

ACP-EEC CONVENTION OF LOME

**ANNUAL REPORT
OF THE
ACP-EEC COUNCIL OF MINISTERS
(1984)**

Brussels,

14 AOUT 1985

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Mr J.T. KOLANE
Co-Chairmen of the ACP-EEC
Joint Assembly
European Parliament
Luxembourg

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Sirs,

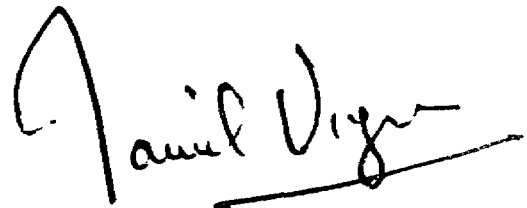
At its meeting in Luxembourg on 21 June 1985, the ACP-EEC Council of Ministers examined the question of the Annual Report which it has to publish pursuant to Article 168 (5) of the second ACP-EEC Convention and instructed the Chairman of the Committee of Ambassadors, in conjunction with the co-Secretaries, to finalise this report and to forward it to the Joint Assembly.

As this report has now been finally adopted, we have the honour of communicating the text thereof to the Joint Assembly in order that it may be examined by that body in accordance with Article 276 (1) of the Third ACP-EEC Convention.

The necessary copies of this text will be made available to your services as soon as possible.

Yours sincerely


Edwin CARRINGTON


Daniel VIGNES

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I. INTRODUCTION

This annual report covers activities in 1984 in the context of both the implementation of the Second ACP-EEC Convention and the negotiations for the Third ACP-EEC Convention.

Under the Lomé II Convention, 1984 was the last full year of implementation before the Convention expired on 28 February 1985. Implementation of the Convention took its normal course throughout the year, and in particular at the meeting of the ACP-EEC Council of Ministers in Suva (Fiji) on 2 May 1984, but the attention of the partners was obviously concentrated first and foremost on the negotiations for the Third Convention of Lomé. After numerous meetings at ambassadorial level, three Ministerial Conferences and two Ministerial meetings in restricted session, the Third Convention of Lomé was finally concluded, after lengthy and often difficult negotiations. The new Convention, which was signed in Lomé on 8 December 1984, will govern ACP-EEC relations until 28 February 1990.

At a time when the international dialogue between the industrialized countries and the developing countries is hampered and practically paralysed by major difficulties, the continuation of ACP-EEC co-operation and its strengthening by the new Convention of Lomé represents a notable success and is an indication of the continued determination of the partners to develop and consolidate this co-operation at all levels.

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II. OVERVIEW OF THE WORK OF THE ACP-EEC INSTITUTIONS ⁽¹⁾

1. Council of Ministers

The ACP-EEC Council of Ministers held its ninth ordinary meeting on 2 May 1984 in Suva, Fiji, under the chairmanship of Mr Hugh L. SHEARER, Deputy Prime Minister and Minister of Foreign Affairs of Jamaica, President in-Office of the ACP Council of Ministers. The Community spokesman was Mr Claude CHEYSSON, Minister for External Relations of the French Republic and President-in-Office of the Council of the European Communities. The Commission of the European Communities was represented by Mr Edgard PISANI, member of the Commission responsible for development questions.

At this ninth ordinary meeting the Council examined a number of specific problems with regard to trade which have caused, or are likely to cause, difficulties to ACP exporters to the EEC market - import arrangements for strawberries, sharps and bran, aflatoxin in animal feeding-stuffs, oil seeds, roses and carnations.

As regards implementation of the Protocol on Sugar, the Council heard several statements by representatives of the ACP States concerning the scope of the annual negotiations on guaranteed prices for ACP sugar and re-allocations under Article 7(4) of the Protocol.

⁽¹⁾ This section refers in general to a number of specific questions concerning the implementation of the second ACP-EEC Convention which were examined in 1984. A detailed analysis of these questions will however be found in section III.

The Council first dealt with several specific questions concerning STABEX, particularly ACP requests for the inclusion of new products in the system and for exports from Fiji to all destinations to be taken into account.

The Council also discussed problems connected with the negotiations for a new International Cocoa Agreement. It was agreed that contacts and consultations between the Community and the ACP States would continue throughout these negotiations.

As regards customs co-operation, the Council took note of the progress made by the Customs Co-operation Committee, particularly with regard to the question of implementation of the Joint Declaration on the origin of fishery products (Annex XXI to the Final Act of the Convention). It asked the Committee to continue its examination of this question and to take account in doing so of its technical aspects and of the ACP States' comments in this connection. The result of taking these factors into account is reflected in the wording of Annex XXX to the Final Act of Lomé III.

As regards industrial co-operation, the Council received the joint report on the complementary financing of industrial co-operation drawn up under the aegis of the ACP-EEC Committee on Industrial Co-operation as laid down in Annex X to the Second Convention. It also considered that the Joint Declaration on Article 82 concerning investment in the least-developed, landlocked and island ACP States (Annex XI to the Final Act) should be implemented without delay. This view was taken into account in the wording of Article 246 of Lomé III. Finally, it adopted a decision increasing the number of members of the Advisory Council of the Centre for the Development of Industry.

.../...

The Council signified its acceptance of the report from the Article 108 Committee on the implementation of financial and technical co-operation and adopted the resulting Resolution on financial and technical co-operation (see text in Annex I).

The Council was appraised of a report concerning the outcome of the latest meeting of the ACP-EEC Consultative Assembly and of the latest meetings of the ACP-EEC Joint Committee (Berlin, 19 to 23 September 1983 and Brazzaville, 20 to 24 February 1984).

Finally, a number of specific problems such as the situation in Southern Africa, action against desertification and drought and measures against natural disasters were mentioned.

2. Article 108 Committee

The third ministerial meeting of the Article 108 Committee, a joint body entrusted with the task of examining measures likely to improve the implementation of financial and technical co-operation, was held in Suva (Fiji) on 1 May 1984.

The Committee examined in particular the report from the Commission on the management of financial and technical co-operation in 1982. It drew up a draft Resolution on financial and technical co-operation containing new guidelines, which was subsequently adopted by the Council (see Annex I).

3. ACP-EEC Committee of Ambassadors

The ACP-EEC Committee of Ambassadors held its 17th meeting in Brussels on 30 March 1984, with Mr LEPRETTE, Ambassador (France), in the chair as Chairman-in-office of the Permanent Representatives Committee, the ACP co-Chairman being Mr KAZUNGA (Ambassador, Zambia). The Committee made preparations for the meeting of the Council on 2 May 1984, basing itself in particular on the proceedings of the Customs Co-operation Committee, the Committee on Industrial Co-operation and the Sub-Committee on Trade Co-operation, which all held one or more meetings in 1984.

It was not possible to hold a Committee meeting in the second half of 1984 because of the extra work caused by the end of the negotiations for renewal of the Convention, and it was not until January 1985 that it proved possible to examine the routine problems involved in implementing the Convention. The Committee met again in February 1985 to decide on the temporary arrangements that would apply pending entry into force of the new Convention.

.../...

4. ACP-EEC Consultative Assembly

The annual meeting of the Consultative Assembly was held in Luxembourg from 19 to 21 September 1984. Preparations for it had been made at meetings of the Joint Committee held from 22 to 24 February 1984 in Brazzaville and from 17 to 19 September 1984 in Luxembourg.

The ACP-EEC Council of Ministers was represented by the President of the ACP Council, Mr CHELTENHAM (Barbados) and the President of the Council of the European Communities, Mr PATTISON (Ireland), who both made several contributions to the discussion.

The Consultative Assembly's proceedings, together with those of the Joint Committee, led to the adoption of numerous Resolutions (see Annex II), amongst which particular mention should be made of the Resolution taking account of the eighth Annual Report of the ACP-EEC Council of Ministers on the state of implementation of the Lomé Convention and the prospects for the subsequent new Convention. This very comprehensive Resolution, which deals with most of the questions covered by the Lomé III negotiations, is given in Annex III.

These Resolutions were sent to the ACP-EEC Council of Ministers so that it might take note of them.

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5. Annual meeting of the representatives of the ACP-EEC economic and social interests

The annual meeting between the representatives of ACP-EEC economic and social interests and a delegation of the ACP-EEC Joint Committee was held in Brussels on 14 and 15 September 1984 under the co-chairmanship of Mr BERSANI and Mr ZANDOU.

Participants considered that on the one hand it was essential to continue and to widen consultations and the participation of the representatives of economic and social interests in co-operation and on the other hand to co-ordinate this type of consultation so that it results in the concrete operational involvement of both sides of industry and groups representative of the population in ACP-EEC co-operation. In this context the meeting adopted, for the first time, a final declaration on consultation of the representatives of ACP-EEC economic and social interests and its place in the new Convention (see Annex IV). This declaration was sent to the ACP-EEC Consultative Assembly and the Council of Ministers.

6. Annual report of the ACP-EEC Council of Ministers for 1983

At its meeting in Suva on 2 May 1984, the ACP-EEC Council of Ministers gave its agreement in principle to the annual report of the ACP-EEC Council of Ministers for 1983 and instructed the Committee of Ambassadors, in conjunction with the co-Secretaries, to finalize the text.

This report was subsequently sent to the Consultative Assembly and published (Article 175(6) and Article 168(5) of the Convention).

7. Accession to the Convention

On 5 March 1984 Saint Christopher and Nevis acceded to the Second ACP-EEC Convention by depositing its Act of Accession with the Secretariat of the Council of the European Communities (Article 185(2)). This State, formerly a British colony, which achieved full independence on 19 September 1983, also acceded to the Protocol on ACP sugar.

III. SPECIFIC AREAS OF THE ACTIVITIES OF THE COUNCIL OF MINISTERS

1. TRADE CO-OPERATION

(a) Imports of certain ACP agricultural products into the Community

At the meeting of the ACP-EEC Council of Ministers in Suva, the two parties continued discussions on an ACP request concerning imports of ACP strawberries into the Community. On 30 July 1984 the EEC Council adopted a Regulation reducing the common customs tariff customs duty by 60% for ACP strawberries during the period 1 November to the end of February within the limits of a tariff quota of 700 tonnes ⁽¹⁾.

The Community also gave assurances that it was prepared to examine any detailed information which the ACP States might provide on the evolution of their trade in sharps and bran following the adoption of Regulation (EEC) 414/83, which for the first time gave them a real preference for these products.

.../...

(1) Regulation No 1834/84, OJ L 172, 30.6.1984.

(b) Aflatoxin: Proposed Community Directive on Lower Levels of aflatoxin in animal feedingstuffs

At the 9th Session of the ACP-EEC Council of Ministers held in Fiji in May, 1984, the ACP States expressed their serious concerns with the effects that the proposed Community Directive to lower the levels of aflatoxin in feedingstuffs would have on ACP exports of groundnuts and groundnut products.

The Community indicated that these concerns would be taken fully into account and undertook to provide the ACP States with the relevant information on the measures contemplated and confirmed that it would consult the ACP States in ample time before it adopted any regulation on this matter.

(c) Commission proposal for a Council Regulation imposing a tax on oilseeds and oils and fats of vegetable origin

The ACP States, at the same meeting, expressed their concern on this matter and pointed out that the products affected by this proposal were extremely important to their economies. They further expressed their serious objection to the Commission proposal because they considered it to be discriminatory in its product coverage and unilateral.

The Community took note of the ACP concerns, pointing out that the Commission proposal was still under consideration by the Community and no decision had yet been reached on this matter. The Community undertook to take fully into account the comments of the latter and to consult them before a decision was taken on this matter.

.../...

The Community indicated that there had been no developments on this matter since March 1984 and that the situation did not seem likely to change in the near future.

(d) Commission proposal on new measures relating to management of the market in roses and carnations

The ACP States conveyed their concerns in relation to this matter to the Community at the 9th Session of ACP-EEC Council of Ministers.

The Community stated that it was currently discussing a proposal relating to statistical surveillance of imports of these products. Nevertheless, this proposal was not in any way intended to limit imports of these products from the ACP States. The Community stated that it would initiate consultations as soon as the latter had any specific problems.

The ACP welcomed the Community's assurance and noted that the Community was not contemplating legislation at this stage which would restrict ACP exports.

(e) Rum

On 28 June 1984 the Council adopted a Regulation opening, allocating and providing for the administration of a Community tariff quota for rum, arrack and tafia, originating in the ACP States ⁽¹⁾ for the period 1 July 1984 to 28 February 1985.

(f) Consultations on the International Cocoa Agreement

The Community and the ACP States held a discussion in the ACP-EEC Council on the negotiations concerning renewal of the International Cocoa Agreement. It was agreed that the two parties would keep in touch during these negotiations.

.../...

(1) Regulation No 1834/84, OJ No L 172, 30.6.1984.

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

At the meeting of the Committee of Ambassadors on 30 March 1984, the Community made a statement on developments in the accession negotiations with Spain and Portugal.

The ACP States stressed, at the meeting of the ACP-EEC Council of Ministers on 2 May 1984, the importance of their having regular information on the progress of the negotiations and said that they wanted such contacts to be of an official nature in future. The Community indicated that the Commission was at the disposal of the ACP States for providing them regularly with additional technical information and it confirmed that it was always prepared to consult the ACP States, when appropriate, within the framework of the competent bodies of the Convention.

(h) Generalized preferences

In December 1984 the ACP States submitted a memorandum on the Commission proposal for the Scheme of Generalized Preferences for 1985. Although this communication was issued at a time when the Community had already agreed to the substance of this Scheme, the text which the Community subsequently adopted followed the lines desired by the ACP States as regards some of its provisions. In addition, the ACP-EEC Committee of Ambassadors subsequently asked the ACP-EEC Subcommittee on Trade Co-operation in January 1985 to examine how the consultation machinery on the SGP was working in practice.

(i) Study by the Working Party on the Evolution of ACP-EEC Trade

The Council of Ministers instructed the Working Party on the Evolution of ACP-EEC Trade to expedite its proceedings with the aim of drawing up a final report by September 1984.

The Working Party, due to a host of factors, was not able to undertake the above mandate of Council in 1984.

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2. CUSTOMS CO-OPERATION

(a) Derogations from the rules of origin

The ACP-EEC Customs Co-operation Committee decided on 31 July 1984 to grant a further derogation from the rules of origin to Mauritius for 600 tonnes of canned tuna originating in other developing countries and exported from Mauritius between 1 August 1984 and 28 February 1985 (¹).

The Committee also decided on 3 October 1984 to grant a derogation from the rules of origin to Jamaica for 80 000 square yards of tufted carpet exported from Jamaica between 3 October 1984 and 28 February 1985 (²).

(b) Implementation of Annex XXI to the Second Convention of Lomé on the Joint Declaration on the origin of fishery products

The ACP-EEC Council noted that the report from the Customs Co-operation Committee on this question was not yet available but both parties confirmed their respective positions.

(¹) Regulation (EEC) No 2591/84, OJ No L 243, 13. 9.1984.

(²) Regulation (EEC) No 3124/84, OJ No L 292, 9.11.1984.

3. EXPORT EARNINGS FROM COMMODITIES

(a) Stabex

At its 9th ordinary meeting the ACP-EEC Council of Ministers examined in detail certain problems already discussed at the previous meetings, and in particular the problem of the lack of sufficient funds for 1980 and 1981. Both parties reaffirmed their points of view on the question.

As regards the method of calculating transfers, it was agreed that examination of the technical points would be continued by a Working Party. This Working Party, consisting of experts from ACP States (Ethiopia, Sudan, Togo) under the chairmanship of Mr KPTIGO (Togo) on the one hand and experts from the Commission on the other, submitted a report to the Council. As a result of the Working Party's work, the negotiators were able to find a solution to this problem within the framework of the Third ACP-EEC Convention.

The Council of Ministers adopted a decision to include cow peas in the stabex system by extending application of the system to exports of this product from Niger to other ACP States.

The Council also delegated authority to the Committee of Ambassadors to take the appropriate decisions as regards the transfers to be made for the year of application 1983 and the replenishment of resources for the years 1975, 1976 and 1977. No action was required however under the first of these decisions as the requests for transfers submitted by the ACP States for the year of application 1983 and agreed to by the Commission only reached an amount well below the resources available

.../...

for 1983 (some 97 MECU). The Commission made 21 transfers in respect of 1983, relating to loss of export earnings by 14 ACP States, totalling 50 403 781 ECU.

The Council asked the Committee of Ambassadors to examine certain problems which were still outstanding, and in particular the problem of the possible utilization of any balance remaining after expiry of the second Convention.

Finally, the ACP-EEC Council of Ministers took note of a statement by the Community indicating that it was unable to agree to the ACP States' request concerning the application of the STABEX system to Fiji's exports irrespective of their destination, under Article 46(3) of the Convention. In its statement the Community pointed out that the operation of STABEX was based on the principle that only exports to the Community were covered. Departure from that principle (as provided for in Article 46(3)) was only warranted where a significant proportion of the exports of the ACP country concerned had traditionally gone to non-EEC markets. This condition was not however satisfied in the case of Fiji.

In the same field, the ACP States made a request to the Council of Ministers for extension of the period of validity of a previous decision concerning application of the STABEX system to exports to any destination from the Republic of Kiribati. This request is being considered by the Committee of Ambassadors, to which authority to take a decision in the matter has been delegated.

(b) Sugar

- (i) The negotiations between the ACP States and the Community on the guaranteed prices for sugar for the 1984/1985 delivery period were concluded on 26 September 1984 with prices fixed at 44,34 ECU/100 kg for raw sugar and 54,68 ECU/100 kg for white sugar. These prices, which represented no increase over those applicable during the previous delivery period, were accepted under protest by the ACP.
- (ii) Two countries acceded to Protocol No 7 on ACP sugar during 1984. They were Saint Christopher and Nevis, with an agreed quantity of 14 800 tonnes, and the Ivory Coast with, for the time being, an agreed quantity of 2 000 tonnes as from 1 July 1983. St Christopher and Nevis, formerly St Kitts-Nevis, has already been supplying that quantity of sugar to the Community at preferential prices as an OTC State.
- (iii) As regards Zimbabwe's request, supported by the other ACP States which had acceded to the Protocol, for an increase in its export quota, the Community informed the ACP States that it was unable to agree to this, referring in particular to the serious problems arising from the supply situation on its internal market; it did say, however, that the request could be considered, along with those of other ACP States, in any reallocation of quantities available as a result of delivery shortfalls.

(iv) The re-examination of the conditions for implementing the guarantee under the Protocol on sugar, as referred to in Article 2, continued during 1984 with a view to the adoption of a joint statement by the interested parties. This examination was concerned in particular with the questions relating to the negotiation of guaranteed prices and the reallocation of quantities available. With regard to the first of those questions, there are still differences of opinion between the ACP States and the Community about the interpretation of Article 5(4) of the Protocol. The Community maintains that the ACP guaranteed price cannot be higher than the intervention price for Community sugar without there being a serious danger of ACP sugar proving unsaleable on the Community's internal market.

The ACP States felt that the consequences of this situation was to prevent any real negotiation from taking place and that the Community was thus failing to take into account "all relevant economic factors" as stated in the Protocol.

(v) On delivery shortfalls and reallocation (Article 7), there were found to be differences of opinion between the two parties on timing and on the powers of the Commission. While it was accepted that, in the event of delivery shortfalls due to force majeure, reallocation under Article 7(2) should take place immediately in respect of the entire quantity not delivered during a given year, the ACP States, unlike the Commission, felt that a decision on immediate reallocation should also be taken when the Commission reduced an export quota on account of delivery shortfall not attributable to force majeure (Article 7(3) and (4)).

.../...

The ACP-EEC Council of Ministers was informed that the procedure for consultations between the Commission and the ACP States concerned had been initiated under Article 7(4) of the Protocol following a delivery shortfall not attributable to force majeure on the part of an ACP State involving a quantity of 25 500 tonnes.

In the course of these consultations, the ACP proposed a formula on which the reallocations should be based. The Commission in turn, gave an indication of some concerns that, in its opinion, needed to be taken into account in effecting any reallocation.

- (vi) In view of the prospective accession of Portugal to the Community, the ACP States asked that, after accession, Portugal be allowed to continue to import the 300 000 tonnes of sugar it was currently importing from some Member States of the Protocol. The Community said that at this stage in the accession negotiations, it was unable to prejudge its final position on the matter.

4. INDUSTRIAL CO-OPERATION

During 1984 the joint ACP-EEC institutions continued to supervise and guide the implementation of Title V of the Convention. They continued and stepped up both the general policy aspects and the operational activities of the bodies set up by the Convention in order to promote industrial development in the ACP States.

(a) Proceedings of the Council of Ministers

The ACP-EEC Council of Ministers concentrated in particular on three topics at its meeting in Suva on 2 May 1984:

- Situation review and joint report on complementary financing of industrial co-operation (Annex X to the Convention)

The Council took note of the joint report on complementary financing of industrial co-operation drawn up under the aegis of the ACP-EEC Committee on Industrial Co-operation in accordance with Annex X to the Lomé Convention. This report stated that the CID's role in identifying, promoting and assisting with the implementation of projects and in putting industrial partners in touch with each other should be considerably strengthened. The Centre should make greater efforts to identify projects on the ground and undertake an exhaustive compilation of feasibility

studies available in the ACP States, thereby making it possible to increase the number of projects that were viable and profitable. In carrying out its work, the CID should pay particular attention to identifying potential ACP and EEC partners who were likely to be able to participate in joint investment operations. The report also advocated giving special attention to developing co-financing. Lastly, it stressed the need for increased and more effective co-ordination between the Commission, the EIB and the CID so as to encourage a greater degree of complementarity in their operations.

As regards the volume of EIB and EDF resources (second Lomé Convention), the ACP States supported the proposals of the ONITRI Working Party that these should be increased in the following ways:

- = maintenance of the real value of EDF and EIB resources by using the interest generated by the payments mechanism;
- = re-establishment of the EIB's additional loan facilities (Annex XX to the first Lomé Convention).

Pointing out that the volume of EIB and EDF resources had been fixed for the duration of the Convention, the Commission took the view that complementary financing should come from economic operators, banks and firms.

- Implementation of Annex XI to the Convention (joint declaration on Article 82 - investment in the least-developed, landlocked and island ACP States)

The Community and the ACP States confirmed their agreement that, as stated in the joint report on complementary financing of industrial co-operation, Annex XI should be implemented without delay.

The ACP-EEC Council of Ministers instructed the Committee of Ambassadors to take the necessary measures.

- Increase in the number of members of the CID Advisory Council

The Council of Ministers adopted a decision increasing the number of members of the CID Advisory Council from 16 to 20, two new members being chosen by the Community and two by the ACP States.

(b) Proceedings of the ACP-EEC Committee on Industrial Co-operation

The ACP-EEC Committee on Industrial Co-operation met twice in 1984: on 30 March and 28 November. It examined in particular a number of matters relating to the Centre for Industrial Development (CID).

CID Activity report for 1983 and the first half of 1984

The Committee welcomed the excellent quality of these reports and the marked improvement in the management of the Centre, thanks to the efforts of the Director and his staff during the period of the second Lomé Convention. It noted with satisfaction that the CID was now able to commit its entire budget.

Work programme and budget of the CID for 1985

At its meeting on 28 November 1984 the Committee adopted the Centre's 1985 budget in accordance with Article 81(5) of the Convention and Article 6 of the Centre's Financial Regulation (Decision No 3/81/CIC of 2 September 1981). The Committee agreed to forward the budget to the Commission to enable it to implement current Community procedures as far as the contribution sought from the European Development Fund was concerned. The budget would be deemed to be finally adopted as at the date on which the Commission took a decision on the EDF grant to the CID budget for 1985. It will be recalled that the EDF contribution is made by way of a separate allocation, of a maximum of 25 million ECU, covering the entire duration of the Convention (Article 81).

.../...

The Centre's budget for 1985, as adopted by the Committee after examination of a preliminary draft submitted by the CID's Director which was accompanied by the opinion of the Advisory Council, amounts to 6 987 101 ECU, including the sum to be covered by an EDF contribution which is to be paid out of the remainder of the 25 million ECU special allocation. Apart from administrative appropriations of 3 408 101 ECU, the budget contains appropriations of 3 579 000 ECU for programme expenditure in the following main areas:

- industrial promotion : 705 000 ECU
- new investment in productive undertakings, studies, assistance, public relations : 1 135 000 ECU
- technical operations and services : 1 178 000 ECU
- common expenses directly related to interventions : 482 000 ECU
- expenses in respect of the Advisory Council and auditors : 79 000 ECU.

.../...

Questions relating to the operation of the CID

Article 78(1)(d) of the Convention lays down that the CIC shall guide, supervise and control the activities of the CID. In performing this task the Committee took a number of decisions during 1984, including:

- a Decision giving a discharge to the Director of the CID in respect of implementation of the Centre's 1983 budget (Article 20 of the Centre's Financial Regulation);
- adjustment of the salaries of CID staff to take account of changes in the cost of living and purchasing power (Article 27(3) of Decision 2/81/CIC laying down the conditions of employment of CID staff);
- appointment of new members to the CID Advisory Council following the increase in the number of members from 16 to 20.

Transitional arrangements

The Committee considered the question of the transitional arrangements necessary from the date of expiry of the second Lomé Convention until entry into force of the third Lomé Convention.

In this connection the Committee took note of the formal nomination by the ACP States of Mr AKINRELE, the CID's present Deputy director.

At its meeting on 22 February 1985 the Committee of Ambassadors asked the Committee on Industrial Co-operation to take the decisions necessary to the Centre's operation during the transitional period (in particular extension of the period of validity of contracts) and to appoint Mr AKINRELE and Mr MOSGARD as Director and Deputy Director respectively as from 15 May 1985.

(c) Activities of the Centre for Industrial Development ⁽¹⁾

Coming to the end of the Lomé II Convention

1984 was the last year of activity before the end of the Lomé II Convention. The report therefore not only gives an account of the year's activities but also summarizes CID's achievements during the past four years.

Some observations are also made in relation to the new Lomé III Convention.

The overall evaluation of four years of operation under Lomé II

In spite of the progressive deterioration of the economic situation in the ACP countries during the Lomé II Convention, CID provided essential inputs in :

- the creation of 41 new or rehabilitated industries;
- the improvement of the operation of some 150 enterprises through the provision of assistance for expertise and training.

This brings the number of industries that have physically gained from CID's assistance during Lomé II to 191.

Only in the case of the 41 projects has it been possible to obtain information on the effect of CID's catalytic action on employment created - jobs for 2,895 persons - and on investment - 77 million ECU.

In actual fact, the effects of training and rehabilitation exercises may be more important in that they revive investments that have already been made.

CID's management is still of the opinion that the effect of CID's work cannot be measured in the same quantified terms (employment/investment) as that of investment institutions, particularly when three-quarters (150) of its interventions, which have shown results so far, relate to existing industries, often with marginal profitability potential, where finance institutions fear to tread.

⁽¹⁾ This summary was drawn up by the management of the Centre. It does not necessarily reflect the views of the ACP-EEC Council of Ministers, particularly with regard to the comments made on the third Convention of Lomé.

An analysis of the general impact of CID's assistance, based on replies to the questionnaires sent to recipients of assistance, gave the following results :

- 37% indicated that the assistance was decisive for their operation
- 56% indicated that the assistance was significant
- 5% indicated that the assistance was of minor importance.

This analysis is based on a 64% response to questionnaires sent to 65 promoters who have received assistance over the last two years.

Although these results may not seem important in the overall evaluation of economic development in the ACP countries, they should be seen as nuclei or seed projects leading to further development, and are often small projects that should be growth points.

Nevertheless, considering CID's limited funds and staff, a direct catalytic effect of importance has been achieved, also in the eyes of the recipient ACP industries.

The new Convention

CID has not been part of the negotiations for the new Convention but, in an early paper destined for the negotiating parties, its Advisory Council had expressed definite views on the Lomé III Convention, some of which were taken into consideration in the new document.

The positive aspects of Lomé III :

- In lieu of the Advisory Council, CID shall have a Governing Board which will be entitled to approve and control the use of the budget. The Committee on Industrial Cooperation (CIC), however, will provide a general framework for CID's operations.
- The addition of trade promotion for the marketing of manufactured goods is a vertical integration of CID's functions and can therefore be a positive reinforcement of its services.
- More peripheral, but an important aspect of the Convention as far as CID is concerned, is the emphasis on facilitating private investment through risk capital and guarantee schemes.

....[...

To be of real importance for CID's work, however, the detailed framework still to be established within the Convention should alleviate the heavy bureaucracy in allocating funds and the need for government guarantees.

- CID's name will be changed to the "Centre for the Development of Industry".

The negative aspects :

The repeated and insistent suggestions of the Advisory Council that CID's work area should be more limited have not led to a reduction of CID's objectives and tasks; on the contrary, functions have been added. In contradiction to this increase in tasks, the financial envelope of 40 million ECU, foreseen for CID during the next Convention, is, in real terms, a reduction of CID's budget. To remain at the level of the 1985 budget (7 million ECU) and considering the trend in inflation, the amount should have been substantially more than 40 million ECU. Therefore, CID's impact will continue to be limited by funds and staff, although it has proved that it could utilize its funds efficiently.

This situation is also contradictory to the suggestions of the Advisory Council and of the ACP-EEC Consultative Assembly and to the statements provided by various Presidencies of the ACP-EEC Council of Ministers who had suggested reinforcing CID.

The year 1984

The year was not flavoured by extraordinary events but was characterized by down-to-earth intense activity where both the staff and the budget have been worked to the limit.

Although events, such as the agro-food meeting in Brussels for East and Southern Africa and other promotion meetings in Europe, have been aimed at developing new initiatives, CID's operations have required more follow-up of projects. Fewer promotional missions have therefore been undertaken to ACP countries and more consultants have been utilized to identify and substantiate projects. As a matter of fact, the demands from ACP industries are now so numerous that neither the budget nor the staff suffice to meet all the requests.

Utilization of the budget in 1984

CID has generally committed its budget appropriations as far as this is possible in practice.

The total commitment percentage of 93% for 1984 is smaller than the 1983 figure (97%). This is due to more efficient decommitments at the end of the year for projects that had not used up the initially estimated commitments. Savings have also been made, however, e.g. on travel costs.

The increasingly positive budget performance is more evident from the overall disbursements attained over the authorized two-year period vis-à-vis budgetary appropriations :

Disbursements

	After the 1st year of execution	After the 2nd year of execution
1982 budget	59%	74%
1983 budget	65%	84%
1984 budget	71%	90% (expected)

Misunderstandings as to CID's administrative costs have arisen in the past due to the special division of the budget. Calculations verified by the internal auditors suggest that only 26% of the total budget is used for administration including translation, office costs, etc. This is justified by the fact that the majority of the professional staff work as experts, directly providing assistance.

Number of CID Interventions Per Year

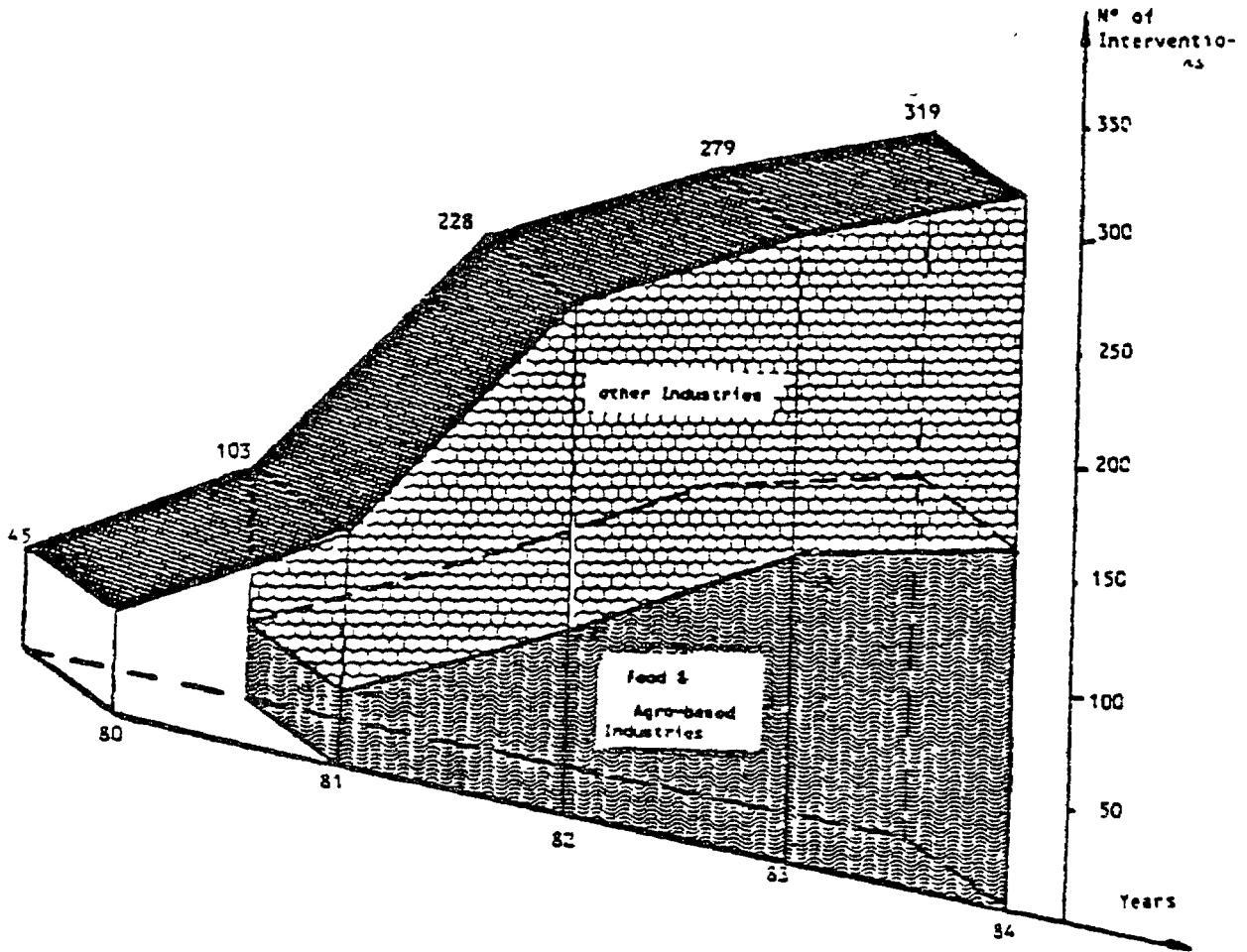


FIGURE 1.

Figure 1 shows how the volume of CID's technical assistance projects has increased year by year since 1981, reaching 319 individually-assisted projects in 1984. These are projects where CID has provided both a financial input as well as a contribution/evaluation from its own staff.

Whereas the number of interventions increased by more than 100% every year up to 1982, the increases of the last two years have tapered off. This is further evidence of CID being close to reaching its maximum number of possible interventions with the existing means.

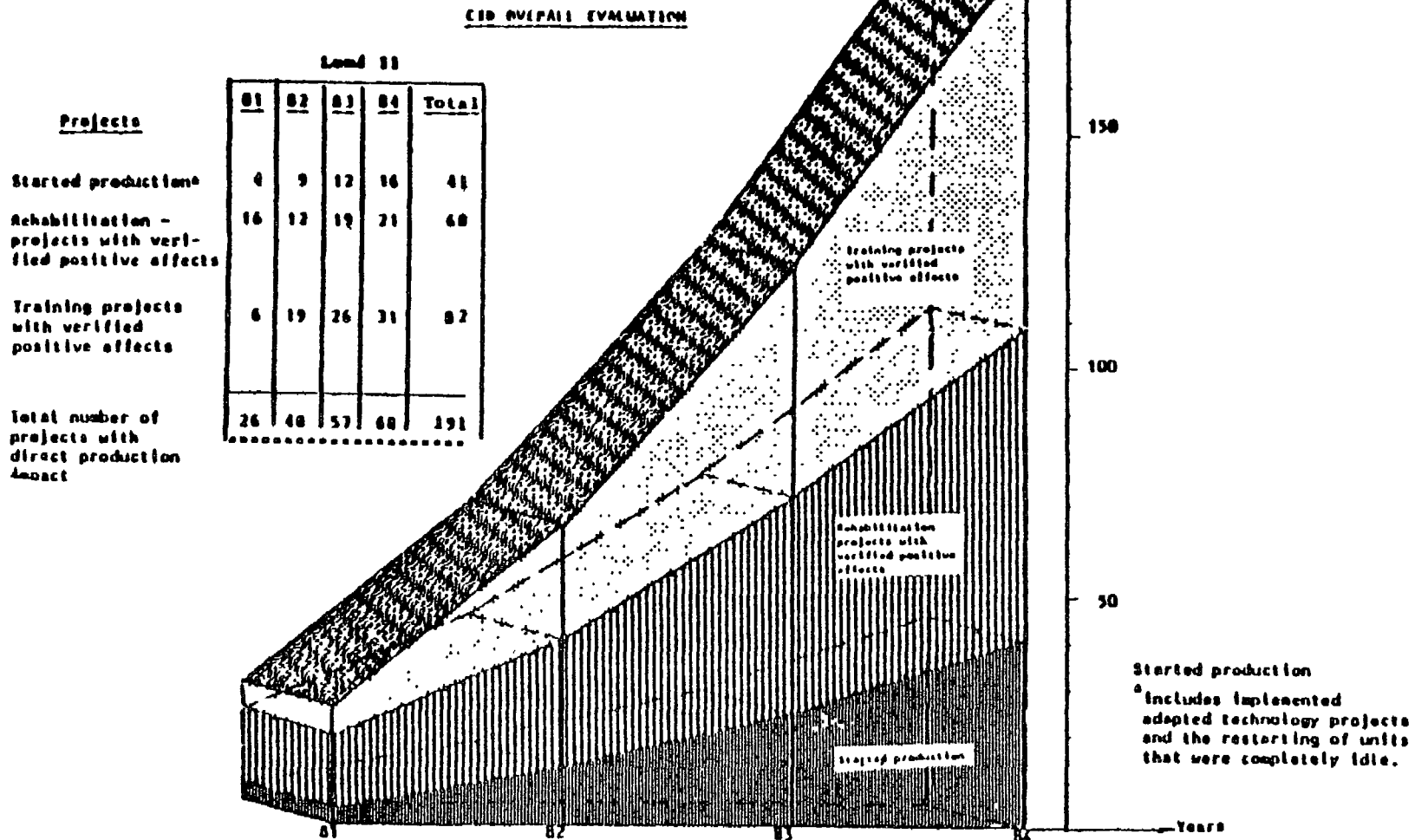


FIGURE 2.

Whereas Fig. 1 relates to the number of interventions undertaken by CID, Fig. 2 relates to the number of projects that have been successfully promoted and assisted during the last four years of Lomé II.

(d) Activities of the European Investment Bank in the industrial sphere ⁽¹⁾

A general outline of the activities of the European Investment Bank (EIB) in the ACP countries and the OCT in 1984 is given in III 6(d).

Overall, manufacturing industry received 53% of the total financing, directly-financed industrial projects accounting for 35% and global loans for 18%.

Effects of projects financed (ACP)

For projects in the industrial sector alone, the average cost of employment created amounts to 360 000 ECU for individual projects and to ten times less for global loan appropriations. However, the main aim of a number of the industrial projects financed is not the creation of jobs but the development or rehabilitation of undertakings which are economically and financially viable.

⁽¹⁾ The information in this paragraph was supplied by the European Investment Bank.

In the industrial sector (excluding energy), about two-thirds of direct financing and global loan allocations were granted for projects aimed chiefly at developing national resources and the use of local manpower. The aim of the other-industrial investments, mainly financed from global loans, is the processing of imported products.

Financing granted in 1984 in the ACP States and the OCT

More than half the amount allocated relates to industrial investments (89,6 million), in particular the manufacturing sector (26,9%), agro-industry (10,5%) and assistance for development banks (18,3%). The amount drawn down on global loans in progress rose from 21 million in 1983 to 38,1 million in 1984 for 92 small and medium-sized investments, particularly in the agri-industrial sector (41%), the textile sector (16%), the wood processing industry (10%) and the tourist industry (8,5%). An important aspect of activities in the industrial sector is the relatively large proportion of operations aimed at the rehabilitation and renovation of undertakings and providing them with initial aid: 31,4 million i.e. 43% of assistance from risk capital were allocated to such operations.

Investment financed individually or by global loan allocations should contribute towards the direct creation of some 4 000 jobs, mainly in the industrial and agri-industrial sectors; in industry, the average investment cost per job created is 360 000 ECU for individual projects and ten times less for global loan appropriations. These figures do not take account of rehabilitation and initial aid projects, the main objective of which is to make undertakings capable of operating on an economically and financially viable basis.

5. AGRICULTURAL CO-OPERATION

The main 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 to strengthen the security of food supplies for their populations.

The specific aspects of agricultural co-operation outlined in title VI of the Convention include the establishment of the Technical Centre for Agricultural and Rural Co-operation (TCA), the headquarters of which are at present in Wageningen (Netherlands).

After certain initial difficulties, 1984 was the first year of full operation of the TCA.

(a) Activity report of the TCA

In November 1984, Mr ASSOUMOU MBA, Director of the Centre, submitted to the ACP-EEC Committee of Ambassadors and to the ACP-EEC Sub-Committee on Co-operation in Agricultural and Rural Development his first report on the activities of the TCA covering the period 15 October 1983 to 15 October 1984.

The main aspects of this report may be summarized as follows:

The TCA's main activities during that period consisted of seminars, studies and publications. In addition, the TCA participated in various meetings of other organizations.

An initial meeting of delegates was held in Wageningen from 2 to 6 April 1984. A debate was devoted to the problems posed by agricultural and rural development, with particular reference to crop production, livestock production sectors and measures to combat desertification. Recommendations for the TCA's priorities and activities in the next few years were approved. These recommendations are aimed in particular at improving the present food situation in the ACP countries.

In conjunction with other specialized agencies, the TCA organized a seminar in Bujumbura, Burundi, from 24 to 26 October 1984 on basic animal health systems in Africa. It focussed in particular on reforming existing livestock services.

Another seminar was held in Montpellier from 10 to 15 December 1984 on New Media Technology for Agricultural and Rural Development in ACP countries. It examined the problems connected with the sources, transfer and repackaging of scientific and technical information.

In addition, the TCA organized a workshop on agricultural research policy and organization in small countries and took part in a symposium on livestock production in tropical countries (Bad Soden, Federal Republic of Germany) and in a seminar in Dakar on Lomé III - An Agenda for Africa.

Taking into consideration the recommendations made at the abovementioned Conference of delegates, the TCA has asked a number of institutions and individuals to prepare studies on its behalf within the priority fields determined and relating to

- early warning systems for crop protection;
- seed multiplication in ACP countries;
- agroforestry.

The TCA also conducted preparatory work for the establishment of a focal point system. The main activities of these focal points in Europe will be the compilation and the transfer of existing information to the ACP countries, whereas in the ACP countries they will consist in the dissemination of scientific and technical information to target groups and the reporting of existing problems and results of field operations to TCA headquarters.

(b) Activity programme and preliminary draft budget of the TCA for 1985

In November 1984 the TCA also submitted to the Committee of Ambassadors its activity programme and its preliminary draft budget for 1985.

The activity programme is based on the priorities defined at the delegates' meeting in April 1984 and concerns in particular food crops, livestock production, desertification and meetings of experts.

The 1985 preliminary draft budget provides for an approximate doubling of the 1984 budget and an increase in TCA staff from 12 to 24 officials.

The 1985 budget was finalized by the ACP-EEC Subcommittee on Co-operation in Agricultural and Rural Development following a detailed examination (Article 6 of the TCA's Financial Regulation). On 22 February 1985 the Committee of Ambassadors, on the basis of a report from the subcommittee, agreed to the overall appropriations for the 1985 budget and for the measures necessary for the operation of the Centre during the transitional period in 1985. The budget was finally adopted by the ACP-EEC Committee of Ambassadors on the basis of the decision taken with regard to the EDF's contribution.

The Committee of Ambassadors confirmed the appointment of Mr ASSOUMOU MBA as Director and of Mr treitz as assistant adviser to the Director.

.../...

6. FINANCIAL AND TECHNICAL CO-OPERATION

(a) Discussions of the Council of Ministers

The main event in the financial and technical co-operation sector in 1984 was the adoption by the ACP-EEC Council of Ministers of a resolution on financial and technical co-operation on 2 May 1984 in Suva (Fiji) on the basis of the discussions conducted by the Article 108 Committee. This resolution, the full text of which is set out in Annex I, contains new ideas for further improvement in co-operation under the second Lomé Convention and makes recommendations on a series of key questions (principles: co-financing, micro-projects, regional co-operation, programme aid and maintenance; procedures: financing of overruns, payment procedures; sectors: agriculture, rural projects and food strategies, energy, human resources, health and social services, transport and communications, environment and development.

(b) Discussions of the Article 108 Committee

The Article 108 Committee held two meetings at authorized representative level on 28 March and 18 April 1984 and a meeting at ministerial level on 1 May 1984 in Suva immediately after the 9th ordinary meeting of the ACP-EEC Council of Ministers on 2 May 1984.

The Committee examined the Commission report on the management of financial and technical co-operation in 1982 and the comments made in this connection by the ACP States.

The Committee discussed a number of texts on (ex-post) evaluation on the basis of texts prepared by the Article 108 technical Working Party.

Following the technical Working Party's preparatory discussions, it focused its attention on the preparation of a detailed report to the ACP-EEC Council of Ministers on the implementation of financial and technical co-operation and of the resolution on financial and technical co-operation referred to in 6(a) above.

The discussions of the Article 108 Committee, conducted alongside the Lomé III negotiations, facilitated these negotiations considerably as regards financial and technical co-operation. Numerous ideas which were broached within the Committee were subsequently enshrined in the new Convention, while the positive working atmosphere within the Committee contributed the relatively rapid completion of the discussions in the negotiating bodies.

Following a recommendation of the ACP-EEC Council of Ministers in Suva (2 May 1984), the three resolutions on financial and technical co-operation (Libreville 1982, Brussels 1983, Suva 1984) and the report on the implementation of financial and technical co-operation were published in the March/April 1985 (No 90) edition of the ACP-EEC Courier.

(c) Statistical results of the 4th and 5th EDFs

The following tables illustrate the situation as regards commitments and payments under the 4th and 5th EDFs at the end of the year covered by this report.

Cumulative situation of commitments and payments under the 4th EDF at 31.12.84 (in thousands of ECU)

	S U B S I D I E S							I MANAGEMENT I COSTS	I SPECIAL I LOANS
	I INVEST- I MENTS	I MICRO I PROJECTS	I LINKED I TECHNICAL I CO-OPERAT	I GENERAL I TECHNICAL I CO-OPERAT	I TRADE I PROMOTION	I INDUSTRIAL I CO-OPERAT	I		
BAHAMAS	-	-	45	352	238	-	-	80	1.136
BARBADOS	375	-	130	396	100	-	-	258	950
BENIN	28.081	-	4.131	2.540	-	-	-	1.824	350
BOTSWANA	14.043	-	55	1.430	513	1.900	-	1.061	650
BURUNDI	45.104	1.173	2.070	4.086	-	-	-	1.857	4.960
CAMEROON	25.512	410	4.736	2.230	383	-	-	3.652	22.029
CAPE VERDE	3.516	84	300	100	-	-	-	33	-
CENTRAL AFRICA	32.507	130	2.334	1.911	89	227	-	2.339	-
COMOROS	5.422	-	669	120	70	-	-	436	-
CONGO	22.020	-	57	1.100	107	-	-	2.161	6.706
IVORY COAST	9.274	300	1.412	3.525	2.353	-	-	3.374	22.804
DJIBOUTI	463	315	847	928	-	-	-	49	-
DOMINICA	460	-	-	80	-	-	-	180	-
ETHIOPIA	111.825	858	931	4.025	500	-	-	1.835	-
FIJI	1.500	996	500	230	-	-	-	447	6.674
GABON	111	-	548	1.180	124	-	-	1.619	7.412
GAMBIA	9.921	44	330	988	-	-	-	761	-
GHANA	23.121	857	851	2.588	1.010	-	-	2.003	19.570
GRENADE	1.639	243	38	80	-	-	-	131	-
GUINEA-CONAKRY	26.023	830	1.101	115	-	10.000	-	1.677	25.400
GUINEA-BISSAU	17.018	-	616	1.401	155	-	-	1.196	-
EQUATORIAL GUINEA	6.772	-	86	142	-	-	-	25	-
GUYANA	4.212	166	764	631	-	126	-	981	6.819
UPPER VOLTA	51.424	1.151	4.388	3.227	100	-	-	2.751	7.000
JAMAICA	3.790	300	7	3.290	1.790	-	-	1.418	8.627
KENYA	26.880	2.420	1.027	3.300	400	215	-	2.412	37.758

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	- S U B S I D I E S								
	I INVEST- I MENTS I	I MICRO I PROJECTS I	I LINKED I TECHNICAL I CO-OPERAT	I GENERAL I TECHNICAL I CO-OPERAT	I TRADE I PROMOTION	I INDUSTRIAL I CO-OPERAT	I	I MANAGEMENT I COSTS I	I SPECIAL I LOANS I
KIRIBATI	3.227	-	-	-	-	-	-	-	-
LESOTHO	13.830	280	549	3.826	-	-	-	1.026	3.000
LIBERIA	16.122	300	795	3.265	300	-	-	1.730	
MADAGASCAR	48.879	2.060	2.441	6.795	1.465	-	-	3.107	6.000
MALAWI	46.032	1.000	1.050	3.275	679	3.282	-	1.470	11.705
MALI	66.992	-	2.225	2.392	-	322	-	2.883	1.376
MAURITIUS	2.960	-	330	700	-	623	-	876	10.608
MAURITANIA	31.334	-	1.159	761	-	-	-	2.552	-
NIGER	64.231	-	1.325	2.789	111	-	-	3.132	-
NIGERIA	2.320	-	1.264	4.900	288	-	-	1.050	-
UGANDA	59.575	-	578	3.502	-	171	-	1.400	9.715
PAPUA NEW GUINEA	3.622	515	381	1.436	-	-	-	603	3.501
RWANDA	52.866	-	1.809	1.382	-	-	-	1.860	2.564
ST LUCIA	860	-	-	-	-	-	-	223	-
ST VINCENT	-	-	-	-	-	-	-	-	-
SOLOMON ISLANDS	719	-	29	50	32	-	-	-	6.760
WESTERN SAMOA	2.386	668	467	127	-	-	-	166	890
SAO TOME AND PRINCIPE	1.219	-	489	90	-	-	-	117	-
SENEGAL	30.525	340	2.953	4.304	631	590	-	3.760	19.334
SEYCHELLES	1.987	375	-	40	-	-	-	106	-
SIERRA LEONE	23.463	740	771	2.300	-	-	-	1.231	3.770
SOMALIA	44.862	-	8.503	3.737	-	-	-	2.208	-
SUDAN	61.593	426	6.951	5.064	382	381	-	3.008	15.000
SURINAME	932	452	121	940	500	-	-	1.179	11.500
SWAZILAND	6.259	75	-	2.000	70	-	-	566	3.497
TANZANIA	67.163	-	1.530	575	40	529	-	2.256	32.850

	S U B S I D I E S								SPECIAL LOANS
	INVEST- MENTS	MICRO PROJECTS	LINKED TECHNICAL CO-OPERAT	GENERAL TECHNICAL CO-OPERAT	TRADE PROMOTION	INDUSTRIAL CO-OPERAT	MANAGEMENT COSTS		
CHAD	38.724	380	521	4.650	-	-	-	2.606	7.550
TOGO	27.049	377	298	5.530	19	-	-	2.122	2.278
TONGA	2.756	-	196	60	33	-	-	116	130
TRINIDAD AND TOBAGO	-	-	520	2.280	-	146	-	929	2.899
TUVALU	400	205	-	-	-	-	-	-	-
ZAIRE	76.700	-	2.722	8.007	122	-	-	3.389	8.033
ZAMBIE	18.769	300	2.669	4.970	507	-	-	1.974	17.595
SUB-TOTAL	1.289.365	18.769	70.725	119.742	13.111	18.510	-	81.704	359.391
REGIONAL PROJECTS	159.505	-	14.652	25.785	14.821	9.737	-	-	72.064
SUB-TOTAL	159.505	-	14.652	25.785	14.821	9.737	-	-	72.064
COMOROS	-	-	-	-	-	-	-	-	-
DJIBOUTI	1.204	-	-	-	-	-	-	-	-
GUADELOUPE	300	-	-	-	-	-	-	338	1.400
FRENCH GUYANA	465	-	-	-	-	-	-	82	1.068
MARTINIQUE	266	-	-	-	-	-	-	285	1.453
MAYOTTE	1.430	-	-	-	-	-	-	152	350
NEW CALEDONIA	1.238	500	-	400	-	-	-	132	900
VANUATU (FRANCE)	450	235	262	-	-	-	-	23	-
FRENCH POLYNESIA	626	-	230	-	-	-	-	108	900
REUNION	400	-	-	-	-	-	-	371	2.250
SAINT PIERRE AND MIQUELON	-	-	-	-	-	-	-	39	600
FRENCH SOUTHERN TERRITORIES	-	-	-	-	-	-	-	-	-
WALLIS AND FUTUNA	2.258	-	-	-	-	-	-	53	-
NETHERLANDS ANTILLES	4.792	150	885	3.603	-	-	-	1.331	8.042
BELIZE	523	-	53	-	-	55	-	187	2.860

	S U B S I D I E S								SPECIAL LOANS
	INVEST- MENTS	MICRO PROJECTS	LINKED TECHNICAL CO-OPERAT	GENERAL TECHNICAL CO-OPERAT	TRADE PROMOTION	INDUSTRIAL CO-OPERAT	MANAGEMENT COSTS		
BRUNEI	-	-	-	-	-	-	-	-	-
CAYMAN ISLANDS	-	-	-	-	-	-	-	18	431
CARIBBEAN	1.709	-	459	30	60	-	-	146	495
DOMINICA	1.960	-	-	-	-	-	-	-	-
FALKLAND ISLANDS	-	-	-	-	-	-	-	20	21
KIRIBATI	170	-	-	-	-	-	-	121	-
VANUATU (UK)	450	235	267	-	-	-	-	23	-
MONTSERRAT	414	-	-	-	-	-	-	28	-
PITCAIRN	-	-	-	-	-	-	-	47	-
ST HELENA	-	-	-	-	-	-	-	39	-
ST VINCENT	2.735	-	325	-	-	-	-	222	-
ST LUCIA	2.180	65	108	-	-	-	-	162	-
SOLOMON ISLANDS	292	550	157	760	-	-	-	217	-
ANTARCTIC TERRITORIES (UK)	-	-	-	-	-	-	-	-	-
INDIAN OCEAN TERRITORIES (UK)	-	-	-	-	-	-	-	-	-
TURKS AND CAICOS	207	-	-	-	-	-	-	9	-
TUVALU	-	-	-	-	-	-	-	20	-
VIRGIN ISLANDS	-	-	-	-	-	-	-	21	461
SUB-TOTAL	24.068	1.735	2.739	4.793	60	55	-	4.195	21.301
ALL ACP	-	-	-	-	-	-	-	5.790	-
ALL FRENCH OCT	-	-	-	100	-	-	-	-	-
ALL TERRITORIES (UK)	300	-	-	100	-	-	-	-	-
ALL COUNTRIES AND TERRITORIES	9.865	-	-	-	-	-	-	6.697	-
SUB-TOTAL	10.165	-	-	200	-	-	-	12.487	-
TOTAL	1.483.103	20.504	88.110	150.520	27.991	28.302	-	98.386	452.755

I				I SUBSIDIES I									
	I I I	TOTAL	I I I	STABEX	I I I	EXCEP- TIONAL AID	INTEREST RATE SUBSIDIES (EIB)	RISK CAPITAL (EIB)	I I I	GRAND TOTAL	I I I	PAYMENTS	I I I
BAHAMAS		1.851		-		-	-	-		1.851		1.247	
BARBADOS		2.210		-		50	1.215	-		3.474		3.120	
BENIN		36.925		20.367		19	-	350		57.661		54.282	
BOTSWANA		19.651		-		2.670	1.253	1.750		25.324		22.707	
BURUNDI		59.250		1.486		2.055	-	497		63.288		51.372	
CAMEROON		58.952		4.065		2.300	4.207	5.000		74.523		61.348	
CAPE VERDE		4.033		1.207		1.341	-	3.580		10.161		9.754	
CENTRAL AFRICA		39.537		7.830		986	-	-		48.352		44.982	
COMOROS		6.717		-		2.869	-	12		9.598		8.545	
CONGO		32.151		7.362		166	-	3.083		42.762		42.121	
IVORY COAST		43.041		15.000		125	7.097	925		66.187		55.260	
DJIBOUTI		2.602		-		1.310	-	1.900		4.912		4.392	
DOMINICA		720		-		3.900	-	-		4.620		4.557	
ETHIOPIA		119.975		14.420		4.651	-	-		139.047		121.176	
FIJI		10.346		2.115		3.589	3.264	119		20.032		19.451	
GABON		10.994		6.703		-	-	-		17.697		17.042	
GAMBIA		12.045		7.515		749	-	2.358		22.666		20.104	
GHANA		50.000		5.176		2.725	1.864	222		59.988		58.902	
GRENADA		2.131		-		451	-	-		2.582		2.475	
GUINEA-CONAKRY		65.146		-		3.035	442	300		68.923		66.875	
GUINEA-BISSAU		20.385		11.288		452	-	-		32.125		30.632	
EQUATORIAL GUINEA		7.025		-		300	-	-		7.325		6.854	
GUYANA		13.697		-		-	-	3.200		16.897		16.833	
UPPER VOLTA		70.041		7.262		-	1.636	7.608		86.546		73.019	
JAMAICA		19.223		-		1.175	-	-		20.398		15.078	
KENYA		74.411		-		1.339	8.405	1.241		85.456		82.352	

I	I SUBSIDIES I												
	I I I	TOTAL	I I I	STABEX	I I I	EXCEP- TIONAL AID	INTEREST RATE SUBSIDIES (EIB)	RISK CAPITAL (EIB)	I I I	GRAND TOTAL	I I I	PAYMENTS	I I I
KIRIBATI		3.227		-		-	-	-		3.227		1.649	
LESOTHO		22.511		-		1.146	-	98		23.755		18.666	
LIBERIA		22.011		7.587		-	1.235	365		31.198		27.582	
MADAGASCAR		70.748		5.748		1.518	-	2.286		80.300		72.937	
MALAWI		68.493		-		2.575	2.259	1.552		74.879		68.430	
MALI		76.190		9.781		1.018	-	6.360		93.349		85.127	
MAURITIUS		16.097		-		4.537	2.225	35		22.894		17.918	
MAURITANIA		35.805		37.000		1.427	3.637	-		77.870		76.023	
NIGER		71.588		22.654		1.661	950	860		103.713		96.705	
NIGERIA		9.822		-		-	9.023	-		18.845		15.653	
UGANDA		74.941		20.595		3.327	-	350		99.214		74.272	
PAPUA NEW GUINEA		10.058		-		-	1.124	1.600		12.782		10.642	
RWANDA		60.481		609		5.926	-	3.000		70.016		67.708	
ST LUCIA		1.083		-		1.000	-	180		2.263		2.169	
ST VINCENT		-		-		-	-	-		-		-	
SOLOMON ISLANDS		7.590		-		-	-	-		7.590		6.701	
WESTERN SAMOA		4.703		2.837		-	-	-		7.541		7.296	
SAO TOME AND PRINCIPE		1.915		-		300	-	-		2.215		2.132	
SENEGAL		62.437		65.106		4.598	1.746	7.440		141.348		135.344	
SEYCHELLES		2.508		-		-	-	580		3.088		3.039	
SIERRA LEONE		32.274		3.977		-	-	-		36.252		31.021	
SOMALIA		59.310		1.932		13.346	-	212		74.800		65.182	
SUDAN		92.804		41.776		4.916	-	6.500		145.997		132.365	
SURINAM		15.623		-		-	-	-		15.623		9.334	
SWAZILAND		12.467		13.225		29	2.025	1.106		28.851		27.269	
TANZANIA		104.951		20.702		314	92	7.750		133.808		118.114	

I S U B S I D I E S I

	I I I	TOTAL	I I I	STABEX	I I I	EXCEP- TIONAL AID	I I I	INTEREST RATE SUBSIDIES (EIB)	I I I	RISK CAPITAL (EIB)	I I I	GRAND TOTAL	I I I	PAYMENTS	I I I
CHAD		54.430		7.336		-	300	-		7.500		69.566		64.157	
TOGO		37.672		3.627		-	-	356		3.043		44.698		40.473	
TONGA		3.290		1.208		-	165	-		-		4.663		4.245	
TRINIDAD AND TOBAGO		6.764		-		-	-	1.537		-		8.301		5.069	
TUVALU		605		-		-	-	-		-		605		585	
ZAIRE		99.073		-		-	18.987	-		5.636		123.697		106.350	
ZAMBIE		46.784		-		-	16.384	1.512		3.253		67.933		62.137	
	SUB-TOTAL	1.971.316		377.496		-	125.731	57.783		90.949		2.623.275		2.350.771	
REGIONAL PROJECTS		296.563		-		-	-	2.572		6.133		305.269		233.856	
	SUB-TOTAL	296.563		-		-	-	2.572		6.133		305.269		233.856	
COMOROS		-		2.326		-	-	-		-		2.326		2.326	
DJIBOUTI		1.204		692		-	-	-		-		1.896		1.884	
GUADELOUPE		2.038		-		-	-	-		-		2.038		1.876	
FRENCH GUYANA		1.616		-		-	-	-		-		1.616		1.599	
MARTINIQUE		2.014		-		-	-	-		-		2.014		2.014	
MAYOTTE		1.932		-		-	-	-		-		1.932		152	
NEW CALEDONIA		3.170		-		-	-	1.514		-		4.684		4.569	
VANUATU (FRANCE)		970		715		-	-	-		-		1.686		1.555	
FRENCH POLENESIA		1.864		-		-	-	-		850		2.714		1.828	
REUNION		3.021		-		-	-	-		-		3.021		771	
SAINT PIERRE AND MIQUELON		639		-		-	-	-		-		639		639	
FRENCH SOUTHERN TERRITORIES		-		-		-	-	-		-		-		-	
WALLIS AND FUTUNA		2.311		-		-	-	-		-		2.311		2.188	
NETHERLANDS ANTILLES		18.803		-		-	-	-		-		18.803		14.853	
BELIZE		3.677		342		-	-	-		-		4.020		3.462	

	I SUBSIDIES I							
	I TOTAL I	I STABEX I	I	I EXCEP- TIONAL AID I	I INTEREST RATE SUBSIDIES (EIB) I	I RISK CAPITAL (EIB) I	I GRAND TOTAL I	I PAYMENTS I
BRUNEI	-	-	-	-	-	-	-	-
CAYMAN ISLANDS	509	-	-	-	-	-	509	351
CARIBBEAN	2.898	-	-	-	-	54	2.952	2.395
DOMINICA	1.960	2.893	-	-	-	-	4.853	4.847
FALKLAND ISLANDS	41	-	-	-	-	200	241	122
KIRIBATI	291	2.283	-	-	-	-	2.574	2.556
VANUATU (UK)	970	715	-	-	-	-	1.686	1.555
MONTSERRAT	442	-	-	-	-	-	442	442
PITCAIRN	47	-	-	-	-	-	47	47
ST HELENA	39	-	-	-	-	-	39	39
ST VINCENT	3.282	-	-	500	-	-	3.782	3.744
ST LUCIA	2.514	-	-	-	-	-	2.514	2.365
SOLOMON ISLANDS	1.976	2.173	-	-	-	-	4.149	3.670
ANTARCTIC TERRITORIES (UK)	-	-	-	-	-	-	-	-
INDIAN OCEAN TERRITORIES (UK)	-	-	-	-	-	-	-	-
TURKS AND CAICOS	216	-	-	-	-	-	216	234
TUVALU	20	175	-	-	-	-	194	194
VIRGIN ISLANDS	482	-	-	-	-	-	482	428
SUB-TOTAL	58.946	12.316	-	500	1.514	-1.104	74.380	62.707
ALL ACP	5.790	-	-	11.258	-	-	17.048	13.925
ALL FRENCH OCT	100	-	-	-	-	-	100	100
ALL TERRITORIES (UK)	400	-	-	-	-	-	400	400
ALL COUNTRIES AND TERRITORIES	16.563	-	-	-	-	-	16.563	14.538
SUB-TOTAL	22.853	-	-	11.258	-	-	34.111	28.963
TOTAL	2 349.678	389.812	-	137.490	61.870	99.186	3.037.035	2.676.297

Situation of commitments and payments of the 5th EDF as at 31.12.1984 (thousands ECU)

	S U B S I D I E S								SPECIAL LOANS
	INVEST- MENTS	MICRO PROJECTS	LINKED TECHNICAL CO-OPERAT	GENERAL TECHNICAL CO-OPERAT	TRADE PROMOTION	INDUSTRIAL CO-OPERAT	AGRICUL- TURAL CO-OPERAT	T.A. MC	
ANTIGUA BARBADOS	-	-	60	100	-	-	-	-	-
BAHAMAS	1.321	-	27	105	-	-	-	-	-
BARBADOS	1.418	-	145	350	385	-	-	-	-
BELIZE	-	-	-	100	-	-	-	-	-
BENIN	20.286	1.300	92	3.310	235	-	-	-	-
BOTSWANA	3.950	-	219	5.900	1.100	-	-	-	800
BURUNDI	26.825	1.677	865	5.000	15	-	-	-	11.650
CAMEROON	21.850	457	2.625	409	1.010	-	-	-	17.928
CAPE VERDE	9.894	246	109	750	-	-	-	-	-
CENTRAL AFRICA	35.235	406	323	1.915	-	-	-	-	4.700
COMOROS	7.247	260	893	1.050	8	-	-	-	-
CONGO	16.000	-	213	1.588	91	400	-	-	10.000
IVORY COAST	8.500	3.540	210	517	2.325	-	-	-	18.396
DJIBOUTI	3.070	-	-	100	-	-	-	-	-
DOMINICA	2.824	189	134	222	-	-	-	-	-
ETHIOPIA	104.150	-	477	5.154	-	-	-	-	28.300
FIJI	4.400	2.600	810	1.300	496	-	-	-	-
GABON	3.715	-	3.501	600	72	-	-	-	5.095
GAMBIA	5.600	432	150	2.606	35	-	-	-	-
GHANA	20.245	500	1.086	2.491	63	-	-	-	7.000
GRENADA	2.827	-	31	306	120	-	-	-	-
GUINEA-CONAKRY	35.703	1.717	2.290	986	1.670	855	-	-	6.945
GUINEA-BISSAU	13.650	306	525	870	-	-	-	-	-
EQUATORIAL GUINEA	1.350	145	842	302	-	-	-	-	-
GUYANA	9.363	-	495	1.209	19	-	-	-	-
UPPER VOLTA	51.878	2.085	4.507	2.929	-	-	-	-	7.000

S U B S I D I E S

	INVEST- MENTS	MICRO PROJECTS	LINKED TECHNICAL CO-OPERAT	GENERAL TECHNICAL CO-OPERAT	TRADE PROMOTION	INDUSTRIAL CO-OPERAT	AGRICUL- TURAL CO-OPERAT	T.A. MC	SPECIAL LOANS
JAMAICA	2.715	-	3.550	4.912	-	-	-	-	8.635
KENYA	31.577	4.738	3.821	3.086	1.132	-	-	-	9.000
KIRIBATI	434	173	94	350	-	-	-	-	-
LESOTHO	5.350	-	6.116	3.641	776	-	-	-	8.800
LIBERIA	2.945	600	1.351	1.100	-	-	-	-	-
MADAGASCAR	32.645	3.013	868	4.159	272	-	-	-	2.630
MALAWI	34.200	950	765	4.205	214	-	-	-	10 900
MALI	41.555	-	1.055	4.078	436	-	-	-	13 400
MAURITIUS	6.150	2.098	311	1.100	1 745	-	-	-	6.350
MAURITANIA	23.343	200	168	100	42	-	-	-	8 700
NIGER	47.382	905	1.456	3.208	212	-	-	-	8.000
NIGERIA	9.400	-	677	18.030	-	-	-	-	-
UGANDA	46.820	-	2.293	5.035	-	-	4.300	-	-
PAPUA NEW GUINEA	EE 1.530	-	181	3.500	581	-	-	-	4 430
RWANDA	34.450	1.800	1.324	5.170	25	-	-	120	11 900
ST LUCIA	2.865	31	521	245	18	-	-	-	-
ST VINCENT	3.015	-	125	245	15	-	-	-	-
SOLOMON ISLANDS	3.370	-	530	1.840	-	-	-	-	-
WESTERN SAMOA	6.050	-	-	100	-	-	-	-	-
SAO TOME AND PRINCIPE	3.403	-	100	30	-	-	-	-	-
SENEGAL	24.206	1.840	957	5.532	1.333	-	-	-	17 300
SEYCHELLES	2.400	327	-	444	101	-	-	-	-
SIERRA LEONE	14.343	2.210	798	4.250	11	-	-	-	2 400
SOMALIA	29.751	-	2.007	5.470	680	-	-	-	-
SUDAN	65.811	1.400	806	3.315	75	1.200	-	-	-
SURINAME	2.634	-	100	-	64	-	-	-	2.700

	S U B S I D I E S								SPECIAL LOANS
	INVEST- MENTS	MICRO PROJECTS	LINKED TECHNICAL CO-OPERAT	GENERAL TECHNICAL CO-OPERAT	TRADE PROMOTION	INDUSTRIAL CO-OPERAT	AGRICUL- TURAL CO-OPERAT	T.A. MC	
MONTERRAT	-	-	90	-	-	-	-	-	-
PITCAIRN	-	-	-	-	-	-	-	-	-
ST HELENA	-	-	-	-	-	-	-	-	-
ST KITTS-NEVIS	-	-	-	-	-	-	-	-	-
ST VINCENT	-	-	-	-	-	-	-	-	-
ANTARCTIC TERRITORIES (UK)	-	-	-	-	-	-	-	-	-
INDIAN OCEAN TERRITORIES (UK)	-	-	-	-	-	-	-	-	-
TURKS AND CAICOS	-	-	228	-	-	-	-	-	-
VIRGIN ISLANDS	-	-	-	-	-	-	-	-	500
SUB-TOTAL	6.520	830	1.101	3 596	555	583	-	-	2 850
ALL ACP	-	-	-	-	-	-	-	-	-
ALL FRENCH OCT	-	-	-	100	-	-	-	-	-
ALL TERRITORIES (UK)	-	-	-	100	-	-	-	-	-
ALL COUNTRIES AND TERRITORIES	-	-	-	-	-	-	-	-	-
REGIONAL PROJECTS	1.984	-	85	-	1.682	-	-	-	3.000
SUB-TOTAL	1.984	-	85	200	1.682	-	-	-	3.000
TOTAL	1.323.992	50.773	73.204	188.435	49.305	28.066	5.551	870	351.992

	I SUBSIDIES I								
	I TOTAL	I STABEX	I MINING I PRODUCTS	I EXCEP- I TIONAL I AID	I INTEREST I RATE I SUBSIDIES I (EIB)	I RISK I CAPITAL I (EIB)	I GRAND I TOTAL	I PAYMENTS	I
ANTIGUA-BARBADOS	160	-	-	200	-	-	360	231	
BAHAMAS	1.453	-	-	-	-	-	1.453	54	
BARBADOS	2.298	-	-	-	920	-	3.217	1.879	
BELIZE	100	-	-	-	312	600	1.012	375	
BENIN	25.224	3.637	-	1.299	-	4.500	34.660	11.598	
BOTSWANA	11.969	-	-	215	4.759	-	16.943	9.059	
BURUNDI	46.032	11.024	-	200	-	6.500	63.756	29.113	
CAMEROON	44.279	17.337	-	-	16.389	-	78.005	33.096	
CAPE VERDE	10.999	215	-	200	-	6.800	19.214	3.659	
CENTRAL AFRICA	42.579	4.181	-	500	-	5.100	52.360	24.828	
COMOROS	9.458	2.170	-	344	-	161	12.133	4.125	
CONGO	28.292	-	-	-	487	480	29.259	12.054	
IVORY COAST	33.398	54.525	-	793	6.998	-	95.714	71.387	
DJIBOUTI	3.170	-	-	342	-	2.305	5.817	3.915	
DOMINICA	3.369	3.030	-	500	-	1.000	7.899	4.628	
ETHIOPIA	138.031	5.785	-	48.250	-	500	192.615	54.312	
FIJI	9.696	2.141	-	2.829	4.527	1.800	20.903	15.706	
GABON	12.983	-	-	-	7.392	-	22.374	12.249	
GAMBIA	8.823	14.289	-	48	-	1.600	24.760	17.371	
GHANA	31.384	62.221	-	4.390	-	13.600	111.596	70.869	
GRENADA	3.284	3.026	-	-	-	2.400	8.709	5.279	
GUINEA-CONAKRY	50.165	-	-	1.100	1.092	-	52.357	19.459	
GUINEA-BISSAU	15.351	2.420	-	-	-	3.800	21.571	7.225	
EQUATORIAL GUINEA	2.639	-	-	-	-	-	2.639	425	
GUYANA	11.077	-	3.000	-	-	4.000	18.077	4.079	
UPPER VOLTA	67.550	1.047	-	525	-	-	69.121	28.439	

	I SUBSIDIES I								
	I TOTAL I	I STABEX I	I MINING I PRODUCTS I	I EXCEP- I TIONAL I AID I	I INTEREST I RATE I SUBSIDIES I (EIB) I	I RISK I CAPITAL I (EIB) I	I GRAND I TOTAL I	I PAYMENTS I	I I
JAMAICA	19.812	3.239	-	-	-	5.000	28.050	8.370	
KENYA	53.354	31.086	-	2.400	5.131	1.550	93.521	54.343	
KIRIBATI	1.052	1.534	-	-	-	200	2.786	2.152	
LESOTHO	24.683	1.291	-	75	-	3.000	29.049	9.137	
LIBERIA	5.996	-	-	-	507	700	7.293	3.649	
MADAGASCAR	43.587	6.114	-	1.820	-	7.170	58.690	33.551	
MALAWI	50.334	4.669	-	424	-	6.000	61.426	17.362	
MALI	60.524	9.954	-	10.410	-	-	80.888	36.070	
MAURITIUS	17.754	-	-	73	750	500	19.082	5.544	
MAURITANIA	32.559	-	-	4.360	-	-	36.919	15.018	
NIGER	61.163	-	-	11.352	3.564	-	76.078	27.856	
NIGERIA	28.107	-	-	250	5.121	-	33.478	6.177	
UGANDA	58.448	-	-	4.400	-	10.000	72.848	26.000	
PAPUA NEW GUINEA	10.222	39.182	-	-	1.363	13.800	64.567	52.698	
RWANDA	54.789	7.706	-	2.000	-	700	65.194	32.786	
ST LUCIA	3.680	1.350	-	220	-	1.000	6.249	3.438	
ST VINCENT	3.400	-	-	200	-	-	3.600	2.580	
SOLOMON ISLANDS	5.740	3.790	-	-	-	425	9.955	4.683	
WESTERN SAMOA	6.150	4.868	-	200	-	3.325	14.543	12.314	
SAO TOME AND PRINCIPE	3.533	7.011	-	80	-	-	10.624	5.815	
SENEGAL	51.168	64.880	-	2.145	5.608	6.289	130.089	87.424	
SEYCHELLES	3.272	-	-	240	-	1.000	4.512	1.352	
SIERRA LEONE	24.011	8.362	-	-	-	10.000	42.373	14.087	
SOMALIA	37.908	2.581	-	15.950	-	9.560	65.999	44.530	
SUDAN	72.607	32.195	-	14.500	-	200	119.502	76.893	
SURINAME	5.560	-	-	-	-	-	5.560	1.930	

	I SUBSIDIES I								
	I TOTAL	I STABEX	I MINING PRODUCTS	I EXCEPTI- TIONAL AID	I INTEREST RATE SUBSIDIES (EIB)	I RISK CAPITAL (EIB)	I GRAND TOTAL	I PAYMENTS	I
SWAZILAND	16.925	8.189	-	130	2.117	-	27.361	12.305	
TANZANIA	94.100	6.949	-	594	-	11.000	112.554	41.152	
CHAD	36.295	6.133	-	11.740	-	-	54.168	25.289	
TOGO	34.690	20.849	-	550	1.521	3.000	60.610	43.687	
TONGA	2.920	4.011	-	1.400	-	2.325	10.656	7.422	
TRINIDAD AND TOBAGO	6.587	-	-	-	1.163	-	7.750	2.291	
TUVALU	999	142	-	-	-	125	1.266	570	
VANUATU	4.240	-	-	-	-	1.000	5.240	1.684	
ZAIRE	77.306	-	40.000	2.765	-	18.200	138.271	63.989	
ZAMBIE	29.340	-	55.000	1.550	8.540	1.500	95.930	48.563	
ZIMBABWE	30.461	-	-	8.000	6.664	5.400	50.527	21.303	
SUB-TOTAL	1.686.992	463.134	98.000	160.477	86.926	178.114	2.673.640	1.299.848	
REGIONAL PROJECTS	362.210	-	-	-	1.335	25.414	388.959	134.607	
SUB-TOTAL	362.210	-	-	-	1.335	25.414	388.959	134.607	
MAYOTTE	2.500	-	-	270	-	-	2.770	270	
NEW CALEDONIA	3.420	-	-	-	-	1.000	4.420	1.781	
FRENCH POLYNESIA	1.300	-	-	175	740	1.500	3.715	1.144	
FRENCH SOUTHERN TERRITORIES	-	-	-	-	-	-	-	-	
VANUATU	-	8.932	-	-	-	-	8.932	8.932	
WALLIS AND FUTUNA	1.200	-	-	-	-	-	1.200	1.032	
NETHERLANDS ANTILLES	5.897	-	-	-	-	840	6.737	3.295	
BRUNEI	-	-	-	-	-	-	-	-	
CAYMAN ISLANDS	500	-	-	-	818	-	1.318	660	
CARIBBEAN	400	-	-	-	-	-	400	-	
FALKLAND ISLANDS	-	-	-	300	-	-	300	300	

	I SUBSIDIES I								
	I TOTAL I	I STABEX I	I MINING I PRODUCTS I	I EXCEP- I TIONAL I AID I	I INTEREST I RATE I SUBSIDIES I (EIB) I	I RISK I CAPITAL I (EIB) I	I GRAND I TOTAL I	I PAYMENTS I	I
MONTSERRAT	90	-	-	80	-	-	170	80	
PITCAIRN	-	-	-	-	-	-	-	-	
ST HELENA	-	-	-	-	-	-	-	-	
ST KITTS-NEVIS	-	-	-	-	-	1.000	1.000	480	
ST VINCENT	-	913	-	-	-	-	913	913	
ANTARCTIC TERRITORIES (UK)	-	-	-	-	-	-	-	-	
INDIAN OCEAN TERRITORIES (UK)	-	-	-	-	-	-	-	-	
TURKS AND CAICOS	228	-	-	-	-	-	228	53	
VIRGIN ISLANDS	500	-	-	-	-	-	500	441	
SUB-TOTAL	16.035	9.845	-	825	1.558	4.340	32.602	19.381	
ALL ACP	-	-	-	-	-	-	-	-	
ALL FRENCH OCT	100	-	-	-	-	-	100	5	
ALL TERRITORIES (UK)	100	-	-	-	-	-	100	72	
ALL COUNTRIES AND TERRITORIES	-	-	-	-	-	-	-	-	
REGIONAL PROJECTS	6.751	-	-	-	-	-	6.751	813	
SUB-TOTAL	6.951	-	-	-	-	-	6.951	890	
TOTAL	2.072.188	472.979	98.000	161.302	89.819	207.869	3.102.157	1.454.726	

(d) Activities of the European Investment Bank in the ACP countries and the OCT ⁽¹⁾

(i) Overall picture

In 1984 finance provided by the Bank amounted to 160,7 MECU, comprising 79,1 MECU of subsidized loans from own resources and 81,6 MECU of risk capital assistance. In spite of the persistence of a very difficult economic situation, aggravated by climatic uncertainties, it was possible to maintain a level of financing comparable with that of 1982. Aid was granted to 22 ACP States (18 in Africa, 3 in the Caribbean and 1 in the Pacific) and 1 OCT. Since the entry into force of the first Lomé Convention the Bank has provided assistance to 57 of the 64 ACP countries.

(ii) Breakdown by sector

Overall, manufacturing industry received 53% of the total, energy 29%, water supplies 15%, extractive industries 2,5% and studies for projects financed by risk capital 0,3%.

The financial year was marked by an appreciable reduction in new aid to development banks for the financing of small and medium-sized businesses. The number of allocations from current global loans increased (92 as against 54 in 1983), as did the amount of funds involved which reached 38,1 MECU, the average amount per allocation being 414 000 ECU as against 367 000 ECU in 1983. The relatively large proportion of operations aimed at rehabilitation, renovation and providing initial aid for existing projects should also be stressed. Thus 43% of all risk capital assistance went into financing this type of aid which seems likely to expand in future.

⁽¹⁾ The information in this paragraph was supplied by the EIB.

(iii) Effects of the projects financed (ACP)

The total cost of investment projects the Bank helped to finance, estimated on the basis of provisional cost estimates, was of the order of 700 MECU. On the basis of the appraisal files the direct effect on employment in the projects financed may be estimated at 4 000 jobs.

(iv) Breakdown of financing according to the level of development of the ACP States concerned

More than 60% of the risk capital assistance went to the least developed ACP States, according to the classification in Article 155 of the second Convention of Lomé; nearly 75% of the loans from the Bank's own resources were granted to the other ACP States.

Nearly 75% of the loans from own resources were granted in countries with a per capita income of more than US \$ 410 and more than 90% of risk capital assistance went to the poorest ACP countries (per capita GDP of US \$ 410 or less).

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The following table shows the breakdown by sector of the Bank's activities in the ACP States and the OCT in 1984 under the Lomé Conventions.

.../...

Table: Breakdown by sector of the Bank's operations in the ACP States and the OCT in 1984 under the Lomé Conventions

(in millions of ECU)

	Loans from own resources	Risk capital operations	Total	SECTORS			
				Industry Total including aid to development banks	Energy	Infra-structure	
AFRICA	<u>75.1</u>	<u>75.9</u>	<u>151.0</u>	<u>75.2</u>	<u>26.6</u>	<u>51.2</u>	<u>24.6</u>
Benin	13.5	4.5	18.0			18.0	
Burundi		2.94	2.94	0.94	0.94	2.0	
Cameroon	28.0		28.0	13.4			14.6
Ivory Coast	12.75		12.6			12.6	
Ethiopia		12.0	12.0	12.0			
Gabon	10.0		10.0				10.0
Ghana		10.03	10.03	2.43		7.6	
Guinea	7.5		7.5	7.5			
Guinea Bissau		3.8	3.8	3.8			
Liberia	3.5	1.5	5.0	5.0	5.0		
Madagascar		8.0	8.0	8.0	8.0		
Malawi		3.5	3.5	3.5			
Rwanda		2.0	2.0			2.0	
Sao Tome		0.04	0.04	0.04			
Somalia		7.0	7.0			7.0	
Tanzania		3.5	3.5	3.5			
Togo		2.43	2.43	2.43			
Zaire		14.16	14.16	12.16	12.16	2.0	
Regional (East Africa)		0.5	0.5	0.5	0.5		
CARIBBEAN	<u>4.0</u>	<u>3.9</u>	<u>7.9</u>	<u>5.0</u>	<u>1.0</u>	<u>2.9</u>	<u>-</u>
Jamaica	4.0		4.0	4.0			
St Lucia		1.0	1.0	1.0	1.0		
St Vincent		2.9	2.9			2.9	
PACIFIC	<u>-</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>-</u>	<u>-</u>
Tonga		1.0	1.0	1.0	1.0		
TOTAL ACP	<u>79.1</u>	<u>80.8</u>	<u>159.9</u>	<u>81.2</u>	<u>28.6</u>	<u>54.1</u>	<u>24.6</u>
OCT	<u>-</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>-</u>	<u>-</u>
Netherlands Antilles		0.8	0.3	0.3	0.8		
GRAND TOTAL	<u>79.1</u>	<u>81.6</u>	<u>160.7</u>	<u>82.0</u>	<u>29.4</u>	<u>54.1</u>	<u>24.6</u>

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(v) Finance granted to the ACP States and OCT in 1984

The Bank provided assistance in 21 African, Caribbean and Pacific countries and one overseas territory. It granted eight loans amounting to a total of 79,1 MECU from its own resources and risk capital assistance totalling 81,6 MECU in twenty-five cases. Thus total finance for the year amounted to some 160,7 MECU as against 137,6 MECU in 1983 and 159,5 MECU in 1982. The level of aid provided was still largely influenced by the limited number of investment opportunities of a certain size and the economic situation in most of these countries, which was still difficult and aggravated by the climatic uncertainties. The loans from own resources were accompanied by interest subsidies from the resources of the European Development Fund, except in the case of the loan for an oil-field in Benin.

Apart from industrial investment operations ⁽¹⁾ the loans were mainly for the development of hydrocarbon resources and for hydro-electric energy production (33,9 MECU, or 21% of the total), and for the water supply systems of two central African capitals (24,6 MECU).

⁽¹⁾ These are dealt with in III 4 (d).

The two hydrocarbon exploitation projects will, when fully operative, produce approximately 300 000 tonnes of oil equivalent a year; the hydro-electric investment projects will help in avoiding annual imports of approximately 35 000 tonnes of petroleum products.

A large number of investment projects in the ACP States were co-financed, in particular with the World Bank and the International Finance Corporation, the European Development Fund, the Caisse Centrale de Coopération Economique, the Commonwealth Development Corporation, the Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern GmbH and various other bilateral or multilateral financial institutions for development aid.

In 1984 the Bank provided assistance to 18 African countries; aid was granted for the first time to Guinea-Bissau and Sao Tomé and Príncipe.

In Cameroon loans totalling 28 MECU will contribute to improving and expanding water supplies in Yaoundé, the capital, and to extending latex processing plants with a view to the production of rubber for export.

In Benin the Bank granted a non-subsidized loan from its own resources and risk capital assistance to start exploiting an offshore oilfield (18 MECU).

In Zaire two grants of aid totalling 12,2 MECU were made to the Société Financière de Développement (SOFIDE) to support small and medium-scale investment in the industrial, agro-industrial, mining and tourist sectors. This was the Bank's sixth grant of aid to SOFIDE. In addition, a loan of 2 MECU will enable Zaire, in association with the governments of Burundi and Rwanda, to finance part of its share of the cost of the SINELAC 27 MW hydro-electric power station.

In the Ivory Coast a loan of 12,6 MECU was granted for the emergency installation of four turbo-generators with a total output of 100 MW, the purpose of which was to compensate for the failure of the hydro-electric installations following the exceptional drought of 1983.

In Ethiopia aid of 12 MECU will help in the overhaul and extension of a textile mill whose production is entirely for the domestic market.

In Ghana the Bank agreed to a loan of 7,6 MECU for rehabilitation of the Tema oil refinery, which will considerably reduce the production costs of refined products. In addition aid of 2,4 MECU will enable the State to increase its share of the capital of the regional company of Ciments de l'Afrique de l'Ouest (CIMA0), whose installations are in Togo and which has already received aid from the Bank on several occasions.

In Gabon a loan of 10 MECU was granted for the extension of capacity to treat and distribute drinking water in the capital, Libreville.

In Madagascar global aid of 8 MECU should enable a development bank to finance the rehabilitation of small and medium-sized industrial agro-industrial and mining businesses.

In Guinea a loan of 7,5 MECU was granted for improvement of the quality of the alumina produced by the Friguia company, which had previously received finance from the Bank in 1980.

In Somalia aid amounting to 7 MECU will help in the development of natural gas deposits; this project will thus reduce the cost of electricity production in the Mogadiscio area and the country's balance of payments deficit.

In Liberia two grants of aid totalling 5 MECU have been made to the development bank to finance small and medium-sized projects, the acquisition of holdings in companies and studies.

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In Guinea-Bissau a loan of 3,8 MECU was granted for the renovation of a ship repair yard working mostly for local vessels, which because of the country's particular geographical features account for nearly half the domestic transport of goods.

In Malawi a loan of 3,5 MECU was granted to enable the State to increase its share of the capital in a sugar refinery with a view to helping it to overcome current difficulties connected with the persistent weakness of the price of sugar and with transport problems.

In Tanzania aid amounting to 3,5 MECU is to help start production in a canvas mill; the undertaking is at present unable to function properly owing to a lack of funds for external payments which is preventing it from purchasing intermediate products and essential spares abroad. This project was financed by the Bank once before in 1978.

In Burundi, in addition to aid amounting to 0,9 MECU for the acquisition of a share of the capital of the development bank, a loan of 2 million was granted to the State to enable it to finance part of its holding in the SINELAC hydro-electric power station project.

In Togo aid of 2,43 MECU was given to help the State increase its share of the capital of CIMAO.

Rwanda also received a loan of 2 MECU for the SINELAC project.

Finally, there were two grants of aid to finance studies, one of 0,5 MECU to the Banque de Développement des Etats de l'Afrique Centrale (BDEAC) and the other to Sao Tomé and Príncipe.

The Bank provided assistance to three countries in the Caribbean:

In Jamaica a loan of 4 MECU will contribute to the financing of equipment to increase the productivity of two alumina plants by reducing fuel consumption. Emissions of pollutants from these plants will also be reduced.

The Bank's first operation in Saint Vincent and the Grenadines consisted of aid of 2,9 MECU for three hydro-electric power stations with a total output of 3,4 MW. This project will enable a considerable economy to be made in the consumption of imported petroleum products.

In Saint Lucia two loans to the development bank will enable help to be given in the financing of small and medium-scale investment in industry, agro-industry and tourism (1 MECU).

In the Pacific the Bank granted two loans totalling 1 MECU to the development bank of the Kingdom of Tonga for the granting of loans and the acquisition of share holdings in connection with small and medium-sized industrial and tourism projects.

In the OCT the Bank granted aid of 0,8 MECU to the Government of Aruba, one of the islands in the Netherlands Antilles, to finance an increase in the capital of the development bank.

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The following summary gives details of these operations, including the cost.

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1. LOANS FROM THE BANK'S OWN RESOURCES

ACP STATES - AFRICA

CAMEROON

9 602,3 million francs CFA

Plant for the treatment and distribution of
water in Yaoundé
Republic of Cameroon for the Société Nationale
des Eaux

5 006,9 million francs CFA 14,6

Increase in latex processing capacity; last
phase of investment in agro-industrial complex
near Kribi, south-west of Yaoundé

Republic of Cameroon for the Société de
Développement Hévéa-Cameroun-Hevecam

4 595,9 million francs CFA 13,4

BENIN

Second phase in the development of the Sémé
oilfield off the coast of Benin

People's Republic of Benin

4 631,9 million francs CFA 13,5

IVORY COAST

Installation in Abidjan of four gas turbines
with an overall output of 100 MW to compensate
for the lack of hydro-electric power caused by
the drought in the summer of 1983

Republic of the Ivory Coast

4 349,3 million francs CFA 12,6

GABON

Extension of water treatment and distribution
installations in Libreville

Société d'Energie et d'Eau du Gabon

3 429,4 million francs CFA 10,0

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GUINEA

Adaptation of the Fria-Kimbo factory installations
in order to produce better quality alumina Friguia
136,8 million sylis 7,5

LIBERIA

Global loan to the Liberian Bank for Development and
Investment for the financing of small and medium-
sized industrial, agro-industrial and tourist
businesses
3 million Liberian dollars 3,5

ACP STATES - CARIBBEAN

JAMAICA

Modernization of two alumina factories at Kirkvine
and Ewarton; equipment to reduce furnace fuel
consumption; installations for treating and
discharging red sludge pollutant
Jamaica Bauxite Mining Limited
12,7 million Jamaican dollars 4,0

2. RISK CAPITAL ASSISTANCE FROM EUROPEAN
DEVELOPMENT FUND RESOURCES

ACP STATES - AFRICA

ZAIRE

401,7 million zaires

Hydro-electric power station (two 13,3 MW units)
on the Ruzizi
Conditional loan to the Zairian State to enable
it to acquire a capital holding in Sinelac's
60,9 million zaires 2,0

Global loan to finance investment in or rehabilitation of industrial, agro-industrial, tourist and mining businesses
Conditional loan to the Société Financière de Développement - Sofide
336,4 million zaires 12,0

Share of the increase in Sofide's capital
4,4 million zaires 0,157

ETHIOPIA

Overhaul of the Bahr Dar cotton mill north of Addis Ababa
Bahr Dar Mill via the Ethiopian State (National Textile Corporation)
18,4 million Ethiopian dollars 12,0

GHANA

257,0 million cedis

Rehabilitation of the Tema refinery to the east of Accra
Conditional loan to the Republic of Ghana for the Ghanaian Italian Petroleum Company Limited
196,6 million cedis 7,6

Restructuring of a regional cement complex in Togo
Conditional loan to the Ghanaian State to part-finance an increase in the capital of CIMAOSociété des Ciments de l'Afrique de l'Ouest
50,3 million cedis 2,43

MADAGASCAR

Global loan to the Bankin'ny Indostria to finance the rehabilitation of small and medium-sized industrial, agro-industrial and mining projects
Conditional loan to the Democratic Republic of Madagascar
3 843,5 million Malagasy francs 8,0

SOMALIA

First phase of a programme to develop the Afgoy gas deposits near the capital Mogadiscio
Conditional loan to the State of Somalia
98,8 million Somali shillings 7,0

BENIN

Second phase of the development of the Sémé oilfield off the coast of Benin
Conditional loan to the People's Republic of Benin
1 544 million francs CFA 4,5

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GUINEA BISSAU

Renovation of a ship repair yard in Bissau
Conditional loan to the Republic of Guinea-Bissau
to enable capital to be provided for the
financing of the Guinave shipyard
307,9 million pesos 3,8

MALAWI

Increase in the capital of the Dwanga Sugar
Corporation to enable production capacity to be
maintained
Conditional loan to the State of Malawi from the
Agricultural Development and Marketing Corporation
and Press Holdings Limited
3,9 million kwachas 3,5

TANZANIA

Aid for starting up the Morogoro canvas mill
Conditional loan to the State of Tanzania for
Tanzania Leather Associated Industries
45,9 million Tanzanian shillings 3,5

BURUNDI

283,2 million Burundi francs
Hydro-electric power station (two 13,3 MW units)
on the Ruzizi
Conditional loan to the State of Burundi to enable
it to acquire a share of the capital of Sinelac
198,2 million Burundi francs 2,0
Conditional loan to the Republic of Burundi;
contribution to the increase in the capital of
the Banque Nationale de Développement Economique
85,0 million Burundi francs 0,937

TOGO

Restructuring of a regional cement complex in Togo
Conditional loan to the State of Togo to part-
finance an increase in the capital of CIMAO -
Société des Ciments de l'Afrique de l'Ouest
838,8 million francs CFA 2,43

RWANDA

Hydro-electric power station (two 13,3 MW units)
on the Ruzizi
Conditional loan to the State of Rwanda to enable
it to acquire a share of the capital of Sinelac
165,9 million Rwanda francs 2,0

LIBERIA

Global loan to finance studies and the acquisition of share holdings
Conditional loan to the Liberian Bank for Development and Investment
1,3 million dollars 1,5

SAO TOME

Study for the installation of a palm oil mill
Conditional loan to the Government of Sao Tomé and Príncipe
1,3 million doora 0,04

REGIONAL

Global loan to finance studies in the industrial, mining, tourism and energy sectors
Conditional loan to the Banque de Développement des Etats de l'Afrique Centrale - BDEAC
170,8 million francs CFA 0,5

ACP STATES - CARIBBEAN

ST VINCENT

Run of river hydro-electric power stations with a total output of 3,37 MW on three separate sites in the Cumberland area and connecting line to network
Conditional loan to the State of St Vincent and the Grenadines for St Vincent Electricity services Limited
6,3 million Eastern Caribbean dollars 2,9

SAINT LUCIA

Conditional loans to
- the SLDB - St Lucia Development Bank for the financing of industrial, agro-industrial and tourist projects through small and medium-sized businesses
1,4 million Eastern Caribbean dollars 0,60
- the State of Saint Lucia to enable it to finance an increase in the capital of the SLDB
0.9 Eastern Caribbean dollars 0,40

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ACP STATES - PACIFIC

TONGA

Global loan to finance the acquisition of holdings in and secondary loans to small and medium-sized industrial, agro-industrial, transport and tourist businesses

Conditional loan to the Tonga Development Bank-TDB
0,6 million pa'anga 0,70

Conditional loan to the Kingdom of Tonga to enable it to increase its share of the capital of the TDB

0,3 million pa'anga 0,30

OCT

Netherlands Antilles

Conditional loan to the Government of the island of Aruba to enable it to finance an increase in the capital of the Banco Arubano di Desaroyo NV

1,2 million Antillian guilders 0,80

7. LEAST-DEVELOPED, LANDLOCKED AND ISLAND ACP STATES

By its Decision of 30 July 1984 the Council of Ministers added Belize and Antigua and Barbuda to the list of least-developed ACP States (with effect from 5 March and 30 July 1982 respectively) and Antigua and Barbuda to the list of island ACP States (with effect from 30 July 1982).

IV. THIRD ACP-EEC CONVENTION

A. Negotiations

1984 was marked by a continuation of the negotiations between the parties ⁽¹⁾, which culminated on 8 December 1984¹ in the signing in Lomé (Togo) of the third ACP-EEC Convention. During the year three Ministerial Conferences took place, on 9 and 10 February in Brussels, from 3 to 5 May in Suva (Fiji) and from 28 to 30 June in Luxembourg, in addition to two restricted ministerial meetings from 9 to 13 October and on 22 November in Brussels, each of these meetings requiring numerous preparatory meetings of either the Community or the ACP States or joint meetings within the Central Negotiating Group and the nine sector groups.

1. Ministerial Conference in Brussels on 9 and 10 February 1984

This Ministerial Conference, the second since the negotiations began, held detailed exchanges of views, in two Ministerial Groups as well as in plenary session, and arrived at a general view of the problems to be dealt with at a later stage of the negotiations. On certain topics there was already a broad consensus, namely on the general objectives of co-operation, the priority to be given to rural development and the pursuit of food self-sufficiency and food security, the objectives of financial and technical co-operation and the strengthening of industrial, energy and mining co-operation.

⁽¹⁾ These negotiations began in Luxembourg on 6 October 1983 (see 1983 annual report, pp. 89 - 94).

2. Ministerial Conference in Suva (Fiji) from 3 to 5 May 1984

The third Ministerial Negotiating Conference entrusted three ministerial groups with responsibility for the various sectoral aspects of the negotiations, while a presidential group was to deal with political and institutional questions and the general orientation of the discussions.

A broad consensus was reached on a series of questions, namely maintenance of the "acquis", the political dimension and interpretation of the Convention, the information and consultation mechanism, ACP students and nationals and the consequences of enlargement.

3. Ministerial Conference in Luxembourg from 28 to 30 June

The fourth Ministerial Conference was organized in four ministerial groups and a presidential group. It proved possible to finalize the texts of Articles to be included in the Convention in several sectors, namely cultural and social co-operation, agricultural co-operation, drought and desertification control and mining and energy co-operation. The points on which differences still remained were identified in the other sectors, and the negotiators in Brussels were instructed to continue negotiations with a view to arriving at conclusions with regard to the problems that were still outstanding.

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4. Restricted ministerial meeting in Brussels from
9 to 13 October 1984

This restricted Ministerial Conference was able to establish many of the chapters of the new Convention and made considerable progress on a number of other points (e.g. investment, sea fisheries, shipping, co-operation between the ACP States and the Overseas Departments and Territories, aid to refugees), although it was still unable to conclude the negotiations for the renewal of the Lomé Convention. At the end of the meeting some items were still outstanding, notably in the following chapters: agricultural products available (joint declaration), trade (rum, rice, beef and veal, rules of origin), Stabex (use of transfers), fisheries, financial and technical co-operation (amount of financial aid and the question of the "dialogue"), shipping. The important questions of the reference to human rights and the duration of the new Convention were also unresolved.

It was agreed that the negotiators would endeavour to settle the outstanding items at their level (ad referendum) and that the ACP and EEC presidencies and the Commissioner, Mr Pisani, would take stock of the state of the negotiations in November to decide whether the conditions for formally closing the negotiations and signing the new Convention in Lomé on the proposed date had been met.

5. Meeting of the Co-Presidents in Brussels on 22 November 1984

At this meeting between the President of the ACP Council of Ministers, Mr R.L. NAMALIU (Papua New Guinea), the President of the Council of the European Communities, Mr P. BARRY (Ireland), and the Vice-President of the Commission with responsibility

for development, Mr PISANI, the remaining outstanding problems were settled, and in particular that of the volume of aid and the reference to human rights. The two parties accordingly agreed that the conditions for formally closing negotiations had been met and that the date of 8 December 1984 could be confirmed for the signing of the new Convention.

6. Signing of the third ACP-EEC Convention in Lomé on 8 December 1984

The third ACP-EEC Convention was signed on 8 December 1984 at an official ceremony presided over by General Gnassingbe EYADEMA, President of the Republic of Togo, at the Maison du Rassemblement Togolais in Lomé.

At the signing of the new Convention speeches were delivered by Mr Peter BARRY, President-in-Office of the Council of the European Communities, Mr Rabbe NAMALIU, President of the ACP Council of Ministers, Mr Gaston THORN, President of the Commission of the European Communities and General Gnassingbe EYADEMA, President of the Republic of Togo.

The third ACP-EEC Convention was signed by the plenipotentiaries of 65 ACP States (the ACP States that were Contracting Parties to the second Convention and the People's Republic of Mozambique), the ten Member States of the Community and the Community itself.

B. MAIN CHARACTERISTICS OF THE NEW LOMÉ CONVENTION

The new Lomé Convention confirms the "acquis" of the previous Conventions. It reaffirms clearly the principles on which ACP-EEC co-operation is based, namely non-interference, mutual respect for the sovereignty of the partners, the equality of the partners and the right of each State to decide on its own political orientation and its own social, cultural and economic policies.

But the new Convention goes a good deal further than simply maintaining the "acquis". The main instruments of co-operation have been reviewed and improved. The search for increased effectiveness was the constant preoccupation of the negotiators and this shared aspiration is reflected in all aspects of the Convention, both in the objectives of co-operation, which are clearly set out at the very beginning of the Convention, and in the instruments, all the mechanisms of which have been reviewed with the object of ensuring quicker, more appropriate and more effective implementation.

However, the new Convention does not merely improve existing instruments. It extends co-operation to new sectors which were either absent from or dealt with only marginally in the previous Conventions and introduces many notable innovations.

The Convention will have a budget of 8 500 MECU, an increase of nearly 60% compared with Lomé II, of which:

- 7 400 MECU will come from the EDF
- 1 100 MECU will come from the EIB's own resources.

A breakdown by instrument is given in Annex V.

1. Improvement of existing mechanisms

Among the main improvements made by the new Convention to existing mechanisms, particular mention should be made of those concerning financial and technical co-operation, Stabex, Sysmin, trade, industrial co-operation, the development of mining and energy potential, regional co-operation, provisions concerning the least-developed, landlocked and island ACP States and the institutions.

(a) Financial and technical co-operation

The most striking improvement in this field relates to the programming procedure, which, after long and difficult negotiations, has been better organized with a view to making programming more effective.

The new procedure is based on a genuine discussion, which will take place at the earliest opportunity agreed between the Community and the ACP State, aimed at enabling the Community to get to know the ACP State's development objectives and priorities and at allowing both parties to identify, on the basis of a proposal from that State, the sector or sectors in which Community support will be given and the best means of achieving the desired objectives.

The improvement in programming is all the more necessary in that Lomé III has extended the scope of financial and technical co-operation, which is no longer limited to investment projects but provides ample room for the rehabilitation and maintenance of projects and sectoral development programmes aimed at contributing to optimum productivity in the production sectors and to the satisfaction of people's basic needs, and makes finance available for raw materials, spares, fertilizers, insecticides etc.

As regards accelerating procedures, the new Convention lays down for the first time a time-limit within which the Community must take a financing decision (except in exceptional circumstances, within four months of the financing proposal being forwarded to the ACP State concerned).

Other important improvements concern:

- extension of the microproject procedure to medium-sized projects,
- the quality and implementation of technical co-operation, particularly the replacement of the mutual agreement system by a limited call for tenders,
- broadening of the emergency aid system in two directions: on the one hand, the extension of emergency aid to certain structural projects; on the other hand, the creation of a new type of aid aimed specifically at integrating or reintegrating refugees or returnees. A special appropriation of 290 MECU has been set aside, of which 210 MECU is for emergency aid and 80 MECU for aid to refugees and returnees.

(b) STABEX

The alterations made to the system are reflected first and foremost in a number of relaxations enabling risk coverage to be extended.

Thus three new products have been added (dried bananas, mangoes, shea-nut oil), the dependence and fluctuation thresholds being simultaneously reduced from 6,5% to 6% in general and from 2% to 1,5% in the case of the least-developed, landlocked and island countries; special rules have, moreover, been laid down for calculating the dependence threshold in cases where, as a result of a disaster, the normal threshold has not been reached.

From the financial viewpoint, apart from the increase in the appropriation from 550 MECU to 925 MECU, the improvements relate on the one hand to the augmentation of the annual instalments by the interest earned by investment in the market of all or part of these instalments, and on the other hand to a 2% increase in individual transfer bases, for errors and omissions (1% under Lomé II).

In this same sphere of individual transfers, stricter rules to enable applicant ACP States to benefit from assistance under the system as rapidly as possible have been introduced; these involve the communication by the ACP States of monthly statistics - which enables the administrators to keep a close watch on the trend of the products in question - and a timetable for the various stages of the examination of requests, namely the cross-checking of statistics, any consultations required and decisions on transfers.

.../...

Although the principle of the replenishment of resources (which, in the form of a Revolving Fund, is considered one of the corner-stones of the system) has been retained in Lomé III, its impact has nevertheless been softened by stipulating not only that funds lent under the system may be deducted from subsequent transfers or reimbursed in local currency, but also that the replenishment obligation disappears if the conditions governing replenishment have not been met during the seven-year period following the granting of a transfer.

In order to link the financial assistance provided under the system more closely to its objectives, namely support for the sector in question or economic and social diversification, ACP States which have applied for transfers are obliged to communicate to the Commission, before transfer agreements are signed, substantial information on the causes of the loss of earnings and the programmes and actions to which the transfers are being allocated. Such information gives the administrators of the system an initial opportunity to check whether utilization of the resources is in accordance with the objectives pursued.

Moreover, during any subsequent accounting period, the Commission may suspend the allocation of new transfers if it considers the reports forwarded to it by recipient ACP States on the utilization of previous transfers are inadequate.

As under the previous Conventions, applications for transfers may prove inadmissible or be reduced; the new Convention states that a good-offices procedure may be initiated in the event of disagreement in this regard. Furthermore, it explicitly endorses a practice followed in the past, which aims at preventing the amount of compensation under Stabex from being greater than the losses suffered by exports to all destinations.

.../...

Stricter rules than those in the previous Conventions have also been introduced with regard to the steps to be taken in the event of resources being inadequate: advance use of the following instalment - limited to 25% - has been made compulsory and precise measures are laid down regarding possible reductions in transfers; provision is made in this connection for precise reduction factors and a restriction on reductions which varies according to whether least-developed and landlocked countries are involved or not. Where, after reductions have been made in accordance with these rules, financial resources are still inadequate, the situation is put before the Council of Ministers, which will examine the steps to be taken within the terms of the Convention.

Finally, as regards the calculation of transfers, the new Convention explicitly settles the problem of the conversion into ECU of export earnings expressed in national currency. There is a special mechanism for correcting the effects of the application of this method in the event of excessive fluctuations in rates of exchange.

.../...

(c) SYSMIN

Exactly as in the case of the STABEX system, the basic structure of the chapter on the special financing facility for mining products - which, in the new Convention, is incorporated in the Title on co-operation in the sphere of commodities - has been maintained, in particular as a result of the fact that experience gained with a relatively small number of cases where aid was given under the Second Convention has not revealed the need for substantial changes in the methods used in administering the facility.

In order to improve the effectiveness of the system, however, provision is made for the Community to take specific steps to speed up aid under the system and, where appropriate, to ensure that the latter is co-ordinated with the other means of assistance available under the Convention in the mining sector. Such aid will also have to take account of economic interests and social implications in the ACP States concerned and in the Community.

As regards the objectives of the system, greater emphasis is now placed on restoration of the viability of the mining sector in the ACP States concerned, priority being given to financial assistance to rehabilitation, maintenance and rationalization programmes. Special attention will be paid to integrating them properly into the overall development process of the countries in question.

The reasons which might provide grounds for use of the system now also include technological changes affecting the profitability of production. Insofar as Sysmin interventions fail to raise production and export capacity in difficulty to an economic level, diversification measures, such as will best achieve the objectives of the system, will be sought.

While the new Convention retains the list of products covered by the system, it nevertheless increases the possibilities of access to its financial resources, which as in the case of Lomé II are repayable on the same footing as special loans. Since the rules of eligibility involving a dependence threshold of 15% of previous export earnings have in fact been kept for products specifically covered by the system (the reference period, however, being reduced from 4 to 2 years), new provisions allow access to the special financing facility, on a case-by-case basis, for countries which, in the case of those products, do not achieve the threshold concerned, but which as a general rule obtain 20% or more of their export earnings from their mining products as a whole, with the exception of precious minerals, oil and gas. In the first case, assistance to a given country is limited to 35% and in the second to 15% of an annual instalment, priorities being fixed in the case of the latter countries for the allocation of appropriations (maintenance of major development projects and projects likely to replace the capacity affected as a source of export earnings).

The aggregate amount specified for the SYSMIN system has been raised to 415 million ECU from 280 million ECU under Lomé II.

(d) Trade and customs co-operation

In Lomé III, general trade arrangements, one of the basic aspects of the Convention, are closely modelled on the system adopted under the second Lomé Convention, whereby ACP products are imported duty-free into the Community, with the proviso that agricultural products:

- are either imported duty-free when Community rules do not provide for the application of any other measure when they are imported;
- or are ensured more favourable treatment by the Community than that granted to third countries benefiting from the most-favoured-nation clause.

In this respect, the new text (Article 130) extends and improves the procedures for handling requests from the ACP States for preferential access for their agricultural products. This provision lays down a precise period for reply (6 months). Moreover, with regard to requests for more favourable tariff treatment, the Community will take account of the concessions granted to developing third countries for the same product and of the possibilities offered by off-season markets.

The new Convention retains the Lomé II provisions in which the Community reserved the right to take or authorize a Member State to take safeguard measures should application of the Convention result in serious disruption of an economic sector or jeopardize the external financial stability of the Community or a Member State. The same is the case if difficulties arise which are likely to have similar repercussions in the Community or in one of its regions. Provision is made for consultations, but they could not stand in the way of any immediate decisions which might be taken if special circumstances made them necessary.

A joint declaration concerning the procedures for implementation of the systems of consultation prior to safeguard measures, setting out the text of a declaration adopted by the ACP-EEC Council of Ministers in May 1983, is appended to the new Convention.

As regards trade arrangements for specific products the Lomé II "acquis" has been maintained as far as the arrangements for beef and veal and bananas are concerned and improved with regard to rum and rice.

The text of Protocol No 1 (origin) considerably simplifies the present system of rules of origin by introducing, for example, a general rule permitting a proportion of 5% of non-originating components. In addition, it abolishes in the case of a number of products a binding rule that 50% of the value of products, parts or components used in the manufacture of a product must be originating.

This text also improves the system of derogations by granting longer derogation periods and introduces a provision to the effect that derogation will be granted where the value added to the non-originating products used in an ACP State is at least 60% of the value of the finished product, provided that the derogation is not such as to cause serious damage to an economic sector of the Community or of one or more of its Member States.

Furthermore, the Convention takes better account of the ACP States' requirements with regard to rules of origin in the context of fisheries.

In the field of the development of trade and services, the new Convention extends the objectives of sales promotion to co-operation operations designed to increase self-reliance in the development of trade; it attaches new importance to the supervision and control of tourism by the ACP States and extends the field of operations to services.

(e) Industrial co-operation

The Title devoted to this field puts greater stress on operations aimed at the rehabilitation of existing industrial capacity, on the appropriate training of personnel and, as before, on small and medium-sized businesses.

The aims of the Centre for the Development of Industry (CDI) have been more clearly defined. A Governing Board has been set up within the Centre with responsibility for setting guidelines, taking major management decisions and adopting the Centre's budget within the framework of the general guidelines laid down by the ACP-EEC Committee on Industrial Co-operation, which will, inter alia, determine the multiannual breakdown of the aggregate amount set aside for the CDI for the period of validity of the new Convention. This amount has been increased from 25 to 40 MECU.

(f) Development of mining and energy potential

The provisions concerning this area have been considerably expanded. In particular, the definition of the objectives of co-operation has been improved.

In energy co-operation, particular emphasis will be placed on energy programming, operations for saving and making efficient use of energy and the promotion of new and renewable sources of energy.

As regards the mining sector, the Parties recognize their mutual dependence in this area. The aim of operations will be to ensure a satisfactory return from mining operations for the overall development of the States concerned.

(g) Regional co-operation

The new Convention intensifies regional co-operation, and aims at making this type of operation more effective.

The scope is extended to include operations agreed upon by ACP States and non-neighbouring developing countries. The determination of criteria for the definition of a regional project may lead to greater effectiveness in the use of regional funds.

(h) Provisions for the least-developed, landlocked and island ACP States

The new Convention, which includes special treatment for the least-developed ACP States and provision for giving consideration to the specific difficulties of the landlocked and island ACP States among the aims of co-operation, has made certain improvements to the Lomé II system.

In the interests of greater clarity of presentation, the general provisions concerning these countries have been grouped together under a separate Title divided into three chapters (one for each of the three categories) which, in addition to the list of countries in question, contain precise details by subject matter of the specific provisions included in the various titles and chapters of the Convention.

As to substance, the new provisions either relate to new areas, extend the Lomé II arrangements for the least developed countries to the other two categories of less-favoured countries or embody additional advantages for the least developed countries (e.g. Stabex, interest rates for special loans).

(1) Institutions

The functions of the ACP-EEC Council of Ministers are more clearly defined in the new Convention. Its role in defining the major guidelines for activities and the general policy of co-operation has been strengthened.

In order to avoid duplication of the work of the parliamentary institutions, the Consultative Assembly and the Joint Committee provided for in Lomé II have been combined into a new parliamentary body called the Joint Assembly, composed of equal numbers of, on the one hand, members of the European Parliament on the Community side and, on the other, members of parliament or, failing this, of representatives designated by the ACP States.

With the aim of contributing to the financing of expenditure incurred by ACP participants in meetings arranged by the Joint Assembly, excluding its general sessions, a fund has been set up to which the ACP States will make their contribution and the Community will contribute an amount not exceeding one million ECU during the life of the Convention (Annex XXXI to the Final Act).

The new Convention also makes provision for more active participation by the economic and social interests in its implementation.

The consultation mechanisms have been considerably strengthened by extending them in particular to cases where differences of interpretation of the texts arise in the implementation of the Convention. In such cases the Contracting Parties will make every effort to arrive at a common interpretation through a joint examination within the ACP-ZEC institutions.

With a view to speeding up the settlement of disputes the new Convention lays down provisions for speeding up the arbitration procedure by reducing the time allowed both for the appointment of arbitrators and for them to take a decision.

2. Extension of co-operation and innovations

(a) The objectives of co-operation

In contrast to the previous Conventions, Lomé III includes an introductory section which constitutes a kind of framework for the texts as a whole. This section sets out clearly the objectives of co-operation, the essential principles governing the various instruments and the basic concepts of the operation of the ACP-EEC institutions. The new Convention thus has a more coherent structure and is easier to read.

(b) Human rights

The new Convention contains for the first time a reference to human rights. In the preamble reference is made to the United Nations Charter and to fundamental human rights. The notion of human dignity is mentioned in the general provisions of the Convention and defined in a joint declaration.

These references to human rights in the new Convention are an expression of the increased political solidarity between the Community and the ACP States.

(c) Agricultural and rural co-operation

The Title concerning this type of co-operation has been the subject of discussions aimed at redefining and refining it, with the result that the new Convention attaches special importance to food security and self-sufficiency in the ACP States. It thus provides support for food policies and strategies, stresses the need for consistency between food aid and other co-operation operations and the need to integrate food aid into the development policies of the ACP States. Finally, provision is made for the possibility of replacing food aid by alternative operations.

With regard to the supply of agricultural products available in the Community to the ACP States, the new Convention provides for the possibility of fixing export refunds further in advance for all ACP States in respect of a range of products determined in the light of the food requirements expressed by those States. Moreover, specific agreements may be concluded with those ACP States which so request in the context of their food security policies.

The new Convention provides for the possibility of undertaking campaigns with specific themes aimed at maintaining or restoring the great natural balances. This paves the way for very long-term operations requiring a regional approach, including drought and desertification control, measures to remedy the consequences of natural disasters by setting up prevention and intervention mechanisms, measures to combat major endemic diseases and human epidemics, large-scale operations to promote hygiene and basic health and research into new and renewable sources of energies.

The chapter on agricultural commodities, a new chapter, notes the extreme dependence of the majority of ACP States on their exports of such products and recognizes the need to reinforce and intensify co-operation in this sector; it establishes in this connection an Agricultural Commodities Committee, the functions of which will be to monitor the application of the Convention in this sector and to examine related problems.

(d) Fisheries

The new title on the development of fisheries involves a major extension of co-operation in this sphere.

The new Convention

- gives prominence to Community assistance in improving the management of the fishery resources of their exclusive economic zones by the ACP States;
- stresses the need to promote conservation and the optimum use of living resources;
- recognizes the role of the Community fishing fleets operating lawfully in ACP waters;
- affirms the ACP States' willingness to negotiate with the Community mutually satisfactory fisheries agreements based on the principle of non-discrimination;
- fixes the guidelines which are to govern the compensation to be granted by the Community in exchange for fishing rights conceded to its fleets.

(e) Shipping

The new Convention groups together for the first time the provisions relating to transport and communications, thus recognizing the essential role of these sectors in the development of the ACP States.

Special importance is given to shipping, which is vital to economic development and the promotion of trade between the ACP States and the Community.

The objective of co-operation in this sector is to ensure the harmonious development of efficient and reliable shipping services on economically satisfactory terms by facilitating the active participation of all parties in accordance with the principle of unrestricted access to the trade on a commercial basis.

Moreover, both parties stress the particular importance of the Code of Conduct for Liner Conferences; the Community also acknowledges the aspirations of the ACP States for greater participation in international bulk cargo shipping services and the two Parties agree that competitive access to the trade must not be impaired.

Provision has been made for a consultation mechanism to ensure the effective implementation of the provisions agreed on.

(f) Cultural and social co-operation

The new Title on cultural and social co-operation reflects an important change in ACP-EEC relations in the direction of a more self-reliant development of the ACP States, a process centred on man himself and rooted in each people's culture.

Co-operation will back up the ACP States' policies and measures to enhance their human resources, increase their own creative capacities and promote their cultural identities through integrated and coordinated programmes, through operations covering education and training, research, science and technology, information and communications, participation of the population, the role of women and health. Furthermore, criteria have been defined to ensure that more account is taken of the cultural and social dimension in projects and programmes in the various sectors of co-operation at the design, appraisal, execution and evaluation stages.

Particular attention is paid to efforts to enhance the work of women, improve their living conditions, expand their role and promote their status in the production and development process.

A joint declaration on ACP migrant workers and ACP students in the Community annexed to the Final Act of the Convention aims at improving the position of both groups; it will enable questions relating to either of them to be brought to the attention of the ACP-EEC Council of Ministers.

(g) Investment

Whereas the 1979 Convention did not contain any detailed provisions on this matter, a new title in the Convention includes:

- recognition by both parties of the importance of private investment and the commitment to promote it;
- a joint commitment to accord fair and equitable treatment to investors and encourage or create clear and stable conditions conducive to such investment;
- a joint commitment to maintain a predictable and secure investment climate;
- an expression of readiness to negotiate agreements between States;
- affirmation, when negotiating, implementing and interpreting such agreements, of the principle of non-discrimination, this principle being defined in a joint declaration.

It also provides for an undertaking by the parties to:

- study a joint ACP-EEC insurance and guarantee system;
- study measures which will facilitate an increased and more stable flow of private capital to the ACP States and which will further enhance access by interested ACP States to international financial markets as well as the activity and effectiveness of domestic financial markets;
- seek technical and financial means to facilitate exports from ACP States and assist national and regional financing institutions.

VI. CONCLUSIONS

The year under review constitutes a historical milestone in ACP-EEC relations. It has been possible to make considerable progress in the implementation of the second Lomé Convention and to consolidate the management of that Convention.

The signing of the third Lomé Convention on 9 December 1984 was a very important event of that year. The new Convention is above all a work of solidarity which aims at improving living standards in the ACP States. It is based on the principles of interdependence, mutual interest, respect for each other's sovereignty, equality between partners and the right of each State to determine its own political options.

Lomé III confirms the principle of the "acquis" of the previous Conventions. This is important in a particularly difficult international context which is characterized by a considerable loss of momentum in the North-South dialogue.

But the new Convention, while not being able to advance co-operation in certain areas, does go beyond the confirmation of the "acquis" in quite a number of other sectors. It does offer a range of new spheres of co-operation and opens up certain new perspectives.

The first phase is over. Future efforts must be concentrated on swift and effective implementation of the new provisions to achieve the new Convention's main objective, namely improvement of the living standards of the ACP peoples through effective co-operation.

RESOLUTION
OF THE ACP-EEC COUNCIL OF MINISTERS
of 2 May 1984
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,

Conscious of the necessity of putting into practice the set of resolutions on financial and technical co-operation adopted by the ACP-EEC Council of Ministers at Libreville on 14 May 1982 and at Brussels on 20 May 1983,

HEREBY ADOPTS THE FOLLOWING RESOLUTION :

I. PRINCIPLES

i. Cofinancing

Council, being informed of the encouraging results which have been obtained regarding cofinancing of Community funds with funds external to the Community, recommends the pursuit and enlargement of these efforts in renewing its preference for joint financings, which simplify the administration of aid, without excluding parallel financings when these are the only possibility.

It recommends accordingly the following measures :

- a) rationalisation and harmonisation of the procedures of donors (works contracts, choice of currencies, competition procedures, guarantees, preference margins for ACP enterprises) and ensuring greater flexibility in the rules of these procedures, with the purpose of alleviating the administrative burden on recipient countries ;
- b) at the request of the recipient ACP State, a commitment by the Community to provide to donors who so request, through the Commission Delegate in the field, technical and administrative support allowing better coordination of, as well as better monitoring of the projects' implementation ;
- c) a larger role for the Commission and the European Investment Bank as catalyst by means of techniques which, like those used by the World Bank and the regional development banks, permit the association in cofinancing of private sector funds in order to attract them to the ACP countries on a significant scale.

.../...

2. Micro-projects

Council, having taken note of the improvements made by the Commission, in application of Article 114(1) of the Convention, to the implementation of micro-projects, multi-annual training programmes and sets of technical co-operation and trade promotion actions, by making financing decisions for global amounts, which permits, then, the decentralisation of decisions on the individual actions, recommends the pursuit in the same spirit of application of paragraph 2 of Article 114.

It recommends accordingly to introduce accelerated procedures for financing sets of projects and programmes of actions, of which the nature and structure is sufficiently defined at the moment that the global financing decision - is taken, to allow the decision on individual actions of a limited size (for example, wells, nurseries, maternity clinics, dispensaries, schools, etc.) and their location to be taken on the most decentralised levels.

In any case, Article 122 (5) of the Convention is also applicable to the implementation of this kind of projects up to the limit of 3.5 MECU.

3. Regional Co-operation

Council, in order to improve regional co-operation, because it reflects the solidarity of the ACP States as well as the economic co-operation and development within and between the regions of those States, recommends that the greatest efforts be made to ensure :

.../...

- a) a precise definition of the content of regional projects in order to expedite their submission and their implementation;
- b) a greater precision in the criteria which define the regional character of a project ;
- c) periodic evaluation of the impact of the projects previously financed by the regional fund ;
- d) speeding up and simplifying implementation of regional co-operation, on the basis of detailed examination of difficulties and delays in preparation and execution ;
- e) acceleration of regional co-operation by an increase of complementary support by the Community for regional organisations.

4. Programme Aid and Maintenance

Council, being informed of the orientations adopted by the Council of the European Communities on 3rd December 1982 better to define the objectives, types, general character and implementation for maintenance aid, considers that these orientations are partially in line with the provisions of the Libreville and Brussels Resolutions in that regard. It notes that they constitute a step in the right direction and mandates the Article 108 Committee to keep the situation under review since maintenance aid is only a part of programme aid.

II. PROCEDURES

1. Financing of overruns

Council, having taken account of the results obtained by the Commission, in 1982 and 1983, in launching calls for tenders for execution of projects before the taking of financing decisions, notes that this practice has the double advantage of, on the one hand accelerating the execution, and on the other hand obtaining a better knowledge of costs and so a reduction in the risk of overruns. It recommends therefore to make greater use of this procedure.

2. Payment procedures

Council, taking account of the measures introduced by the Commission in order to simplify administrative procedures concerning payment, in conformity with the Libreville Resolution (increase in the advances at signature for supply contracts, direct payment to contractors under special loans, a single multicopy payment order form, and reduction in the number of control visas on financial operations) appreciates these simplifications that permit an acceleration of procedures and a decentralisation of controls to the delegations in the field.

It recommends that the general clauses and conditions of contracts include the appropriate legal and financial provisions to ensure a better protection for users of supplies financed by the EDF against risks of latent or patent defects during or outside the guarantee period.

It notes finally that the search for practical ways of simplifying and speeding up administrative procedures should be continued, and proceedings in this connection should never be regarded as finished.

VII. SECTORAL THEMES

1. Agriculture, rural projects and food strategies

Council, having noted the efforts applied by the Commission concerning some LCP countries to set up and apply strategies having the purpose of food self-sufficiency for these countries, formulates the following recommendations in order to give value to these experiences:

- a) a commitment to increase substantially financial support and more efficient use of it, within the available instruments ;
- b) a more coherent combination of the available instruments, especially as regards food aid and counterpart funds deriving from it ;
- c) a better co-ordination on the spot, by the recipient country, of various external aids in order to maximise their mobilisation;
- d) stepped-up investment in order to take advantage of improved incentive for food production and to realize export potentials ;
- e) increased aid and more efficient use of it, within the available instruments, to permit governments to improve the return on existing facilities and potentials through increased maintenance, agricultural inputs and other recurrent expenditures, while at the same time stepping up investment levels to lay the basis for sustained and higher growth ;

- f) a better management of food aid, and its integration with well-formulated national food strategies, so as to allow it to play an important role in development programmes, without neglecting its interest in emergency situations ;
- g) a support from the Community in the form of technical assistance for the preparation of food strategies ;
- h) the importance of improvement in rural housing and provision of water and electricity supplies, in order to improve the quality of life in the country areas ;
- i) an encouragement for the cooperative organisation of the farmers ;
- j) consideration of a system of crop insurance against damage from natural disasters.

Council notes that the Community, having received the request by the ACP States relating to available agricultural products, has stated that it will examine its different implications.

2. Energy

Council, in line with the provisions of its Brussels Resolution concerning Community financing of inventories of the energy needs and resources of the ACP States, takes note with interest of the terms of reference which the Commission uses in the studies which it conducts to make such inventories.

It notes the fact that some funds have been allocated to finance these inventories not only under the EDF, but also on the budget of the Commission. It mandates the Article 108 Committee to continue to review the situation concerning this important subject.

3. Human Resources

Council, conscious of the principle that the development of human resources constitutes the pre-requisite of all economic and social development, recommends :

- a) Education and training : to concentrate the Community's efforts to aid the ACP States to train their manpower in all areas (high and middle technical levels, industry, agriculture, marketing, distribution, maintenance, exploration of natural resources, mining evaluation and extraction, transport and communications, food production, etc.) and, in general, make sure that the projects and programmes financed by the EDF take due consideration of the socio-cultural environment of the recipient countries.

- b) Women's role in development : to ensure women equal access to education and, especially in rural areas, give them access to the widest facilities (agricultural and food production, appropriate technology, cottage and small-scale industry, marketing, credit facilities, non-conventional energy, water supply, sanitation facilities, health care, education and training programmes, etc.).

- c) Cultural aspects of development : to integrate the cultural factors in development and co-operation plans, with a view to assuring an authentic development, taking account of the socio-cultural environment of the ACP countries.

4. Health and Social Services

Council, conscious that the provision at affordable prices of essential elements such as drinking water, health and education constitutes a vital component of the strategy against poverty, recommends :

- (a) an increase in Community aid within all the available instruments seeking to satisfy the basic needs of populations, especially in rural areas, using technologies that will permit the extension of the distribution of health services and related facilities at the lowest unit cost ;
- (b) an adjustment of the budgetary credits allocated in the ACP States to health services such as to cover their recurrent costs, taking account of serious appraisal of the needs and without neglecting long term planning linking the health system with productive sectors.

5. Transport and Communications

Council, having noted the priority for development of the economic and social infrastructure, considering this one of the pre-conditions of development of the ACP States, considers that the strategy in this sector should relate as much to road transport as to ports and maritime transport, to air, rail, river and lacustrine transport, and to telecommunications, postal services, radio and television.

It recommends that the implementation of these infrastructures take account of :

- (a) the importance of recurrent costs ;
- (b) the need for maintenance ;
- (c) training ;
- (d) a better coordination of the competing means of transport, public and private ;
- (e) the elimination of non-technical barriers ;
- (f) regional co-operation and the choice of corridors for landlocked countries ;
- (g) access to communications technologies.

5. Environment and Development

Council, conscious of the importance of the inclusion of environment aspects in all development activities, recommends :

- (a) that the Community, at the request of the ACP, takes into account these aspects in the preparation and implementation of development projects ;
- (b) that as a priority the Community, at the request of the ACP, affords significant financial and technical support in the struggle against the drought which has struck the countries suffering from desertification, and in particular support for regional desertification control schemes ;

- (c) that an integrated environment/development strategy comprises such elements as: protection of the environment against pollutants of the air, sea, soil and foods; conservation of natural resources to combat deforestation, desertification, salinisation of arid lands ; environmental legislation to improve the quality of life ; education in all schools as a means of installing in young people the importance of harmonising development efforts with environmental factors.

IV. OUTSTANDING ISSUES

Council notes that among the problems which it mandated the Article 108 Committee to examine, some have not been able to be dealt with ; the Committee must therefore continue its work concerning these subjects :

- (a) Programming : reasons for the gap between target and actual commitment, including statistical analysis of projects presented, rejected or modified, in order to ensure improved implementation of Article 110 of the Convention ;
- (b) Disbursements : analysis of the breakdown of statistical data, with a view to ensuring an improved presentation of these data in the annual Commission report in accordance with Article 119 of the Convention ;
- (c) Technical co-operation : in-depth review of the cost and quality of technical assistance, taking into consideration among other assessments the Commission's study on evaluation of such assistance, in order to improve the implementation of the relevant sections of the Convention ;

- (d) Least-developed, landlocked and island countries
review of implementation of specific provisions of
the Convention, and of real impact of measures already
taken ; proposals relating to further implementation
of those specific provisions ;
- e) Concrete cases of typical difficulties encountered in
the implementation of financial and technical co-operation :
listing and analysis ; methods and means to eliminate or
mitigate difficulties.

V. PUBLICATION OF TEXTS

Council recommends that the Resolutions on financial
and technical co-operation, adopted at Libreville on 14 May 1982
and at Brussels on 20 May 1983, as well as the present
Resolution and the Report submitted by the Article 103
Committee, should be speedily published in the "ACP-EEC Courier".

Done at Suva, 2 May 1984

For the ACP-EEC Council of Ministers
The President

(s.) H.L. SHEARER

RESOLUTIONS ADOPTED BY THE ACP-EEC CONSULTATIVE ASSEMBLY
(Luxembourg, 19 to 21 September 1984)

1. Resolution taking into account the Eighth Annual Report of the ACP-EEC Council of Ministers on the state of implementation of the Lomé Convention and the prospects for the subsequent new Convention.
2. Resolution on the environment and development.
3. Resolution on combating drought and desertification.
4. Resolution on ACP-EEC co-operation for the development of fisheries in the ACP States.
5. Resolution on the results of the fact-finding mission to those States affected by the consequences of acts of aggression by South Africa and the situation in Southern Africa.
6. Resolution on the situation in Chad.
7. Resolution on the consultation of ACP-EEC social partners.
8. Resolution on the indebtedness of the ACP countries.
9. Resolution on the liberation of Nelson MANDELA.

.../...

RESOLUTION OF THE ACP-EEC CONSULTATIVE ASSEMBLY

taking into account the eighth annual report of the ACP-EEC Council of Ministers on the state of implementation of the Lomé Convention and the prospects for the subsequent new Convention

The ACP-EEC Consultative Assembly

- meeting in Luxembourg from 19 to 21 September 1984,
 - having regard to the annual report of the ACP-EEC Council of Ministers for 1983,
 - having regard to the report submitted by Mr R. TRIVELLI on behalf of the Joint Committee,
 - welcoming the accession of St. Christopher and Nevis to the Convention,
1. Points to the state of international tension resulting in lack of progress in the field of North-South relations, particularly the continued deadlock in the global negotiations arranged under the auspices of the United Nations;
 2. Draws attention to the serious deterioration in the economic and social situation in many ACP States and stresses the need to provide the association's new Convention with effective instruments and adequate financial means;
 3. Draws attention to the incredible wastage of material and human resources caused by the arms race on which 650 000 million dollars have been spent in a single year - an amount equal to the debts of the developing countries - whilst the financial resources available to combat hunger and underdevelopment are inadequate and calls for the promotion of disarmament measures with the resources made available as a result being allocated to the development of the developing countries;

4. Stresses once again the link between the Lomé Convention and the international economic situation, points out that the achievement of all the objectives contained in the Convention could make an effective contribution to transforming North-South relations and establishing a new world order, notes the total deadlock of the North-South dialogue at international level, the failure of the UNIDO Conference in Vienna and the recent reports by the IMF and the World Bank which refer to the worsening of the public debt of the Third World countries and confirm that the gap between the economies of these countries and the industrialized countries is steadily widening; notes that even in the current period of economic growth in the industrialized countries the flow of aid to the developing countries has been decreasing recently rather than increasing; calls on the EEC countries, therefore, to correct this tendency with an appropriate financial contribution in the context of the Lomé Convention;

(a) as regards the objectives, areas and methods of ACP-EEC co-operation

5. Considers that the negotiations on the new Convention should be brought to an end in 1984 and that it should be rapidly ratified so as to ensure the perfect continuity of the ACP-EEC Association;
6. Regrets, once again, that the annual report of the ACP-EEC Council of Ministers does not contain any detailed information and puts forward very few practical solutions to the current problem;
7. Repeats its request that the next annual report should contain a critical assessment of progress, failures and difficulties, should fix priorities for future co-operation and should at long last acquire a political dimension;
8. Reaffirms strongly that man must be the agent and beneficiary of development; it is therefore imperative that development should be directed towards the satisfaction of the basic needs of individuals and populations, particularly those of the poorest sectors, and the enjoyment of their fundamental rights, primarily the right to life, in order to create conditions conducive to their full and effective participation in political, economic, social and cultural life;

.../...

9. Expresses once again its view that the objective is the independent and self-reliant development of the ACP countries, based on agricultural development and self-sufficiency in food, on the expansion of the internal market and the harmonious development of the various production sectors and on regional co-operation;
10. Stresses the crucial role of women in development, notably in the fields of agriculture and nutrition, and in population growth, health programmes and education, and urges that they be given a role in all actions and decisions;
11. Demands that the new Convention be given a real social dimension so as to:
 - provide for the participation of the social partners, notably of voluntary workers' organizations, in the various forms of co-operation;
 - increase the protection of migrant workers;
 - promote development projects aimed at improving working conditions and securing progress in social and trade union rights in line with the Conventions of the International Labour Organization;
 - allow a common position to be adopted with regard to multinational companies, in particular those established in free zones and which do not respect the international norms on working conditions;
12. Also recommends that ACP-EEC co-operation should be an effective instrument in creating favourable conditions for the elimination of obstacles to the enjoyment of fundamental rights by individuals and peoples, and in this connection invites the negotiators of the future Convention to define jointly, having regard to the international obligations they have contracted, and on the basis of the internationally acknowledged concept of indivisibility and interdependence of fundamental rights of individuals and peoples, provisions giving a concrete expression to the right to development;
13. Stresses that past experience shows that ACP-EEC co-operation must go beyond the framework of relations between ACP and EEC countries and deal with international economic co-operation;

14. Stresses in particular, with regard to the international level, the need to promote joint ACP-EEC action designed primarily to help relaunch the global negotiations, hasten the implementation of the Common Fund for commodities, bring to a conclusion the current negotiations on individual products and deal with the debt problem facing the developing countries and suggests in this connection that the governments of the EEC and ACP States take an initiative of this kind when the negotiations on the new convention are concluded;
15. Emphasizes also that the Community and its Member States must not have recourse to policies which may be incompatible with the objectives of the Lomé Convention and that where these policies are likely to have unfavourable implications for the development of the ACP countries they should form the subject of talks to be held at the appropriate time with those countries; discussions of this kind should be the normal method of solving all problems of joint interest in relations between the EEC, the Member States and the ACP;
16. Considers that ACP-EEC co-operation must be implemented on the basis of systematic recourse to a dialogue between the partners on an equal footing on all aspects of co-operation in the institutional framework; in order to ensure maximum efficiency for the instruments of the Convention, the parties concerned should endeavour to seek jointly agreed ways and means of attaining more completely the objectives of the co-operation projects to be undertaken within the framework of the development strategies defined in sovereign independence by each ACP State or by a group of ACP States;

.../...

17. Urges that the ACP States be able to voice their concerns and interests in connection with the EEC's current negotiations with Spain and Portugal so as to maintain their preferential situation far as possible and enable them to derive the maximum advantage from the possibilities offered by the new enlargement of the Community;
 18. Has regard to the importance of the renewal of the Lomé Convention and recalls that the European Parliament has a duty and a right to give its opinion on the conditions governing renewal; calls on the Council of Ministers of the EEC to refer this matter to the European Parliament and to request Parliament's Opinion before ratifying the new Convention;
 19. Notes that co-operation is most successful when and where the local populations are involved directly; stresses in this respect the importance of the work of non-governmental organizations;
 20. Awaits with the keenest interest the proposals to be put forward by the ACP-EEC Working Party on Women on the integration of women in development and progress;
- (b) As regards financial and technical co-operation
21. Emphasizes that European Community aid represents only a small proportion of the total aid received by the ACP countries and considers, therefore, that to increase its effectiveness there must be greater co-ordination between Community aid and other donors, in the first instance the EEC Member States, and calls in particular on the governments of the Member States of the EEC actively to support the initiative of the World Bank to set up an emergency fund in favour of the poorest countries in Africa;
 22. Requests that the next ACP-EEC Convention should halt the decline in the real value of aid transferred since Lomé I and II and that financial resources should be substantially increased, taking account of factors such as monetary depreciation, population growth, the deterioration of the environment, the increase in the number of ACP States and the need to pursue effective policies;

23. Stresses the need, whatever the difficulties facing the Community and the Member States, to step up Community spending on development aid significantly so as to ensure that the Lomé Convention remains an effective instrument;
24. Reaffirms the need, first recognized on 26 September 1980, to achieve the objective of allocating 0,70% of the GDP of the developed countries to public development aid as soon as possible; urges those developed countries which have not yet achieved this objective to make every effort to do so before 1985 or during the second half of the decade at the latest; repeats the call it made in 1981 for at least 0,15% of the GDP to be allocated to public aid to the least-developed countries;
25. Calls for extremely careful study of the proposals from the EEC Commission to use the Community's borrowing capacity to make financial resources available to the ACP States under more favourable conditions and feels that the Consultative Assembly's proposal for setting up an ACP-EEC development bank should be given careful consideration with a view to defining and making use of new instruments to improve the present situation;
26. Deplores the unsatisfactory rate of commitment and payment of appropriations and regrets that the Committee provided for in Article 108 of the Convention, responsible for studying suitable ways of enhancing the functioning of financial and technical co-operation has not yet put forward any proposals, points out in this context that the Consultative Assembly like the Parliamentary Conference before it, has always deplored these delays and yet no effective measures have been taken;
27. Notes the importance of ex post facto evaluation of projects and programmes for increasing the effectiveness of co-operation; and strongly recommends that the ACP-EEC investigate the desirability of setting up regional centres to concentrate local expertise for ex post facto evaluation, and asks that funds should be made available for that purpose in the new Convention,

(c) As regards trade co-operation

28. Emphasizes the importance for the ACP countries of trade and exports as a source of revenue, notes in this connection that 5% of their exports to the EEC is equivalent to more than the total annual aid they receive from the European Community and asks that the next Convention establish a clearer definition of roles with regard to financial advantages and trade operations; deplores the steady deterioration in the balance of payments of the ACP countries in their dealings with the Community and the fact that the share of ACP exports in Community purchases is constantly decreasing;
29. Notes once again that trade co-operation has so far failed to bring about either an appreciable increase in trade or a diversification in its structure;
30. Regrets that the ACP-EEC Council of Ministers has not carried out a detailed study of the present situation and its causes; considers a study of this kind together with the adoption of a series of practical measures to be of the greatest importance and urgency, especially with regard to rum, beef and veal, bananas, strawberries, cut flowers, plants, vegetables and groundnuts;
31. Reaffirms its view that the development of trade calls not only for the adoption of measures related to trade policy but also for recourse to a whole range of factors relating to the promotion of investment and to co-operation, particularly in the industrial and agricultural sectors.
32. Urges the EEC to make an effective contribution to extending trade between the ACP and EEC countries by adopting the following measures:
 - (a) free access for all agricultural and industrial products;
 - (b) changes in rules of origin to enable a larger number of products processed in the ACP States to gain access to EEC markets;
 - (c) changes in rules of origin relating to fisheries products bearing in mind the mutual interests of the parties to the Convention and the internationally recognized 200-mile exclusive fishing zone and taking account of the sovereignty over the resources within this limit derived from the coastal states;
 - (d) adoption of provisions designed to minimize recourse to the safeguard clause as far as possible;

33. Recognizes that, while further liberalization of trade is of great importance to the ACP, it has been prevented by problems, sometimes of minor importance, affecting only a small number of Community Member States; believes that the EEC must find means of removing these obstacles to freer trade and accordingly requests the Community to investigate the possibility of providing, through its budget, specific funds to assist diversification or restructuring for EEC regions or industries damaged by trade concessions, thus encouraging agreement on greater freedom of access for ACP products;

(d) As regards agricultural and food co-operation

34. Stresses that the extremely serious agricultural and food situation facing the majority of the ACP countries increases still further the priority to be accorded to agricultural development and food self-sufficiency, and insists on the need to implement without delay the resolutions on the fight against hunger and on hunger in the world adopted by the consultative Assembly in Rome and Berlin;

35. Recalls that fishing in ACP countries offers enormous potential for the struggle against hunger and insists that the development of fishing should be one of the priorities;

36. Stresses, in relation to the existing state of drought, the close link between the agricultural and food sector and environmental conservation;

37. Considers that any policy aimed at achieving self-sufficiency in food must be based on the rational and systematic use of water power in agriculture, including the promotion of equipment for the pumping, transportation and stocking of water and of cheap irrigation equipment so as to allow water to be sold at a reasonable cost price;

38. Believes that security of food supplies for the population of all ACP countries is a fundamental aim, and that food self-sufficiency should be sought on a regional basis so that areas with high productive capacity can produce for other areas; to this end gives high priority to measures to encourage regional co-operation and trade;

39. Is taking the greatest interest in the Community's activities in the field of food strategies; calls on the Community to provide greater support for the strategies formulated by the ACP States which are aimed at self-sufficiency and the security of food supplies; also calls for an evaluation of co-operation on strategies in favour of the ACP States concerned;
40. Welcomes the fact that the European Community has finally agreed to envisage multiannual planning of its food aid and to finance alternative operations in place of this aid; points out again that decentralized strategic stocks must be established at national and regional level;
41. Calls on the Community to comply with the long-standing request of the ACP countries that agricultural products for long-term use be made available to them under preferential conditions given that an arrangement of this type could be an important factor in the implementation of food strategies;
42. Calls for pursuit of efforts to reduce EEC over-production of agricultural products which when dumped on the world market damages ACP exports;
43. Welcomes the implementation within the Community budget of the special programme to combat hunger in the world and stresses that this must be a sustained effort based on appropriate financial resources from the budget and demands that this programme should be given greater priority in future budgets;
44. Calls on the EEC to make a substantial increase in the funds allocated to measures connected with the policy on world hunger given that the funds currently allocated to these measures are extremely meagre;
45. Welcomes the fact that the Technical Centre for Agriculture and Rural Co-operation has at last been established and that it will very shortly become operational;
46. Calls on the Commission of the European Communities to promote the immediate launch of a large new Community-initiated fund to take urgent action mainly for the countries of the Sahel;

(e) as regards raw materials, STABEX and SYSMIN

47. Emphasizes the predominant share of raw materials in ACP exports and hence their importance as a source of revenue; points out at the same time that the importance of export and monocultures should be systematically reduced in favour of production for indigenous basic needs;
48. Stresses the importance of the early implementation of the Common Fund for commodities, calls on those Member States which have not already done so to ratify the creation of a Common Fund for commodities without delay; the conclusion of international agreements on individual products should ensure effective control at international level of the principal commodity markets and prices;
49. Calls on the Community and its Member States to do everything within their power to adopt a common strategy, in conjunction with the cocoa-producing countries, including a price intervention, protection and support system based on buffer stocks and quotas or other measures; invites the Community and its Member States and the ACP States to adopt all necessary measures to ensure that the second stage in the negotiations concerning the International Cocoa Agreement is resumed next October;
50. Emphasizes in this respect the importance of the current negotiations for the renewal of the International Cocoa Agreement hopes that these negotiations will prove to be a positive test of closer co-operation between the European Community and the ACP countries;
51. Is concerned at the European Community's observation that the ACP countries are losing ground to their competitors in the third world; stresses that the only way to reverse this trend is to step up the application of all the instruments provided for in the context of agricultural and industrial co-operation;
52. Expresses its support for STABEX which, in the absence of market control and price-fixing mechanisms at international level, continues to play a major role for ACP States; calls on the Community as a matter of urgency to support the ACP States in establishing production and marketing structures in order to reduce their dependence on the STABEX system;

53. Renews its demand for the inclusion of new products and derived products in the STABEX system and calls on the Community, as a matter of urgency, to increase the volume of resources to be allocated for the strengthening of the system;
 54. Reiterates its view that one of the priority objectives of ACP-EEC co-operation should be to increase the share of locally processed products;
 55. Feels that the low rate of utilization of the appropriations provided for under SYSMIN proves that its objectives are not wholly adapted to the mining problems in the ACP States and considers that the funding criteria should be relaxed to enable more ACP States to participate;
- (f) as regards industrial co-operation
56. Refers to the resolution on ACP-EEC industrial co-operation and the impact of the Lomé Convention, adopted last year by the Consultative Assembly, and calls for its practical implementation;
 57. Points out that, in the context of a strategy of independent and self-reliant development of the ACP countries, industrial co-operation must be based as a priority on the optimum use of local resources;
 58. Stresses that the industrialization of the ACP countries must be designed both to meet internal requirements - in this connection it must run parallel to and strengthen agricultural development - and to increase exports - in this connection it is dependent on guaranteed freedom of access for ACP products to the Community market;
 59. Stresses the need for the ACP States to define, with EEC assistance, industrial development plans which exploit to the full the potential for regional co-operation;
 60. Hopes that the next Convention will encourage investment and urges in particular formal provisions for and the introduction of a practical system of guarantees for such investment, involving a joint commitment by the European Community, its Member States and the ACP States;

61. Hopes that the EEC will provide greater support for joint investment projects between undertakings in the EEC and the ACP countries by contributing to the formation of venture capital;

62. Urges that adequate attention be given to aspects of environmental preservation in the context of industrial co-operation;

(g) as regards energy

63. Emphasizes once again the serious dependence of the ACP countries on imported energy;

64. Refers to the resolution on ACP-EEC co-operation in the field of energy, adopted by the Consultative Assembly in 1982, and calls for its practical implementation;

65. Considers that the agricultural and industrial development of the ACP States should go hand in hand with a reduction in their dependence on imported energy through systematic exploitation of their own energy potential, particularly new and renewable sources of energy and hydro-electricity;

66. Points out that in the case of hydro-electric projects the implications for the environment in this field (including the construction of dams) must be studied in detail and in good time;

67. Stresses once again the need for the European Community to help establish energy inventories for each ACP government;

68. Emphasizes that each project must comprise an energy component so as to identify solutions which are the most economic in terms of energy or can make use of local energy sources;

69. Stresses the gravity of the crisis in the non-commercial energy sector and also the excessive use of firewood which has serious consequences for the environment and for agricultural development;

70. Requests that in the next Convention, commercial and non-commercial energy sectors become a priority area of ACP-EEC co-operation;

(h) as regards the environment

71. Points out that the current incidence of drought and desert encroachment reveals the fragility of the environment in many ACP countries and clearly shows the links between environmental conservation and the rational encouragement of agriculture and food sectors, this fragility of the environment and the links between the environment, agriculture and food being equally present in the great tropical or equatorial forests and in maritime coastal, fluvial or lake zones;

72. Expresses concern over the new potential danger arising from the export of poisonous and dangerous waste and products from the Community to ACP countries whether they are to be dumped, processed or stored;

73. Welcomes the fact that a series of measures to protect the environment have been decided in the context of the implementation of the special programme to combat hunger in the world;

74. Stresses, however, that a more global and long-term approach should be adopted to the environment, which should in future constitute a priority sector of ACP-EEC co-operation; calls for the implementation of environmental strategies at national and regional level and of projects relating to the natural environment and environmental preservation to extend beyond the time-frame of the new agreement;

75. Awaits with the greatest interest the detailed proposals to be put forward in this field by the ACP-EEC Working Party on the Environment;

(i) as regards cultural and social co-operation

76. Stresses the need to make better use of human resources in ACP countries by taking measures in the field of education and training, research, science, technology, information and communication, taking into account the individual characteristics of ACP countries;

underlines the importance of maintaining and stimulating indigenous culture, technology and lifestyles, as well as social development in terms of greater social equality and co-operation;

77. Stresses in particular the close direct link between the dissemination of education and improved industrial and agricultural production as well as the capacity for technological innovation, adaptation and transformation.
78. Urges, therefore, that each sector of ACP-EEC co-operation and each project should incorporate measures relating to training;
79. Considers that the European Community should:
- (a) help the ACP countries to develop their education systems,
 - (b) help them to establish their own research capabilities,
 - (c) promote transfers of technology,
 - (d) is of the opinion that the EEC, its Member States and the ACP should jointly consider ways and means of discouraging graduates from emigrating;
80. Stresses that access for ACP students to universities and training centres in the European Community represents an important contribution to the development of the human potential in the ACP countries, and that it should be extended and made easier by enabling ACP students to enjoy the same study conditions as European students, and that the EEC should provide scholarships for ACP students;
81. Having regard to the Mexico Declaration on Population and Development, considers that development programmes should reflect the inextricable link between population, resources, environment and development, and attaches considerable importance to improving the status and education of women and enhancing their role in the development process;
82. Hopes that the new Convention recognizes that socio-cultural questions must be fully taken into account in all projects and emphasizes that practical success in this area must be achieved in future;
83. Insists, in view of its previous resolutions on the elimination of discriminatory measures with regard to ACP students and migrants, that within the framework of future ACP-EEC relations, special attention should be given to ACP citizens legally resident in the territory of Member States;

84. Emphasizes that ACP-EEC socio-cultural co-operation should in future play a particularly important role in this field by taking account of cultural identities and the social and cultural environment;
85. In this connection calls on the Community and the Member States to sign a declaration of intent indicating their willingness to take a sympathetic view of demands for the restitution of cultural objects of special significance to ACP countries and indispensable to the reconstitution of their national heritage;
86. Stresses once more the need to include provisions on cultural and social co-operation in a special chapter in the future Convention;
87. Considers it important to encourage the role of the voluntary social services in the development sector, as stressed by the recent European Council in Fontainebleau; calls on the Commission, as already requested in the aforementioned Resolution of 26 September 1980, to submit - this time within sixty days of the adoption of this Resolution - relevant proposals for the adoption of a European statute for those engaged in the field of technical co-operation;

(j) as regards regional co-operation

88. Points out once again that to achieve the objective of independent and self-reliant development of the ACP States, it is essential to strengthen regional co-operation, which should become one of the cornerstones of such development;
89. Requests, therefore, a significant increase in the financial resources allocated to regional co-operation in the next Convention, particularly in the case of southern Africa;
90. Insists that the strengthening of regional co-operation should be seen as an opportunity to increase co-operation not only between the ACP countries but also between the various partners involved in a particular region or project, and between ACP countries and non-ACP developing countries whether or not they be neighbours;

91. Stresses that regional co-operation should give priority to:
- (a) the use of dynamic complementarity between ACP States,
 - (b) maximum use of human resources and optimum use of natural resources in ACP countries,
 - (c) food security,
 - (d) the development of trade between ACP States by the elimination of tariff, monetary or other barriers;
92. Hopes that the new Lomé Convention will refer, as a priority, to aid to refugees, which is a problem whose scope has increased in the continent of Africa and whose consequences may well destabilize entire regions;
93. Requests that such aid to refugees be provided for within the context of regional co-operation, the funds for which should be increased and granted first and foremost to those ACP countries which take in refugees and help to settle them permanently;
- (k) as regards sugar
94. Points out that the Sugar Protocol, concluded for an indefinite period, binds all partners, whose numbers are increasing both in the ACP countries and the EEC Member States, and imposes commitments on them which must not be called into question;
95. Reaffirms that despite the repeated concerns expressed in its previous resolutions and the critical situation highlighted in the resolution of the Joint Committee in February 1984 in respect of the adverse effects of the Community's restrictive pricing policy on the ACP sugar supplying states, no steps have yet been taken to alleviate their situation which has further been aggravated as a result of the maintenance of the status quo in the level of the guaranteed price offered to them for the current delivery period.
96. Supports the request made by Portugal in the context of its accession to the EEC, to bring within the ambit of the Sugar Protocol the full quantity of 300 000 tonnes of raw cane sugar presently imported by that country to meet its domestic requirements, as well as the request made by the ACP to supply this additional quantity;

.../...

97. In consequence, exhorts the Community to demonstrate its political goodwill by acceding to this request which would preserve the interests of the ACP traditional suppliers on the market of Portugal and at the same time contribute to the alleviation of the economic difficulties of the ACP States dependent upon sugar;
- (1) as regards the institutions
98. Requests that the ACP-EEC Council of Ministers should to a greater extent become a political body to give impetus to the Convention and to consider all matters which affect the North-South dialogue, both as regards international economic co-operation and the various policies of the ACP States, the European Community and its Member States;
99. Recommends that under the next Convention the terms of reference of the Committee be extended and its nature amended in accordance with Article 108 of the current Convention so that it can become a body for joint management based on parity;
100. Repeats the call it made on 26 September 1980 for the next Convention to include provisions designed to clarify the parameters of the right to table written and oral questions to the Council to prevent Rules 17 and 18 of the Rules of Procedure from becoming a dead letter;
101. Considers that the Consultative Assembly's relations with the Council of Ministers and the Committee of Ambassadors should be strengthened, in particular through consultations with representatives of the Consultative Assembly prior to certain Council meetings and on certain specific subjects;
102. Calls for the implementation in the next Convention of the resolution on the parliamentary institutional system to be set up in the next ACP-EEC Convention, adopted by the Consultative Assembly in Berlin, in particular as regards the Joint Assembly, its three working parties and the dialogue with the economic and social representatives; emphasizes that the Joint Assembly must have its own budget as a guarantee of its independence;

With regard to the negotiations for a new Convention of Association

103. Notes with very great satisfaction the fact that the African, Caribbean, European and Pacific States which are signatories of the Lome II Convention and those which have subsequently acceded to it have unanimously confirmed their intention to join in a new Association enabling them to affirm and consolidate in the international community the ideals and interests of development in peace, justice and liberty for their countries and peoples;
- notes that therefore - and with the probably imminent accession of Angola, Spain, Mozambique and Portugal - the Association will comprise on its own some 700 million people and half the Member States of the UN;
 - notes therefore the very serious responsibility and the immense tasks which manifestly should fall to it;
104. Instructs its co-Presidents to forward this resolution and the report drawn up by Mr R. TRIVELLI to the ACP-EEC Council of Ministers, the ACP-EEC Committee of Ambassadors and the Council and Commission of the European Communities.
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ANNUAL MEETING OF THE ACP-EEC REPRESENTATIVES
OF ECONOMIC AND SOCIAL INTERESTS
(Brussels, 14 and 15 September 1984)

FINAL DECLARATION

The representatives of economic and social interests of the ACP countries and of the European Community, meeting in Brussels in the headquarters of the Economic and Social Committee of the European Communities on 15 September 1984 at the initiative of the ACP-EEC Joint Committee:

- Note that the institutions of the Lomé Convention, as well as the public bodies responsible for the implementation of the Convention and those negotiating the next Convention regard consultation with ACP-EEC social partners, and their active contribution to development cooperation, as accepted and highly positive facts;
- Pay tribute to the ACP-EEC Joint Committee, which has patiently and resolutely contributed to the creation of this state of mind;
- Welcomes the fact that the draft text of the Convention of Lomé III specifically provide for regular consultation with representatives of economic and social interests both by the Joint Council and by the Joint Assembly, and recognises the utility of their being associated with the work of cooperation;
- Note that each year the number of participants in the consultation meetings has increased, resulting in 1984 in a large representation of varied socio-vocational interests working on the basis of carefully drawn up preparatory documents;
- Believe that the basis of participation by socio-vocational interests in cooperation is thus fully realised, but that it is important to continue and widen this form of consultation so that such consultation results in concrete involvement by social partners and representative groupings of people in ACP-EEC cooperation;

- Insist therefore that the institutions of the Convention put the new provisions regarding consultation with ACP-EEC economic and social forces fully into effect, and ensure in particular that the necessary funds be made available;
- Insist also that the authorities of the ACP States and of the Community give due regard to development activities initiated by representative groupings of those concerned, in accordance with the objectives of the Convention and the current rules;
- Believe, in this regard, that these groupings should be able to participate in a practical way in drawing up cooperation programmes, particularly in the case of programmes in support of sectoral policies in the ACP States (such as food strategies);
- Request that, generally, the Convention should define, whenever necessary, the role of socio-vocational forces in the work of development and the means whereby their cooperation could be organised;
- Instruct the co-chairmen of the Joint Committee to forward this declaration to the ACP-EEC Consultative Assembly, the ACP-EEC Council and the Commission of the European Communities.

THIRD LOME CONVENTION (1985-1990)

MECU

GLOBAL VOLUME = 0500				
L = 5510				
EDF = 7400			EIB = 1100	EIB Art. 18 = p.m.
L = 4645			L = 605	L = 200
Stabex = 925	Dymwin = 415	Subsidies = 4060	Special loans = 600	risk capital = 600
L = 557	L = 202	L = 2990	L = 524	L = 204
	emergency aid/ refugees = 290 ⁽¹⁾	interest subsidies = 210	other subsidies = 4360	
	L = 202	L = 175	L = 2621	
regional co-operation ⁽²⁾ = 1000 (L = 631,5) including desertification				

(1) emergency aid 210; refugees 80
 (2) of which CDI = 40 (L = 25)
 regional trade promotion = 60 (L = 40) L = 1000 2

ACP-EEC COUNCIL OF MINISTERS
BRUSSELS

Price in Luxembourg, excluding VAT
ECU 5 54 BFR 250 IRL 4 UKL 3 20 USD 5