENERAL TECHN. COOPERATION	TRADE PROMOTION	INDUST. CO-OPERATION	AGRICULT. COOPERATION	T.A. SMU	SPECIAL LOANS
JAMAICA	-	-	210	5,000	-	-	-	-	-
KENYA	13,572	4,738	1,164	1,100	1,032	-	-	-	9,000
KIPIRATI	-	173	50	50	-	-	-	-	-
LESOTHO	-	-	5,760	2,541	112	-	-	-	-
LIBERIA	346	-	510	100	-	-	-	-	-
MADAGASCAR	11,220	1,996	115	540	43	-	-	-	-
MALAWI	-	210	188	3,800	171	-	-	-	-
MALI	20,460	-	654	3,598	436	-	-	-	13,400
MAURITIUS	6,150	1,454	80	-	1,650	-	-	-	-
MAURITANIA	15,200	-	138	100	37	-	-	-	6,300
NIGER	26,445	-	690	1,319	11	-	-	-	-
NIGERIA	-	-	662	950	-	-	-	-	-
UGANDA	13,900	-	1,025	3,900	-	-	-	-	-
PAPUA NEW GUINEA	-	-	40	3,300	153	-	-	-	-
REUNION	27,850	680	100	4,640	25	-	-	-	-
SAINT LUCIA	1,265	55	170	20	18	-	-	-	-
SAINT VINCENT	2,600	-	-	245	15	-	-	-	-
SOMOMON	1,400	-	200	1,840	-	-	-	-	-
WESTERN SAMOA	5,000	-	-	50	-	-	-	-	-
SAO TOME AND PRINCIPE	2,108	-	87	30	-	-	-	-	-
SENEGAL	14,349	1,050	752	2,650	1,083	-	-	-	10,300
SEYCHELLES	-	-	-	46	-	-	-	-	-
SIERRA LEONE	10,150	1,210	638	4,000	11	-	-	-	2,400
SOMALIA	24,316	-	54	730	480	-	-	-	-
SUDAN	37,802	1,100	317	3,305	75	1,204	-	-	270
SURINAME	2,634	-	140	-	55	-	-	-	-

TABLE VII (continued)

	G R A N T S								SPECIAL LOANS
	INVESTMENTS	MICRO- PROJECTS	TIED TECHN. CO-OPERATION	GENERAL TECHN. CO-OPERATION	TRADE PROMOTION	INDUSTR. CO-OPERATION	AGRICULT. CO-OPERATION	T. A. SMU	
SWAZILAND	2,456	25	-	1,103	27	-	-	-	-
TANZANIA	48,825	-	80	1,330	32	-	-	-	7,500
CHAD	7,000	-	115	500	-	-	-	-	-
TOGO	15,988	970	1,106	1,730	50	-	-	-	2,330
TONGA	-	-	-	100	-	-	-	-	-
TRINIDAD AND TOBAGO	-	-	490	697	-	-	-	-	-
TUVALU	185	148	13	24	-	-	-	-	-
VANUATU	2,150	160	50	186	-	-	-	-	-
ZAIRE	1,700	-	2,120	700	-	-	-	-	6,300
ZAMBIA	17,750	-	70	4,010	795	540	-	-	2,600
ZIMBABWE	-	1,355	-	1,325	124	-	-	-	-
SUB-TOTAL	568,853	21,110	30,487	79,193	11,416	2,140	-	-	79,785
REGIONAL PROJECTS	86,670	-	3,938	17,861	11,596	18,068	-	-	17,900
SUB-TOTAL	86,670	-	3,938	17,861	11,596	18,068	-	-	17,900

TABLE VII (continued)

G R A N T S									
	INVEST- MENTS	MICRO- PROJECTS	TIED TECHN. CO-OPERATION	GENERAL TECHN. CO- OPERATION	TRADE PROMO- TION	INDUST. CO- OPERATION	AGRICUL- TURAL CO- OPERATION	T.A. SMU	SPECIAL LOANS
ALL ACP	-	-	-	-	-	-	-	-	-
ALL FRENCH OCT	-	-	-	100	-	-	-	-	-
ALL TERRITORIES (UNITED KINGDOM)	-	-	-	100	-	-	-	-	-
ALL COUNTRIES AND TERRITORIES	-	-	-	-	-	-	-	-	-
REGIONAL PROJECTS	-	-	-	-	98	-	-	-	-
SUB-TOTAL	-	-	-	200	98	-	-	-	-
BLOCKED APPROPRIATIONS	-	-	-	-	-	-	-	-	-
	657.563	21.640	34.780	90.057	23.255	20.791	7	-	48.185



TABLE VII (continued)

	GRANTS						GRAND TOTAL	PAYMENTS
	TOTAL	STABEX	MINERAL PRODUCTS	EXCEPTIONAL AID	INTEREST RATE SUBSIDIES (EIB)	RISK CAPITAL (ETB)		
ANTIGUA-BARBUDA	100	-	-	-	-	-	100	-
BAHAMAS	444	-	-	-	-	-	444	4
BARBADOS	1,795	-	-	-	920	-	2,715	1,030
BELIZE	200	-	-	-	-	-	200	-
BENIN	10,255	-	-	400	-	-	10,655	603
BOTSWANA	7,150	-	-	-	4,108	-	11,258	4,299
BURUNDI	9,047	11,024	-	-	-	6,500	26,571	13,368
CAMEROON	15,346	13,544	-	-	6,762	-	35,652	20,401
CAPE VERDE	1,235	215	-	1,000	-	1,800	4,249	1,524
CENTRAL AFRICAN REPUBLIC	28,659	2,169	-	500	-	-	31,328	2,696
COMOROS	1,377	1,099	-	200	-	161	2,837	1,683
CONGO	4,367	-	-	-	-	-	4,367	337
IVORY COAST	18,978	46,797	-	-	4,638	-	70,413	52,286
DJIBOUTI	1,323	-	-	100	-	2,250	3,673	1,746
DOMINICA	481	2,920	-	500	-	1,000	4,901	1,481
ETHIOPIA	97,650	757	-	2,000	-	-	100,407	2,441
FIJI	1,796	1,353	-	300	3,960	1,800	9,209	5,950
GABON	9,365	-	-	-	7,159	-	16,524	7,754
GAMBIA	5,560	8,531	-	60	-	-	14,151	6,946
GHANA	13,689	25,607	-	190	-	6,000	45,486	26,029
GRENADA	673	154	-	-	-	-	827	280
GUINEA	12,888	-	-	500	-	-	13,388	1,593
GUINEA-BISSAU	11,386	1,534	-	-	-	-	12,920	2,249
EQUATORIAL GUINEA	50	-	-	-	-	-	50	16
GUYANA	5,174	-	-	-	-	-	5,174	1,289
UPPER VOLTA	40,413	-	-	25	-	-	40,438	1,659

TABLE VII (continued)

	G R A N T S							
	TOTAL	STABEX	Mineral products	Exceptional aid	Interest Rate Subsidies (EIB)	Risk Capital (EIB)	Grand Total	Payments
JAMAICA	5.210	3.239	-	-	-	5.000	13.449	3.425
KENYA	30.606	26.481	-	700	5.131	1.550	64.467	34.224
KIRIBATI	273	498	-	-	-	200	971	553
LESOTHO	8.413	519	-	75	-	3.000	12.007	1.601
LIBERIA	956	-	-	-	-	700	1.656	700
MADAGASCAR	13.914	3.899	-	1.300	-	2,170	21.283	9.056
MALAWI	4.369	1.841	-	620	-	3,000	9.830	2.494
MALI	38.548	3,062	-	900	-	-	42.510	11.300
MAURITIUS	9.334	-	-	35	750	500	10,619	807
MAURITANIA	21.775	-	-	60	-	-	21.835	5.733
NIGER	24.465	-	-	1,100	3,564	-	53.129	6.706
NIGERIA	1.592	-	-	250	-	-	1,842	17
UGANDA	19.825	-	-	3,350	-	10,000	32.175	3,544
PAPUA NEW GUINEA	3.493	13,832	-	-	1,363	13,600	52.488	19,214
RWANDA	33.295	7,065	-	2,000	-	-	42,360	13,533
SAINT LUCIA	1.528	1,350	-	-	-	-	2,877	2,591
SAINT VINCENT	2.860	-	-	200	-	-	3,060	1,102
SOLOMON	3.440	565	-	-	-	425	4,430	582
WEST SAMOA	5.050	2,947	-	-	-	3,325	11,322	3,045
SAO TOME AND PRINCE	2.225	777	-	-	-	-	3,002	956
SENEGAL	34.184	59,133	-	200	5,600	4,150	103,275	66,498
SEYCHELLES	96	-	-	240	-	1,000	1,336	529
SIERRA LEONE	18,409	1,835	-	-	-	10,000	30,244	2,305
SOMALIA	25.780	2,581	-	15,950	-	2,560	46,871	26,264
SUDAN	40,067	21,915	-	1,700	-	-	67,682	36,035
SURINAM	2,829	-	-	-	-	-	2,829	214

TABLE VII (continued)

	G R A N T S							
	TOTAL	STAREX	Mineral products	Exceptional aid	Interest Rate Subsidies (FIR)	Risk Capital (CIB)	Grand Total	Payments
SWAZILAND	3,611	-	-	30	1,891	-	5,532	1,429
TANZANIA	57,767	6,797	-	104	-	7,500	72,168	17,584
CHAD	7,615	2,540	-	3,000	-	-	13,155	5,540
Togo	22,174	-	-	-	1,521	3,000	26,695	2,823
TONGA	100	602	-	1,400	-	1,325	3,427	2,810
TRINIDAD AND TOBAGO	1,187	-	-	-	1,163	-	2,350	196
TUVALU	370	59	-	-	-	125	553	269
VANUATU	2,540	-	-	-	-	1,000	3,540	15
ZAMBIA	10,820	-	40,000	2,765	-	6,000	59,585	5,186
ZAMBIA	25,165	-	55,000	1,050	8,540	1,500	91,255	34,535
ZIMBABWE	2,404	-	-	1,000	3,434	400	8,139	1,261
Sub-Total	193,085	277,240	95,000	43,804	61,062	101,741	1,371,932	488,453
Regional projects	156,034	-	-	-	1,335	8,914	166,282	29,722
Sub-Total	156,034	-	-	-	1,335	8,914	166,282	29,722

TABLE VII (continued)

	I I TOTAL I I	I I STABEX I I	I I MINERAL I PRODUCTS I I	I I EXCEPTIONAL I AID I I	I I INTEREST I RATE I I	I I RISK I CAPITAL I (EIB) I	I I GRAND I TOTAL I I	I I PAYMENTS I I
ALL ACP	-	-	-	-	-	-	-	-
ALL FRENCH OCT	100	-	-	-	-	-	100	-
ALL TERRITORIES (UNITED KINGDOM)	100	-	-	-	-	-	100	-
ALL COUNTRIES AND TERRITORIES	-	-	-	-	-	-	-	-
REGIONAL PROJECTS	98	-	-	-	-	-	98	4
SUB-TOTAL	298	-	-	-	-	-	298	4
BLOCKED APPROPRIATIONS	-	-	-	-	-	-	-	-
TOTAL	954.472	282.681	95.000	44.184	63.215	112.495	1.552.247	525.103

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(b) EIB figures <sup>(1)</sup>

Total finance granted by the EIB to ACP countries in 1982 amounted to 156.94 MECU, being 155.73 MECU under Lomé II and 1.21 MECU under Lomé I.

The breakdown according to the type of aid is as follows:

- 119.2 MECU in fourteen loans with interest subsidies from the EIB's own resources granted to 10 countries;
- 36.53 MECU in the form of risk capital in 24 countries;
- 1.21 MECU in the form of five loans to finance pre-investment studies and technical assistance for which overall authorization was granted under Lomé I.

(i) Table VIII below shows the breakdown, by country and by type of aid, of finance granted by the EIB under Lomé II in 1982.

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<sup>(1)</sup> The information in this paragraph was provided by the EIB.

TABLE VIII

GEOGRAPHICAL BREAKDOWN OF EIB FINANCE IN ACP STATES IN 1982

C O U N T R Y	Loans from own resources		Risk capital		Overall	
	M Ecu	%	M Ecu	%	M Ecu	%
<u>AFRICA</u>	<u>99.3</u>	<u>81.3</u>	<u>24.54</u>	<u>65.7</u>	<u>123.84</u>	<u>77.6</u>
Benin	-	-	0.35	0.9	0.35	0.2
Botswana	15.0	12.3	-	-	15.00	9.4
Burundi	-	-	1.30	3.5	1.30	0.8
Cameroon	10.7	8.8	-	-	10.70	6.7
Cape Verde	-	-	1.80	4.8	1.80	1.1
Congo	-	-	0.18	0.5	0.18	0.1
Ivory Coast	21.6	17.7	-	-	21.60	13.5
Djibouti	-	-	0.41	1.1	0.41	0.3
Ethiopia	-	-	0.50	1.3	0.50	0.3
Guinea	-	-	0.15	0.4	0.15	0.1
Kenya	17.0	13.9	-	-	17.00	10.7
Madagascar	-	-	0.15	0.4	0.15	0.1
Malawi	-	-	3.00	8.0	3.00	1.9
Mauritius	4.0	3.2	0.50	1.3	4.50	2.8
Uganda	-	-	10.00	26.8	10.00	6.3
Senegal	11.0	9.0	1.86	5.0	12.86	8.1
Seychelles	-	-	1.00	2.7	1.00	0.6
Somalia	-	-	2.56	6.9	2.56	1.6
Zaire	-	-	0.38	1.0	0.38	0.2
Zimbabwe	20.0	16.4	0.40	1.1	20.40	12.8
<u>CARIBBEAN</u>	<u>12.0</u>	<u>9.8</u>	<u>8.40</u>	<u>22.5</u>	<u>20.40</u>	<u>12.8</u>
Barbados	4.0	3.2	-	-	4.00	2.5
Dominica	-	-	1.00	2.7	1.00	0.6
Genada	-	-	2.40	6.4	2.40	1.5
Jamaica	-	-	5.00	13.4	5.00	3.2
Trinidad & Tobago	8.0	6.6	-	-	8.00	5.0
<u>PACIFIC</u>	<u>7.9</u>	<u>6.5</u>	<u>3.59</u>	<u>9.6</u>	<u>11.49</u>	<u>7.2</u>
Fiji	-	-	1.80	4.8	1.80	1.1
Papua New Guinea	7.9	6.5	-	-	7.90	5.0
Western Samoa	-	-	0.33	0.9	0.33	0.2
Tonga	-	-	0.33	0.9	0.33	0.2
Tuvalu	-	-	0.13	0.3	0.13	0.1
Vanuatu	-	-	1.00	2.7	1.00	0.6
<b>TOTAL</b>	<b>119.2</b>	<b>97.6</b>	<b>36.53</b>	<b>97.8</b>	<b>155.73</b>	<b>97.6</b>

.../...

- (ii) Financing in 1982 was broken down between energy (32.1%), global loans to development banks (31.3%) mainly for small and medium-sized investments in the industrial sector, manufacturing industry (24.3%), telecommunications infrastructure (6.3%), transport infrastructure (1.6%), tourism (3.1%) and project studies (1.3%).

Details of the sectoral breakdown of finance are given on pages 53 et seq.

Directly financed investment should contribute to providing some 3,600 jobs, mainly in the agro-industrial sector.

- (iii) The breakdown of finance between countries on the list of least developed ACP States (Article 155(3) of Lomé II) and countries not on that list - as shown in table IX below - is similar to the breakdown resulting from implementation of Lomé II <sup>(1)</sup>: 69.2% of assistance in the form of risk capital went to the least developed ACP States, while other countries received 87.4% of the loans from the Bank's own resources.

Loans from own resources went entirely to countries with a relatively high <sup>(2)</sup> or medium <sup>(3)</sup> per capita income and 56% of assistance in the form of risk capital went to the poorest ACP States.

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<sup>(1)</sup> This approach takes account, inter alia, of the capacity of some countries to service refundable loans in the major international currencies at interest rates of between 5% and 8%.

<sup>(2)</sup> GDP in excess of US \$ 1,000 per annum.

<sup>(3)</sup> GDP between US \$ 370 and US \$ 1,000 per annum.

GEOGRAPHICAL BREAKDOWN OF EIB FINANCE IN ACP STATES IN 1982  
ACCORDING TO THE CLASSIFICATION IN ARTICLE 155

C O U N T R Y	Loans from own resources		Risk capital	
	MECU	%	MECU	%
<u>1. Least developed ACP States</u> (Article 155)	<u>15.0</u>	<u>12.6</u>	<u>25.26</u>	<u>69.2</u>
Benin	-	-	0.35	1.0
Botswana	15.0	12.6	-	-
Burundi	-	-	1.30	3.6
Cape Verde	-	-	1.80	4.9
Djibouti	-	-	0.41	1.1
Ethiopia	-	-	0.50	1.4
Guinea	-	-	0.15	0.4
Malawi	-	-	3.00	8.2
Uganda	-	-	10.00	27.4
Seychelles	-	-	1.00	2.7
Somalia	-	-	2.56	7.0
Dominica	-	-	1.00	2.7
Grenada	-	-	2.40	6.6
Western Samoa	-	-	0.33	0.9
Tonga	-	-	0.33	0.9
Tuvalu	-	-	0.13	0.4
<u>2. Other ACP States</u>	<u>104.2</u>	<u>87.4</u>	<u>11.27</u>	<u>30.8</u>
Cameroon	10.7	9.0	-	-
Congo	-	-	0.18	0.5
Ivory Coast	21.6	18.1	-	-
Kenya	17.0	14.2	-	-
Madagascar	-	-	0.15	0.4
Mauritius	4.0	3.4	0.50	1.4
Senegal	11.0	9.2	1.86	5.1
Zaire	-	-	0.38	1.0
Zimbabwe	20.0	16.8	0.40	1.1
Barbados	4.0	3.4	-	-
Jamaica	-	-	5.00	13.7
Trinidad & Tobago	8.0	6.7	-	-
Fiji	-	-	1.80	4.9
Papua New Guinea	7.9	6.6	-	-
Vanuatu	-	-	1.00	2.7
<b>TOTAL</b>	<b>119.2</b>	<b>100.0</b>	<b>36.53</b>	<b>100.0</b>

.../...



(iv) Since entry into force of the first ACP-EEC Convention, the Bank has provided finance in 51 of the 63 countries now party to Lomé.

In 1982 EIB finance was spread over 31 countries (20 in Africa, 5 in the Caribbean and 6 in the Pacific). The Bank financed projects for the first time in the following two African countries, Ethiopia and Zimbabwe and two in the following Pacific countries, Tuvalu and Vanuatu.

In Africa the Bank provided finance in 20 countries.

Three loans totalling 21.6 MECU were granted in the Ivory Coast for:

- the extension of international telephone facilities in Abidjan to meet the expected increase in traffic up to 1990;
- an increase in rubber processing capacity in three plants in the south of the country which had received finance from the Bank in 1979;
- the financing of small and medium-sized investments in industry, agro-industry and tourism through a development bank.

Two contributions totalling 20.4 MECU were granted to Zimbabwe to

- enlarge the Hwange thermal power station using locally produced coal; capacity will rise from 700 MW to 920 MW;
- carry out a preliminary study on the exploitation of coal resources in the country with a view to exporting coal or converting it into hydrocarbons in the form of liquid or gas.

.../...

Kenya received two loans totalling 17 MECU to increase the capacity of a geothermal power station in the geological fault of the Rift Valley from 30 to 45 MW and to help finance small and medium-sized investments in industry, agro-industry and tourism through a development bank.

Botswana received a loan of 15 million to build a 90 MW power station at Moropule in the north of the country using local coal, intended mainly to meet the needs of the mining industry.

Senegal received two contributions totalling 12.9 MECU to finance:

- a factory to produce phosphoric acid and fertilizer from local phosphates; this is considered to be the largest industrial project to date in Senegal and it received four loans from the Bank in 1978, 1980 and 1981;
- a 100-room tourist hotel on the "Petite Côte" 80 km south of Dakar.

Cameroon received two loans totalling 10.7 MECU to build and extend three palm oil mills. These industrial plants will contribute to increasing Cameroon's palm oil production from 90,000 tonnes in 1980 to 120,000 tonnes in 1985, mainly for domestic consumption.

Uganda received two loans totalling 10 MECU to part-finance an increase in the capital of a development bank; the funds provided will help to finance a number of urgent industrial projects, mainly involving the replacement of old machinery and the purchase of spare parts.

.../...

The Mauritius development bank received two contributions totalling 4.5 MECU to finance small and medium-sized investments on the one hand and studies and the acquisition of holdings on the other.

Three million went to Malawi to add 86 rooms to the Capital Hotel, one of the main hotels in the capital city, Lilongwe.

Somalia received 2.56 MECU to help modernize and extend a dairy in Mogadiscio which is to treat and pack the equivalent of 12 million litres of milk a year.

Cape Verde received a loan of 1.8 MECU to finance the installation of an additional unit of 2.5 MW at the Mindelo thermal power station to meet the expected increase in consumption and particularly to provide electricity for the new repair yard for fishing vessels which is to come into operation in mid-1983 and to which the Bank contributed in 1980.

Burundi received a total of 1.3 MECU to fund small and medium-sized projects in industry, agro-industry and tourism.

A global loan of 1 million to Seychelles will help to finance small and medium-sized investments in industry, agro-industry and tourism.

Ethiopia received 0.5 MECU to finance preparatory studies for investment in industry, agro-industry and mining.

.../...

The Bank used a sum of 0.4 MECU to acquire holdings in Djibouti Development Fund on behalf of the European Community.

Finally, five contributions totalling 1.21 MECU were allocated to finance studies on tin mining in Zaire, on secondary recovery of oil residues in the Seme oil well in Benin, on wood pulp in the Congo, on the construction of a hydro-electric power station and an aluminium foundry in Guinea and on the extension and re-opening of chrome mines in Madagascar.

In the Caribbean, the Bank provided aid for five countries.

Three development banks received aid. In Trinidad and Tobago a global loan of 8 MECU will be used to finance small and medium-sized investments in industry and tourism. Jamaica received 5 MECU to help set up a development bank which will be the main source of finance for investments in industry, agro-industry and tourism. A global loan of 9 MECU to Barbados will be used for small and medium-sized investments in industry and tourism.

Grenada received 2.4 MECU to extend and modernize electricity production and distribution equipment, adding two diesel units with a total output of 3 MW.

.../...

Dominica received two contributions totalling 1 MECU for:

- a mineral water catchment and bottling plant which should reach an output of 3.7 million bottles a year, virtually all of which will be exported;
- helping the State to finance its subscription to the increased capital of a development bank.

In the Pacific, the Bank provided finance for six countries.

Papua New Guinea received a loan of 7,9 MECU to double the capacity of a palm oil mill which first received aid from the Bank in 1979.

A total contribution of 1 MECU to Vanuatu's development bank will help to finance small investments in industry, agro-industry and tourism.

Aid was granted to Fiji (1.8 MECU), Western Samoa (0,325 MECU), Tonga (0.325 MECU) and Tuvalu (0,125 MECU) to enable a regional shipping company involving seven ACP States in the Pacific as well as New Zealand, the Cook Islands and Niue Island, to purchase containers.

Development banks in the ACP States granted 46 credits in 1982 totalling 22,75 MECU from the various current global loans. Most of these credits went to small and medium-sized investments in agro-industry (12 credits totalling 5.65 million), the textile and leather industry (7 credits amounting to 4,5 million), the paper and wood pulp industry (5 credits totalling 2,53 million), the timber industry (3 credits amounting to 2,32 million), tourism (6 credits amounting to 1,7 million), rubber and plastic processing (2 credits amounting to 1,16 million) and metalwork (3 credits totalling 1,02 million).

.../...

(c) Commission report to the ACP-EEC Council of Ministers on the administration of finance and technical co-operation in 1981

The Commission submitted the report drawn up in accordance with Article 119 of the second Lomé Convention to the President-in-office of the ACP-EEC Council of Ministers under cover of a letter dated 12 November 1982 <sup>(1)</sup>. This is the first report of financial and technical co-operation to refer to a period entirely covered by the second Lomé Convention, which provides that it be forwarded to the Article 108 Committee. Examination of this report is continuing in the Community and ACP bodies in preparation for the forthcoming meetings of the Article 108 Committee and the next ACP-EEC Council of Ministers.

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<sup>(1)</sup> The parts of the report which relate to the European Investment Bank were drawn up in conjunction with the Bank.

The report was forwarded to the Consultative Assembly on 16.12.1982.

### 3. Sectoral evaluation (ex-post)

The ACP States and the Community continued their work on the preparation of a draft Council Resolution on agricultural and rural development <sup>(1)</sup> following the meeting of experts held in Lomé in February 1981 under the auspices of the Commission <sup>(2)</sup>.

A meeting of ACP and EEC experts, organized by the Commission, took place in Addis Ababa in March 1982 to evaluate projects carried out with EDF aid in the field of education and training.

### 4. General conditions for contracts

Under Article 131 of the Convention, the general conditions applicable to the award and performance of works and supply contracts financed from the Fund's resources administered by the Commission are contained in the general conditions which, on a proposal from the Commission, are adopted by decision of the ACP-EEC Council of Ministers.

Having completed its examination of the counter-proposals from the ACP States on the rules for public works and supply contracts financed by the EDF, the Community is ready to begin the final phase of the discussions to bring about agreement on the drafts.

According to the agreement reached by the ACP-EEC Committee of Ambassadors in 1981, these discussions should take place in the ACP-EEC Subcommittee on Financial and Technical Co-operation on the basis of texts to be drawn up by the two Co-Secretaries.

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<sup>(1)</sup> The Council has delegated power to approve this Resolution to the ACP-EEC Committee of Ambassadors. The Resolution was adopted on 1 February 1983 (see page 59).

<sup>(2)</sup> See 1981 Annual Report, page 85

The difficulty of this work in both economic and legal terms should not be under-estimated in view of the variety of practices prevailing in the ACP States but, once completed, it should form the basis of clear and effective administration of development funds in the interests of all parties.

5. Internal agreement on the financing and administration of Community aid

Following ratification by all the Member States of the Community, the Internal Agreement amending the Agreement on the financing and administration of Community aid of 20 November 1979, which had been signed in Brussels on 16 December 1980 on the occasion of the accession of Zimbabwe to the second ACP-EEC Convention, entered into force on 1 March 1982.

The Zimbabwe Internal Agreement increases the fifth EDF's funds by 85 million ECU.

On 27 July 1982 the Council of the European Communities adopted the Decision amending the 1979 Internal Financial Agreement following the accession of the Hellenic Republic to the European Economic Community.

In that Decision the Council amended the scale of contributions and the weighting of votes provided for in the 1979 Internal Agreement, to take account of the presence of the new Member State.

.../...



## VII. LEAST DEVELOPED, LANDLOCKED AND ISLAND COUNTRIES

### 1. Introduction

The very term "least developed countries" is sufficient to indicate a special problem in the context of development.

Even a very general approach to the question of development aid cannot ignore the very important problem arising from the fact that there are among the developing countries a number of countries whose extremely precarious economic circumstances and extreme dependence on outside aid should make them the subject of very special consideration.

While aid from the rich countries did make it possible over the last two decades for the developing countries best equipped to benefit from it to improve their circumstances (increase in real terms in average per capita income, decrease in the infant mortality rate, increase in the rate of literacy), the fact remains that at the beginning of the 1980's the poverty affecting a very large part of the world population still assumed alarming proportions.

In general, the countries which already had some industrial structure were the ones which were able to benefit from the liberalization of trade conceded by the developed countries. Also, only those countries which produced and exported raw materials were able to benefit from the market stabilization systems introduced at international level, whilst the developing countries which were most able to make use of the various instruments made available to them on the financial market were those which were creditworthy.

.../...

Thus it was the poorest countries, which did not have adequate structures to enable them to take advantage of the financial and trade concessions offered or which depended on the export of a single commodity subject to severe market fluctuations, which suffered most from the worsening international economic climate.

Denied access to the financial resources which they greatly need to buy the food and oil essential to their survival, these countries remain highly dependent on official international aid.

2. The least developed countries in the international context

The specific problems of the least developed countries have been receiving particular attention in the various United Nations bodies for several years now. It was at the Conference in New Delhi in 1968 that UNCTAD II recognized the existence of a category of countries so poor as to require special measures.

But it was only with the adoption of the International Strategy for the Third Development Decade in 1980 that the definition was clarified and that concrete action began to be envisaged. The previous year in Manila UNCTAD.V had decided to launch a new global action programme to help the least developed countries, involving two stages; viz. an immediate action programme (1979/1981) which in the event was not followed up, and a substantial new programme of action for the 1980s, the object of which was to transform the economy of these countries so that they would be capable of autonomous development.

.../...

The programme was formally adopted at the United Nations Conference held in Paris from 1 to 14 September 1981. Among the salient points were the undertaking by all donor countries to devote 0.7% of their GNP to official development aid and to earmark 0.15% of GNP for the least developed countries, together with an undertaking to study ways of providing compensation for reductions in export revenue from commodities for those least developed countries most dependent on such exports.

Those donor Member States of the Community which were not already doing so thus set themselves the target of allocating 0.15% of their GNP to the least developed countries.

3. The least developed countries in the ACP-EEC context

The special interest which the Lomé partners have in the problems of the least developed countries becomes obvious when it is remembered that 22 of the 31 countries on the United Nations list of least developed countries belong to the ACP Group of States.

(a) Lomé I

When the first ACP-EEC Convention was being negotiated it was agreed that some ACP States listed in Article 48(2) of the Convention would receive special attention in the implementation of financial and technical co-operation so as to reduce the specific obstacles which impeded their development and prevented them from taking full advantage of the opportunities offered by the Convention.

Recognizing the importance of the special problems of the least developed ACP countries, the ACP-EEC Council of Ministers agreed at its second meeting in Suva (Fiji) on 13 and 14 April 1977 that a joint Subcommittee should be set up to discuss the matter. The creation of this joint body was confirmed at the fourth meeting of the ACP-EEC Council of Ministers in Freeport (Bahamas) on 22 March 1979.

The ACP and EEC experts, meeting in Brussels at the beginning of 1980 to examine the three Commission reports on the administration of financial and technical aid for 1976, 1977 and 1978, in accordance with Article 41 of the Convention, noted in their conclusions the need to take particular care to avoid unnecessary delays in projects in the least developed countries.

.../...

(b) Lomé II

Following in the footsteps of the Lomé I negotiators, the second ACP-EEC Convention devoted a separate title to the least developed ACP States and made provision for special treatment for the least developed countries and special measures for island and landlocked ACP States in order to enable them to overcome the specific difficulties and obstacles resulting from the nature of their needs in the first case and their geographical location in the second.

The three lists in Article 155(3) of the second ACP-EEC Convention now contain 49 ACP States <sup>(1)</sup> which receive more favourable treatment in the application of many of the provisions of the Convention.

The list of least developed ACP States is the longest and runs to 39 countries. These countries are eligible, inter alia, for:

- special preferential consideration in relation to the STABEX provisions;
- special treatment when the volume of EDF resources is being determined;
- special arrangements regarding the grant and repayment of special loans;

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(1) The original lists contained a total of 44 countries. Three ACP-EEC Council Decisions adopted in 1981 added the Republic of Equatorial Guinea, Saint Vincent and the Grenadines, the Republic of Vanuatu, the Republic of Zimbabwe and the Republic of Kiribati to the lists, as shown in the following table :

	<u>1979</u>	<u>1982</u>	
<u>Least developed ACP States</u>	35	39	(Equatorial Guinea, Saint Vincent and the Grenadines, Vanuatu, Kiribati)
<u>Landlocked ACP States</u>	13	14	(Zimbabwe)
<u>Island ACP States</u>	19	22	(Kiribati, Saint Vincent and the Grenadines, Vanuatu)

.../...

- special consideration when projects are being defined, prepared, negotiated, concluded and implemented;
- special procedures to ensure rapid and effective execution of projects;
- special attention for their specific needs and problems with regard to the processing of raw materials, the development, transformation and adaptation of technology, the development of infrastructure and mining and energy resources and adequate scientific and technical training.

The ACP States on the list of landlocked States (14 in all) and those on the list of island States (22 in all) are eligible for some of the measures applicable to the least developed countries and for provisions which take special account of their particular geographical situation (development of transport, fisheries etc.).

The ACP Council of Ministers, meeting in Maseru in December 1981 three months after the conclusion of the United Nations Conference on the least developed countries, adopted a Resolution calling on the Community and its Member States to speed up the implementation of the special measures provided for in the Convention and calling for the convening of the joint subcommittee which had been agreed on as far back as 1977.

(c) Proceedings of the Joint Subcommittee

The ACP-EEC Subcommittee responsible for studying the specific problems of the least developed, landlocked and island countries - the establishment of which had been discussed at the second and fourth meetings of the ACP-EEC Council of Ministers in 1977 and 1979 respectively and which was referred to in Article 15 of the Rules of Procedure of the Committee of Ambassadors adopted on 10 April 1981 by the joint Council - finally began its proceedings at the beginning of the year covered by this report.

.../...

The urgent need to make this body operational had been stressed on many occasions over the previous two years in the joint Institutions and particularly in the Consultative Assembly and the Committee of Ambassadors.

The Subcommittee met on three occasions in 1982, viz. on 30 April, 9 July and 12 November.

At the first meeting, the Subcommittee concentrated on progress in the implementation of the provisions of the Convention and of the outcome of the United Nations Conference on the least developed countries; all the ACP States particularly stressed the importance of the Substantial New Programme of Action for the 80's.

The ACP States submitted a table showing the main provisions of the second Lomé Convention relating to the specific problems of the least developed, landlocked and island countries.

They expressed the hope that the provisions of the convention would be effectively and rapidly implemented and that, in view of the urgency of the proceedings, a work programme setting out priorities would be drawn up.

The Community stated its willingness to see what had already been done in the past and what remained to be done in the future and the Subcommittee instructed a technical committee composed of a very small number of representatives of the ACP and EEC partners to propose the priorities for examination and the work schedule to be followed. It was on the basis of this programme that the Subcommittee began its work. An initial report was submitted to the Council of Ministers in Libreville.

.../...

VIII. PROVISIONS APPLICABLE TO CERTAIN SECTORS

1. Current payments and capital movements

Articles 156 to 159 of the second ACP-EEC Convention posed no particular problems in the period covered by this report.

2. Establishment and services

No specific issue arose in this connection in 1982.

.../...



IX. INSTITUTIONAL MATTERS

1. Annual report of the ACP-EEC Council of Ministers for 1981

The ACP-EEC Council of Ministers, meeting in Libreville on 13 and 14 May 1982, adopted the annual report for 1981 <sup>(1)</sup>. This report is published in accordance with Article 168(5) of the second ACP-EEC Convention.

Immediately after adoption, the report was forwarded to the Consultative Assembly for examination pursuant to Article 175(6) of the Convention.

The Commission's report on the administration of financial and technical aid co-operation in 1981, which should have been appended to the Council's annual report, was forwarded to the Consultative Assembly separately on 16 December 1982.

At its annual session in Rome on 4 and 5 November 1982, on the basis of a report drawn up by Mr VERGEER, the Consultative Assembly adopted a Resolution <sup>(2)</sup> on the Council's report, concentrating mainly on the initial results of the second ACP-EEC Convention.

With regard to the form of the report of the Council of Ministers, the Assembly regretted, in its Resolution, that it "contains vague comments and gives hardly any specific indication as to possible solutions to current problems"; it hoped that the next report would "contain a critical stock-taking that reports on successes, failures and difficulties and establishes priorities for future co-operation"; the Assembly considered it "essential for the Annual Report to assume a political dimension".

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<sup>(1)</sup> In fact this report only covers the period from 1 March to 31 December, and marks the changeover from the old system (twelve months from 1 March) to the new one (calendar year), which comes into operation for the first time with the present report (see 1981 Annual Report, pages 6, 7 and 104).

<sup>(2)</sup> The full text of this Resolution will be found in Annex VI to this report.

## 2. ACP-EEC Council of Ministers

The Council of Ministers held its seventh meeting - the second since Lomé II came into force - on 13 and 14 May 1982 at Libreville, Gabon, under the Presidency of Mr ALIOUNE BLONDIN BEYE, Minister for Foreign Affairs and International Co-operation of Mali, President-in-office of the ACP Council of Ministers.

The Community delegation was led by Mr TINDEMANS, Minister for External Relations of the Kingdom of Belgium, President-in-office of the Council of the European Communities. (1) The Commission of the European Communities was represented by Mr PISANI, Member of that Institution.

The Council's seventh meeting was dominated by a search for solutions to the delicate problems arising from the inadequacy of funds under the Stabex system to deal with requests for transfers for 1980 and 1981. The fact that, despite the initial divergence between positions, the Council managed to reach a position acceptable, if not satisfactory, to all parties, is one more demonstration of the political will and the spirit underlying the proceedings of the partners in ACP-EEC co-operation.

The Council also addressed itself to other important aspects of the application of Lomé II, in the areas of trade, the Sugar Protocol, and industrial, agricultural and financial and technical co-operation.

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(1) Mrs MAYENCE-GOSENS, State Secretary for Development Co-operation, was the Community spokesman at the meeting on 14 May.

It also considered two matters at the request of the ACP States, namely the situation in Southern Africa and the situation of the ACP students and nationals in the Member States of the EEC.

(a) Stabex

The Council held a general discussion on the application of the provisions of the second Lomé Convention relating to the Stabex system, paying particular regard to the considerable concern expressed by the ACP States at the inadequacy of funds for 1980 and 1981. Having reaffirmed their commitment to the system, the Community and the ACP States arrived at acceptable solutions.

The Council included nutmeg, mace and Shea nut kernels to the Stabex list; consideration of plywood, wood pulp, sisal products, tobacco and citrus fruit was to continue.

The Council also agreed that Dominica's exports of coconut oil and coconuts to other ACP States shall be taken into consideration in the application of the Stabex system.

Regarding the inadequacy of funds, the Community and its Member States made available an extra 70 MECU for 1981. It was also agreed that there should be a thorough examination of the Stabex system at a special meeting of the Council of Ministers. The Committee of Ambassadors was entrusted with implementing the various decisions including preparing the special session of the Council on Stabex (1).

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(1) See pages 27 to 30.

(b) Other matters arising from the application of the Convention

- (i) The Council held an exchange of views on the implementation of the provisions of the second ACP-EEC Convention regarding trade co-operation and particularly on the evolution of trade, for which the latest statistics, given in the Annual Report for 1981, indicated a trend that was becoming more and more worrying to the ACP States as their exports to the Community were declining to a considerable extent.

After noting the urgent need for a detailed analysis of this development, the Council renewed its request to the Committee of Ambassadors to ensure that the ACP-EEC Working Party - whose terms of reference it also laid down - resumed its discussions at an early date with a view to reporting to the Subcommittee on Trade Co-operation.

The Council also took note of progress on the ACP States' request concerning available Community agricultural products, and the application of the joint declaration on the origin of fishery products (Annex XXI to the Final Act). The Council held an exchange of views on the consultation procedures concerning safeguard measures as mentioned in Article 13 of the Convention and on the procedures for improving the way in which the ACP States were informed and consulted in regard to the Community system of generalized preferences. It expressed satisfaction at the effective co-operation which the Community and the ACP States had shown during the recent GATT talks and which had made it possible for the second ACP-EEC Convention to be presented successfully in that international trade forum.

.../...

(ii) With regard to the Sugar Protocol, the Council noted that the Community was willing to conclude agreements with the ACP States with a view to the inclusion of Belize and the Republic of Zimbabwe and that the Commission was going to propose the opening of a new quota for Kenya.

The Council also noted an application for accession to the Protocol from the Ivory Coast, which was being examined by the Commission.

(iii) The Council held an exchange of views on the application of the provisions of the second Lomé Convention concerning Sysmin, and on the development of the mining and energy potential of the ACP States. Commissioner PISANI referred to the multiplier effect which mining projects could have and recommended that a common strategy be drawn up to exploit the mineral resources of the ACP States.

The Council heard a report on the positive response to the first two requests for the application of Sysmin, submitted by Zambia and Zaire, and it was informed that two other ACP States (Guyana and Rwanda) had expressed interest in receiving assistance under this new Community instrument.

The Council reviewed the application of the provisions concerning industrial co-operation and expressed the wish that the Committee on Industrial Co-operation should concentrate on the priority aspects of industrial co-operation policy with a view to preparing for a substantive debate.

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- (iv) In the area of industrial co-operation, the Council considered the industrial policy followed in the EEC and its effects on the potential for industrial development in the ACP States.

Regarding the implementation of Annex X on complementary financing of industrial co-operation, the Council noted that both parties had now adopted positions on the study by the group of experts chaired by Professor ONITIRI and instructed the Committee of Ambassadors to submit a joint report.

- (v) With regard to the provisions on agricultural co-operation, the Council examined progress on the establishment of the Technical Centre for Agricultural and Rural Co-operation.
- (vi) As to the provisions on financial and technical co-operation, the Council heard a statement by the Chairman of the Article 108 Committee (Ministerial level) on the Committee's discussions which had immediately preceded the Council meeting.

The Council noted the Committee's report and adopted the Resolution which it had drawn up <sup>(1)</sup>.

- (vii) The Council heard a statement by the Chairman of the ACP-EEC Subcommittee responsible for the special problems of the least-developed, land-locked and island ACP countries on the first discussions held by the Subcommittee, which has been asked to press ahead with its work.

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<sup>(1)</sup> For the text of this Resolution see Annex V.

c) Other matters examined by the Council

(i) Southern Africa

In the light of the extreme seriousness of this question, the Council had agreed to have a discussion on the situation in Southern Africa, although this was not intended to result in the adoption of a Resolution or of conclusions that went beyond the framework of the Lomé Convention. It agreed to take note of the statements made by the Parties.

(ii) ACP students

The Council heard a statement on the situation of ACP students and nationals in the Member States of the EEC. The Community having pointed out that this matter raised problems of competence, the Council agreed to entrust the Co-Chairmen of the Committee of Ambassadors with the task of examining these problems.

3. Article 108 Committee

In Libreville on 12 May 1982, the day before the meeting of the Council of Ministers, the first Ministerial meeting took place of the Committee provided for in Article 108(6) of the second ACP-EEC Convention; this new joint body had been set up to study suitable measures to improve the implementation of financial and technical co-operation.

The Committee, which had been established by the Council of Ministers at Luxembourg, met under the Chairmanship of Mr K.B. ASANTE, Trade Minister of Ghana. The Community delegation was led by Mrs J. MAYENCE, State Secretary for Development Co-operation of the Kingdom of Belgium, with the Commission of the European Communities being represented by Mr PISANI, Member of that Institution.

The Committee began by examining the Commission's reports on the administration of financial and technical co-operation for 1979 and 1980 and the ACP States' own assessments of those reports. It heard a statement from the Commission on the administration of financial and technical co-operation for 1981. It then examined a number of measures for improving the implementation of financial and technical co-operation.

The Committee's main concern was to prepare a draft Council Resolution on financial and technical co-operation, containing guidelines for future co-operation.

The draft, together with a report by the Committee, was subsequently adopted by the Council (for the text of the Resolution see Annex V).

The proceedings of the Article 108 Committee at Ministerial level had been prepared by the Committee (authorized representatives), which had held its first and second meetings on 24 March and 28 April 1982, respectively.

#### 4. ACP-EEC Committee of Ambassadors

The Committee of Ambassadors held one meeting during the period covered by this report.

The thirteenth meeting of the Committee of Ambassadors was held in Brussels on 20 April 1982, and was mainly concerned with preparations for the council meeting in Libreville.

The fourteenth meeting of the Committee of Ambassadors, was originally planned for 7 December 1982. It did not take place on this date due to lack of agreement on the agenda (1).

On 5 August 1982 the Committee of Ambassadors, on the instructions of the ACP-EEC Council of Ministers and by the written procedure, adopted conclusions and two Decisions, one on the advance use of a portion of the 1982 instalment and one reducing Stabex transfers for the 1981 year of application (see Chapter II, 1(a)).

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(1) The meeting was finally held on 1 February 1983 in Brussels.



5. Committees, Subcommittees and Joint Expert Groups

The following is a list of the various bodies which assist the Committee of Ambassadors. For details of their activities see the relevant chapters of this report.

- (a) The Customs Co-operation Committee held its 11th meeting on 22 June 1982;
- (b) The Industrial Co-operation Committee held its 25th meeting on 23 July, its 26th meeting on 13 October, its 27th meeting on 30 November and its 28th meeting on 7 December 1982;
- (c) The Subcommittee on Trade Co-operation held its 20th meeting on 12 March, its 21st meeting on 31 March, its 22nd meeting on 7 July, its 23rd meeting on 17 September and its 24th meeting on 27 October 1982;
- (d) The Subcommittee on Stabex held its 5th meeting on 20 January and its 6th meeting on 11 June 1982;
- (e) The Subcommittee on Sugar held its 12th meeting on 19 February 1982;
- (f) The Subcommittee for Co-operation on Agricultural and Rural Development held its second meeting on 20 January 1982;

- (g) The Subcommittee responsible for the special problems of the least-developed, landlocked and island ACP countries held its first meeting on 30 April, its second meeting on 9 July and its third meeting on 12 November 1982;
- (h) The ACP-EEC Working Party on Rum held its third meeting on 9 July 1982;
- (i) The ACP-EEC Working Party on the Evolution of ACP-EEC Trade held its first meeting on 29 March and its second meeting on 24 September 1982;
- (j) The ACP-EEC Working Party on Available Agricultural Products held its first meeting on 8 January and its second meeting on 29 March 1982.

6. ACP-EEC Consultative Assembly

The Council of Ministers, meeting on 13 and 14 May 1982 in Libreville, was informed of the results of the meeting of the Consultative Assembly in Luxembourg on 28 and 30 September 1981 and the results of the ACP-EEC Joint Committee held in Harare (Zimbabwe) from 1 to 5 February 1982; the Council noted the Resolutions adopted at those meetings.

The annual meeting of the Consultative Assembly was held in Rome on 4 and 5 November 1982. Preparations for it had been made at meetings of the Joint Committee, from 1 to 4 February 1982 in Harare and from 1 to 3 November in Rome. The Joint Committee's proceedings were devoted mainly to an exchange of views on progress in the application of the second ACP-EEC Convention and to the debate on the report submitted by the fact-finding delegation on the situation in Southern Africa, which had recently visited Angola, Zambia and Zimbabwe.

At the Assembly the Council was represented by its two Co-Presidents. The proceedings were given over to a discussion of the report submitted by Mr VERGEER, who had been designated rapporteur-general for the examination of the 6th annual report of the ACP-EEC Council of Ministers. The Assembly also examined a number of specific matters regarding which it had received draft reports and/or Resolutions.

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The annual meeting between representatives of the ACP-EEC economic and social partners and a delegation from the ACP-EEC Joint Committee took place in Geneva on 5 June 1982.

.../...

At the meeting a discussion was held on integrated rural development and an exchange of ideas was begun on protection for the rights of and guarantees for ACP migrant workers and their families resident in the community.

On this second point, the participants in the meeting stressed the need to draw up a specific measure leading to the formulation of instruments making it possible, in the context of ACP-EEC relations, to implement the principles set out in the "Joint declaration on workers who are nationals of one of the Contracting Parties and are residing legally in the territory of a Member State or an ACP State", which is given in Annex XV of the Final Act to the second Lomé Convention. In this connection, the Bureau of the Joint Committee was asked to consider giving to a small Group resulting from the Geneva meeting the task of drawing up specific proposals with the aim of possibly including a chapter on social provisions in the next Convention.

In general, the meeting at Geneva stressed that the social partners should be associated to a greater extent with the life and problems of the Convention and that it ought to be possible for meetings of this type - in which there was, moreover, a growing participation by the socio-professional partners - to go beyond the stage of merely exchanging ideas and to become an impetus-giving forum, with the resources for effective participation in the ACP-EEC institutional dialogue.

## 7. Accessions

The period covered by this report saw the completion of the procedures relating to the accession of three States to the second ACP-EEC Convention, which now numbers 63 African, Caribbean and Pacific states.

- (a) The ratification procedures for the Agreement concerning the accession of the Republic of Zimbabwe to the Convention and the Agreement on products within the province of the European Coal and Steel Community (which were signed at Luxembourg on 4 November 1980) were completed on 31 January 1982. This terminated a procedure which had begun with the application for accession which the Republic of Zimbabwe (a former British colony which became independent on 18 April 1980) had submitted on the day of its independence, and which, after approval of that application by the ACP-EEC Council of Ministers at Nairobi in May 1980, had led to the signing of the Accession Agreement.

Zimbabwe thus became the sixty-first member of the Convention as from 1 March 1982.

- (b) The Act of Accession of Belize was deposited with the General Secretariat of the Council of the European Communities on 5 March 1982, from which date that country, the sixty-second ACP State, became party to the Convention pursuant to Article 185 thereof.
- (c) The instrument of accession of the sixty-third ACP State, Antigua and Barbuda, was deposited on 30 July 1982, from which date accordingly that country became party to the Convention.

CONCLUSIONS

In a number of the fields of activity which it covers the operation of the second ACP-EEC Convention has presented no particular difficulties. The measures provided for have been applied by the national, Community, ACP or joint bodies without any differences of opinion worth mentioning here.

It is true that the negotiators of the Convention were careful to make its provisions sufficiently clear and binding to ensure that the machinery would function as smoothly as possible.

1982 was nevertheless dominated by three issues to which the States signatory of the Lomé Convention attached great importance. The first of these was the entry into force of the agreement on Zimbabwe's accession to the Lomé Convention, which was hailed as a new triumph of understanding between industrialized and developing countries and an important contribution to peace in Africa.

Secondly, there were the difficulties encountered in implementing the STABEX provisions of the Convention. Considerable efforts have been made on both sides to improve the situation, if only partially, but it is clear that it is within the very framework of the institutions of the Convention and undoubtedly also in that of the forthcoming negotiations that answers to the unresolved questions regarding Stabex will have to be sought.

.../...

Thirdly, the undertaking given in the second ACP-EEC Convention whereby eighteen months before the expiry of the Convention on 28 February 1985 "the Contracting Parties shall enter into negotiations in order to examine what provisions shall subsequently govern relations between the Community and the Member States on the one hand and the ACP States on the other" has of course prompted the States and institutions concerned by the Convention to reflect on the shape of their future together, in the light of past experience in particular.

It is to be hoped that this report, like those of previous years, will make a positive contribution to this examination.

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JOINT DECLARATION ON THE  
IMPLEMENTATION OF ARTICLE 13  
OF THE LOME CONVENTION RELATING TO  
SAFEGUARD MEASURES

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1. The Contracting Parties to the Lomé Convention agree that every endeavour should be made to avoid recourse being had to the safeguard measures provided for under Article 12.
2. Both parties are guided by the conviction that the implementation of Article 13(4) and (5) would enable them to recognize, at an early stage, problems which could arise and, taking account of all relevant factors, avoid as far as possible recourse to measures which the Community would prefer not to adopt vis-à-vis its preferential trading partners.
3. Both parties acknowledge the need for implementation of the mechanism of advance information provided for under Article 13(4), whose objective is to limit, in the case of sensitive products (\*), the risks of sudden unforeseen recourse to safeguard measures. These arrangements will enable the maintenance of a regular flow of trade information and the simultaneous implementation of regular consultation procedures. Thus the two parties will be in a position to follow closely the evolutionary trends in the sensitive sectors and detect problems which could arise.

4. The following two procedures result from this:

(a) The statistical surveillance mechanism

Without prejudice to internal arrangements that the Community may apply to control its imports, Article 13(4) of the second Lomé Convention provides for the institution of a mechanism intended to ensure statistical surveillance of certain ACP exports to the Community and thus facilitate the examination of occurrences such as to cause market disturbances.

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(\*) See p. 3, 1st paragraph.

This mechanism, whose sole objective is to facilitate the exchange of information between the parties, should apply solely to products which the Community considers, insofar as it is concerned, as sensitive.

The implementation of this mechanism will be the object of a joint agreement on the basis of data to be furnished by the Community and with the help of statistical information to be communicated by the ACP States to the Commission at the latter's request.

For the effective implementation of this mechanism, it is necessary that the ACP States concerned provide the Commission, as far as possible on a monthly basis, with statistics relating to their exports to the Community and to each of its Member States of products considered by the Community as sensitive.

(b) A procedure for regular consultations

The statistical surveillance mechanism mentioned above will enable the two parties better to follow the trends in trade likely to cause concern. On the basis of this information, and in accordance with Article 13(5), the Community and the ACP States concerned will have the possibility of holding periodical consultations in order to ensure that the objectives of this Article are fulfilled. These consultations will take place at the request of either party.

5. Paragraphs 1, 2 and 3 of Article 13 relating to safeguard measures have already been, insofar as the Community is concerned, the object of a Council implementing Regulation (Regulation (EEC) No 1470/80) following the request of the ACP States for the advance implementation of the provisions of the second Lomé Convention relating to the safeguard clause. If the conditions of application of safeguard measures (Article 12) are fulfilled, it would be the responsibility of the Community, in accordance with Article 13(1) relating to prior consultations concerning the application of safeguard measures, to enter immediately into consultations with the ACP States concerned by providing them with all the information necessary for those consultations, especially:

the necessary data from which to determine to what extent imports from an ACP State or ACP States of a specific product have caused serious disturbances in a sector of the economy of the Community or of one or more of its Member States.

6. If no other arrangement has been concluded in the meanwhile with the ACP State(s) concerned, the competent authorities of the Community may, at the end of the twenty-one day period provided for in respect of those consultations, take the appropriate measures for the implementation of Article 12 of the Convention. These measures shall be communicated immediately to the ACP States and become immediately applicable.
  7. This procedure would apply without prejudice to measures which could be taken in the event of special factors within the meaning of Article 13(3) of the Convention. In this case all relevant information will be supplied promptly to the ACP States.
  8. In any case, the interests of the least-developed , landlocked and island ACP States will receive particular attention, in accordance with Article 15 of the Lomé Convention.
  9. The ACP States and the Community are convinced that the implementation of the provisions of the Lomé Convention as well as those of the present declaration, are likely to promote, while taking into account the mutual interests of the partners, the attainment of the objectives of the Convention in respect of trade co-operation.
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Conclusions of the GATT Working Party  
set up to examine the second ACP-EEC Convention

Having regard to the information and explanations provided by the parties to the second Convention of Lomé, there was wide sympathy in the Working Party for the view that the purposes and objectives of the Convention were in line with those embodied in the General Agreement, including Part IV, inasmuch as the Convention aimed at improving the standard of living and economic development of the developing country participants including the least-developed among them. While the parties to the Convention stated that the trade commitments it contained were compatible with the relevant provisions of the General Agreement as a whole and with its objectives, some members of the Working Party considered it doubtful that the Convention could be fully justified in terms of the legal requirements of the General Agreement. The Working Party noted that the parties to the Convention were prepared to supply information on a periodic basis concerning its operation and to notify any changes which might be made to the Convention for review by the Council. It was understood in the Working Party that the second Lomé Convention would in no way be considered as affecting the legal rights of contracting parties under the General Agreement.

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**Community statement to  
the ACP-EEC Council of Ministers on the progress  
of the negotiations on the accession to the Community  
of Spain and Portugal  
(13 May 1982)**

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"When our Greek friends, having joined the Community, acceded to the Lomé Convention, the ACP made known to the Community their concern that their interests should be taken into consideration in the framework of the negotiations for the enlargement of the Community.

We decided then that the ACP States would be informed in an appropriate manner of the development of the accession negotiations, and that we should in due course hold an exchange of views on the possible consequences for the ACP States of the enlargement of the Community.

This is why a statement was made to the ACP Ambassadors in Brussels by the Chairman of the Permanent Representatives Committee, Mr NOTERDAME, at the meeting on 20 April 1982. I should nonetheless like to reiterate its main points here:

Accession negotiations began with Portugal in October 1978 and with Spain in February 1979. They are being conducted separately on the basis of the merits peculiar to the case of each country. They are based on the principle, already applied during previous enlargements, that the acceding State agrees to adopt in full the "acquis communautaire", that is to say the Treaties and their political objectives as well as the decisions of all kinds taken since the entry into force of the Treaties and the options as regards the development of the Community. It follows that problems of adjustment can be settled only by the introduction of transitional measures.

An initial set of measures, which enabled the negotiations to be concluded on five chapters, was agreed with Portugal on 22 February 1981. Similar progress was achieved with Spain at the last Ministerial meeting on 22 March. The matters thus concluded in the negotiations with Spain and Portugal concern transitional measures and temporary exemptions in the chapters on capital movements, transport, economic and financial affairs and regional policy. In addition, questions regarding EURATOM have been resolved in respect of Portugal and questions regarding rights of establishment and freedom to provide services and the approximation of laws have been resolved in respect of Spain.

The Community now hopes to progress in the most important chapters of the negotiations as well. Substantial progress should be made during the next few months in the fields of customs union and external relations as regards industrial products and the ECSC. It is to be hoped that circumstances will lend themselves in the next few months to a resumption of the examination of the chapters concerning agriculture and fisheries.

The Community would like to repeat this basic principle of adoption of the "acquis communautaire" upon accession by the applicant countries. This means as regards future relations between the ACP countries and the Community after enlargement, that the new Member States, subject to any transitional measures which may be agreed upon, will apply the Customs Tariff and the policy of liberalization, including the contractual and autonomous preferential policy and that they will implement all the agreements which the Community has concluded with third countries, including the ACP countries."

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Community statement to the ACP-EEC Committee of Ambassadors  
on the progress of the negotiations on the accession  
to the Community of Spain and Portugal  
(1 February 1983)

At the 13th meeting of the ACP-EEC Committee of Ambassadors on 20 April 1982, the Community stressed that it "is aware that enlargement to include Spain and Portugal may well arouse misgivings on the part of the ACP States". It therefore renewed its assurance that it was prepared "to exchange views with the ACP States ... when solutions are reached in the accession negotiations".

This remains the Community's attitude at the present time.

The process of enlargement to include Spain and Portugal remains a Community priority, as the Heads of State and Government confirmed at their meeting within the European Council on 29 and 30 June 1982.

At present, four chapters have been concluded with both Spain and Portugal: capital movements, transport, regional policy and financial and economic questions.

Negotiations with Portugal have also been concluded, in the main, on questions relating to Euratom, the Industrial Customs Union, the ECSC, taxation, the right of establishment and external relations,

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and with Spain on questions relating to the right of establishment and the approximation of laws. Negotiations with Spain have also made progress on tax questions, the industrial customs union, the ECSC and external relations.

Negotiations on the accession of Spain and Portugal have therefore made significant progress during the last nine months. However, it is important to bear in mind that whole or partial agreement on a chapter cannot be considered final until the close of the accession negotiations with each of the candidate countries. Although the agreements which have been reached are important and significant, they can only be regarded as provisional at this stage of negotiations.

With this reservation, the Community is now in a position to provide some information of interest to the ACP countries on the content of the agreements reached with Portugal, since it is these negotiations which have made the most progress since the last Community statement at the ACP-EEC Council in Libreville in May 1982.

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At the ministerial meetings in June and September it was possible to reach agreement with Portugal on the basic points of the industrial chapters of negotiations, on the following terms:

CUSTOMS UNION FOR INDUSTRIAL PRODUCTS (Portugal)

An application period of 7 years has been fixed for the transitional tariff measures. It has been established ~~that~~ the rhythm of tariff movements will be the same for the intra-Community elimination of duties and Portugal's acceptance of the obligations vis-à-vis third countries which accession will impose on it.

Concerning textiles, it has been agreed that for three years following accession, with the possibility of adding a fourth year, Portuguese textile exports to the Community will be admitted at a fixed level.

Lastly, on accession, Portugal will abolish measures having an effect equivalent to quantitative restrictions. However, Portugal will be able to keep an import licensing system for industrial products for 3 years after accession, for purely statistical purposes.

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External relations (Portugal)

In the External relations chapter for industrial products (excluding agricultural products, therefore), as in the Customs Union and ECSC Chapters, it is proposed to allow transitional measures (for a period of 7 years) in favour of Portugal in certain areas (with the exception of textile products, however, for which arrangements vis-à-vis third countries will be fixed as soon as the results of the Community's new agreements or arrangements in the sector are known).

With regard to Portugal's relations with third countries, as a new Member State, within the framework of the Community's preferential agreements, the general principle applies, which means that Portugal will assume the Community's commitments to preferential countries on accession, subject to the transitional measures of both a tariff and non-tariff nature, and bearing in mind that it cannot grant these countries more favourable treatment than it grants the Community, nor less favourable treatment than it grants third countries.

Under these circumstances, Protocols of adaptation must be concluded with the preferential countries between the date of signature of the act of accession and Portugal's accession. As soon as the contents of the accession negotiations are known, the Commission will commence exploratory talks with the countries concerned. The basis for negotiation of the transitional measures will be agreed in the accession negotiations on the External relations chapter, and then confirmed with the preferential countries.

Regarding tariffs, Portugal will gradually dismantle its customs duties (over a period of 7 years) against preferential partners on all products considered sensitive in respect of the Community and on the industrial products in Chapters 1 to 24. A second category of products which Portugal considers sensitive in respect of preferential partners might also undergo a gradual dismantling of tariffs, subject, however, to economic justification for each product and each country. For both categories of products, the

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tariff dismantling process will start from the level of customs duties which Portugal actually applies to third countries on the date agreed for basic duties in the Customs union chapter.

In respect of quantitative restrictions, transitional measures (also lasting 7 years) are proposed for twelve products with regard to preferential countries. Here too, economic justification is required for each product and each country. Tariff quotas or even ceilings may be laid down instead of quantitative restrictions.

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RESOLUTION OF THE ACP-EEC COUNCIL OF MINISTERS  
of 1 February 1983

concerning integrated rural development

THE ACP-EEC COMMITTEE OF AMBASSADORS,

Having regard to the second ACP-EEC Convention, signed at Lomé on 31 October 1979, and in particular Title VI on agricultural co-operation,

Having regard to the Resolution of the ACP-EEC Council of Ministers of 9 May 1980 on financial and technical co-operation,

Having regard to Decision No 8/81 of the ACP-EEC Council of Ministers of 10 April 1981 delegating powers to the ACP-EEC Committee of Ambassadors for the purpose of adopting the Resolution of the ACP-EEC Council of Ministers concerning agricultural development,

After examining the report drawn up after the meeting of ACP-EEC experts on the ex-post evaluation of integrated rural development projects carried out with the aid of the EDF in certain ACP States,

1. TAKES NOTE of the sectoral "basic principles" which emerge from the ACP-EEC experts' deliberations on the ex-post evaluation of integrated rural development projects carried out with the aid of the first three EDFs;
2. REQUESTS the Commission to proceed jointly with the ACP States to an evaluation of projects financed by the EDF concerning the entire rural sector for the various regions of the ACP Group;
3. INVITES the ACP-EEC partners in financial and technical co-operation to ensure that the relevant provisions of Title VI of the second ACP-EEC Convention, particularly those of Articles 83 and 84, are duly applied;
4. RECOMMENDS that the relevant departments of the ACP-EEC partners take account, firstly, of these "basic principles" and, secondly, of the particular and specific conditions obtaining in the region where projects for integrated rural development are envisaged.
5. TAKES UPON ITSELF the task of reporting to the ACP-EEC Council of Ministers and of making recommendations on the evaluation of rural development projects before the end of 1984.

Done at Brussels, 1 February 1983

For the ACP-EEC Council of Ministers,  
By the ACP-EEC Committee of Ambassadors

The Chairman

(s.) M. REKANGALT

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(ANNEX IV)

RESOLUTION OF THE ACP-EEC COUNCIL OF MINISTERS  
of 14 May 1982

on financial and technical co-operation

THE ACP-EEC COUNCIL OF MINISTERS,

Having regard to the second ACP-EEC Convention, signed at Lomé  
on 31 October 1979 (hereinafter referred to as the "Convention"),  
and in particular Article 108(6) and Article 119 thereof,

Having regard to the report and the draft Resolution submitted by  
the Article 108 Committee,

HEREBY ADOPTS THE FOLLOWING RESOLUTION:

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## CHAPTER I : OVERALL ORIENTATION OF EFFORTS

### 1. General

Financial and technical co-operation should have immediate and lasting effects for the ACP States. To this end, both parties should take all necessary steps to expedite and improve the implementation of national indicative programmes as well as of ACP regional and interregional co-operation projects.

With a view to rendering financial and technical co-operation more effective, joint efforts will be directed so as to:

- organize, encourage and promote rational economic development efforts as are indispensable to the balanced development of all sectors of the economy ;
- foster initiative on the part of the various types of economic operators both public and private, including local communities, in mobilizing their own resources and improving knowledge of potential national resources
- contribute to the promotion of joint undertakings ;
- strengthen intra-ACP co-operation, inter alia by developing trade, transport and communications infrastructures.

### 2. Criteria and procedures

Both parties agree that, in order to improve aid strategy, it is crucial to adopt suitable and flexible criteria and procedures with regard to assistance granted to the ACP States. These criteria and procedures should, in particular, include the following :

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- adaptation of financial criteria to take also fully into account the longer-term social rate of return ;
- provision of increased assistance to help the ACP States identify, plan design, prepare and implement their programmes and projects, with a view to expediting the approval and implementation of programmes and projects;
- financing of local costs and, during an appropriate phasing-out, recurring and maintenance costs of both capital and technical assistance development projects ;
- joint efforts to attract the *most suitable and effective technical assistance personnel and to ensure the most urgent response to the technical assistance needs of the least developed ACP States;*
- rapid training of local replacement personnel ;
- involvement, in the process of consultation, of the ACP States representatives including diplomatic missions in Brussels in all stages leading to and after a financing decision ;
- acceleration of commitments and payments and, in this connection, reduction of bureaucracy to *the minimum.*

CHAPTER II : APPLICATION OF CERTAIN SPECIFIC PROVISIONS OF THE CONVENTION

1. Measures in favour of the least developed, landlocked and island ACP States

The Council takes note of the financial commitments from which several ACP States listed in Article 48 of the first Lomé Convention have benefitted up to 31 December 1980. Nevertheless the measures taken under the first Lomé Convention in favour of these States have yet to show significant results.

In the implementation of the Convention, the Council therefore recommends:

- that these commitments be implemented expeditiously in all the ACP States listed in Article 155(3) of the Convention;
- that the most flexible and effective means of action authorized under the Convention be applied in implementing projects in the said States ;
- that appropriate schemes be put in hand in order to enhance the development of the least developed, landlocked and island countries.

2. Regional co-operation

Close regional co-operation between the ACP States is important if their capacity to resolve common problems which transcend national boundaries is to be increased. Greater support including administrative assistance should be given by the Community to bring about easier identification, development and implementation of such projects and programmes which have a real impact on the human and economic development at regional level.

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With a view to increasing the effectiveness of regional co-operation, the Council recommends :

- that closer co-operation be set up between the ACP States and the Community on the basis of the provisions laid down in Chapter 8 of Title VII of the Convention in favour of regional co-operation so that a genuine regional development process can be set in motion and strengthened;
- that the Commission should be guided in its decisions in the allocation of the Regional Fund by the priorities established by the States in the region concerned in the context of programming and by the need to give effect to the provisions of Article 135(2) of the Convention;
- that the funds available for regional co-operation be used in such a way as to play a stimulating and catalysing role in diversifying resources;
- that in determining seminars, symposiums, etc. to be financed from the regional fund prior consultation should be had with the ACP States concerned and, where appropriate, with the ACP Committee of Ambassadors.

### 3. Micro-projects

The implementation of micro-projects programmes has had some encouraging results, in particular from the point of view of a lasting increase in the self-development capabilities of the population. Initiatives by local populations or by their groupings or bodies are deserving of appropriate technical and financial support to enhance the effects of micro-projects.

The Council recommends that the experience gained in the implementation of micro-projects programmes will be applied in other fields, and takes note of the existence of simplified procedures which are applied in order to ensure that micro-projects to which both parties attach great importance are implemented speedily.

1. Financing for small and medium-sized undertakings, technical assistance and transfer of technology

a) Choice of projects

*In their choice of projects the ACP States should pay attention to the possible negative effects of large-scale projects on economic and social conditions, bearing in mind the fact that very often development is a result of the concomitant and complementary implementation of large, medium and small-scale projects.*

b) Technical assistance

The aim of external technical assistance at the request of the ACP States is to assist in the efficient and rapid implementation and operation of projects. It must also contribute to the training of nationals who must replace such external assistance as early as possible. However, the manpower used in such programmes should not exclude such expertise as is available in the ACP States.

The technical assistance cost component of projects should be scaled down without prejudicing efficient and rapid implementation of projects.

c) Technologies to be applied

The materials and technologies used must be adapted as far as possible to the needs of the beneficiary country.

d) General comments

The Council recommends to the ACP States and the Community that they do all in their power to ensure that the opportunities available under the Convention as regards the "two-tier" financing of small and medium-sized undertakings, technical assistance and transfer of technology are put to the best use for development of the ACP States and that they complement the efforts undertaken in other areas of financial and technical co-operation

## CHAPTER III: SECTORS OF INTERVENTION

### 1. Industrialization

The industrial sector benefitted from about one third of the appropriations committed up to the end of 1980 for projects and programmes. The role played in this connection by the Development Banks, to which the EIB granted 20 global loans under the first Lomé Convention, should be enhanced.

### 2. Rural projects

The Council stresses the potential importance of developing the agricultural resources of each of the ACP countries, both in general and from the more specific angle of combating hunger in the world.

From this point of view the Council considers that the share taken by the development of rural production in the total amount of commitments is already substantial, but could usefully be increased, particularly as regards food crops.

The prices for agricultural products paid to producers are one of the factors for the success of projects aimed at increasing production capacities. It is therefore desirable that the ACP States benefit from all necessary support from the Community.

### 3. Energy projects

Many projects concern the development of the utilization of various types of energy other than oil. These efforts must be intensified, and more sustained attention be paid to afforestation and flora protection projects.

### 4. Training of supervisory staff and vocational training

In addition to multi-annual programmes and specific training projects, certain projects involve training aspects - an approach which should be retained and expanded significantly.

The Council recommends to both parties :

- that training of personnel be undertaken on the basis of general and specific programmes drawn up by the ACP States taking into account their priorities ;
- that sufficient flexibility be maintained in implementing these programmes so as to take account of possible bottlenecks ;
- that activities undertaken in connection with the training of supervisory staff, in particular middle-level managers, administrators and civil servants, and those concerning vocational training, be intensified and where appropriate, be more closely linked to the various development projects financed by the Community in each ACP State so that they can progressively be taken over totally and smoothly by the national administrators of the ACP States.

The Council considers that in this way it will be possible to overcome the need for technical assistance and to ensure the efficient management of investments .

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## CHAPTER IV : PRINCIPLES OF INTERVENTION

### 1. Viability of operations

Sustained improvement in the self-development capability of the ACP populations and their technical cadres should be the subject of special attention from the point of view of the viability of operations after their completion. The various partners collaborating in this long-term endeavour must be closely associated with it.

Development projects should be assessed in the light of their *economic and financial viability, particular attention being paid also to social benefits and indirect and long-term effects.*

### 2. Integrated projects

Experience shows that integrated development projects are all the more important in that their size is related to the size of the human groups concerned and that they are implemented flexibly, taking into account the implications for the socio-economic and ecological environment.

### 3. Participation of the local population

*Efforts should continue to be made to ensure maximum possible local participation in the projects and programmes determined by the governments of the ACP States as national priorities.*

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4. Operation and maintenance of investments

Within the limits of the Convention, the ACP States and the Community must utilise all the means available with a view to improving the maintenance of projects. Regular maintenance of projects, particularly in the areas of social and transport infrastructures, deserves sustained attention. This maintenance is facilitated by the use of materials and equipment adapted to local conditions.

Pursuant to Articles 152 and 153 of the Convention, the Council recommends that, when projects are selected, particular attention be paid by both parties to the problem of the operation and maintenance of investments carried out with the help of Community financing.

5. Participation of the ACP States in contracts financed by the EDF

The Council recommends that in every case and as far as possible optimal use be made of the human and physical resources of the ACP States and that technology which corresponds to the needs of the populations be applied.

In this connection, the number of contracts awarded to ACP undertakings, although already significant, should nevertheless be increased.

To attain these objectives the Council lays emphasis on those provisions of the Convention whose application affords ACP undertakings the possibility of effective participation in studies on and the execution of projects.



CHAPTER V : IMPLEMENTATION OF FINANCIAL AND TECHNICAL CO-OPERATION

As regards the effective acceleration and improvement of the implementation of financial and technical co-operation, the Council takes note and recommends to both parties:

1. Implementation of Article 41 of the first Lomé Convention

The Council recommends that the ACP States endeavour to submit their observations on the management and implementation of financial and technical co-operation.

2. Quality of the Commission's report

The Council recommends that in the framework of Article 119 of the Convention the content of reports to be submitted by the Commission should be comparable to that of the 1980 report and wherever possible improved upon.

3. Commitments and disbursements

The Council recommends acceleration of commitments and payments and, in this connection, reduction of bureaucracy to the minimum.

4. Complexity of procedures

The Council recommends that the rules governing the procedures of financial and technical co-operation should be interpreted flexibly so as to speed up the implementation of operations.

5. Programming

The Council takes note that :

- the Convention contains procedures which are simplified in relation to the first Lomé Convention ;

- *the Community post-programming exercise is part of the internal procedures of the Community and does not and will not infringe on the sovereignty of the ACP States in their choice;*
- *the indicative programme drawn up by the programming mission can never and will never be unilaterally amended by the Community.*

6. Project preparation and appraisal

The Council takes note that the documents already prepared and circulated by the Commission on preparation and appraisal of dossiers do not include any ACP inputs.

*Consequently, the Council recommends that the criteria for project preparation and appraisal should be jointly formulated.*

The Council takes note that the dossiers of projects and programmes submitted by the ACP States must be completed as provided for in Article 111' of the Convention. To this end, the Community should, where requested, provide adequate technical assistance for the preparation of dossiers.

7. Financing decisions

The Council calls for the streamlining of information gathering in respect of financing decisions in order to avoid repeated requests for information which lead to delays.

*The Council recommends that the internal procedures of the Community shall not impede the speedy implementation of financial and technical co-operation.*

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8. Financing of overruns

The Council takes note that the Community, which increasingly issues invitations to tender prior to the financing decision, considers that the suggestion by the ACP States to issue invitations to tender prior to the financing decision would provide a better estimate of the foreseeable cost of projects and therefore limit the risks of overruns.

The Commission will however apply Article 33 of Protocol N° 2 to the first Lomé Convention and Article 117 of the Convention with flexibility when an overrun cannot be covered by these provisions (e.g. inflation) and thus will, where appropriate, finance overruns resulting from causes outside the control of the ACP States.

9. Commission's payment procedures

The Council takes note that the Commission is currently organizing a procedure whereby, at the request of any ACP State which so desires, the system of direct payments by the Commission would be applied to special loans as already applied in the case of grants or subsidies.

10. Participation of third countries in contracts financed by the EDF

The Council recommends that the Community should show understanding in particular for countries in special geographical situations on derogations which are justified in accordance with the criteria laid down in Article 56 of the first Lomé Convention and in Article 125 of the Convention.

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11. Selection of successful tenderer

The Council takes note that, while price criteria cannot be overlooked, it should however not be the sole selection criteria. Qualifications and guarantees offered by the tenderers, nature and conditions of implementation of the works or supplies, price, operating costs and technical value of the works or supplies must all be assessed together, according to Article 130 of the Convention.

12. Preferences for ACP undertakings

The Council recommends that maximum use should continue to be made of the physical and human potential of the ACP States and that the potential for increase in ACP capabilities should be enhanced. In this regard, while the number of contracts already awarded to ACP undertakings is significant, nevertheless this share should even be increased further.

13. Service contracts financed by the EDF

The Council takes note that the Community intends to forward shortly its proposal to the ACP States in the context of the resumption of discussions on the way in which service contracts are concluded (Article 142 of the Convention). This proposal is aimed at improving the system criticized by the ACP States, and is intended to give a greater role to the invitation to tender procedures compared to direct negotiation of contracts with short-lists.

The present short-list system must not be transformed into a consultation or a request for a price. The ACP States have to choose the consultant in the light of his references and qualifications. Hence, when the ACP State has chosen from the Commission short-list the consultant with whom

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it intends to conclude a contract, it has no further need of Commission authorization to negotiate and conclude the contract except that it must do so (as stated in Article 26 of Protocol No 2 to the first Lomé Convention) in participation and agreement with the Commission Delegate on the spot.

14. Programme aid

The Council takes note that:

- the Community has initiated an in-depth study of the respective advantages of project or programme assistance and will inform the ACP States in due course of the outcome of its study;
- this study will not delay or prevent the adoption of financing decisions regarding requests already submitted ;
- the ACP States request that the Community should orientate part of its aid towards programmes and especially where the needs and priorities of the ACP States require this.

15. Assessment of completed schemes

The Council recommends that to ensure that the objectives laid down in the Convention in the field of financial and technical co-operation as well as in the national indicative programmes and in the projects are attained, and to ensure that the means of action brought into play are as effective as possible, the relevant departments of the Commission and of the ACP States shall regularly carry out appraisals, taking into account the provisions of Article 118 of the Convention, on the effects and results of all completed projects as well as of the material condition of each investment carried out. They will carry out these appraisals

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jointly and inform the Council, if possible as from 1983, of the initial conclusions which can be drawn from the joint appraisals.

*Done at Libreville, 14 May 1982*

For the ACP-EEC Council of Ministers  
The President

(s.) A.B. BEYE

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RESOLUTION

on the Sixth Annual Report of the ACP-EEC Council of Ministers for the period from 1 April 1981 to 31 December 1981 and analysis of the early experience of the second Lomé Convention

The ACP-EEC Consultative Assembly,

- meeting in Rome from 3 to 6 November 1982,
  - having regard to the Annual Report by the ACP-EEC Council of Ministers (ACP-EEC /82),
  - having examined the general report submitted by Mr VERGEER on behalf of the Joint Committee (ACP-EEC /82),
  - having considered the motion for a resolution contained in the SIDDIG report on ACP-EEC cooperation in the energy field (ACP-EEC/34/82),
  - having considered the motion for a resolution contained in the FERRERO report on combatting hunger (ACP-EEC/35/82),
- a) as to the form of the report of the ACP-EEC Council of Ministers
1. Welcomes the fact that the Sixth Annual Report of the ACP-EEC Council of Ministers was submitted in good time ;
  2. Regrets, however, that the report contains vague comments and gives hardly any specific indication as to possible solutions to current problems ;
  3. Therefore hopes that the next Annual Report of the ACP-EEC Council of Ministers will contain a critical stock-taking that reports on successes, failures and difficulties and establishes priorities for future cooperation ; considers it essential for the Annual Report to assume a political dimension ;

b) as to cooperation on trade policy

4. Notes with great concern that ACP exports to the Community have shrunk considerably both in absolute value and in percentage terms, and are still fast declining, whereas the exports of other developing countries to the Community have remained stable and are fast increasing relatively;
5. Notes that the ACP countries cannot achieve economic growth without developing an export trade in finished products in the industrial, commercial and even agricultural sector to complement the trade in raw materials;
6. Considers it even more disturbing that ACP-EEC trade structures have remained substantially unchanged, even under Lomé II, because ACP exports to the EEC consist overwhelmingly of raw materials;
7. Draws attention to the fall in commodity prices on the international markets and to the resulting decline in the value, in terms of purchasing power, of ACP exports; considers that the objectives of trade cooperation cannot be achieved without an increase in the price of these products;
8. Stresses that free access of most ACP products to the EEC market has not led to an increase in ACP exports; therefore considers it essential to provide every possible support for the development of ACP trade by combining and implementing jointly such important instruments of trade policy as suitable rules of origin, marketing policy, investment promotion, industrial cooperation and agricultural policy;
9. Stresses in this connection the principle of free access for industrial products, including textiles, from the ACP to the Community, and calls on the EEC to take full account of this principle in the context of the Lomé Agreements;
10. Calls on the Community, taking account of the recent regulation (August) imposing a levy on imports of certain manufactured agricultural products from all countries, including ACP States, to pursue a policy on trade in agricultural products compatible with its development policy in general and with its commitments under the Lomé Convention in particular; recalls in this connection paragraphs 45 and 46 of the motion for a resolution contained in the FERRERO Report on combatting hunger;

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11. Urges the Community to consider favourably, and without further delay, the request by the ACP Group for free access of strawberries originating from ACP countries to the Community market, during the off-season periods, in view of the efforts the ACP States are making to expand their agricultural production and to diversify their export base;
12. Further urges the Community to apply, liberally, the provisions of the Convention governing importation of horticultural products, including flowers, from ACP countries into the EEC and to desist from calling upon ACP States to exercise self-restraint on exportation of such products in order to boost the share of the ACP exports in the Community market;
13. Considers it absolutely essential to abolish continuing administrative and non-tariff barriers that are a hindrance both to ACP-EEC trade and in the intra-ACP trade;
14. Takes the view that improvements to local economics, and consequently the food-supply situation, can only be achieved if opportunities for the ACP countries to trade with the EEC are even more intensively promoted than hitherto, which involves in particular increasing the prices of their commodities exports;
15. Points out that the Lomé agreements provide for genuinely preferential treatment for the ACP countries; notes, however, that major concessions have been granted to some industrialized countries, in particular the United States, which may jeopardize the implementation of the objectives of ACP/EEC trade cooperation; therefore requests the EEC to take due account of its commitments under Lomé on the occasion of the forthcoming renegotiation of GATT;

.../...

16. Hopes that the Sub-Committee on Trade set up by the ACP-EEC Council of Ministers will as soon as possible produce proposals on the enlargement, improvement and, above all, structural reform of ACP trade; expresses the need for the Committee to pinpoint the factors that have hitherto had a negative impact on ACP-EEC trade;
17. Regrets that the possibilities provided for under Lomé II to promote trade have hitherto been inadequately used for various reasons; consequently requests the Commission to apply a less restrictive interpretation of Article 22 of the Lomé II Convention so as to allow the ACP States to truly benefit from the provisions of this article;
18. Therefore calls on the responsible ACP-EEC bodies to provide a forum for the attainment of the objectives set out in Article 21; recalls that trade promotion must cover all exports from ACP countries, i.e. to the Community, to third countries, and to other ACP States;
19. Views the generalized preferences scheme as significant for the developing countries as a whole, but reminds the Community of the undertaking it gave as long ago as 1976 to ensure that, in applying the scheme, the legitimate interests of the ACP countries are respected so that they can continue to benefit from the preferences resulting from the Lomé Convention;
20. Notes with satisfaction that the information and consultation procedure with the ACP countries has improved under the GSP but stresses the need for reasonable deadlines to be allowed for the consultative procedure;
21. Asks to be informed as to the extent to which application of the GSP has had a negative impact on the ACP countries, and in what areas; hopes that the joint working party set up under Lomé I will shortly submit the relevant data;

22. Recalls the importance of persevering with the efforts to achieve satisfactory ACP-EEC cooperation in the field of rules of origin, and hopes that an acceptable solution will also shortly be found for fisheries products;
  23. Notes that although exports of ACP bananas to the Community have fallen since 1980 as a result of natural disasters, action has been taken by the Community to assist the affected states to restore their production and exports to their former levels;
  24. Calls on the Community to overcome all continuing difficulties affecting implementation of Protocol No. 5 (Rum);
  25. Urges the Community to take a definite stand on the implementation of the consultation procedures which have already been the object of discussions between the ACP and the EEC and which are intended to avoid as far as possible recourse to the safeguard clause;'
- (c) as to available agricultural products in the Community
26. Notes with deep regret that the food-supply situation in many African states, in particular in the sub-Saharan region, has deteriorated significantly, and points to the Community's major responsibility to help improve food-stuffs supplies in the ACP States, in particular under the chapter on agricultural cooperation;
  27. Calls on the ACP-EEC working party finally to complete its study into whether and how available EEC agricultural products could be supplied on more favourable terms; this study should also take account of the latest information on the questionable value of the previous regular supplies of food aid (other than in the event of emergencies or disasters), practical food strategies, to be agreed on, should be taken as the basis for any proposals;

28. Deplores in this connection the fact that recently the Council of Agriculture Ministers of the EEC, having been consulted by one of the Member States, did not see fit to endorse the proposal for the implementation of long-term agreements:

(d) as to the repercussions of enlargement of the Community towards the south

29. Appreciates the political importance of the enlargement of the Community to include Spain and Portugal; urges in particular that the Community should extensively consult the ACP States in good time prior to its second enlargement to the south;

30. Urges that the applicant countries should, prior to their final accession, confirm that they accept the fundamental principles of the ACP-EEC Convention, a question of fundamental importance as regards the forthcoming negotiations on the Lomé II follow-up programme;

e) as to STABEX and SYSMIN

31. Expresses deep concern that the appropriations earmarked for the STABEX fund have again proved totally inadequate in the 1981 operational year;

32. Stresses in this connection its view that the real problem is posed not by conjunctural difficulties but by structural inadequacy combined with a lack of funds to meet the objectives set out in the Convention. Affirms that the STABEX crisis must be resolved by political means;
33. Takes the view that the existing financial gap can only be closed by a substantial increase in appropriations; therefore urges that every possible action should be taken through the Community's financial instruments to enable the Community to meet the ACP States' rights to Stabex transfer;
34. Is utterly astonished at the repeated difficulties affecting the method of calculation; considers it essential for this problem to be resolved on flexible and equitable terms as soon as possible;
35. Calls upon the extraordinary meeting of the ACP-EEC Council of Ministers scheduled for December 1982 in Brussels to seek long-lasting solutions that would guarantee financing, and overcome structural inadequacies, thereby ensuring that Stabex continues to be a major and indispensable component of ACP-EEC cooperation and remains capable of attaining its objectives;
36. Considers the enlargement of the STABEX list of products - in the context of ACP-EEC trade cooperation as essential to the economic development of certain ACP countries; calls upon the EEC to decide on the requests for the inclusion of new ACP products on the STABEX list;

.../...

37. Urges, subject to a favourable cost-effectiveness report, that STABEX should be extended to different levels of product processing as a contribution to the basic industrialization of the ACP countries;
38. Stresses the need for Stabex to serve as a model for stabilizing resources in world-wide raw materials agreements; calls upon the EEC to ensure that Stabex is viable in the context of international raw materials agreements which should be expanded within the framework of the integrated programme;
39. Takes the view that STABEX has proved itself a useful and effective instrument of development policy in different areas; at the same time however, points to certain critical remarks contained in the study by the Overseas Development Institute;
40. Believes that further control measures need to be introduced to ensure that STABEX funds actually benefit as far as possible the specific producers of the commodity concerned and the general export potential of the recipient country;
41. Therefore calls upon the Commission to consider the conclusions of this report thoroughly, in particular as regards the shaping of the Lomé II follow-up agreement; considers it particularly important to determine the extent to which the original objectives have been achieved and whether undesirable side-effects have arisen on implementation; calls also for a cost-effectiveness study to be carried out;
42. Welcomes the fact that SYSMIN was first implemented during the period under review; calls on the Commission, having regard to the economic importance of assistance to the mining sector, to consider current applications from the ACP States on a rapid and flexible basis;
43. Considers it important to create an effective instrument for the operation of SYSMIN, and to do so in close cooperation with the ACP States;

44. Takes the view that any Community contribution to the 'Carajas' project in Brazil must have no negative effect on the implementation of SYSMIN, especially on the financial side;
- f) as to sugar
45. Reaffirms the resolution with regard to ACP sugar adopted by the Joint Committee in Harare, Zimbabwe, in February 1982;
46. Acknowledges that the Sugar Protocol imposes legal obligations for an indefinite period on the contracting parties, which obligations must be respected and honoured, both in letter and in spirit;
47. Emphasises that, in view of the great economic importance of the sugar industries to the ACP States concerned, it is essential that, in order for these to maintain and improve the efficient running of the sugar industries, which are so vital to the social advancement of their populations, a fair and remunerative level of prices should be received for their sugar marketed in the Community;
48. Observes that despite the various sugar regulations which have been adopted by the Community the ACP States have failed since the inception of the Protocol to secure such a level of prices ;

49. Is mindful of the fact that the ACP States have no share of responsibility in the situation of beet <sup>/sugar</sup> surplus within the Community and that the entry of their sugar on the Community markets does not entail any financial liability on the part of the Community ;
50. Realises that because of the traditional patterns of production and trade, cane sugar has long been a major source of income for most of the ACP States signatories to the Protocol but that such income is being increasingly affected by the continuing decline in world sugar prices ;
51. Realises further that because of serious economic, social and geo-climatic constraints, the process of diversification in most ACP sugar-producing countries can only complement and not replace cane sugar production ;
52. Requests the Community to honour in full its commitments under the Protocol particularly with regard to the need for effective negotiations for the ACP guaranteed price by :
- (a) taking into account all the relevant economic factors in the formulation of its proposals ;
  - (b) having genuine consultations with the ACP States at all stages of the price fixing process ;
  - (c) providing scope for effective participation by the ACP States in the joint determination of the guaranteed ACP sugar price;
53. Stresses the importance of the rapid conclusion of the re-examination process by the Parties concerned and especially the need thereafter for the Community to take the necessary corrective measures to ensure full compliance with the terms of the Sugar Protocol as from the next delivery period ;



54. Urges the parties to the Protocol to review the machinery presently utilised under Article 8(1) of the Protocol and consider the adoption of more appropriate and effective machinery within the framework of the Protocol and of the Convention which could ensure the proper implementation of all the provisions of the Protocol ;
55. Requests the Community to take steps in the context of its common agricultural policy to adopt the necessary measures to ensure improved terms of access for the "agreed quantities", which, subject to Article 7, are irreducible ;
56. Calls on the Community to review without delay its sugar policy in the interests of improved ACP-EEC cooperation, to limit its production in the light of its domestic consumption, the content of the Sugar Protocol and the world market trend, and to accede to the International Sugar Agreement so as to remedy the surplus situation obtaining on the world market and to put an end to the resultant unstable price situation on the world market;
57. Calls on the Commission, while appreciating its decision to re-allocate permanently a certain quantity of sugar to Kenya, to re-allocate to the People's Republic of Congo a quantity of sugar for which the Commission has acknowledged the Congo remains eligible under the terms of the Sugar Protocol;
58. Insists that the Commission respond favourably and without delay to the application of the Ivory Coast for accession to the Protocol on sugar;
59. Exhorts the Commission to respond without further delay to the ACP's long-standing request for the permanent re-allocation under Article 7(4) of 801 tonnes of sugar and to agree in principle to the prompt re-allocation, among ACP States signatories to the Protocol, of any shortfalls available for reallocation under Article 7.

.../...

g) as to industrial cooperation

60. Regrets that where ACP-EEC industrial cooperation under Lomé II is concerned, no significant results have been recorded so far, because a balanced industrial policy geared to the specific needs of the ACP states is still in the initial stages, and also because many ACP states still lack any effective industrialization policy;
61. Stresses the positive role that public undertakings in the EEC countries could play in industrial cooperation with the ACP States;
62. Refrains from further listing the numerous measures necessary for industrialization, since a joint committee working party is currently engaged on a study of the impact of the chapter on industrial cooperation (Lomé I) and will draw up projections for Lomé II; hopes however, that the working party will submit concrete proposals as soon as possible so that they can be taken into consideration on the opening of negotiations on the Lomé II follow-up agreement.

h) as to cooperation in the energy field

63. Regrets that the report of the Council of Ministers does not adequately reflect the problems of the energy sector, although prospecting of alternative and inexpensive energy sources is of fundamental importance to the industrialization of the ACP countries;
64. Regrets the absence of joint guidelines for the energy field, despite the fact that these are covered by the agreement; is moreover astonished at the absence of any reference to the Nairobi energy conference, even although some very significant proposals were submitted to it;
65. Considers specific and systematic activities in the energy field as urgently necessary; refers in this connection to the concrete demands contained in the Siddig report;

.../...

i) as to training

66. Stresses that the quality of training has a bearing on all sectors of the agreement; takes the view that the measures taken under Lomé I and II to promote training in the ACP countries were highly significant, but can only be termed inadequate by comparison with the task in hand; asks the Community to draw up concrete proposals for implementation of these demands;
67. Regrets that the policy of many Community Member States in regard to fees and other access conditions to their universities by ACP students, discriminate against such students and thus vitiates the efforts of the Convention;
68. Insists that each project should include adequate vocational training for both men and women and that, in general, the cost of this training should be incorporated in the financing schedule;
69. Insists that the existing Working Party on Cultural Cooperation should, with a view to the next Consultative Assembly and taking account of the forthcoming negotiations, draw up concrete proposals designed to establish training as an essential part of the Lomé agreements, as was recently urged in UNESCO by the President of the French Republic;
70. Emphasises that all forms of basic education, vocational education and adult education must be accessible for women as well as for men;
71. Recalls that teaching women to read and write and providing them with specific education in health and nutritional matters benefits society as a whole as well as future generations;

.../...

72. Considers it alarming that a high number of ACP nationals who have to come to study in the EEC member countries owing to inadequate internal educational infrastructures do not return to their home countries; therefore calls for measures to be taken under current training programmes to ensure that these students are encouraged to return to their home countries; asks for training to be given to students from the ACP States in keeping with the needs of their home countries that will afford them the opportunity to become integrated into university life and, on conclusion of their studies, to return to their home countries and to make available to their peoples the knowledge and proficiencies that they have acquired;
73. Regrets that the training of those engaged in simple trades has been neglected in the past; therefore urges that mass education of both men and women should be pursued with the same energy as is devoted to the intellectual professions;
74. Calls once again for the establishment by the EEC of a Management Training College, to be sited in a Lomé Member State, for the express purpose of training Lomé citizens for the management of their industrial projects and for the greater effectiveness of public administration.'
- j) as to cooperation in the agricultural field and combatting
75. Reiterates that agricultural and rural development is an absolute precondition for progress in the economies of the ACP countries as a whole;
76. Welcomes the fact that the major part of appropriations under the Fifth EDF is earmarked for projects in the agricultural field; urges, in view of the continuing tension in the food-supply situation, that all instruments of the agreement be implemented in full complexity and under optimal conditions in this field;
77. Welcomes the Community's willingness to help implement genuine food strategies with a view to enabling those countries currently in deficit to achieve greater self-sufficiency and to facilitating the gradual transfer of food aid resources to aid for the development of local food crops;

78. Refers to the motion for a resolution contained in the Ferrero report (Doc. ACP-EEC/35/82) and calls on the authorities responsible in the Community and the ACP countries to make every effort to put its recommendations into effect as speedily as possible;
79. Is disturbed that the Technical Centre for Agricultural and Rural Cooperation provided for in Article 88 of the Convention has still not begun to function and insists that the preparatory stage must now be succeeded by the implementing stage;

k) as to financial and technical cooperation

80. Regards the smooth operation of the provisions of Title VII of the ACP-EEC Convention as fundamental to the success of the agreement, since the implementation of all areas of Lomé policy is subject to the provisions for financial and technical cooperation;
81. Regrets that procedures for everything from aid programming to project design and implementation are still too complicated; therefore concurs with the statement by the ACP-EEC Council of Ministers to the effect that procedures must be simplified and speeded up; hopes moreover that the time-lag between commitment and payment of appropriations will be shortened;
82. Emphasises the need for truly joint management of financial cooperation from the elaboration of projects until their realization;
83. Appreciates the importance of consultation in the European Development Fund Committee, but stresses that it should not be allowed to significant delays;
84. Insists that the cost of technical consultants should be kept within reasonable limits; urges that all consultants and experts some of which should be from ACP States should be carefully selected and thoroughly briefed on the technical, social and cultural characteristics of the project and country concerned;
85. Points out that supervision and continuation of projects that have been started up, as well as continuing support from experts until final completion, must be guaranteed;

.../...

86. Stresses that economic results will depend overwhelmingly on the care with which the Community and the ACP States embark on project monitoring, provision of the necessary infrastructures, staff selection and training, and on the involvement of the people concerned in the planning and implementation of these projects;
87. welcomes the fact that the ACP-EEC Committee provided for under Article 108 is now operational and has held its first meeting in Libreville; hopes that the political weight of this committee will help to give a new impetus to financial and technical cooperation;
88. Regrets that it has not yet been possible within the framework of financial and technical cooperation hitherto to resolve such macro-economic problems as the balance of payments difficulties of ACP States; therefore calls on the negotiating partners to take this aspect into consideration in shaping the follow-up agreement and to propose mechanisms that will enable this problem to be resolved;
89. Considers this matter to be important for two reasons:
- international institutions such as the IMF and the World Bank make their aid conditional upon the implementation of measures that are frequently incompatible with the interests of the people of the ACP countries,
  - the success of long-term EDF projects depends not only on the mode of implementation but also on the overall economic situation of the recipient country;
90. Requests the governments of the member countries of the Lomé Convention to intercede with the IMF and the World Bank with a view to:
- ensuring that the solutions being sought to the problem of the developing countries' indebtedness do not jeopardize their investment capacity;
  - achieving a substantial reduction in interest rates to the mutual benefit of the ACP and the EEC countries;

1) as to regional cooperation

91. Stresses the major importance of regional cooperation; therefore considers it essential for the Community and the ACP States to improve the standard of integrated development projects at regional and interregional level, in particular in the areas of trade promotion, agricultural development, industrial growth and infrastructures;
92. Considers the promotion of regional science and technology institutes and organizations in the ACP countries as absolutely vital to the economic and technological potential of the ACP countries, as specifically requested in the Lagos action plan;
93. Supports the efforts of the Southern African Development Coordination Conference (SADCC) with a view to achieving economic independence from South Africa, and therefore calls for this regional association to be given active support;

a) as to institutional problems

94. Takes the view that, in the context of the negotiations for a new Convention, the existing parliamentary institutional instrument should be reviewed so as to guarantee the smooth functioning of the Convention;
95. Stresses that the importance of the working parties set up by the Joint Committee in the past has increased constantly, and particularly welcomes the fact that they have given a considerable impetus to the work of this body; therefore calls for specific rules to be drawn up concerning the setting up and operation of these working parties;
96. Considers it equally important for the regular meetings held annually between the economic and social partners to be set in a more formal framework; in particular a decision must be taken as to the form in which the results of these meetings should be presented and how they should be forwarded to the other bodies of the Convention;

.../...

97. Urges that institutional proposals should be submitted for scrutiny to the bureaux of the Consultative Assembly, the Committee of Ambassadors and the Joint Committee and that an ad hoc working party should be set up to carry out this scrutiny so that specific proposals on the institutional problems can be submitted before negotiations are opened on the Lomé II follow-up agreement;
98. Decides to hold a debate at the beginning of each session of the Consultative Assembly to study the implementation of the resolutions adopted at the previous Assembly;

n) as to maintaining the quality of the environment

99. Notes that the overwhelming majority of development projects have up to now been governed by purely quantitative objectives; stresses that to pursue these objectives rigidly without taking scarcity of resources and environmental impact into account could actually reduce productive potential and thereby jeopardize the original objectives;
100. Warns the industrialized countries against centring their own production around environmentally benign methods while exporting capital in the form of transfers of technology to countries where production costs are lower because there is no premium on environment protection;
101. Urges that in the Lomé II follow-up it should be generally recognized that conformity with ecological criteria must be an essential component of development policy strategies;
102. Proposes in this connection that each country draw up a national conservation strategy in the same way as the UNEP, UNESCO, WHO and IUCN/WNF drew up a world conservation strategy in 1980;
103. Welcomes in this connection the fact that the Commission has announced initial measures in the campaign against hunger in the world and that specific measures on environmental policy and the careful use of natural raw materials are provided for in the chapter on Lomé policy of its Memorandum of 29 September 1982 on Community development policy (COM(82) 640 final);

.../...



104. In conclusion points out that the EEC Budget contains an item 946 "environmental management in the developing countries which could make a contribution towards the financing of these national conservation strategies and other ecological projects can be financed and urges the governments of the ACP countries to submit to the EEC proposals for joint financing in this field;

(o) as to social aspects and cultural cooperation

105. Considers it essential for the parties to the ACP-EEC Convention to ensure that provision is made during implementation for the legitimate interests of different social groups; hopes therefore that a cultural cooperation chapter which will take full account of socio-cultural considerations will be incorporated in the new Convention;

106. Calls on the Commission to draw up proposals, well ahead of the negotiations and in close cooperation with the economic and social partners, for qualitative improvements in the social aspects of the new Convention taking into account the recommendations and agreements of the International Labour Organization;

107. Welcomes the conclusions contained in the reports on cultural cooperation; points out that a strengthening of ACP-EEC cultural cooperation can lead to improved coordination of cooperation measures and their incorporation in the planning and development process as a whole;

108. Stresses the importance of the quality of development programmes for the natural environment and the socio-cultural climate in the ACP States; therefore asks for the cultural aspects to be taken into consideration in drawing up the new Convention, since a strengthening of cooperation in this area could lead not only to improved understanding between the partners but also to fundamental improvements in social development;

.../...

(p) as to the least-developed, landlocked and island countries

109. Insists, in view of the growing difficulties of the world economy, that aid to the least-developed ACP States should be stepped up in all areas, having regard in particular to the decisions of the Paris Conference of September 1981;
110. Invites the European Parliament to propose in this spirit a financial contribution by the EEC as such, which would indicate its considerable interest in the achievement of the objectives set out by the Paris Conference in respect of the least developed countries;
111. Calls on the Community to take vigorous steps to ensure that aid to the hardest-hit countries is activated within the framework of international development organizations and the North-South dialogue;
112. Would welcome the submission in the near future of concrete proposals on these matters by the sub-committee provided for under the Convention;

(q) as to the enlargement of the group of ACP countries

113. Notes with satisfaction that Zimbabwe became a full member of the Convention on 1 March 1982, and that Belize, Vanuatu and Antigua and Barbuda have acceded to the Convention;
114. Welcomes the fact that Angola and Mozambique envisage accession to the Convention under certain conditions, and calls on the Community actively to promote this move;
115. Hopes to be able to welcome an independent Namibia as a full member of the Convention as soon as possible;

(r) Conclusions

116. Notes that implementation of the Convention has led to a number of positive results but that a number of negative points must be noted;

117. Stresses that the implementation of Lome II took place in an extremely difficult economic context that has made itself felt in virtually all areas of the Convention:
118. Stresses that the Convention can only operate as intended if progress is also made in the North-South dialogue; therefore calls for the global negotiations projected at the 1981 Cancun Conference to begin forthwith; and for the Community to take every step to persuade its international partners - in particular the United States - to agree to these negotiations;
119. Decides to hold a debate at the next meeting of the Consultative Assembly, on the basis of a report submitted to the new Joint Committee, on the major guidelines to be adopted in the new ACP-EEC cooperation agreement; in this connection requests the special working parties to forward practical proposals relating to their respective areas of activity;
120. Is convinced that the objectives of the Lome Convention can only be achieved if they are thoroughly understood by all sections of the population in Europe and the ACP States; therefore calls for public opinion to be more fully informed than hitherto;
121. Is delighted that the European Parliament has, in the 1983 EEC Budget, given clear priority to development cooperation and to the Lome Convention;
122. Instructs its President to forward this resolution together with the report of the ACP-EEC Council of Ministers to the ACP-EEC Committee of Ambassadors and to the Council and the Commission of the European Communities;
123. Calls on the institutions of the ACP-EEC Convention responsible to give due attention to this resolution.