

**COMMISSION REPORT TO THE ACP-EEC
COUNCIL OF MINISTERS
ON THE ADMINISTRATION OF FINANCIAL
AND TECHNICAL COOPERATION IN 1980,
UNDER THE LOME CONVENTION**

COMMISSION
OF THE
EUROPEAN COMMUNITIES

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AND TECHNICAL COOPERATION IN 1980,
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Explanatory Memorandum

This Commission report on the administration of financial and technical cooperation, drawn up where appropriate in collaboration with the European Investment Bank, is the fifth and final one relating to the First Lomé Convention.

Commitments by the Commission and the Bank for the year totalled 596.6 M ECU. Since the Lomé Convention entered into force on 1 April 1976 3 065.1 M ECU has been committed in all, that is nearly 90% of the total available, 3 464 M ECU.

Hence, the bulk of financial resources has been committed over a period of four years and nine months.

The Commission's fourth EDF disbursements for 1980 amounted to 457 M ECU, which was 22.2% on the previous year's performance.

This brings total disbursements since the fourth EDF started operating up to 1 426 M ECU and accounts for 53.3% of total commitments under that Fund (as at end 1980).

The Bank's transfers over the year by way of loans on its own resources and risk capital operations amounted to 74.0 M ECU in all, which is 38% higher than the corresponding figure for 1979 (53.7 M ECU).

Hence, since the start of operations under the Convention the Bank has paid out 199.7 M ECU, which is 40.8% of the total resources administered by it.

Finally, it is proposed that the Commission :

- approves the draft report of the Commission to the Council of Ministers, on the management of the financial and technical cooperation in 1980, within the framework of the Lomé Convention;
- refers the report to the ACP/CEE Council of Ministers, as provided by Article 41 of the Lomé Convention.

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I N T R O D U C T I O N

This Commission report on the administration of financial and technical cooperation, drawn up where appropriate in collaboration with the European Investment Bank, is the fifth and final one relating to the First Lomé Convention.

An overall assessment of Community aid under the first Convention would be premature at this stage since numerous projects - which take several years to implement - are still under way or have only just been started. Nevertheless, the report is not merely an account of the implementation of aid in 1980; it gives a survey of what has been achieved since 1 April 1976.

An effort has also been made to comply with the wishes expressed by the ACP and Community experts following their examination of the 1976, 1977 and 1978 reports at the meetings on 25 and 26 February 1980, and to take account of the resolution on financial and technical cooperation adopted by the ACP-EEC Council of Ministers on 9 May 1980.

The Commission feels, however, that the exercise would have been more worthwhile and fruitful if, at the same time as the annual report was communicated to the ACP-EEC Council of Ministers, the ACP States had for their part submitted their "observations, information or proposals on the problems concerning the implementation, in their respective countries, of the economic, financial and technical cooperation, and also on the general problems of this cooperation", as they are required to do by the third subparagraph of Article 41(1) of the Convention.

It is essentially the ACP States' responsibility to implement projects and programmes. Hence, the Commission considers it should not carry out a unilateral and detailed assessment of quality, or make any value judgments in this connection. The Commission feels that, to remain in tune with the spirit of the Lomé Convention, it is much more preferable to draw conclusions jointly from past experience as part of the ongoing process of evaluation being carried out in different sectors and countries. Like its predecessors, this report will take stock of the work done in this field.

During the period from 1 April 1976 to 31 December 1980, 90 % of the fourth EDF's resources were committed and over 53% of those commitments disbursed. Over the same period the EIB committed the entirety of its financial aid provided for under the Lomé Convention, in other words both the subsidized loans from its own resources and the transactions in the form of risk capital. The time lag between commitments and disbursements, although often criticized notably by the recipient countries, is perfectly normal and common to all sources of financing, regardless of the type of project or its location; the proof of this lies in the fact that it applies to developed countries as well.

Although certain forms of aid, for example Stabex transfers or grants of emergency aid, are such that disbursement follows on very rapidly from commitment, it is quite a different matter where the bulk of capital aid is concerned since this is allocated to multiannual development projects for which the implementation period might be five, six or even seven years, especially in the case of rural development schemes. In addition, there are all the various difficulties inherent in the circumstances of different developing countries.

In any event, the joint efforts of the ACP States and the Community can be said to have borne fruit if we are to judge from the mark the Lomé Convention has made in the field; its achievements are as follows:

- i. some 3 500 km of roads have been built (of which over 3 000 km asphalted) and maintenance work has been carried out on nearly 900 km;
- ii. more than 1 700 000 hectares have been planted with cash crops and some 900 000 hectares with food crops;
- iii. 1.058 classes in primary schools, 172 secondary establishments (general or technical and vocational) and 28 university establishments (of which 11 regional) have been built, equipped or renovated;
- iv. 12 hospitals, 42 health centres, 8 maternity hospitals and 15 mother and infant protection centres have been built.

Furthermore, the EIB's contributions have helped to finance the following in forty countries :

- 135 industrial schemes;
- 11 mining schemes;
- 13 tourism schemes;
- 27 global loans and other facilities for development banks;
- 17 energy schemes;
- 21 pre-investment studies.

When fully operational the capital projects to which the Bank has contributed will have involved some 3 000 M ECU and will lead directly to the creation of 30 000 jobs.

This gives an initial broad outline of the implementation of a contract which, because of its comprehensive scope, is unique in the field of development cooperation.

The Second Lomé Convention has taken over from the first, with considerably enlarged and still growing geographical scope, but has retained the basic principles governing financial and technical cooperation, which have stood the test of time and match up to reality. The experience of the past few years has enabled the methods, range and instruments of cooperation to be improved in order to provide an even more effective response to the problems of achieving comprehensive, balanced and harmonious development.

CHAPTER I - FINANCING

I.1. Commitments

I.1.1. Aggregate commitments

Commitments by the Commission and the Bank for the year totalled 596.6 M ECU (1). Since the Lomé Convention entered into force on 1 April 1976 3 065.1 M ECU has been committed in all, that is nearly 90% of the total available, 3 464 M ECU.

Hence, the bulk of financial resources has been committed over a period of four years and nine months.

I.1.1.A. Aid administered by the Commission

Commitments of Commission administered aid amounted to 431.1 M ECU for the year, which is slightly lower than the preceding year's figure, mainly owing to the fact that the First Lomé Convention was due to expire.

The total can be broken down as follows:

- i. 333.3 M ECU for aid under national and regional programmes. These commitments consisted of 261.9 M ECU in grants (78.6%) and 71.4 M ECU in loans on special terms (21.4%);
- ii. 35.1 M ECU for exceptional aid under Article 59, hence using up the 150 M ECU available under that Article;
- iii. total Stabex resources were almost completely exhausted. The modest sum of 6 M ECU remaining was reallocated by the ACP-EEC Council of Ministers (meeting in Nairobi, May 1980) to the first year of Stabex application under the Second Lomé Convention.

(1) Since this report was drawn up in 1981 all amounts are expressed in ECU although the EUA was the only unit in use in 1980.

The aggregate amount of Commission-administered aid at the end of the year was 2 511.1 M ECU, of which 1 991.1 M ECU was project and programme aid, and 2 112.3 M ECU was in the form of grants (84%).

I.1.1.B. Aid administered by the EIB

EIB financing totalled 137.9 M ECU for the year, comprising 117.4 M ECU in the form of subsidized loans, and 24.2 M ECU in the form of risk capital (1). This brings EIB financing under the Lomé Convention to 489 M ECU, the entire resources administered by the Bank during the lifetime of the First Convention (including 390 M ECU in loans on own resources and 99 M ECU in risk capital).

Subsidized loans

The EIB granted 18 subsidized loans totalling 117.4 M ECU, bringing the total for subsidized loans to ACP countries since the entry into force of the Convention up to 390 M ECU at 31 December, i.e. the whole amount provided for under the Convention. In 1980, loans were used to finance industrial, energy and mining projects in fourteen ACP countries. The terms of the loans were fairly uniform: from 10 to 19 years' duration, with interest rates ranging from 7.4% to 8.0% allowing for interest-rate subsidies from EDF resources, and representing a total of 23.9 M ECU discounted to present values.

Risk capital

The aid accorded in the form of risk capital during the year amounted to 24.2 M ECU, which brings the total for this kind of financing up to 99.0 M ECU, the whole amount provided for the Bank under Article 42 of the Convention. The 1980 aid went to sixteen countries, eleven of which received nearly half the total amount and are among the least developed ACP countries referred to in Article 48 of the Convention. There was one allocation to a development bank (for the financing of studies on small and medium-sized industry) which was of a regional nature.

(1) Including blocked credits to the tune of 4.3 M ECU for studies and technical assistance and minus 0.6 M ECU because of the cancellation of part of a risk capital aid package.

I.2. Disbursements

I.2.1. The Commission's fourth EDF disbursements for 1980 amounted to 457 M ECU, which was 22.2% up on the previous year's performance.

This brings total disbursements since the fourth EDF started operating up to 1 426 M ECU and accounts for 53.3% of total commitments under that Fund (as at end 1980). Disbursements on the basis of purely project-related commitments amounted to 37%. If aggregate disbursements are compared with the total fourth EDF appropriation we can see the following pattern:

1976	:	3.5%
1977	:	8,6%
1978	:	19,8%
1979	:	31,1%
1980	:	46,3%

This table shows that, after a rather, slow start, utilization of fourth-EDF resources speeded up considerably from the third year of application. This trend, similar to the one that emerged during the life of the third EDF, is particularly remarkable when it is considered that the number of parties to the Lomé Convention was constantly growing as was the range of cooperation instruments.

I.2.2. The Bank's transfers over the year by way of loans on its own resources and risk capital operations amounted to 74.0 M ECU in all, which is 38% higher than the corresponding figure for 1979 (53.7 M ECU).

Hence, since the start of operations under the Convention the Bank has paid out 199.7 M ECU, which is 40.8% of the total resources administered by it.

I.3. Breakdown by sector

I.3.1. Development of production

This vast sector is still way ahead with 57.5% of commitments for projects and programmes at end 1980 (1) giving a total of 1 386.1 M ECU (of which 273.4 M ECU committed in 1980), comprising 862.6 M ECU for industrialization followed by 506.7 M ECU for rural production. The size of these amounts shows, if any demonstration is necessary, how much store the ACP States set by productive schemes, which are the driving force behind the development of their economies.

I.3.1.A. Industrialization

Of the total funds committed for projects and programmes as at the end of the year, the highest proportion was for industrialization - 862.6 M ECU out of 2 408.9 M ECU, or 35.8% (2), including 533.8 M ECU administered by the EIB (381.2 M ECU in loans from own resources and 152.6 M ECU in risk capital operations on fourth-EDF resources) and 328.8 M ECU administered by the Commission. This percentage is about double that achieved in this sector - on a similar statistical basis - under the Second Yaoundé Convention (around 18%).

Within the sector, projects with a dominant energy component head the list with 273.7 M ECU (3), followed by agrifoods and agri-industrial complexes - predominantly rural - with 202.7 M ECU. The remaining contributions, mainly aid for development banks, mostly benefited small and medium-sized enterprises (SME).

(1) Table V, item III (a).

(2) Table V, item III (a).

(3) The proportion for industry as such, i.e. minus energy in particular, would be some 27% rather than 35.8%.

I.3.1.A.a Aid administered by the EIB

Development Banks

During the year the Bank accorded six global loans to development banks in four countries (Ivory Coast, Malawi, Swaziland and Trinidad and Tobago) to be allocated first and foremost for the promotion of small and medium-sized enterprises. These operations totalled 20 M ECU. With risk capital operations to the tune of 0.4 M ECU the EIB also contributed towards the financing of studies designed to help three development banks with their operations and to look into the possibility of setting up a national development bank. The Bank also accorded 40 000 ECU in the form of risk capital to boost the capital of SOFIDE in Zaire.

Hence, during the life of the first Lomé Convention the Bank accorded 20 global loans totalling 86.5 M ECU, including 17 loans from its own resources involving a total of 82.5 M ECU, which accounts for over 21% of the EIB's total subsidized loans. In this sector, too, the Bank took shares in the capital of five development banks worth a total of 4.0 M ECU (4% of total risk capital resources). In addition, the Bank financed five studies in the field of development banking.

The allocations already made in connection with these operations have helped to finance 96 projects involving a total investment of 156 M ECU and have generated 7 300 jobs.

Manufacturing industry

The ACP States' manufacturing industry received three EIB allocations during the year in the form of risk capital, totalling 3.1 M ECU. The projects financed involved the modernization of the Chilanga cement works in Zambia and two studies, one in Guinea on the prospects for establishing metal-working industries and the other in Malawi to develop cement production.

A further allocation of risk capital to the tune of 3.5 M ECU went to Cape Verde for the construction of a ship repair yard (1).

During the lifetime of the First Lomé Convention this sector received 21 contributions from the EIB, seven from own resources involving the sum of 34.8 M ECU (8.9% of total EIB loans on own resources) and fourteen in the form of risk capital totalling 26.8 M ECU (27.1% of the Bank's total risk capital resources).

(1) This project has been placed in the general category in the various statistical annexes.

Agrifoods and agri-industrial complexes

The EIB financed four projects in this sector in 1980, for a total of 13.6 M ECU, of which 13.5 M ECU was loans from own resources and 0.6 M ECU risk capital. A loan of 7.5 M ECU was accorded to Kenya to help with the construction of ten factories to process tea produced on village plantations. In Senegal, 3 M ECU went towards modernizing and stepping up the processing capacity of groundnut and cottonseed mills. A loan of 3 M ECU went to Ivory Coast to help finance a wheat flour mill. Lastly, 0.09 M ECU in risk capital aid went to Gambia for a marketing study on groundnut products.

Over the period covered by the Convention, this sector benefited from 26 EIB contributions - eleven loans on own resources amounting to 64.9 M ECU (16.6% of total EIB loans on own resources) and fifteen risk capital operations involving 30.9 M ECU in all (31.2% of the Bank's total risk capital aid).

Chemicals

The EIB financed two loans in this sector during the year. In Senegal an amount of 9 M ECU from own resources and risk capital to the tune of 6.4 M ECU were allocated for the financing of a plant producing phosphoric acid and fertilizer by-products, which will make more of the country's phosphate resources. An own-resources loan of 2.5 M ECU plus risk capital amounting to 1.5 M ECU were granted to Botswana to finance a livestock vaccine production unit.

At 31 December 1980 EIB contributions to the chemical industry numbered seven - three from own resources amounting to 17.4 M ECU (4.5% of total EIB loans from own resources) and four risk capital operations involving 9.2 M ECU (9.3% of the Bank's total risk capital aid).

Energy

Financing in this sector during the year amounted to 53 M ECU, which accounts for over 45% of the Bank's contributions from its own resources. A 25 M ECU loan to Nigeria and one of 5 M ECU to Barbados will help improve and extend the transport and electricity networks. Fiji and Mauritius received loans of 11.5 M ECU and 7.5 M ECU respectively to finance hydroelectric developments. Botswana received a 4 M ECU loan to help increase the installed capacity of a coal-fired power station which uses locally mined coal. In addition, three risk capital allocations totalling 0.64 M ECU, financed from overall commitment authorizations, went to Botswana, Mauritius and Tanzania for studies on the development of local energy resources.

Nineteen operations had been carried out in this sector by 31 December 1980 - fourteen from own resources, amounting to 130.9 M ECU in all (33.6% of total EIB loans from own resources) and five in the form of risk capital, totalling 2.8 M ECU (2.8 % of the Bank's total risk capital aid). Hence, the energy sector is the Bank's prime beneficiary (27.3% of all EIB-administered resources). Around 53% of this financing taken as a whole was allocated to projects that will help reduce the ACP countries' dependence on oil imports.

Metal-working industries

Contributions to this sector during the year helped to finance two projects to the tune of 12.5 M ECU from own resources. An 8 M ECU loan was accorded to Zambia for the modernization of cobalt-processing plants and Guinea received a loan of 4.4 M ECU to help modernize an alumina plant.

Six financing operations had been carried out in the metal-working sector as at 31 December 1980, three from the Bank's own resources, to the tune of 17.7 M ECU (4.5% of total EIB loans from own resources) and three risk capital operations totalling 6.5 M ECU (6.6% of the Bank's total contributions in the form of risk capital).

Mining and extractive industries

In the ACP countries, three aid operations in the mining sector were financed by the Bank, for a total of 11.8 M ECU. In Upper Volta, an 8 M ECU loan was granted from own resources and risk capital assistance of 3.5 M ECU was granted for the re-opening of a gold mine. In Ghana, 0.3 M ECU was granted for a feasibility study on the working of an industrial diamond deposit.

At 31 December 1980 financing had been provided for five operations in this sector: two loans from own resources to the tune of 33 M ECU (8.5% of total EIB loans from own resources) and three separate amounts of risk capital assistance totalling 4.7 M ECU (4.7% of total risk capital assistance).

The use of risk capital for industrialization

In 1980, the Bank granted risk capital assistance totalling 20.5 M ECU for eighteen operations in the industrial and mining sectors. In five cases the aid took the form of direct project financing, in eleven aid was allocated to specific studies, there was one overall loan and a holding was acquired in the capital of a development bank.

Over half of the total risk capital financing in 1980 went to eleven of the ACP States classed as least developed under Article 48 of the Convention. As an example, there was the conditional loan of 3.5 M ECU to Upper Volta for the part-financing of its holding in the capital of the company developing the Poura mine and a second loan to Cape Verde to help the state set up the own resources required for financing a ship repair yard.

The remainder was allocated to five countries, mainly in the form of conditional loans, for financing holdings by the states concerned in companies' capital, this being one of the objectives of risk capital.

Under the Lomé Convention, aid was granted to 34 ACP States for a total of 63 operations amounting to 96.4 M ECU. About 58% of this amount was allocated to 20 countries classed among the least developed, and these countries also received some 25% of the total subsidized loans from the Bank's own resources.

Account being taken of the 4.3 M ECU already committed under the second and third overall authorizations for studies but not yet allocated, and of partial cancellations amounting to 1.7 M ECU, the Bank's total risk capital operations reached the ceiling specified, i.e. 99 M ECU.

The breakdown by sector shows that agri-industry and manufacturing absorbed 32.1% and 31.5% respectively of the total aid, followed by the chemical industry with 9.6% of this amount and metal-working with 6.7%. The remainder was used for operations involving the development banks (6.3%), tourism (6%), mining (4.9%) and energy (2.9%).

I.3.1.A.b. Aid administered by the Commission

A fairly limited number of industrial projects proper were financed from fourth EDF resources in 1980: the Soguiplast (plastics) factory in Guinea, the Blantyre industrial estate in Malawi, a project involving small rural industry in Kenya, and the rebuilding of a factory in Uganda; if the term industrialization is given its wider interpretation, then certain energy or research projects should be included; additional financing for geothermal exploration in Ethiopia, a thermal power plant in Tuvalu, a food technology laboratory in the Bahamas, and a study (amounting to 4 M ECU) for the future Bardera dam in Somalia and a number of mining studies - which will probably prepare the ground for committing funds for projects from the fifth EDF - in Benin, Madagascar (Soalala iron), south-west Cameroon, etc.

A review of all the operations being financed in the sector at the end of 1980 reveals the volume of funds given over the energy-biased projects; firstly, hydropower (over 100 M ECU), in the form of five projects for very large dams: Upper Tana, Kenya, amounting to over 26 M ECU, Sélingué, in Mali (over 23 M ECU), Mukungwa in Rwanda (20 M ECU), Kpong in Ghana (almost 9 M ECU) and Nkula Falls II in Malawi (8.5 M ECU), the remainder being taken up by studies. There is a significant innovation in that alternative energy sources occupy a major place, accounting for almost 20 M ECU in all, i.e. 15 % of the funds allocated to the energy sector as a whole. This amount covers studies (conversion of ocean thermal energy in the Netherlands Antilles and Ivory Coast, for example) and projects, in particular solar pumps (in Cameroon, Mauritania, Niger) and also geothermal energy (Ethiopia), etc.

The remaining funds allocated to this sub-sector were divided amongst energy transmission networks (Uganda, Rwanda, Cape Verde), thermal energy (Burundi, Upper Volta, Zaire, Tuvalu), and a regional study on Lake Kivu methane gas (involving mainly Rwanda and Zaire).

Next on the list were agri-industrial complexes and agrifoods - 106.9 M ECU - with a larger number of projects obviously involving a lower unit cost: a number of tea factories and plantations; oil palm plantations and oil mills; rubber plantations; various food processing units (milk, preserves, oleaginous products, etc.).

Under the heading of manufacturing, apart from the 18 M ECU contribution to the regional CIMA0 cement project, textile projects occupy a predominant position with the major Sanoyah project in Guinea and the Morogoro and Kiltex projects in Tanzania.

Lastly, in the case of aid for small- and medium-sized enterprises (SME), sixteen financing decisions totalling 13.7 M ECU have been taken since the Convention entered into force (including two for a total of 2.2 M ECU in 1980 for Uganda and Suriname).

I.3.1.B. Tourism

In 1980 the EIB made a number of contributions to tourism through global loans.

During the entire period of implementation of the Lomé Convention, seven operations have been carried out by the Bank in this sector: three loans from own resources for an amount of 8.8 M ECU (2.3% of total commitments from the EIB's own resources) and four risk capital contributions for an amount of 5.8 M ECU (5.9% of all risk capital assistance). The Commission, for its part, has committed 0.9 M ECU for studies and technical assistance out of the funds which it administers.

I.3.1.C. Rural production

With 73.8 M ECU committed in 1980 for rural production, the total funds allocated to this sector amounted at the end of 1980 to 506.7 M ECU, i.e. 27.3% of the total funds administered by the Commission under the heading of projects and programmes (Table V, item I-e) and 21% of total Community aid (Table V, item III-a).

As in previous years, in order to gain a clearer idea of the volume of all rural development operations (involving more specifically the inhabitants of rural areas), to this total should be added 338 M ECU, broken down as follows:

- i. 202.7 M ECU for agri-industrial projects and the agricultural and food industries;
- ii. 45.3 M ECU for village water engineering schemes;
- iii. 90 M ECU (estimate) for social development projects - health and education training and infrastructure - involving rural areas (about one-third of the funds allocated to these sectors).

In all, at the end of 1980, rural development, in the wider sense of the term, had received 35% of all funds committed for projects and programmes, i.e. 844.7 M ECU out of 2 408.9 M ECU.

Agricultural production

Almost 50 M ECU were committed in 1980 for agricultural projects; the bulk of that was for production intended for local consumption or processing, with a marked predominance of food crops, which accounted for eight projects amounting to over 26 M ECU. These involved either cereals (rice, wheat, etc.) or oleaginous products (soya beans) or market garden produce (fruit and vegetables). Two projects were wholly or partly designed to supply local industries (timber and cotton) at a cost of almost 3 M ECU.

In the case of export crops (six projects amounting to almost 19 M ECU), the main products were stimulating beverages (coffee, cocoa, tea), fruit and timber.

Most of the projects financed in 1980 have been or will be implemented by small holdings.

In addition to the project aimed at reducing the aflatoxin content of groundnuts which supplements an earlier project, there is a fairly new type of operation the ultimate beneficiary of which is the small farmer or fisherman: it takes the form of assistance for rural banks (Ghana) which have to act as intermediaries for supplying equipment on the basis of simplified procedures (tools, fishing nets, etc.).

There were only two regional agricultural projects in 1980, namely the project to reduce aflatoxin and the cereals farm in Belize.

If the balance sheet for the fourth EDF at 31 December 1980 as regards agricultural production projects is now examined from a more general point of view, it can be seen that, out of a total of over 440 M ECU, (1) projects involving only food production for local consumption amounted to about 208 M ECU (excluding studies), i.e. almost 50% of the total. This figure does not, however, include the food crop sections of projects concerning cash crops, such as cotton, which, through rotation and the residual effect of fertilizer, improve productivity and hence the yield from the food crops in the rotation. In the case of the project aimed at boosting the cotton-producing sector in Zaire, for example, initiated in 1980, the rotation was as follows: in the southern savannah, cotton, which was planted for the first year in the rotation, was followed by maize or groundnuts in the second year, and by manioc the following two years; in the forests of the north, the cotton follows an initial crop of maize or rice and is in turn followed in the second year by groundnuts and manioc, and in years three and four by manioc and plantain. Over half of the funds given over to agricultural production have thus been used to meet food requirements.

Of the crops covered by the projects geared to foodstuffs for human consumption the most common are cereals and paddy rice, followed by oleaginous plants, tubers, vegetables and fruit. In the case of paddy rice, for example - apart from its role in integrated rural development projects, where it frequently occupies a prominent place - the fourth EDF will have made it possible to practise modern methods of cultivating the crop over almost 78 000 hectares, particularly in the Sahel area (Niger, Mauritania, Mali, Upper Volta) and also in other countries (Madagascar, Guinea, etc.).

In the case of projects involving other crops, totalling 210 M ECU, the produce is not necessarily intended for export. A number of projects involve products for local processing or consumption: that is true of the cotton project in Zaire referred to above, the reforestation project in St Patrick, Trinidad, where the timber produced will go to the local processing industry and will then be sold on the national market; it also applies to coconut-growing in Madagascar, from which the copra will be used in local soap factories in order to meet the population's requirements.

(1) This figure and the remarks which follow it do not cover all the hydropower infrastructure projects, since the dams, which will subsequently be used at least partly for agricultural production and pisciculture, have been put under the heading "energy-biased projects" in the preceding section.

The analysis of the agricultural projects financed from fourth EDF resources calls for further comments. First of all, certain remarks made in earlier annual reports are confirmed by recent developments, such as the financing of forestry projects, which, in accordance with the recommendations of specialized international gatherings, concern above all the production of timber, the consumption of which is on the increase. A project initiated in the Solomon Islands in 1980, and geared to this type of production, was designed as part of a local industrialization policy (sawing in the area and supply of raw materials to local furniture makers) and also as a way of protecting the national natural heritage (soil, mountain vegetation, water resources).

A further confirmation of a trend that started some time ago is the attempt to diversify production in the case of economies which are too heavily concentrated upon a small range of products: fourth EDF resources have thus been used to finance the launching of cotton growing in Guinea-Bissau, the continuation of the rubber plantation operation in Ivory Coast, the tea-growing operation in Burundi, a sugar project in Chad, etc.

Lastly, the need to restore the balance between different regions of a country seems to have played a major role in the elaboration of certain projects; this is true in particular of the Aweil rice-growing project in Sudan, the aim of which is not only to increase national paddy production but to do so in an area which has hitherto derived very little benefit from national economic development and therefore, despite its potential, falls short of the national average.

Other features in certain projects also deserve mention: in Saint Lucia, for example, the project being carried out in the Roseau area (project initiated in 1980) involves the taking over by small local farmers of land previously farmed by foreign companies, which have agreed to place their large estates at the Government's disposal.

Certain projects were designed as emergency programmes aimed at helping with national rehabilitation following a crisis: the aid programme for Equatorial Guinea thus includes an agricultural section, as does the programme for Uganda, and there is the project for boosting cotton production in Zaire, which is aimed at obtaining the foreign exchange required for purchasing the essential imports for getting seed cotton production started again and for processing it into fibre and fabric (fertilizers, spare parts, etc.). Furthermore, fourth EDF projects have sometimes played a leading role in that they are used by the authorities as a reference point for extending an operation (launching of cotton-growing combined with cereals in Guinea-Bissau, Kara integrated rural development project in Togo) or the experience gained from them by the EDF is used by other suppliers of funds to develop similar projects, as in the case of the kenaf or rice growing projects at Sikasso in Mali, which were used by IBRD for its project in southern Mali, or the Gorgol pilot area in Mauritania, which provided a model for the much larger project to be carried out by the International Development Agency.

Lastly, most of the agricultural projects aimed at small farmers constitute a general training ground, either because they increase the farmers' technical know-how or because they contain a training function. In Niger, for example, the Badéguichéri project includes four types of training: agricultural technical training, training in cooperative activities, artisanal training, and reading and writing skills.

Stock-farming

The financing decision taken under the Lomé Convention involve a total of 52.4 M ECU, and cover 33 capital projects and 29 preparatory studies for capital projects.

A limited number of projects and studies (relating mainly to Uganda) are still under appraisal, involving a total of about 12 M ECU to be committed.

It should be pointed out that stock-farming projects generally require a relatively small capital input, hence the low total commitment.

These commitments include projects involving the breeding of small ruminants which, in view of their relatively short breeding cycle, can bring about a rapid improvement in the population's meat supplies and as this is the type of stock-farming practised by the poorest sections of the population, these projects tie in with the Lomé Convention guidelines on the aid to be given to these groups.

Furthermore, the Commission's departments, in conjunction with the governments of the Sahelian states, are continuing their efforts to determine the best ways of providing appropriate help for the people of the Sahel.

Stock-farming in the Sahel is beset by the conflict between two basic factors, namely a growing population consuming mainly milk products and hence requiring larger herds on the one hand, and the fact that pasture land is limited on the other; this creates difficult problems which can be solved only within the Sahel itself.

A study was financed from regional funds with a view to carrying out a campaign for the eradication of pleuropneumonia and rinderpest, covering nineteen states in western and central Africa. Following a final preparatory session with the governments concerned, a meeting will be organized with potential suppliers of funds (bilateral and multinational) in order to obtain financing for the campaign, the cost of which is evaluated at about 125 M ECU. In the meantime, emergency aid has been granted to stop a further outbreak of rinderpest in western Africa.

In other regions, in southern and eastern Africa, regional animal health projects are in the process of preparation. They are concerned mainly with keeping the following in check: tse-tse fly, foot and mouth disease, rinderpest and bovine pleuropneumonia. The Commission supports action of this kind, for an animal health campaign can be effective only if conducted on a regional scale.

Two interesting features emerge from a survey of stock-farming projects financed by the EDF: the production from these projects (generally implemented by small farmers) is intended to meet local food requirements, thereby improving the quality of the population's diet; in addition, most of the projects have an animal traction component, thereby increasing the productivity of the farms concerned.

Fisheries

Financing decisions relating to the fisheries sector proper, i.e. excluding port works and fish-processing projects, etc., amount to over 15 M ECU.

They involve 15 capital projects and 12 preparatory studies for those projects.

As in the case of stock-farming, the average cost of the capital projects is low. A few projects totalling about 3 M ECU are still being appraised.

The creation of "exclusive economic zones" (reserved for coastal states) has led to a legitimate desire on the part of the governments of the coastal ACP States to safeguard their fishery resources against irresponsible or clandestine fishing operations and also to ensure that the national economy has a more equitable share in the exploitation of these resources. This dual aim has been at the root of the various requests for the financing of national and regional studies of sea fishing.

By means of a regional study involving five Gulf of Guinea states, which is to be continued, certain possibilities for developing fisheries in the Gulf of Guinea have been determined and some national projects have already been devised; it has nevertheless been stressed in this study that effective exploitation of the fishery resources of the exclusive economic zones and of the waters beyond them, particularly the pelagic zones, is feasible only as a regional exercise, if only because of the migration of species.

1.3.2. Economic infrastructure

This sector traditionally accounts for a major part of Community aid - and rightly so, since it is a considerable factor in ensuring the satisfactory development of an ACP State's various sectors of production and, even more crucially, the development of trade of all kinds both nationally and regionally. With 139 M ECU committed in 1980, the total financing allocated to the sector since the Convention entered into force amounts to 584.3 M ECU, i.e. 31.4% (1) of the aid administered by the Commission and 24.3% of the Community aid earmarked for projects and programmes (Table V, items I-e and III-a).

A higher proportion of this amount than in the past went on operations involving maintenance, repair or overhaul work on projects - particularly road projects - previously financed by Community aid.

(1) With similar statistical bases, this percentage was almost 40% under the third EDF.

Furthermore, the geographical area covered by the Lomé Convention as compared with the Yaoundé Convention has enabled transport problems to be dealt with on a more comprehensive and general basis. It is now possible to analyse the main regions, pinpoint the main routes (such as Mombasa-Kigali) and elaborate integrated projects in the light of all the means of transport in existence. A large proportion of these inter-state projects are financed from regional funds and are designed to strengthen the cohesion between ACP States. The scale of these projects in many cases necessitates cofinancing with other national or multinational suppliers of funds.

As regards the execution of projects in this sector, mention must be made of the very big rise in prices which cannot be explained merely in terms of current inflation and is no doubt accentuated by anticipatory action on the part of firms and their anxiety to protect their cash position.

In the sphere of international transport, it has been ascertained that the administrative procedures should be simplified, as these hinder the expansion of international transport and add significantly to its cost. At the request of the various ACP States concerned, studies were initiated with a view to obtaining a better return on the heavy investment in this sector.

Road transport

The action taken in this sphere has been channelled towards two objectives:

- i. continued improvement of existing main roads to open up landlocked countries and to create better links among the ACP States. For example, the Lomé-Ouagadougou road has been financed almost entirely from EDF resources, as has the Ouagadougou-Niamey-Zinder road, the remaining 300 km of which have yet to be built;
- ii. in addition to strengthening the capacity of routine maintenance units, periodical maintenance, renovation and repairs have been financed to safeguard road networks already set up.

From fourth EDF resources the following operations (not including the many service tracks financed as part of rural development projects) have been financed, to the tune of 457.8 M ECU:

- i. 15 economic studies;
- ii. various technical studies covering 1 647 km;
- iii. the improvement of 3 454 km of roads, including 416 km unasphalted;
- iv. maintenance operations covering 888 km.

The increase in prices is most striking in the road projects. For comparable improvements, the cost per kilometre is far higher than four years ago (between 100 000 and 150 000 ECU) and is now as much as 300 000 ECU or even more in certain cases. This is a worrying trend; it must be closely watched and the necessary efforts are being made to halt it. In this respect the Commission is endeavouring to improve further the quality of tender documents and tendering conditions, the promptness with which payments are made, etc., all factors which contribute to the formation of the fairest price.

Rail transport

There is no longer any need to stress the importance of rail transport, particularly from the point of view of the energy savings for all heavy products (ore, etc.); it is therefore necessary to improve the productivity of existing railways by attending to the equipment, infrastructure and management, and even by considering the possibility of building new lines when all the factors involved justify such financing.

Community aid has been provided for realigning the Congo-Ocean (CFCO) railway line, improving the rail transport system between the copper-producing regions in Zambia, in Ghana, and at the port of Lobito, and also for building the new line serving the CIMA0 plant in Togo. Modernization of the engineering works on the Abidjan-Niger railway has also continued; studies were initiated on financing for the Kigoma-Dar es Salaam and Addis-Abeba-Djibouti lines. These two lines are of utmost importance as a means of opening up states such as Rwanda, Burundi and Ethiopia.

At the end of 1980, 51.6 M ECU had been committed in this sector.

Sea and river transport

By the end of 1980 financing totalling 26 M ECU had been granted for various projects of this type; among the most important were the port of Kigoma in Tanzania, the purchase of vessels for WISCO (West Indies Shipping Corporation) in the Caribbean, the supply of river and port equipment for Guinea-Bissau and the improvement of river transport in the Central African Republic; supplementary financing was committed for the ports of Owendo in Gabon and Brazzaville in Congo. Lastly, various studies were financed, some of which could give rise to projects under the fifth EDF.

Air transport

The number of operations in this sphere has greatly increased, particularly in the Caribbean and Pacific countries, where the aeroplane plays a major economic and social role. With regard to air transport, the main priority is to finance projects the aim of which is to maintain or improve safety, the next priority being to increase the return on existing facilities.

With this in view, 12 operations totalling 19.2 M ECU were financed, the most important being Juba airport in Sudan.

Telecommunications

A project involving a considerable sum (5.2 M ECU) was committed in 1980 for the development of the telephone network in the Solomon Islands.

Total commitments under the fourth EDF for this type of project (22.4 M ECU) involved mainly island or landlocked countries, where it is absolutely essential to have a proper telecommunications network (Comoros, Solomon Islands, Swaziland, Fiji-Tonga-Samoa), or very large countries such as Sudan or Uganda.

I.3.3. Social development

This sector's small share (15.8%) of all project and programme aid (see Table V - III-a) does not give a true picture of the importance which it assumes in the eyes of the ACP States and the Community on account of the training element it incorporates, on which the ACP States' development is largely dependent, and the way it increases the well-being of the beneficiary population particularly the most deprived sections, thanks to the efforts made in the areas of public health, rural and urban water engineering, and urban infrastructure and housing.

The efforts of previous years were kept up, the aim being to make greater use of local resources (materials, labour, small and medium-sized enterprises) when setting up educational and public health facilities, despite misgivings in various quarters. The same efforts were made to ensure that the equipment selected was resistant, easy to maintain, and geared to local conditions, and that supplies of spare parts were satisfactory. There is admittedly a great deal still to be done in this field, but the training schemes under way and the successes already marked up will no doubt enable the desired result to be achieved step by step (see p. 38).

I.3.3.A. Training and education infrastructure

Along with agriculture, training is the area for which nearly all ACP States (54 out of 59) requested EDF funds during implementation of the Lomé Convention. These requests reflect the importance given to the promotion of human resources in the ACP States' development process, which the Community feels is entirely justified.

The ACP-EEC joint meetings on the ex-post evaluation of health projects (Freetown, Sierra Leone, December 1978) and water-engineering projects (Bamako, Mali, November 1979) and the sectoral evaluation carried out in this area (see III.2.3.2., page 63) confirmed that the training function was important to the smooth running of projects.

There were three different kinds of training projects, although the instruments for implementing them were the same :

- i. all the training schemes financed by the EDF came under multiannual training programmes, which meant that the state and the Community had an overall view of the contribution of Community aid to each state's training policy. At 31 December 1980, 52 programmes totalling 98.7 M ECU had been financed;

- ii. in view of their scope or complexity, individual training programmes at national or regional level require a special Commission decision. In this area 28 projects totalling 14.1 M ECU were financed;
- iii. training connected with infrastructure or production projects¹ where it was requested that training schemes should be set up simultaneously to facilitate and secure implementation. In such cases the training element is either included in the project financed by Community aid or provided as a complement to aid from other sources of finance.

In the latter case, special attention is paid to maintenance, on which the survival of the project largely depends. The setting up of reinforcement of specialized services, by means of training, raises a number of problems, since the training of staff has to coincide with the implementation of the project so that trained staff are available when the project is ready to be handed over to the recipient state. Otherwise, it is often necessary, at least temporarily, to call on foreign technical assistants, which is obviously expensive. The problems here are not always solved, far from it, but the ACP States and the Commission make every effort in each case to find the most appropriate solution.

The following means are used to implement these schemes :

- i. provision of instructors
- ii. training or further training sessions
- iii. provision of teaching materials
- iv. study and training grants.

¹ Particularly in a number of agricultural projects: tea-growing in Burundi, factory management staff; coffee-growing in Ethiopia, management and supervisory staff; tea-growing in Sudan, technical staff trained in Kenya; rural-engineering squad in Guinea, with practical training for engineers, technical middle management and semi-skilled workers; cotton-growing in Zambia, management and supervisory staff, planters, etc.

Instructors: their main tasks are to identify training requirements or set up training programmes while at the same time preparing nationals to replace them when their contracts expire. It should be pointed out in this connection that ACP States often ask for experts' contracts to be extended because they do not have enough trained nationals or, sometimes, because the national authorities find it difficult to take on training projects. In several cases, in Gambia and Madagascar for instance, ACP experts were called upon, but their services are not always readily available, partly because the national priorities of ACP countries are such that it not possible to release enough ACP experts to work on Community aid programmes.

At the end of 1980, 120 technical assistance contracts had been awarded to meet requests in connection with training from 40 ACP States.

Training and advanced training courses: these courses are referred to in Article 6(3)(e) of Protocol N. 2 to the Lomé Convention. Two very different approaches were used.

- (a) 20 courses per year for ACP students and young executives training in Europe, who spend a few days at the Community Institutions in order to become acquainted with the procedures applied by the Community departments with which they will be dealing in the course of the work they are to take up when they return to their countries.
- (b) 10 retraining and advanced training courses for officials and management staff from ACP countries, either in Europe or in the ACP States, in various fields (assessment of labour resources, statistics, industrialization and agri-foodstuffs). The aim of these courses is to improve the output and efficiency of the civil service, which is vital for the development of a country and the implementation of projects financed by external aid, Community aid in particular. (It is worth pointing out that the advantage of this type of additional training is that it does not entail additional expenditure for the budget of the ACP States concerned). In connection with this, there is the example of an ACP country which successfully transformed an European awards scheme, for which the applicants were ill-prepared, into a series of retraining courses for civil servants in all ministries.

Teaching materials¹: this is a small item in training schemes, but appears where necessary as a back-up for seminars or "expert-instructor" schemes when the recipient countries are unable to provide the materials in question : audio-visual aids, textbooks, vehicles equipped with extension materials and maintenance equipment used in teaching which can subsequently be used as basic equipment.

Study and training awards: these awards are for financing academic, university or technical studies, primarily in ACP teaching establishments, or short specializations or further training courses.

For a long time these awards were considered to be a privileged, and sometimes even unique, training facility, and they still occupy an important place in the programmes covered by Community aid.

At the end of the 1979/80 academic year, 12 578 awards had been made, of which 2 676 in Europe and 9 902 in the ACP States, i.e. 21.3% and 78.7% respectively.

The breakdown by study area is as follows:

Economics	Agri-culture	Sciences/ Technology	Health	Education	Other	Total
3 066	1 965	3 845	687	1 741	1 270	12 578
24.4%	15.7%	30.6%	5.5%	13.7%	10.1%	100%

¹This light equipment should not be confused with the heavy equipment of educational buildings.

The Lomé Convention lays down that training should be sought in ACP States first, and then, if this proves to be impossible, in Europe. The percentages given above show that this is in fact the case. Nevertheless, there are often requests for long training courses in Europe at university or technical level in spite of the fact that there are now several establishments in the ACP States which are able to provide this training. Some of these establishments were set up (construction and equipment) or improved (official assistance) thanks to Community aid.

Hence, it is necessary to ensure that the support given to educational facilities at national or regional level is consistent with individual training, which too frequently is sought abroad, at much greater expense. As a matter of priority, the Commission always tries to place Community-sponsored students in national or regional ACP establishments, particularly ones financed by the EDF. The provision of technical assistance and equipment can be envisaged if the existing facilities cannot cope with ACP States' actual or potential demand for training for their nationals.

However, it is necessary to resort to training in Europe when the required establishments do not exist in the ACP States (and the outlay required for their creation would be out of proportion with the potential demand) or when highly specialized posts are involved. At all events, national or regional investments must, as a priority, be put to the best possible use.

On the subject of training, there is another possibility which has so far been little used in connection with Community aid, but which ought to be taken further - that is, collaboration between European and ACP vocational training or university establishments with a view to exchanges of information, experience and instructors. These "link-ups", which benefit both sides, could be increased as much as possible in the future.

The training experience gained during the Lomé Convention period confirmed that training was at the heart of the ACP States' development problems and largely preconditioned the satisfactory takeover and use of the projects implemented in the various sectors of their economies. Moreover, the methods already used under the previous conventions were streamlined and added to as a result.

Teaching facilities are a necessary factor in developing training. Commitments under the fourth EDF amounted to 108 M ECU and covered the following operations :

Type of education	Operations		Total in '000 ECU
	Construction and equipping of new estab- lishments	Renovation and supply of equipment for existing establishments	
PRIMARY ¹	685	373	10
GENERAL SECONDARY ²	10	34	11
VOCATIONAL AND TECHNICAL SECONDARY ²	8	120	26
HIGHER ²			
National projects	10	7	39
Regional projects	1	10	22
TOTAL	-	-	108

¹Classes

²Establishments

The following remarks should be made on the nature of the operations carried out:

- i. unlike many providers of funds who feel that primary education should be the entire responsibility of developing countries, Community aid, at the request of the ACP States, continues to be provided for this sector, which remains the basis of any educational system;
- ii. the large amount reserved for technical and vocational establishments should be stressed as it brings out the link between training and work;
- iii. another point worth noting is the share reserved for regional projects, which, quite apart from the training they provide, have a wide impact and therefore help groups of people with different cultural and social backgrounds to become aware of common interests.

On the question of education, the efforts made under the earlier conventions to ensure that, like health schemes, educational projects are implemented in conjunction with other development operations have been continued.

The following two projects are examples of how this principle has been applied:

- i. the Institut Polytechnique Secondaire Maritime (IPS Maritime) in Guinea
- ii. the construction and equipping of six educational establishments in Guinea-Bissau.

To ensure that the IPS Maritime project in Guinea was directly linked to a productive activity, it was designed as part of an integrated and continuous operation which included: an inventory of fishery resources, development of port infrastructure, expansion of the national trawler fleet, modernization of traditional fishing activities and improvement of trading channels. Moreover, in order to prevent the school from being cut off from the surroundings, a desire for innovation was shown as regards both recruitment and training. On the recruitment level an important criterion was introduced into the thinking behind the establishment, namely a close association between training for young people fresh from school and advanced training for adults already working, so that, particularly in this walk of life, training is not confined to acquiring theoretical knowledge but is based on practice and experience gained in traditional fishing. Training is therefore practical and concrete: infrastructure and equipment are no more than accessories, for the sea is where the real training takes place.

The aim of the infrastructure project in Guinea was the construction and equipping of six primary schools. However, broader development considerations lay behind the project in that local materials were used as much as possible to ensure that the buildings were simple, practical and appropriate to the rural community they were to serve and that they could be reproduced by that community, if necessary, without help from outside. Moreover, the building sites were used as workshops providing technical and management training for staff from national SMEs entrusted with implementing the project. Besides, while this project was being implemented new science programmes were drawn up to give pupils a better knowledge of the environment in which they lived.

I.3.3.B. Public health

Commitments at 31 December 1980 amounted to 47.4 M ECU in the health sector (excluding three schools for training health-sector personnel costing 4.18 M ECU). These funds were used to build : 12 fairly small hospitals (40-200 beds) in secondary towns a long way from capital cities, 42 health centres, 8 maternity units and 15 mother-and-infant protection centres, a total of 2 074 beds. Other projects were financed in addition to these hospital and health facilities : the Somalia Pharmaceutical Institute, a national centre for pharmaceutical research in Madagascar, a clinical biology and public health laboratory in the Central African Republic, a campaign against major endemic diseases in Chad, supplies of accessories (Guinea, Sierra Leone). Training schemes were run for hospital maintenance staff (Mauritania, Sierra Leone, Guinea, Madagascar and Somalia), as part of the infrastructure projects referred to above or as a follow-up to similar projects financed previously.

During the period covered by the fourth EDF the Alma Ata Conference on primary health care was held in September 1978 with a view to extending such care to the most underprivileged people in developing countries, and there was an ACP-EEC meeting in Freetown in December 1978 which established the basic principles to be applied to health projects in the future. These basic principles were laid down in a resolution adopted by the ACP-EEC Council of Ministers on 9 May 1980 in Nairobi.

I.3.3.C. Water engineering, urban infrastructure and housing

A total of 105.6 M ECU (of which 24.3 M ECU in 1980) has been devoted to this sector since the Lomé Convention was first implemented.

Water-engineering projects, particularly in rural areas, benefit the people a great deal, especially women, by improving their living conditions and hygiene considerably.

This was borne out by :

- i. the meeting held in Bamako in November 1979 between experts from the ACP States, the Member States and the Commission, where lessons were drawn from past experience and the basic principles to be applied to future cooperation in this field laid down;
- ii. the introduction of a specific section on the ACP States in the Community declaration on the International Drinking Water and Sanitation Decade which was launched at the fifteenth session of the UN General Assembly on 10 November 1980.

In all, finance was provided for 19 village water-engineering projects (45.3 M ECU), 8 urban water-supply operations (15.7 M ECU) and 8 urban sanitation operations for the benefit of the most deprived people in the towns. Moreover, 32 technical cooperation schemes (studies and technical assistance) were financed for a total of 11.1 M ECU.

As regards urban infrastructure and housing, 8 projects were started up for a total of 19.3 M ECU. These projects, which are quite complicated, are mainly aimed at providing the most deprived population sections with accommodation and land for building and encouraging them to build their own housing.

I.3.4. Other commitments

Major commitments in areas not directly related to the economic and social sectors discussed above are examined in the following chapter. They are :

- i. trade promotion
- ii. Stabex
- iii. exceptional aid.

CHAPTER II - IMPLEMENTATION OF THE INSTRUMENTS OF COOPERATION AND OF
CERTAIN SPECIFIC PROVISIONS OF THE CONVENTION

II.1 Trade promotion

Article 12 of the Lomé Convention shows clearly that the Contracting Parties were at pains to give trade promotion a role that was both simply-defined and also ambitious in that it aimed to enable the ACP States to derive maximum benefit from the trade arrangements established by the Convention and from the results of industrial cooperation.

The sum of the funds expended on trade promotion since the Lomé Convention entered into force is 32.6 M ECU. This figure may seem small, but it in fact reflects choices made by the ACP States in this sphere in both the national and the regional context.

Moreover, as will be seen subsequently, only 28 ACP States requested this type of financing under their national programmes, which would tend to confirm that more than half of the ACP States do not attach high priority to obtaining this form of aid, or at least not from the Community.

At any rate, following various discussions between the ACP States and the Commission, particularly at the end of 1979, it has been possible to establish new guidelines for making optimum use of the facilities offered by Article 13 of the Lomé Convention.

These new guidelines seek to ensure the implementation of trade promotion activities which go from the production stage right through to ultimate distribution so that production can be more closely adapted to the needs of national and international markets, particularly with a view to increasing the export earnings of the ACP States.

With this intention, a large number of national and regional promotional activities have been undertaken or are currently in progress.

Several states have decided to include trade promotion activities in their agricultural, industrial and handicrafts development projects and are receiving suitable technical assistance. Special attention has also been given to the development of trade promotion bodies in several ACP countries and regional organizations.

National programmes

At the end of 1980, 28 countries had received finance for trade promotion activities (i.e. rather less than half the ACP States) totalling 14.5 M ECU. In only four countries did the volume of finance exceed the million ECU mark - Ivory coast: 2.2 M; Ghana: 1 M; Jamaica: 1.8 M and Madagascar: 1.5 M; these four countries accounted for 45% of the total volume of funds requested for trade promotion in connection with the national programmes.

The majority of the requests for financial aid involved drawing up an inventory of exportable resources, analysing the structures, organization and means of production of firms, pinpointing the administrative, technical and financial obstacles to the growth of exports and, lastly, seeking out new markets.

In this context, it is interesting to note that most of the market study requests emanating from West African exporters centred on the ACP markets. This new approach is likely to encourage the development of trade between the ACP States themselves.

The parties which negotiated the Second Lomé Convention felt the need to broaden the actual concept and procedures of trade promotion since it was clearly stipulated that the scope of future activities in this sphere could range from production through to final distribution, on both national and foreign markets.

Regional operations

The total funds expended on regional operations amount to slightly over 18 M ECU and involve two types of operation:

1. improved cooperation between ACP States' and Member States' firms;
2. participation in trade events.

1. Improved cooperation between ACP States' and Member States' firms

Two trade cooperation bodies, the Liaison Committee for the production and marketing of tropical fruits and out-of-season vegetables (COLEACP) and the Federation for the Development of Utilitarian Artisanat (FEDEAU) were again active in 1980.

EDF finance enabled:

- i. COLEACP to continue with the promotion of direct sales to consumers in all the Member States of the European Community and to stimulate exports of mangoes and lychees;
- ii. FEDEAU to carry out five missions to ACP States with craft industries and to organize in Europe seven exhibitions on various themes (basketwork, textiles, toys, etc.), chosen specifically to impress on potential consumers the quality of the utilitarian crafts produced in the countries in question.

2. Participation in trade events

The new pattern of trade promotion has enabled those ACP States which so wish to pursue and extend their trade promotion activities, not only on European markets but also in Africa and the Middle East. The range of participation in international trade events was considerably broadened in 1980 as a result of the new formula which places more direct responsibility on the various bodies and boards concerned with external trade. However, actual improvements in trade figures depend essentially on two factors:

- i. the availability of quality products that can be sold on foreign markets;
- ii. whether ACP firms are effectively present on the stands.

The conclusions of the ACP-EEC experts, confirmed by the Council of Ministers meeting in Nairobi, were that the participation of ACP producers and exporters in the trade events of their choice had produced encouraging results. A net increase was noted in orders for various goods such as leather, hides and skins, textiles, tropical fruit and vegetables, wood, etc.

In 1980, 43 ACP States and four regional bodies (the Liaison Committee of African Producers and European Importers of Fruits and Vegetables from the ACP States, the African Groundnut Council, the West African Economic Community (CEAO) and the Economic Community of West African States (ECOWAS) took part in 19 trade fairs and 15 specialized exhibitions. Community technical and financial assistance was provided mainly to cover the organization of business meetings, information and publicity at trade fairs, stand erection, the travel expenses of stand managers and transportation of the exhibits.

II.2 Stabex

The transfer decisions taken in 1980 to compensate 14 ACP States for losses in export earnings in 1979 involved a total of 66 M ECU (ACP allocation 62.7 M ECU and OCT allocation 3.3 M ECU). Since the allocation available for that year was approximately 72 M ECU, the balance remaining was around 6 M ECU which was earmarked at the Nairobi meeting of the ACP-EEC Council of Ministers for the first year of application of Stabex under the Second Lomé Convention (see Table IX in Annex).

Of the total sum of 66 M ECU, 62.2 M ECU was transferred to least-developed countries. All of the disbursements for the year in question concerned export products affected by various local circumstances, such as low rainfall in the Sahel or a hurricane in the Caribbean.

With regard to the replenishment of resources, the relevant conditions were fulfilled in 1979 in the case of only one transfer, a sum of 1.1 M ECU paid in 1977 to Madagascar in respect of cloves and subsequently repaid.

A total of 35.65 M ECU was disbursed in the form of advances on transfers for the first year of the Second Lomé Convention (year of application 1980).

Over the five years of the Lomé Convention's life, 37 ACP States received a total of 388.1 M ECU¹, and 99% of the overall appropriation has been used, with disbursements being made on average four months following receipt of the request.

In the case of a large number of ACP States, Stabex was proportionally a very substantial source of funds (between 30% and 80%, occasionally exceeding 100%) compared with other fourth EDF aid.

Two-thirds of the transfers and sums transferred went to least-developed ACP States, demonstrating that Stabex is a system which was designed more specifically to help this category of countries, which are not required to contribute to replenishment of the system. The overall result emphasizes the dual protection which the system offers. Local circumstances, such as drought, hurricanes, plant disease and mine closures, accounted for 69% of the transfers whilst the remainder offset losses in export earnings due to economic circumstances within the EEC.

¹ 377.5 M ECU as the ACP Stabex allocation and 10.6 M ECU from the OCT Stabex allocation for OCT that have become ACP States.

With regard to replenishment of the resources, the system also functioned satisfactorily. In each case where replenishment was required, the sums concerned were paid back into the system according to the procedure laid down. Of the 122.8 M ECU transferred in the form of loans, 3.5 M ECU has been repaid.

II.3. Exceptional aid

Under Article 59 of the Lomé Convention, 35.1 M ECU in all was allocated in 1980.

As in 1979, the Commission again did much to help refugees with a total contribution of 19.3 M ECU, including 14.3 M ECU for refugees in the Horn of Africa. The drought in various East African countries (Kenya, Uganda and Ethiopia) also attracted substantial aid (4.2 M ECU), and aid totalling 2.6 M ECU was granted following hurricane Allen which struck the Caribbean in August 1980.

The 34 exceptional aid awards made in 1980 were implemented by specialized agencies (UNHCR, UNICEF, etc.), the Commission Delegations and the authorities in the recipient countries. The application of new emergency aid provisions enabled this aid to be implemented more rapidly than in the early years of the Convention's life as the financial statement for 1979 and 1980 shows: out of an aggregate 56 M ECU approved, 53 M ECU had been committed (95%) and 45 M ECU disbursed (85%) by the end of October 1980.

In 1980, the average length of time between the request and the arrival of the aid was approximately one and a half months generally and two weeks in the case of emergency aid. There was then an average of one week between the arrival of the aid and the start of distribution and almost three months until distribution was completed. For example, the first aid sent to Saint Lucia following hurricane Allen arrived on the island seven days after the request and ten days after the onslaught of the hurricane. The food aid which it was decided to send to Uganda following the drought in Karamoja was despatched 12 days following receipt of the request.

In all, since the beginning of the Lomé Convention, i.e. in four years nine months, 116 decisions were taken under Article 59, amounting to a total disbursement of 146 M ECU, and 46 countries received at least one exceptional aid donation.

Exceptional aid was used to remedy the effects of political as well as natural events. The largest share (45 M ECU) was spent on "man-made" emergency situations: refugees, displaced persons and the breakdown of lines of supply. Other exceptional aid has been spent as follows: drought (21.5 M ECU), hurricanes (14.7 M ECU), animal diseases (8.5 M ECU), etc.

II.4 Technical cooperation

It is not necessary to describe in detail the concept of technical cooperation (general or project-linked) since its various components are itemized in Chapter 3, Article 6, of Protocol No 2 on the application of financial and technical cooperation.

Mention has already been made (see I.3.3 "Training" on page 23 above) of the awards and training courses which account for a large part of general technical cooperation, coupled with various studies on specific sectors or more general or regional topics, the secondment to the ACP States of experts, advisers, technicians and instructors with specific assignments to be carried out within a prescribed period, and other activities. Project-linked technical cooperation likewise involves the provision of technical assistance and the carrying out of studies, either prior to the financing of projects (for their preparation and implementation), or in connection with their execution, and also works supervision and the launching and operation of projects.

In all, by the end of 1980, the funds committed for technical cooperation amounted to approximately 310 M ECU (of which about 110 M ECU for general technical cooperation including study and training awards). The table in Annex X shows the overall sectoral breakdown in 1980 - excluding statistics for the least-developed ACP States - of the technical assistants working in all ACP States; it can be seen that over 66% of these (433 out of 652) were assigned to the least-developed ACP States and that out of a grand total of 652 experts for all ACP States, 239 were assigned to agriculture and 195 to industry, i.e. over 66% were working in the productive sector.

At their meeting held on 25 and 26 February 1980 to discuss the Commission reports on the administration of financial and technical cooperation in 1976, 1977 and 1978, Community and ACP States' experts devoted much attention to this question. Their suggestions, contained in the conclusions of the meeting, were subsequently discussed at the ACP-EEC Council of Ministers meeting, were subsequently discussed at the ACP-EEC Council of Ministers meeting held in Nairobi on 8 and 9 May 1980. The final resolution adopted by the Council authorized the ACP-EEC Committee of Ambassadors to use all appropriate means to:

- i. reduce the cost of technical assistance without jeopardizing its quality;
- ii. ensure that special attention is paid to the terms of reference given to consultants in order to promote the maximum use of relevant technology and to put the human and material resources of the ACP States to good effect.

1. With regard to the first point, the experts had stated that given the high cost of European experts, the Community and the ACP States would use their best endeavours to keep costs down while maintaining quality, and to use ACP experts where they were available.

The ACP States consider the services of consultants and experts from the developed countries to be costly.

This is largely due to the fact that their actual remuneration is supplemented by large expatriation allowances and travel expenses.

However, it is also important to emphasize that the cost of technical assistance financed by Community aid includes all expenditure required in carrying out fully the tasks involved (means of transport, secretarial services, etc., plus accommodation and travel expenses and ancillary allowances). This is not the case with technical assistance from other aid sources, which require reciprocal contributions from the recipient countries.

Moreover, in accordance with Chapter 9 of Protocol No 2 to the Convention :

- i. for the largest operations, the invitation to tender procedure has been employed, because it means that the most advantageous price can be determined (Article 25(2)); however, quality of service remains the main determining factor;
- ii. in accordance with Article 25(3), ACP consultancy firms offering the necessary qualifications for technical cooperation schemes have frequently been selected and currently total 203, a significant increase since there were only 155 at the beginning of 1980. Technical cooperation contracts concluded with ACP consultancy firms or experts now account for over 13% of the value of all contracts of this type since the Lomé Convention entered into force, a significant increase compared with the average under the previous three EDFs (7.3%);

iii. under Article 27, cooperation between Member States' and ACP States' consultants and experts was encouraged and, under Article 28, Community aid was provided to assist the execution by direct labour of technical cooperation projects whenever requested.

It is interesting to note that a survey on agricultural project studies initiated between 1978 and 1980 shows that out of 77 short-lists of consultancy firms submitted to the ACP States, 10% included an ACP firm, either from the country itself or from another ACP State.

Altogether 196 ACP consultancy firms, experts or bodies have been proposed in connection with technical cooperation schemes, and of those 117 have been engaged by national authorities (10% of the total).

Despite these encouraging facts, it has to be emphasized, as already stated in connection with training, that direct recruitment of national experts, albeit desirable, is not easy.

The same is true of the replacement of expatriate staff by national personnel. Certain technical assistance contracts are extended from year to year at the insistence of the authorities concerned, thus giving a sort of permanency to technical assistance, which should, by definition, be temporary.

The ACP States and the Commission are therefore making an even greater effort than in the past to make arrangements, within the actual framework of projects, for training local staff capable of handling management and maintenance so as to gradually reduce the need for recourse to technical assistance.

Community and ACP experts have also expressed concern about whether short-lists of consultants submitted to national authorities are representative. The above mentioned survey shows that, out of 77 short-lists, almost half offered the ACP partner a minimum of three firms representing three different countries, and 21 others a choice of three firms representing two countries. Where the short-list is less representative, this is generally for a specific reason: small sum involved, consultant proposed particularly well qualified, follow-up to a previous project, express request by the ACP government concerned, etc.

2. The second point in the Resolution passed at the Nairobi meeting of the ACP-EEC Council of Ministers asked that all appropriate steps be taken to ensure that special attention be paid to the terms of reference given to consultants in order to promote the maximum use of relevant technology and to put the human and material resources of the ACP States to good effect.

Using appropriate technology and the resources of the ACP States is easier in some sectors than in others.

In the case of agricultural production, for example, choosing technology appropriate to the user is a pre-requisite for the success of a project and requires particularly close study. Hence, in Sudan, a special study was conducted into the possibility of using draught animals in the Nuba Mountains project before a decision on the project was taken. However, the use of intermediate technology frequently poses problems where industry and energy are concerned, because of difficulties such as higher costs due to the existence of technological thresholds, quality standards that are uncompetitive on the world market, etc. Recourse to intermediate technology will therefore be confined almost exclusively to micro-water-engineering schemes, alternative energy projects, etc.

On the principle that maximum use should be made of the resources of the ACP States, a number of projects are envisaged in the sphere of agricultural production involving the replacement of imports by local production, or the use of local raw materials to carry out the project itself in preference to imported inputs: among other projects, this is the case for example with the Malian seed protection and crop treatment project (local manufacture of fungicides and pesticides) and the scheme in Burundi to use local peat to replace imported fuel-oil for the tea factories.

With regard to buildings, the climatic conditions in the ACP States generally result in a search for different techniques to those used in Europe or at least in efforts to adapt such techniques. This is the case with waterproofing for windows and roofs, ventilation and thermal insulation of buildings, etc.

Furthermore, the world economic crisis, notably in respect of energy which places a particularly severe burden on non-oil-producing ACP States, has made it essential to seek practical ways of reducing by all available means the use of non-renewable forms of energy by, for example, carefully chosen siting and orientation of buildings, promotion of the use of natural ventilation instead of air-conditioning (costly to purchase and operate and complicated to maintain), and other such means.

At the same time, the cost of the conventional building materials (cement, steel, glass) used in "modern" architecture, which are mostly imported, is frequently prohibitive. There is consequently a powerful incentive to develop appropriate technology through the widest possible use of locally available materials which, by definition, are less costly: wood, stone and stabilized earth. It is necessary to move away from the situation in the recent past where most buildings offered the same uniform appearance and where there was nothing to distinguish a tower-block built in Abidjan or Nairobi from a similar building in Brussels or London except the geographical location.

The use of appropriate technology is occasionally given public recognition. This was the case with the Mopti Health Centre in Mali which opened in 1976 and in 1980 was awarded the Aga Khan Foundation architecture prize.

The prize-giving was an event of great significance in that it was presided over by Pakistan's Head of State and both the Aga Khan and the Director-General of UNESCO were present. It is interesting to note that the jury insisted on the award going not only to the architect but also to the project user, Mali's medical assistance service, and to the Community, which provided the funds from EDF resources.

The following are examples (the list is not exhaustive) of schemes which suited their environment particularly well: the primary schools in northern Cameroon, the training centres for young farmers in Upper Volta and the Benin craft centre.

It has thus been amply demonstrated that appropriate technology can be used without in any way affecting the quality of a project.

It would appear important, therefore, that those responsible for infrastructure of this type - consultancy firms performing a creative or advisory function, the relevant Commission departments, or more vitally, the ACP States' project supervisory, should in their studies and when making their choices turn increasingly towards construction methods, materials, technology and equipment appropriate to the ACP States and in particular to the rural environment inhabited by the majority (and often the most underprivileged section) of the population.

II.5. Regional cooperation

One of the major innovations of the Lomé Convention was the assistance given by the Community to the ACP States' efforts to promote regional cooperation. Declarations by the Council of ACP Ministers at Suva and Montego Bay have since confirmed the ACP States' political will to strengthen cooperation among them in order to obtain the ensuing individual and collective benefits.

The funds set aside for regional cooperation under the First Lomé Convention amount to some 10% of the total volume of financial resources. The Commission accordingly programmed a sum of 300 M ECU drawn from the resources which it administers and allocated in two instalments.

As for the sectoral breakdown of the funds programmed, the following table illustrates that transport and communications, traditionally an important sector in regional cooperation, takes first place, with over half of the total; this sector constitutes the very basis of regional integration, in particular on the African continent, where many countries are landlocked; it is followed by rural development (including stock-farming, fisheries and irrigation) and training projects.

Transport and communications	52%
Industry, energy	9%
Rural development	13%
Training	11 %
Technical assistance, studies and research	3%
Trade promotion and other	12 %
	100 %

At 31 December 1980 the situation regarding the regional programme was as follows:

- i. of the 236 M ECU committed, a fair large proportion (55.8 M ECU) was earmarked in 1980, by dint of the special efforts made by the Commission. In the next few months, more financing decisions will be taken so that all the regional projects programmed under Lomé I can be initiated;
- ii. at 31 December 1980 disbursements represented 41.5% of commitments at that date;

- iii. in the allocation of funds, a balance was struck among the sub-regions in Africa; the landlocked and island ACP States were favoured where regional infrastructure projects were concerned, and special attention was paid to the least developed ACP States (60% of the total appropriation of 300 M ECU);
- iv. the activities of ACP regional and inter-state organizations which were truly aimed at cooperation among ACP States - and it is only to be regretted that there are not more of these - were encouraged in various ways, particularly through technical assistance and training, and by schemes aimed more generally at strengthening the role assigned to them in promoting economic integration;
- v. there are also the EIB's regional operations amounting to 31.8 M ECU, bringing the total funds earmarked for regional cooperation under the Lomé Convention to over 330 M ECU, although this is still within the "approximately 10% of the total financial resources" provided for by Article 47 (2) of the Convention.

In all, the conclusions which may be drawn from an initial analysis of regional cooperation under Lomé I are favourable.

The implementation of the programme has, however, raised certain difficulties which should be pointed out so that they may be avoided in future :

- i. the concept of regional interests is generally poorly grasped. More attention is paid to the location of a project than to its effect on the economic development of the region;
- ii. projects which were predominantly national have too often been presented as regional projects;
- iii. regional cooperation must be based on a regional political will which has not always been present.

II.6. Microprojects

In 1980, 11 new financing decisions were taken to the tune of a total of 3.1 M ECU.

The interest shown in these projects by the local population which benefits directly from them has become increasingly more evident.

The ACP States are fully aware of the advantages of this type of aid which can meet a community's urgent requirements rapidly.

At its fifth meeting in Nairobi on 8 and 9 May 1980, the ACP-EEC Council of Ministers decided to raise from 20 to 25 M ECU the total funds which the ACP States could use under their indicative programmes for microprojects. This type of aid has been taken up by 32 ACP States, to the tune of about 21 M ECU.

At 31 December 1980, 55 annual programmes involving 31 states formed the subject of financing decisions totalling 17.6 M ECU (i.e. a commitment rate of 84%). These decisions were taken rapidly, by simplified procedure, by the Chief Authorizing Officer of the Fund under an overall commitment authorization.

Year of financing	Number of programmes	Amount financed ('000 ECU)
1976	1	270
1977	12	5 040
1978	14	3 811
1979	17	5 294
1980	11	3 135
	55	17 550

The contributions to the financing of these 55 programmes were (comprising over 2 000 microprojects) were as follows:

	Total ('000 ECU)	Average per microproject ('000 ECU)	Percentage per source of financing
EDF	17 550	8 800	45
ACP State	11 841	5 900	30
Communities	10 194	5 100	25
	39 585	19 800	100

Microprojects are concerned mainly with the development of production (specific operations - storage, packaging, processing equipment - small irrigated areas - stock-farming and fisheries) but also the creation of social infrastructure (schools, dispensaries, maternity units, etc.) and rural water-engineering projects.

The administrative procedures applicable to microprojects are particularly straightforward: the Commission's agreement on the financing of each microproject contained in the overall annual programme is given by the Commission Delegate on presentation of an estimate by the authority responsible.

After a few teething troubles, caused mainly by the newness of this type of operation, the programmes are being carried out satisfactorily.

The microprojects are welcomed by the people which benefit from them and are increasingly showing their worth as a means of meeting essential requirements. They bring a direct improvement in the quality of life of the poorest sections of the population.

II.7. Special measures in favour of the least-developed ACP States

Since Community aid was first implemented, the special situation of the least-developed countries, which form a particularly large proportion of the ACP States, has unfailingly been taken into account.

In accordance with Article 48 of the Lomé Convention, special attention is paid to the situation of the least-developed ACP States. By the end of the first Convention's life, the number of least-developed ACP States had increased from 24 to 33, and with their 139 million inhabitants, they account for 43% of the total population of the ACP States.

The consideration given to the least-developed ACP States' particular problems is reflected in the following :

When the resources earmarked for projects and programmes administered by the Commission were first allocated, preference was given to these states: of the financial resources programmed for national projects and administered by the Commission, 64% was allocated to them, although they accounted for only 43% of the total population of the ACP States.

Similarly, when the indicative programmes were implemented, a great effort was made to help the least-developed countries. Despite the considerable implementation difficulties created by their situation, at 31 December 1980 83% of the amounts programmed had been committed in the case of these states, as compared with 85% for the ACP States as a whole. The obstacles frequently pointed to were thus overcome.

The following details should be pointed out concerning the terms of the financing granted to the least-developed ACP States:

- i. Community aid can, if necessary, cover all the capital costs of projects, including local costs, and this is of particular value for the least-developed ACP States, which, owing to their situation, have real difficulties in obtaining substantial contributions.
- ii. Financing is granted to the least-developed ACP States on very favourable terms: at 31 December 1980 they had received 68% of all the grants committed (the other ACP States had received only 32%) and for them the grant element represented 87% of total financing, as against 80% for the other ACP States.
- iii. of the risk capital financing (see page 8 above), administered by the EIB, 60% was allocated to least-developed ACP States, whereas the other ACP States obtained a larger share of the EIB's assistance from own resources on generally less favourable financial terms.

Certain forms of cooperation have provided a solution to the particular problems of the least-developed ACP States, such as:

- i. the micro-project programmes, which have proved particularly well suited to their requirements: to date 52% of the amounts committed have gone to this category of country;
- ii. of the 36 ACP States which have qualified for Stabex transfers, 26 belong to the least-developed category; they have received 69% of the total transfers. Stabex provides, furthermore, for preferential treatment for the least-developed ACP States (dependence and trigger thresholds at 2.5% instead of 7.5%, no reimbursement of transfers).

At the operational level and at the request of the ACP States concerned, special attention has been paid to the following :

- i. the improvement of the least-developed ACP States' administrative capacity, (training schemes, technical assistance, etc. - see Table X);

- ii. the taking over, on a temporary basis and on a sliding scale, of operating costs or of major repair costs which they cannot meet from their own budgets;
- iii. the promotion of regional cooperation projects, benefiting this category of country: about 60% of the amounts programmed under the regional cooperation section of the Lomé Convention involve the least-developed ACP States. Special attention has been paid to operations designed to improve transport and communications networks in order to help open up landlocked countries.

From the procedural standpoint, a special effort has been made to appraise extra quickly projects involving the least-developed ACP States. In Ethiopia the project for the improvement of coffee-growing was put before the Community's decision-making bodies only four months after the programming mission, and in Mali projects such as the Sélingué dam deforestation scheme or the third phase of the Ségou rice-growing project were appraised very quickly.

Lastly, in 1980, the special attention paid to these states was also reflected in the disbursements made under the fourth EDF, as shown by the statistics compiled at the end of 1979 and 1980. At 31 December 1979, disbursements amounted to 43% of total commitments for the least-developed ACP States and for the other ACP States. In 1980, disbursements were speeded up in relation to commitments and at 31 December 1980 exceeded the 50% mark for both categories. This trend towards a faster rate of disbursement was stronger among the least-developed than among the other ACP States since, for the former, the disbursements/commitments ratio was 57% at the end of 1980, whereas for the other ACP States it was only 52%.

In addition to the facilities provided by the Lomé Convention, the Community has also paid particular attention to the group of least-developed ACP States through food aid allocations and contributions to projects cofinanced with the EEC Member States' non-governmental organizations.

II.8. Specific measures in favour of small and medium-sized national enterprises

The development of small and medium-sized enterprises (SME) in the ACP States was one of the innovations of Lomé I. To assist SME financially and technically and to facilitate economic diversification and job creation, the Convention provides for a number of types of action including credit lines and global loans for financing bodies acting in an intermediary capacity between the Community and SME.

The operations carried out with funds administered by the EIB in order to help the SME (loans to development banks and use of risk capital) were noted in the preceding chapter.

In 1980 the Commission adopted two financing proposals for special loans of a total of 2.2 M ECU for this purpose, benefiting Uganda and Suriname.

Since the Lomé Convention entered into force, 16 decisions have been taken, for a total of 13.7 M ECU. The instrument used was the credit line, as set out in Article 13 of Protocol No 2 to the Convention, the aim being to give credit facilities to small firms which, for various reasons, mainly their small size, could not obtain bank credit, and to provide them with technical assistance suited to their requirements.

In conjunction with, or independently of, these credit lines, technical assistance has been provided, always at the ACP States' request, for certain intermediary organizations or institutions providing extension services in order to strengthen their capacity to promote, assist and provide a framework for SME (e.g. Bahamas, Zambia, Uganda) (list of various operations administered by the Commission to help SME : see table XI).

II.9 Transfer of technology

Certain operations, in particular industrial and agricultural ones, very often involve the transfer of technology, notably by providing training for nationals in modern techniques: an example of this is the increasingly common use of ULV (Ultra Low Volume) treatment to combat parasites, a much more effective, quicker and less tiring process than the manual sprayer.

However, it is probably in the energy sphere that the transfer of technology has recently been most marked. In this sector, from 1975 to 1980, the Community and the Member States greatly increased their commitments, mainly through scientific and technological cooperation, focussing largely on the promotion of new and renewable energy sources, which should in the long term account for a larger proportion of the power generated in the ACP States.

The amount of financing in this sector is still low, but the ACP States and the Community derive a certain degree of satisfaction from the operations undertaken so far in that their success confirms the validity of the approach followed, which was based on the following considerations :

- i. The new techniques implemented were already sufficiently developed for the risk of failure to be limited. Care was taken to prevent the ACP States from being regarded as testing grounds where new techniques could be tried out and then used elsewhere. The opposite approach was taken: techniques were first developed, then adapted to the requirements and potential of Africa, the Caribbean and the Pacific.
- ii. Investments in this sphere were initially deliberately kept within certain limits in order to reduce the financial risks.
- iii. "New Energy" components were as far as possible integrated into more wide-ranging projects extending beyond the energy sphere (e.g. the irrigation of an area by solar pump as part of a major hydro-agricultural project).
- iv. Problems of adaptation to the environment were carefully studied in order to avoid psychological difficulties, which can even amount to outright rejection (hence, for example, a study on the use of molasses for producing ethanol takes full account of the housewife's culinary habits).
- v. Projects financed by the Community were backed up as far as possible by organizations researching and applying new technology which already existed in the developing countries. It is worth noting in this context the high level of experience and know-how already achieved by certain national research stations.

The Joint Research Centre in Ispra has, for its part, contributed to the development of these technologies by making a number of visits to Kenya, Ethiopia, Zaire and Benin, and by devising, as a result of these visits, specific operations which can be undertaken in the context of the Second Lomé Convention.

A provisional record can be drawn up on the basis of the projects already implemented:

- i. there is no doubt that in a few years renewable energy sources will be able to meet a substantial share of the Third World countries' energy requirements;
- ii. insufficient knowledge of resources and of real requirements still creates some uncertainty in the selection and setting up of projects;
- iii. the systems and equipment at present available on the market are still too costly for large-scale use to be considered. It is therefore inevitable that only limited projects will be undertaken for the present and the only scientific cooperation activities that will be conducted will be ones which must fit into more effectively coordinated national and regional scientific development policies;

- iv. most of the equipment needed to exploit new energy sources - still undergoing research and development - necessitates substantial adaptation and a detailed knowledge of the opportunities which the technology in question can provide before it can be introduced in the ACP States;
- v. habits which are in many cases deep-rooted and have to be overcome in order to introduce these technologies constitute an obstacle which has to be approached carefully;
- vi. the current fascination with promoting new energy sources could result in ill-suited, uncoordinated and sometimes even wrong action. In order to avoid the rejection of these technologies in certain cases, which could result from an unfortunate experience, it is necessary to exercise at least the minimum of caution;
- vii. the development of new energy sources, particularly when integrated with projects, necessitates a continuous process of observation, verification, review and follow-up;

II.10. Industrial cooperation

The Centre for Industrial Development (CID) pursued and broadened its promotional activities for the benefit of ACP industries in accordance with the brief it had received from the Committee on Industrial Cooperation (CIC) along the lines followed in the past. In the course of 1980 it extended even further its role as an intermediary between European businessmen and ACP States, mainly by stepping up its contacts with European business circles and conducting market studies for a number of projects.

The Commission and the Bank cooperated very closely with the CID on several specific projects. In addition to its involvements in projects connected with product marketing and industrial training, the CID has been deeply engaged in following up industrial promotion activities financed by the Commission - such as the Dakar Investors' Forum - which may give rise to joint ventures.

Within the CIC, the Commission and the Bank have helped draw up the guidelines for CID activities. The CIC has fulfilled its function of supervising these activities, notably the financial aspects. The CID's projects and other activities have been closely evaluated in order to draw conclusions regarding the guidelines to be adopted in the future.

II.11. Co-financing

Co-financing has increased considerably with the implementation of the Lomé Convention. Almost 23% (598 M ECU) of fourth EDF resources has gone on co-financed projects; 50 projects are thus being co-financed at a total cost of 3 600 M ECU, the main participants being :

the Community and its Member States	36% (of which EDF/EIB:19%)
the Arab Funds	19%
the IBRD	11%

With regard to the EIB, the Member States' bilateral aid organizations have participated with the Bank in the financing of 31 projects by means of loans totalling over 300 M ECU and the World Bank and the International Finance Corporation have co-financed 17 capital projects with the EIB to the tune of about 320 M ECU. The Arab organizations have, furthermore, channelled over 230 M ECU into the execution of nine projects in which the EIB has also participated. All the projects under this heading amount to a total investment of the order of 2 600 M ECU.

The main reasons for this upswing are as follows:

- i. the increase in the number of potential suppliers of funds operating in the ACP States. The ACP States' traditional bilateral aid sources, and the Community and the World Bank, have gradually been joined by regional organizations (ADB, ABEDIA, CDB, etc.)¹ and the OPEC agencies, particularly the Arab ones;
- ii. the effectiveness of the system, which enables the experience of old and new suppliers of funds to be called upon;

¹ African Development Bank, Arab Bank for Economic Development in Africa, Caribbean Development Bank.

iii. the development of three-way cooperation, to which the Commission has devoted its efforts. The constantly expanding role of Arab funds testifies to the validity of the main international institutions' policy of promoting co-financing.

The new Lomé Convention lays the emphasis on co-financing, extending its scope and specifying the procedure involved.

The "institutionalization" of co-financing (the First Lomé Convention made practically no mention of this) shows the common desire of the Community and the ACP States to continue and extend the practice of co-financing, and this should produce a relative increase in the resources allocated to it.

CHAPTER III - ADMINISTRATION OF COMMISSION AID, EVALUATION OF RESULTS, INFORMATION

III.1. Administration of Commission aid

Indicative programmes and updatings

Article 51 of the Lomé Convention sets out clearly and in detail the process of programming the aid.

One of the main functions of programming is to ensure that the development schemes financed in the ACP states with the Community's support tie in with the objectives laid down by those states in their general economic and social development policy. The outcome of programming therefore depends on two factors: the choices made by the ACP States and the resources which the Community can place at their disposal. Programming is therefore an undeniably essential factor in relations between the signatories to the Convention.

Experience shows that sound programming is essential to avoid any unnecessary delay in the presentation, financing and execution of operations. This requirement does not mean that flexibility may not be needed - even though certain delays may result - in adapting the indicative programmes to the changes in the ACP States' economic situation, changes which themselves bring about certain modifications in the priorities initially laid down. The Lomé Convention includes a provision to that effect.

From 1977 to 1980 there were 61 instances of updatings to indicative programmes: 6 in 1977; 22 in 1978; 21 in 1979, and 12 in 1980, which obviously means that the programmes for certain ACP States were modified more than once, whereas those for others were not modified at all. The breakdown is as follows:

- in 17 countries the national indicative programmes remained unchanged;
- in 27 countries the indicative programmes were updated once;
- in 13 countries the indicative programmes were modified twice;
- in 2 countries the indicative programmes were modified three times.

The large number of modifications to the indicative programmes in 1978 and 1979 (over two-thirds) clearly indicates that an essential distinction must be drawn between the overall indicative programme and the individual project. Experience has shown that a number of projects included in the programmes initially adopted were only mere outlines which were to undergo a detailed economic, technical and financial appraisal, possibly resulting in agreement to modify even reject the original concept.

It should be pointed out that the aid granted to the ACP States is based on the priorities which they establish, since financing proposals are put before the decision-making bodies only on the initiative of the recipient state following joint appraisal, and financing decisions do not become effective until both parties have signed a financing agreement laying down each party's rights and obligations.

Project appraisal and execution :

The distinction between the appraisal and execution of projects has the virtue of simplicity: once a project has been identified, appraisal covers all the stages that precede the financing decision, and execution all that follows. It is probably as a result of this distinction that certain European observers and, in some cases, representatives of ACP States, have felt that the commitment of funds, which in the culmination of the appraisal stage, was taking precedence over execution, which, it seemed to them, was being somewhat neglected.

The Commission does not see it this way at all, particularly since the distinction is more a matter of form than of fact; appraisal and execution are indeed successive stages, but they are above all complementary stages in an indivisible whole and experience has shown that the quality of execution depends closely on the quality of appraisal, and a carefully prepared project is usually carried out satisfactorily. The Commission considers that the financing decision should not be taken on a project until appraisal has gone right up to the execution stage, so that the decision can be translated quickly into action; it even considers that it is advisable in many cases to issue the main invitations to tender before projects are financed, so that the real amount can be fixed more easily and overruns therefore avoided at a later stage.

A more general point is that whereas the Lomé Convention gives the Community major responsibilities as regards the financial administration of the EDF, it gives entire responsibility for executing the projects and programmes to the national authorities of the ACP States; in accordance with the Convention, it is they who are responsible for issuing invitations to tender, receiving and examining tenders, making arrangements for the award of contracts, signing contracts, attending to acceptance formalities, etc.

In administering the aid, there is obviously very close cooperation between national governments and the Commission Delegations in practice as well as in theory. This cooperation in the field ranging from appraisal through to completion - and even beyond to project evaluation - has been stepped up significantly since 1976 following the major decentralization measures taken then.

The same spirit prevails in Brussels where the Commission's central departments and the ACP States' diplomatic missions maintain a constant dialogue. Some of the most important business is generally settled there by a mission sent by the ACP state concerned, headed by a minister or senior civil servant.

With implementation of the First Lomé Convention drawing to a close, the commitment of funds for launching projects is coming to an end, but execution of the projects is continuing and will do so for some time to come. In this respect the Commission had already stated in 1978 (1978 report, page 26): "Though in most cases the execution of projects has been fully satisfactory, in others difficulties and delays have arisen at various stages, thus lengthening the chain of procedures from the initial decision up to the final payment marking completion of implementation in the field." With certain adjustments to allow for advances on contracts, etc., the amount disbursed is the simplest and most objective yardstick for assessing the progress made in the execution of projects, and the very marked diversity of the ACP States' situations in this respect is particularly striking. At 31 December 1980 and for "project" aid only (i.e. not including Stabex or exceptional aid, which are paid out almost immediately), the percentage of payments in relation to commitments exceeded 85% for certain ACP States, whereas for others it was barely 50%. This fundamental observation also reflects the following point made in 1978: "As the Community invariably applies the same procedures, the inevitable conclusion must be that the recipient countries have not fulfilled the various responsibilities entrusted to them under the Convention at the same speed in all cases". If this were not so, the percentages would be fairly similar in all cases. It may therefore be useful, for the future, to try analysing the main causes of difficulties and delays. This is a tricky exercise and could be never-ending since the difficulties encountered are those of everyday life and new ones are always cropping up.

There are still, however, certain factors which can make project execution a difficult or lengthy process. A few of these are factors which stem from the very nature of things and are therefore virtually impossible to rectify, but the others - and they are the majority - could usually be eliminated.

The first category includes the time lapses involved in the sector to which the project belongs. As regards the primary sector, it is obvious that agricultural projects are governed by the changing seasons and the rate of growth of crops. The execution of many projects naturally extends over four or five years or more: that is true, for example, of perennial crops which do not give any yield for the first few years, or of projects in rural areas where extension services have to be provided for a long time in order for the farmers involved to assimilate all the techniques. Similarly, major projects founded by complex co-financing arrangements often require lengthy appraisal and study before they are ready for implementation, and cannot be executed quickly; they are on such a large scale that this would be inevitable whether they involved developed or developing countries. Another type of obstacle which is of a very different nature but equally insurmountable, and hence belongs to the first category, results from particular political circumstances.

Then there are the technical difficulties, which should be easier to solve. Examples of these are given below:

- i. selections of the consultant by the national government: for a construction project, say, the government, having expressed its intention of preparing the project dossier itself, requests that a consultant be sent. Eight months go by before it makes its choice from the short-list proposed by the Commission. It also requests the Commission to prepare the draft contract between it and the consultant, which is normally its own responsibility;
- ii. delays in the signing of financing agreements or of loan contracts: these acts constitute the essential legal basis for executing any project, but the signing of these acts often meets with unaccountable delays, despite the fact that it is obviously a formality which, although of crucial importance, is not difficult to complete;
- iii. delays in the preparation of the plans and specifications: the use of outside technical assistance may unexpectedly prove necessary for preparing such documents, and this obviously takes time, especially as delays may also occur in setting up the technical assistance itself. Significant examples of this exist in the case of road infrastructure and also rural development. Similarly, circumstances such as changes of site made by the administration require the preparation of fresh dossiers whereas there already exists an invitation to tender dossier for the initial solution;

- iv. delays in setting up local organizations responsible for implementing a project;
- v. delays in selecting the successful tenderer and concluding contracts: these are among the most frequent instances of delays. It is possible to cite a case where negotiations between the lowest bidder and the administration lasted thirty months;
- vi. difficulties arising in execution by a public works department or by a national firm: equipment required for execution by a public works department has been found to be insufficient, unsuitable and in some cases even non-existent, but the intrinsic benefits of execution by this means and its value in terms of training may offset the difficulties encountered;
- vii. delays in making finance from national public funds available for operations;

There are also land tenure problems, which are often difficult to solve, so that the land required is frequently not ready in time for carrying out the projects, etc.

All these difficulties are very real ones and it is natural that they should draw attention. It is necessary to analyse them in order to determine ways of alleviating them. It would, however, be quite wrong to assume from this that they constitute the norm, for they affect only some of the projects. In the sphere of financial and technical cooperation, relations between the ACP States and the Community have nothing to fear from a comparison with other, more traditional forms of cooperation, even as regards practical aspects such as the time taken to mobilize financing, elaborate projects and implement them. Many projects are carried out satisfactorily and, just as there is no story behind people who are happy, there is nothing to recount about these projects. Consequently, little - probably not enough - is said about them. Furthermore, their number should progressively increase as a result of the experience acquired by the governments of the ACP States concerned and the effects of the training schemes organized over many years in every sphere, and particularly in aid administration and project execution.

The rules of the Lomé Convention were agreed on by common accord to meet a real need, and when properly applied, they are straightforward, but when, as often occurs in administrative matters, they are not followed as they should be, this creates complications.

Commission Delegations

Effective and rapid implementation of financial and technical cooperation presupposes far-reaching decentralization of executive functions here. The Commission has gone a long way towards this goal, since over 40% of its development staff is working in the field.

Apart from their general function of providing information and acting as Commission representatives, the Delegates have to play an active part in collaborating with the national authorities at all stages of aid implementation, namely project preparation, appraisal and execution. For this purpose they have powers enabling them to take directly, on behalf of the Commission a large number of decisions. It should be pointed out that these powers have been increased under the Second Lomé Convention, since the Delegates can now directly:

- i. approve the dossiers for expedited invitations to tender;
- ii. approve within one month proposals for the award of contracts in the case of expedited tenders, and for other tenders too, provided certain conditions are fulfilled;
- iii. give their agreement to the payment of sums owing to contractors, etc.

In 1980, the Commission designated its Delegates to newly independent states which had acceded to the Convention. The Delegate in Barbados will thus act as Delegate to St Vincent and the Grenadines, and the Commission Delegate for the Pacific will perform this function for Vanuatu.

Table XIII shows the total cost of the delegations for the duration of the Lomé Convention. It will be noted that for 1980 costs are indicated only for the first two months of the year. Since 1 March 1980 the operating costs of the Commission Delegations, which were previously charged against EDF resources, have come from the General Budget of the Communities; this is a major innovation which has been welcomed by the ACP States.

General conditions of contract

In accordance with Article 22 of Protocol No 2 to the Lomé Convention, the Community transmitted proposals to the ACP States for common rules regarding works, services and supplies in March and July 1978 and March 1979 respectively. These texts are still being examined by the ACP States, and the substantive negotiations designed to enable the ACP-EEC Council of Ministers to adopt a final decision have not yet really started. When that long process is completed, the texts adopted will naturally be applicable to the contracts concluded under the Second Lomé Convention.

Financing agreements

During the year 111 financing agreements involving grants (239.6 M ECU) and special loans (84.8 M ECU) were signed with the ACP States for a total of 324.4 M ECU. Although the number of agreements signed in 1980 was slightly lower than in 1979 (116), the total amount was slightly higher (317.8 M ECU in 1979).

Hence, a total of 519 financing agreements were signed in the 1976-80 period and overall commitments arising from these formal acts, which have to be signed before a project can be executed, amounted to 1 500 M ECU.

Invitations to tender and contracts:

A total of 102 invitations to tender were issued in 1980 involving an overall amount of 151.4 M ECU, as follows:

14 invitations to tender for works contracts issued under the normal procedure, totalling 70.6 M ECU (about 5 M ECU per invitation to tender);

8 invitations to tender for works contracts issued under the expedited procedure, totalling 9.8 M ECU (about 1.2 M ECU per invitation to tender);

80 invitations to tender for supply contracts, totalling 71 M ECU (about 0.887M ECU per invitation to tender).

These figures show that there were fewer invitations to tender for works contracts compared with the previous year, while there was a marked increase in invitations to tender for supply contracts. While allowing for a few cyclical factors, both trends seem to reflect the present situation, which is that the infrastructure stage of projects has been completed, and it is the equipment to run the infrastructure that now has to be found.

A general view of the fourth EDF in this respect shows that since 1976 the following invitations to tender have been issued:

160 invitations to tender for works contracts totalling 629.5 M ECU of which :

- . 85 under the normal procedure for a total of 578.8 M ECU (an average of about 6.8 M ECU);
- . 75 under the expedited procedure for a total of 50.7 M ECU (an average of about 0.6 M ECU);

244 invitations for supply contracts totalling 229.7 M ECU (an average of over 0.9 M ECU).

It is also interesting to note that with 404 invitations to tender issued between 1 April 1976 and 31 December 1980 in the ACP States, invitations issued under the fourth EDF alone account for over a third of all those issued for projects under the first three EDFs over a period of 16 years (1959 - 74).

The application of the principle clearly set out in Article 21 of Protocol No 2, whereby the tender which is economically the most advantageous is to be selected, implies that price (in other words, awarding contracts systematically to the lowest bidder) is not the only criterion to be taken into consideration when selecting tenderers and that there are also other factors (technical value, lead times, etc.).

In practice, the contractor is not the lowest bidder, arithmetically speaking, in about 50% of supply contracts and 20% of works contracts. This is not only true where one of the price preference mechanisms set up by the Lomé Convention comes into play - which is obvious enough - but also where there is no preference.

This applies in particular to certain types of supplies, such as hospital or laboratory equipment where quality takes precedence over strictly financial aspects.

The rule established by the Lomé Convention on competition is that natural and legal persons of the Member States and ACP States are accorded the same treatment. This rule has been implemented very effectively, since the situation at 31 December 1980 shows that ACP nationals took virtually 30% of all contracts financed from fourth EDF resources worth a total in excess of 341 M ECU. The position is particularly striking in the case of works contracts, the ACP States taking over 42%. They were awarded 10% of supplies contracts and over 13% of technical cooperation contracts¹.

¹ see p. 35

In the course of the joint examination carried out in February 1980 of the first three Commission reports on the administration of financial and technical cooperation the ACP experts had stressed that in special cases it was important for them to be able to obtain supplies in third countries. This possibility does exist, but, apart from cases where the EDF financing is combined with other external aid (joint co-financing), it is exceptional. It is designed to prevent an excessive increase in costs on account of distances, to cope with transport difficulties, or to reduce delivery times.

At 31 December 1980 third countries held 2.15% of all contracts awarded under the fourth EDF. Although participation in the execution of works contracts by third country firms is still marginal (1.36%), the same cannot be said for supplies originating in those countries (6.02%). This share is well up on the preceding year (3.78%), but its significance should be qualified. The figures for supplies originating in third countries were affected by a large contract (worth about 4 M ECU) for rolling stock for Zambia, which was awarded to a firm in Zimbabwe in 1980. The supplier was a third country when the invitations to tender were issued but it was to become an ACP State shortly afterwards. This was an extreme case, therefore, but it nevertheless meant that the derogations regarding origin provided for in Article 56 (3) of the Lomé Convention had to be implemented.

At this meeting the ACP experts had also expressed the hope that even more contracts would be awarded by mutual agreement or by the expedited procedure, while noting that numerous contracts had already been awarded under these procedures. The ACP-EEC Council of Ministers took due note of this statement, along with the experts' conclusions. The advantage of procedures such as mutual agreement following restricted consultation, the restricted invitation to tender or the expedited procedure lay in greater decentralization of dossier preparation and the award of contracts. On the other hand, these procedures narrow the field of competition and, as a result, reduce the chances of obtaining the tender which is "economically the most advantageous".

The results for 1980 show quite clearly that use of these procedures is on the increase. Contracts awarded under them totalled about 49 M ECU in 1980 compared with around 30 M ECU the previous year (an increase of 63%). The breakdown of this overall result by type of contract is as follows:

an increase of approximately 55 % in the case of works contracts (about 28 M ECU in 1980 compared with around 18 M ECU in 1979);

an increase of approximately 75% in the case of supply contracts (about 21 M ECU in 1980 compared with about 12 M ECU in 1979).

The ACP States' wish has therefore been met. However, it may not be to their advantage, as the open international invitation to tender is still the best guarantee of equal conditions of competition, that is, the lowest price for the highest quality.

III.2. Evaluation of results

III.2.1. Working methods

Pursuant to Article 57 of the Lomé Convention, the Commission endeavoured to evaluate jointly with the competent authorities of the ACP States the effects and results of projects and operations financed by the Community. Most of the completed projects were in countries which were already cooperating with the Community under the two Yaoundé Conventions. Nevertheless, the Commission ensured that the conclusions drawn from these evaluations were used to make cooperation in all ACP States more effective.

In order to obtain precise and relevant conclusions, the evaluations were carried out on sample operations taken from a given sector (health, water supply, agricultural development) or executed under the same aid formula (microprojects). Furthermore, these conclusions were to be converted into standards for the design, appraisal, execution and evaluation of future projects or operations to make them more effective than before where possible.

With these two aims in view - reaching conclusions which would be valid for all ACP States and deducing practical standards from them - the Commission tried a pragmatic approach. In the initial stages it consulted senior ACP officials in the sector examined by each set of evaluations. ACP experts met their counterparts from the Community Member States in Freetown (Sierra Leone) in 1978, to discuss health questions and in Bamako (Mali) in 1979, to discuss water supply problems. At these meetings the results of the evaluation work were considered in conjunction with the findings of the national experts in the sector under review and then summed up in general basic principles.

A similar meeting should have been held in 1980 on agricultural development projects, but a reduction in the budget appropriations earmarked for evaluation meant that the Commission had to postpone its invitation until the beginning of 1981.

The basic principles derived from the joint evaluations in the health and water-supply sectors were subsequently sent by the Commission to the ACP-EEC Council of Ministers pursuant to Article 41 of the Lomé Convention. The Council meeting in Nairobi on 9 May 1980 strongly recommended that they should be taken into account in the design, appraisal, execution, administration and evaluation of new projects to be financed by the Community in these two sectors. Through the experience gained from systematic and objective evaluations cooperation will gradually be streamlined to enable it to make a more positive contribution to the economic and social development of the ACP States and people who live there.

III.2.2. Areas covered by evaluation

After health, water supply and agricultural development, the Commission tried out another approach. This involved evaluating all the cooperation schemes financed in a given ACP State so as to obtain a general picture of the way these operations fitted in with national development policy. The initial results of this general approach were summed up in the Commission's report to the ACP-EEC Council for 1979 and the Commission took them into account in its discussions with individual governments prior to drawing up indicative cooperation programmes under the Second Lomé Convention.

One point which came out of the overall evaluation is that the effectiveness of ACP/EEC cooperation in general and the ACP countries' capacity for self-development depend on the quality of the technical assistance and on whether it is used properly. In 1980, therefore, the Commission initiated a special evaluation of this type of cooperation. The results should be available towards the end of 1981.

The sectoral approach to evaluation has in the meantime continued to be applied to road projects and to training and educational projects. The results of the work on training will be available in 1981 (III.2.3.2.) and will be used as guidelines for fifth EDF projects. The evaluation of road projects has been held up but the results should also be available in 1981.

The Commission examined the effects of microproject programmes to gauge the value and inherent qualities of this new instrument, which was made a feature of ACP/EEC cooperation by the Lomé Convention. The results of this evaluation, which are very favourable, are summarized below (III.2.3.1.), as are those for the training sector.

III.2.3. Results of new evaluations

III.2.3.1. Microprojects

By providing in the Lomé Convention for the financing of micro-projects, it was the intention of the Community and the ACP States to encourage and support, through small-scale operations designed primarily to benefit the rural population, the efforts made by local communities to meet their essential needs by their own means (Protocol No 2, Chapter 7).

Twenty-eight microprojects already completed in four ACP States -Cameroon, Upper Volta, Senegal and Sierra Leone - were examined between Octobre 1979 and February 1980. These projects mainly date from 1977 and 1978; they therefore provide the first concrete results of this new method which it has been possible to evaluate. The 28 microprojects comprise:

6 projects for educational and vocational training buildings and equipment (schools, family education centres);

2 projects for medical equipment and buildings (dispensary, clinic, maternity unit);

7 projects involving various construction operations (roads, bridge, quay);

8 agricultural production projects (store, slaughterhouse, vaccination alley, plantations, market gardening);

4 water-supply projects (wells, dam, rural or urban supply systems);

1 project involving the supply of production equipment for a centre for handicapped persons.

Each of these projects is on a small scale; their average cost is generally well below the ceiling laid down by the Lomé Convention (75 000 ECU). The projects are a joint effort involving the local population, the state and the European Development Fund. In some cases, the state has called on a non-governmental organization to assist with the implementation of a project.

The sectoral distribution of the projects inspected corresponds fairly closely to that of all first-generation microprojects.

Principal findings

With just a few exceptions, the microprojects examined have produced the concrete results anticipated in the financing requests, and costs have been lower than in the case of big projects and completion periods generally shorter. This form of aid is proving a very effective means of raising the living standards of the most underprivileged sections of the population and meeting a larger share of their essential requirements, particularly in connection with health, food production and water supply. The projects have therefore generally achieved their direct objectives.

Furthermore, the microproject formula encourages or at least enables the local communities concerned to mobilize their resources and at the same time take charge of their own development. The general aim of Community aid, namely to increase self-development capacity, has however not yet succeeded as fully as other direct aid. The communities concerned generally participate in the implementation of the project, but until now have been less involved in originating or designing projects.

Main factors determining the effectiveness of the aid and the efficiency of the partners

Finance for microprojects is accorded on the basis of annual programmes giving a description and cost estimate for each cooperation. This increases the effectiveness of the national administrative and technical departments involved in the project. However, it also results in a lengthy decision-making process and, therefore, great uncertainty on the part of the local communities as to the financial support which they will receive for their projects.

Those responsible for initiating and carrying out projects are generally in very close contact with the beneficiaries. They are thus able to ensure that action is tailored to their needs, wishes and capabilities and that the resources of the communities involved are adequately mobilized.

Aid is generally accorded in the form of grants to the beneficiary communities. The latter contribute their labour or other resources. However, if the aid is seen as a "gift" (rather than a stimulus to the population to apply their own efforts) and where implementation of the project depends purely on the goodwill of the state, the community has little incentive to make good use of the aid.

The great majority of microprojects involve the provision of equipment designed by technical experts; however, the eventual users also need training and better organization - too often lacking at present - if they are to derive full benefit from this equipment.

The arrival of aid on the spot is not announced sufficiently early to enable the recipients to make proper preparation for incorporating it into their routine.

III.2.3.2 Educational and training projects and programmes

The Community has been providing finance for educational infrastructure since the first EDF. This form of aid has been progressively expanded since the First Yaoundé Convention with the addition of financing for study and training award programmes the secondment of teaching staff and the implementation of specific vocational training programmes.

An assessment of an initial set of investment projects in the education field was carried out by the Commission in 1970 (see Commission report to the Association Council on the management of financial and technical cooperation from 1 January to 31 December 1970 - SEC(71) 3338, pp. 25 to 29). The results of this initial sectoral assessment were largely confirmed by the assessment carried out in 1980, the main results of which are summarized below.

Whereas under the first EDF the education and training sector represented roughly 16% of all commitments for the Associated African and Malagasy States, this share fell sharply to 9% under the fourth EDF. Within the sector in question, investment projects (infrastructure and equipment) absorbed a decreasing share of the funds committed, whilst the awards programme and technical assistance operations represented an increasingly large share, virtually equalling the funds spent on infrastructure under the fourth EDF.

The projects and programmes financed by the EDF have benefited all branches and all levels of education and training in the recipient countries, from primary through to university education, including technical and vocational training. Most of the projects financed have involved general education facilities, but technical education, vocational training and certain non-conventional types of training have also received funds.

Principal findings

The Community aid has helped to support the heavy educational expansion policies pursued by a majority of the states concerned during the 1960s and the first half of the 1970s. Such policies placed on those states a very considerable financial burden which actually stretched many of them to the absolute limit.

Following the rapid growth of education, especially at the primary and general secondary levels, during the 1960s, many states realized that their efforts were not entirely effective in terms of economic development. It has generally been formed that the maintenance of the educational system inherited from the colonial era, which concentrated primarily on the training of administrative cadres and teachers, caused an increasing divergence between the training given and the needs of firms, farming communities and independent workers. Moreover, the teaching suffered because some of the staff recruited were insufficiently qualified.

Community aid for education and training has broadly followed the development of national policies, the main features of which have been as follows:

- i. the EDF has financed the development of all levels and types of education in the countries concerned; this has resulted in a very large increase in the number of awards for education provided in the countries themselves rather than in Europe, and also in the financing of major higher education infrastructure;
- ii. the infrastructure financed by the Community has generally been technically very sound; it is frequently over-utilized compared with the levels initially envisaged, because of the shortage of school buildings;
- iii. the switch to the ACP States of training financed via awards has had a number of positive effects: there has been a much higher success rate, due to the absence of problems of cultural adjustment encountered by students sent to Europe; the new national institutions have been strengthened and have worked with greater ease; graduates and other qualified students have been less tempted to seek employment outside their own country;
- iv. local training has been accompanied by an increasingly large number of projects involving regional institutions, common to several states, for specialized technical training;
- v. the Community has also contributed funds for new-style training schemes, particularly for adults, in the form of specific programmes;
- vi. training projects and programmes have become progressively more closely linked to specific development activities, particularly major infrastructure and economic development projects. However, women have not been sufficiently able to benefit from these schemes;

- (vii) the evaluators have found that in view of the recipients' requirements infrastructure and equipment financed by the Community has not always been well suited to local circumstances, and this has resulted in maintenance and other problems.

Main factors determining the effectiveness of the aid and the efficiency of the partners

Experience shows that the effectiveness of projects - whether they be capital projects involving infrastructure and equipment or specific training programmes or awards - depends largely on thorough planning at national level of the human resources available and on the corollary to this, namely the programming of different types and levels of training according to documented and projected requirements and anticipated resources. The key factor is that each project or operation must meet the priority requirements of the state and all other economic operators - whether firms or small family businesses - and also match the human and financial resources available to ensure that the training facilities continue to operate after the aid has been withdrawn.

A second important conclusion is the need for close coordination between the aid provided by the Community in the form of contributions to capital projects with the operating resources available, particularly the teaching staff. The various means by which the Community provides support for education and training - infrastructure, equipment, study awards, secondment of teachers, programming studies and temporary operating subsidies - are more effective when organized in a coordinated fashion and directed towards the same specific goals. Moreover, Community aid in this sector would appear to be all the more beneficial where it is closely coordinated with aid from the Member States, which provide the ACP States with a comparatively larger volume of technical assistance and study awards.

Furthermore, the long-term viability and effectiveness of many development projects in sectors other than education increase considerably if sustained efforts and substantial resources are devoted to training the people who will use, manage and maintain the project facilities.

From a technical point of view, projects financed by the Community prove all the more effective if the experts responsible for the preparatory studies have taken pains initially to consult the future users, i.e. principally teachers and administrators. The degree of effectiveness also depends on the attention given, at the preparatory studies stage, to maintenance questions, operating costs and the speed of delivery of teaching equipment.

III.3 Information

The ACP-EEC Courier

Over the last four years, this journal has acquired an increasingly large circulation. Its various articles, which feature interviews with leading figures from the ACP States and the Community, ensure that increasing numbers of ACP nationals and European circles affected by cooperation issues receive substantial information and documentation on the various activities connected with the Lomé Convention, in particular the achievements of the European Development Fund, and more generally on the European Community's cooperation policy aimed at promoting the economic and social development of the Third World.

The Courier currently reaches all potentially interested readers in the French-speaking ACP States and is read by an increasingly large number in the English-speaking ACP States. Already a link between the Community and the ACP States, the magazine has also become a link between the ACP States themselves, the value of which they recognize.

From 1976 to 1980 the magazine was published bimonthly. However, the number of pages doubled and now averages 140 per issue. The total print-run (French and English versions combined) increased from 33 000 copies in 1976 to 76 000 at the end of 1980 (French edition increased from 22 000 to 41 500 copies, English edition from 11 000 to 34 500 copies).

During this period, there have been profiles of 41 ACP States. A section entitled "Europe" was introduced at the beginning of 1979 to improve awareness of the EEC's role in the context of cooperation between the Community and the Third World. In addition, the "News Round-Up" section has been expanded and reshaped and now comprises four separate parts: one on the operation of the Lomé Convention, another containing general information on the developing countries, a third providing brief information on the European Community and a fourth part entitled "Industrial Opportunities" containing information forwarded by the Centre for Industrial Development (CID).

Since issue No 64 (November-December 1980) there has been a new feature - a regular "blue page" supplement providing an "Operational summary of EEC-financed development schemes". This addition emphasizes the practical nature of the magazine, a trend which began two years ago with publication of the CID "Industrial Opportunities".

In addition, over the last four years, a large number of subjects have been discussed in the "Dossier" section.

Lastly, it should be mentioned that over the period representatives from the ACP States and the Member States have held meetings to discuss the general thrust of the magazine.

Other information

One of the main events of 1980 was Zimbabwe's accession to the Second Lomé Convention, and the Commission's information service used this as an opportunity to improve on the efforts made in previous years to publicize the Convention. Wherever feasible and desirable, the assistance of ACP governments and the ACP Secretariat was also sought for this purpose.

Publications in 1980 concentrated on the consequences of the second enlargement and on updating the Interdependence dossier.

The Commission also arranged for journalists from the ACP States to visit Europe and assisted European journalists visiting the ACP States.

In the audio-visual field, the traditional activities have been pursued and developed as follows:

radio: continuation and expansion of recorded programmes, supplied to radio stations in the ACP States; closer, but also more broadly-based cooperation with European radio authorities broadcasting on short wave-bands to ACP countries;

cinema and television: continuation of the programme "Europe Pictorial" (weekly newsreel distributed in French, English and Arabic to over 70 countries and shown in cinemas or on television).

There is increasingly frequent collaboration with the Commission Delegations in the ACP States for information purposes, with specific events being set up to highlight an important occasion in the life of the Lomé Convention. For example, an exhibition entitled "Twenty years of EEC-Madagascar cooperation" was organized in Antananarivo by the Commission's information service in collaboration with its Delegation in Madagascar.

The Commission's information service has also continued to cooperate with European non-governmental organizations specializing in development. Many activities have been organized in several European countries to awaken European public opinion to development issues.

TABLE I : Breakdown of commitments at end 1980 by country and by sector (4th EDF and EIB ordinary loans)

(million ECU)

	Development of production			Economic Infra- structure	Social develop- ment	Trade promotion	Excep- tional aid	Stabex	Other and over- heads	Blocked appropria- tions	Total
	Industria- lisation	Tourism	Rural produc- tion								
Bahamas			0.7		0.5	0.2			0.4		1.8
Barbados	8.7	0.1	1.1		1.3	0.1	0.05		0.8		12.2
Benin	2.9		9.1	16.3	2.6		0.02	20.4	1.8		53.1
Botswana	12.2	0.05	6.7	5.0	3.4	0.7	2.7		1.0		31.7
Burundi	26.3		3.6	7.9	10.9		2.1	1.5	2.2		54.5
Cameroon	47.2	3.1	9.3	16.0	4.9	0.4	2.3	3.6	3.7		90.5
Cape Verde	3.6		0.7		2.8		1.4	1.2	0.03		9.7
Central African Republic	2.5		11.9	16.1	5.1	0.1	1.1	7.8	2.7		47.3
Comoros	0.02		2.9	2.6	0.7	0.08	2.9		0.3		9.5
Congo	0.03	3.2	2.8	13.0	8.9		0.2	7.4	2.2		37.9
Ivory Coast	61.1	1.9	9.7	1.5	16.2	2.2	0.1	15.0	3.5		111.2
Djibouti	1.0			0.4	1.4		1.3		0.2		4.3
Dominica	0.03			0.3	0.05		3.9				4.3
Ethiopia	8.8		30.6	22.1	23.3	0.6	4.8	14.4	1.7		106.3
Fiji	28.2		0.7	7.1	1.1		3.5	0.2	1.0		41.8
Gabon			1.9	5.9	0.5	0.1		6.7	1.6		16.7
Gambia	2.4		2.6	4.0	4.5		0.7	7.5	1.0		22.7
Ghana	38.8		10.5	12.8	2.3	1.0	2.7	5.2	1.9		75.2
Grenada			0.2	1.4	0.3		0.5		0.08		2.5
Guinea	41.4		16.5	0.1	6.5		3.0		1.7		69.2
Guinea Bissau			6.5	7.1	4.3	0.1	0.5	11.3	1.6		31.4
Equatorial Guinea	0.08		0.09		0.03		0.3		6.6		7.1
Guyana	9.2	0.05	2.0	3.7	0.6				1.0		16.5

TABLE I (cont'd 1)

	Development of production			Economic Infra- structure	Social develop- ment	Trade promotion	Excep- tional aid	Stabex	Other and over- heads	Blocked appropria- tions	Total
	Industria- lisation	Tourism	Rural produc- tion								
Upper Volta	19.0		15.7	30.2	8.5	0.08		7.3	3.2		84.0
Jamaica		0.1	9.2		5.6	2.8	1.2		1.7		20.6
Kenya	90.0	0.1	34.8		8.4	0.4	1.6		2.5		137.8
Kiribati				0.5							0.5
Lesotho	1.9		6.0	5.5	4.2		1.2		1.0		19.8
Liberia	18.0		3.2	5.5	5.0	0.3		7.6	1.6		41.2
Madagascar	2.9		19.4	25.3	20.3	1.5		4.6	3.1		78.8
Malawi	32.2		23.0	11.8	12.1	0.6			1.5		85.2
Mali	27.7	2.5	24.1	13.6	4.2			9.8	3.2		86.1
Mauritius	15.8		0.3	5.7	3.9				4.8		31.7
Mauritania	28.7		17.9		9.6			37.0	2.9		97.8
Niger	2.6	5.3	20.8	28.2	15.1	0.1		22.7	3.3		107.7
Nigeria	60.5				4.5	0.3			2.8		68.1
Uganda	0.4		3.5	5.2	2.8			20.6	19.8		55.8
Papua New Guinea	10.2		2.0		1.8				0.6		14.6
Rwanda	30.6		0.7	23.6	6.3			0.6	2.3		70.5
Saint Lucia			0.9		0.01						1.9
Saint Vincent											0.5
Solomon Islands	0.04		1.4	5.2							6.6
Samoa	2.8		1.6		0.1			2.8	0.3		7.6
Sao Tome and Principe	0.5		0.2	0.3	0.6				0.1		2.0
Senegal	23.9		18.6	9.9	21.7	0.8		65.1	3.8		148.4
Seychelles	0.6		0.3	0.1	1.7						2.7
Sierra Leone	7.1		6.9	10.1	8.3			4.0	1.2		31.6
Somalia	4.8		6.4	20.4	9.4			1.9	2.6		58.9
Sudan	7.1		34.4	34.1	20.7	0.2		41.8	3.0		146.2
Suriname	2.0		2.5	0.1	3.0	0.5			1.3		9.4
Swaziland	18.4		2.6	1.1	4.5			13.2	0.6		40.5

TABLE I (cont'd 2)

3.

	Development of production			Economic Infra- structure	Social develop- ment	Trade promotion	Excep- tional aid	Stabex	Other and over- heads	Blocked appropri- ations	Total
	Industria- lisation	Tourism	Rural produc- tion								
Tanzania	36.6		19.2	40.0	2.7	0.04	0.4	20.7	2.2		121.8
Chad	15.3		22.5	2.9	7.2		0.3	7.3	3.0		58.5
Togo	23.9		12.5	13.0	9.4	0.04		3.6	2.1		64.6
Tonga			0.1	2.6	0.02	0.03	0.2	1.2	0.2		4.4
Trinidad and Tobago	11.8		1.7		3.1	0.7			1.3		18.6
Tuvalu	0.4		0.1								0.5
Zaire	22.8		27.5	19.9	28.3	0.04	19.3		3.3		121.2
Zambia	19.6	0.1	22.9	3.7	12.5	0.5	17.0		2.0		78.3
Regional aid	37.5	0.5	13.5	122.5	33.1	18.0			10.9		236.0
Non-alloc. aid							13.3		20.5		33.8
Total	864.1	17.0	506.7	584.3	380.8	32.6	146.0	374.0	146.1		3,051.6
Risk capital cancellations	- 1.5	- 0.2									- 1.7
Blocked approps.			0.9							14.3	15.2
Grand total	862.6	16.8	507.6	584.3	380.8	32.6	146.0	374.0*	146.1	14.3	3,065.1

*The total amount of Stabex transfers at end 1980 was reduced by 3 473 000 ECU (replenishments by Cameroon, Madagascar and Fiji).

TABLE Ia : Breakdown of commitments in 1980 by country and by sector (4th EDF and EIB ordinary loans)

(million ECU)

	Development of production			Economic Infra- structure	Social develop- ment	Trade promotion	Excep- tional aid	Stabex	Other and over- heads *	Blocked appropria- tions	Total
	Industria- lisation	Tourism	Rural produc- tion								
Bahamas					0.4				- 0.01		0.4
Barbados	5.9				0.09		0.05		- 0.5		5.5
Benin			0.1	0.8	0.6			0.3	- 0.09		1.8
Botswana	9.6								- 0.1		9.5
Burundi	9.2		0.4	0.3	0.5						10.4
Cameroon			0.2	0.2	0.2		2.3		- 0.1		2.8
Cape Verde	3.5		0.05		1.3			0.4			5.2
Central African Republic				8.1	0.6	0.09	0.2	3.9	0.1		13.0
Comoros	0.01			0.04	0.2	0.08	0.3		- 0.1		0.5
Congo			1.3	2.8	0.5	0.02			- 0.01		4.6
Ivory Coast	12.1		0.3		1.9		0.1		0.1		14.5
Djibouti				0.1	0.1		1.3		- 0.04		1.5
Dominica					0.05		0.6				0.6
Ethiopia	4.7				2.2		2.0		- 0.03		8.9
Fiji	13.6				0.1		1.0		0.1		14.8
Gabon			0.2	0.4	0.06	0.09			0.05		0.8
Gambia	0.09				2.4			5.0	- 0.08		7.4
Ghana	0.3		4.8				0.3		- 0.2		5.2
Grenada			0.02				0.5		0.05		0.5
Guinea	10.9				0.05				0.1		11.1
Guinea Bissau				2.1		0.1		2.5	0.5		5.2
Equatorial Guinea			0.01						6.5		6.5
Guyana	0.05		0.1						- 0.02		0.1

TABLE Ia (cont'd 1)

2.

	Development of production			Economic Infra- structure	Social develop- ment	Trade promotion	Excep- tional aid	Stabex	Other and over- heads	Blocked appropria- tions	Total
	Industria- lisation	Tourism	Rural produc- tion								
Upper Volta	13.1		2.7	18.2	0.5	0.08			- 0.07		34.5
Jamaica			0.3				0.9		- 0.1		1.1
Kenya	10.0		1.0		0.3		1.3		0.06		12.7
Kiribati				0.5							0.5
Lesotho	0.03		0.03								0.06
Liberia			2.9						- 0.1		2.8
Madagascar	0.2		0.3	18.9	11.1			2.8	- 0.1		33.2
Malawi	9.6				0.6				- 0.04		10.2
Mali	0.2		0.3		0.2			3.9	- 0.2		4.4
Mauritius	9.2				3.2		1.1		- 0.04		13.5
Mauritania	0.06		9.6		0.4		0.3		0.2		10.6
Niger			5.8	7.0	2.1	0.1					15.0
Nigeria	31.7				2.6				1.6		35.9
Uganda			3.0	5.0			3.0	6.9	0.02		17.9
Papua New Guinea	0.04		1.8		0.6				0.08		2.5
Rwanda			0.2	0.4	1.7				0.06		2.4
Saint Lucia			0.9				1.0				1.9
Saint Vincent							0.5				0.5
Solomon Islands	0.04		1.4	5.2							6.6
Samoa	0.2		0.05						- 0.07		0.2
Sao Tome and Principe									0.03		0.03
Senegal	21.7		3.0		2.0		0.9		- 0.1		27.5
Seychelles			0.2								0.2
Sierra Leone	0.1				0.7				- 0.05		0.8
Somalia	4.5		4.5				10.0		- 0.09		18.9
Sudan	0.3		5.2	17.4	7.0		3.4	29.8	0.7		63.3
Suriname	2.0								- 0.08		1.9
Swaziland	3.4			0.1			0.03	4.4	0.03		8.0

TABLE Ia (cont'd 2)

3.

	Development of production			Economic Infra- structure	Social develop- ment	Trade promotion	Excep- tional aid	Stabex	Other and over- heads	Blocked appropria- tions	Total
	Industria- lisation	Tourism	Rural produc- tion								
Tanzania	0.9			11.4	1.5	0.04			- 0.1		13.7
Chad					2.6			2.7	- 0.1		5.2
Togo			4.6	0.05					0.09		4.7
Tonga								0.06	- 0.05		0.01
Trinidad & Tobago	5.8								- 0.1		5.7
Tuvalu	0.4		0.1								0.5
Zaire	0.2		8.9	0.9	1.2				- 0.1		11.1
Zambia	12.2		4.9		0.03				- 0.2		16.9
Regional aid	4.2	0.3	4.6	39.1	4.6	0.02			3.8		56.6
Non-alloc. aid							4.0		5.7		9.7
Total	200.0	0.3	73.7	139.0	54.2	0.6	35.1	62.7	16.4		582.0
Risk capital cancellations	- 0.6										- 0.6
Blocked approps.			0.9							14.3	15.2
Grand Total	199.4	0.3	74.6	139.0	54.2	0.6	35.1	62.7	16.4	14.3	596.6

*Various adjustments to appropriations for 1980 overheads

TABLE II : Brakdown of commitments at end 1980 by sector and method of financing

	Grants	Special loans	Stabex	Contribution to risk capital formation	EIB ordinary loans	Total	%
<u>I. DEVELOPMENT OF PRODUCTION</u>						1,386.1	45.3
<u>1. Industrialization</u>						862.6	28.2
General	28.1	7.6		9.7	82.5	127.9	4.2
Extractive industries	9.5			4.7	33.0	47.2	1.5
Metal-working industries	2.6			6.5	17.7	26.8	0.9
Chemical industries	3.8	3.0		9.2	17.4	33.4	1.1
Manufacturing industries	17.9	67.4		26.8	34.8	146.9	4.8
Agricultural and food industries and agri- indust. complexes	67.3	39.6		30.9	64.9	202.7	6.6
Projects with energy bias	96.2	43.8		2.8	130.9	273.7	8.9
Infrastructure combinet with industrial proj.	2.4					2.4	0.08
Artisanat	1.4	1.7				3.1	0.1
Risk capital cancellations				- 1.5		- 1.5	- 0.05
<u>2. Tourism</u>						16.8	0.6
Risk capital cancellations	2.4			5.8	8.8	17.0	
				- 0.2		- 0.2	
<u>3. Rural production</u>						506.7	16.5
General	24.1	14.7				38.8	1.2
Plantations	79.3	20.9				100.2	3.3
Hydro-agricultural schemes	70.5	13.3				83.8	2.7
Agriculture	57.4	0.4				57.8	1.9
Stock-farming	41.7	5.6				47.3	1.5
Fisheries	13.6	2.1				15.7	0.5
Forests	4.5	1.0				5.5	0.2
Microprojects	17.6					17.6	0.6
Integrated projects with agriculture bias	136.4	3.6				140.0	4.6

TABLE II (cont'd 1)

2.

	Grants	Special loans	Stabex	Contribution to risk capital formation	EIB ordinary loans	Total	%
II. ECONOMIC INFRASTRUCTURE						584.3	19.1
4. <u>Transport and communications</u>						584.3	19.1
General	1.1	5.9				7.0	0.2
Roads and bridges	382.8	75.0				457.8	15.0
Railways	15.9	35.7				51.6	1.7
Ports and inland waterways	19.6	6.4				26.0	0.9
Airports	12.4	6.8				19.2	0.6
Telecommunications	12.9	9.5				22.4	0.7
Meteorological stations	0.3					0.3	0.01
III. SOCIAL DEVELOPMENT						380.8	12.4
5. <u>Education and training</u>						227.8	7.4
General	6.1	0.4				6.5	0.2
Education infrastructure	107.8	0.7				108.5	3.5
Specific projects, vocational training and provision of instructors	14.1					14.1	0.5
Study and training grants	98.7					98.7	3.2
6. <u>Health</u>						47.4	1.6
General	0.8					0.8	0.03
Infrastructure	46.5					46.5	1.6
Health campaigns and tech. coop.	0.07					0.07	
7. <u>Water engineering, housing and urban infrastructure</u>						105.6	3.4
General	6.2	4.9				11.1	0.4
Village water supply	35.9	9.4				45.3	1.5
Urban water supply	13.1	2.6				15.7	0.5
Urban drainage	10.4	3.8				14.2	0.4
Urban improvement schemes	13.0	6.3				19.3	0.6

TABLE II (cont'd 2)

3.

	Grants	Special loans	Stabex	Contribution to risk capital formation	EIB ordinary loans	Total	%
IV. <u>TRADE PROMOTION</u>	30.9	1.7				32.6	1.1
V. <u>EXCEPTIONAL AID</u>	146.0					146.0	4.7
VI. <u>STABEX</u>			374.0			374.0	12.2
VII. <u>OTHER</u>						146.1	4.7
Information, documentation, seminars; planning, gen. tech. coop.	17.6					17.6	0.6
Short-term aid programmes	25.1					25.1	0.8
Overheads	103.4					103.4	3.3
VIII. <u>BLOCKED APPROPRIATIONS</u>	10.9			4.3		15.2	0.5
GRAND TOTAL	1,808.3	393.8	374.0	99.0	390.0	3,065.1	100.0

TABLE IIa : Breakdown of commitments in 1980 by sector and method of financing

(million ECU)

	Grants	Special loans	Stabex	Contribution to risk capital formation	EIB ordinary loans	Total	%
I. DEVELOPMENT OF PRODUCTION						273.4	45.8
1. Industrialization						199.4	33.5
General	6.0	5.2		5.0	19.0	35.2	5.9
Extractive industries	2.1			3.8	8.0	13.9	2.3
Metal-working industries	1.9				12.4	14.3	2.4
Chemical industries	2.8			7.9	11.5	22.2	3.7
Manufacturing industries	0.6	5.4		3.1		9.1	1.6
Agricultural and food industries and agri-ind. complexes	12.8			0.09	13.5	26.4	4.4
Projects with energy bias	23.5			0.6	53.0	77.1	13.0
Infrastructure combined with industrial proj.							
Artisanat		1.8				1.8	0.3
Risk capital cancellations				- 0.6		- 0.6	- 0.1
2. Tourism	0.3					0.3	0.05
3. Rural production						73.7	12.3
General	1.8	2.3				4.1	0.7
Plantations	8.5					8.5	1.4
Hydro-agricultural schemes	21.9					21.9	3.7
Agriculture	10.9					10.9	1.8
Stock-farming	8.3	3.8				12.1	2.0
Fisheries	2.2					2.2	0.4
Forests	0.8					0.8	0.1
Microprojects	3.1					3.1	0.5
Integrated projects with agriculture bias	10.1					10.1	1.7

TABLE IIa (cont'd 1)

2.

	Grants	Special loans	Stabex	Contribution to risk capital formation	EIB Ordinary loans	Total	%
<u>II. ECONOMIC INFRASTRUCTURE</u>						139.0	23.3
<u>4. Transport and communications</u>						139.0	23.3
General	0.	5.9				6.5	1.1
Roads and bridges	65.4	29.5				94.0	15.9
Railways	4.5	2.9				7.4	1.2
Ports and inland waterways	6.9					6.9	1.2
Airports	11.5	6.0				17.5	2.9
Telecommunications	0.6	5.2				5.8	1.0
Meteorological stations	0.02					0.02	
<u>III. SOCIAL DEVELOPMENT</u>						54.2	9.1
<u>5. Education and training</u>						27.2	4.6
General	0.3	0.4				0.7	0.1
Education infrastructure	13.4					13.4	2.4
Specific projects, vocational training and provision of instructors	3.0					3.0	0.5
Study and training grants	10.1					10.1	1.7
<u>6. Health</u>						2.7	0.4
Infrastructure	2.6					2.6	0.4
Health campaigns and tech. coop.	0.07					0.07	0.01
<u>7. Water engineering, housing and urban infrastructure</u>						24.3	4.1
General	3.8					3.8	0.6
Village water supply	12.6					12.6	2.1
Urban water supply	0.6					0.6	0.1
Urban drainage	2.1					2.1	0.4
Urban improvement schemes	2.2	3.0				5.2	0.9

TABLE IIa (cont'd 2)

	Grants	Special loans	Stabex	Contribution to risk capital formation	EIB Ordinary loans	Total	%
IV. <u>TRADE PROMOTION</u>	0.6					0.6	0.1
V. <u>EXCEPTIONAL AID</u>	35.1					35.1	5.9
VI. <u>STABEX</u>			62.7			62.7	10.5
VII. <u>OTHER</u>						16.4	2.7
Information, documentation, seminars, planning, gen. tech. coop.	6.6					6.6	1.1
Short-term aid programmes	6.5					6.5	1.1
Overheads	3.3					3.3	0.5
VIII. <u>BLOCKED APPROPRIATIONS</u>	10.9			4.3		15.2	2.6
GRAND TOTAL	320.9	71.4	62.7	24.2	117.4	595.6	100.0

TABLE III : Financing situation at end 1980 by method of financing and by administrative body

(million ECU)

	Total volume (art. 42 of the Convention)		Commitments at end 1980				Total	
			Aid administered by the Commission		Aid administered by the EIB			
	Amount	%	Amount	%	Amount	%	Amount	%
<u>EDF Resources</u>	<u>3 074.4355</u>	<u>88.7</u>	<u>2 511.1</u>	<u>100</u>	<u>164.0</u>	<u>29.6</u>	<u>2 765.1</u>	<u>87.3</u>
- Grants of which : microprojects interest rate subsidies exceptional aid	2 149.8505 (25.0) (97.5) (150.0)	62.0 (0.7) (2.8) (4.3)	1 743.3 (17.6) (146.0)	69.4 (0.7) (5.8)	65.0 (65.0)	11.7 (11.7)	1 808.3 (17.6) (65.0) (146.0)	59.0 (0.6) (2.1) (4.7)
- Special loans	445.585	12.9	393.8	15.7			393.8	12.9
- Risk capital - Cancellations	99.0	2.8			100.7* - 1.7	17.9	99.0*	3.2
- Stabex	380.0	11.0	374.0	14.9			374.0	12.2
<u>EIB Resources</u>	<u>390.0</u>	<u>11.3</u>			<u>390.0</u>	<u>70.4</u>	<u>390.0</u>	<u>12.7</u>
- Loans from EIB resources	390.0	11.3			390.0	70.4	390.0	12.7
<u>Total</u>	<u>3 464.4355</u>	<u>100</u>	<u>2 511.1</u>	<u>100</u>	<u>554.0</u>	<u>100</u>	<u>3 065.1</u>	<u>100</u>

* Including appropriations of 3.4 million ECU pending utilization from the overall authorization for studies

TABLE IIIa : Financing situation in 1980 by method of financing and by administrative body

(million ECU)

	Total volume (Art. 42 of the Convention)		Commitments at end 1980				Total	
			Aid administered by the Commission		Aid administered by the EIB			
	Amount	%	Amount	%	Amount	%	Amount	%
<u>EDF Resources</u>	<u>3 074.4355</u>	<u>88.7</u>	<u>431.1</u>	<u>100</u>	<u>48.1</u>	<u>29.1</u>	<u>479.2</u>	<u>80.3</u>
- Grants	2 149.8505	62.0	297.0	68.9	23.9	14.5	320.9	53.8
of which : microprojects	(25.0)	(0.7)	(3.1)	(0.7)			(3.1)	(0.5)
interest rate subsidies	(97.5)	(2.8)			(23.9)	(14.5)	(23.9)	(4.0)
exceptional aid	(150.0)	(4.3)	(35.1)	(8.1)			(35.1)	(5.9)
- Special loans	445.585	12.9	71.4	16.6			71.4	12.0
- Risk capital	99.0	2.8			24.8*	14.6	24.2*	4.0
- Cancellations					- 0.6			
- Stabex	380.0	11.0	62.7	14.5			62.7	10.5
<u>EIB Resources</u>	<u>390.0</u>	<u>11.3</u>			<u>117.4</u>	<u>70.9</u>	<u>117.4</u>	<u>19.7</u>
- Loans from EIB resources	390.0	11.3			117.4	70.9	117.4	19.7
<u>Total</u>	<u>3 464.4355</u>	<u>100</u>	<u>431.1</u>	<u>100</u>	<u>165.5</u>	<u>100</u>	<u>596.6</u>	<u>100</u>

*including appropriations of 4.3 million ECU pending utilization from the overall authorization for studies

TABLE IV: Financing situation at end 1980, by method of financing, by administrative body and by sector

(million ECU)

	Development of production				Economic infrastructure		Social development		Trade promotion	
	Industrialization	Tourism	Rural production	%		%		%		%
1. <u>Aid administered by the Commission</u>	328.8	0.9	506.7	60.3	584.3	100	380.8	100	32.6	100
1.1. Non-repayable aid	165.7	0.9	445.1	44.1	445.0	76.2	352.7	92.6	30.9	94.8
- Programmable grants (of which microprojects)	165.7	0.9	445.1 (17.6)	44.1	445.0	76.2	352.7	92.6	30.9	94.8
- Exceptional aid										
1.2. Special loans	163.1		61.6	16.2	139.3	23.8	28.1	7.4	1.7	5.2
1.3. Stabex										
2. <u>Aid administered by the EIB</u>	533.8	15.9		39.7						
2.1. Loans from EIB resources	381.2	8.8		28.2						
2.2. Interest rate subsidies	63.5	1.5		4.7						
2.3. Risk capital	90.6	5.8		6.8						
- Cancellations	- 1.5	- 0.2								
3. <u>Grand total</u>	862.6	16.8	506.7	100	584.3	100	380.8	100	32.6	100
of which:										
- from EDF resources (1., 2.2., 2.3.)	481.4	8.0	506.7	71.9	584.3		380.8		32.6	
- from EIB resources (2.1.)	381.2	8.8		28.1						

TABLE IV (cont'd 1)

	Exceptional aid		Stabex		Other		Blocked approps.		Total	
		%		%		%		%		%
1. <u>Aid administered by the Commission</u>	146.0	100	374.0	100	146.1	100	10.9	100	2 511.1	82.0
1.1. Non-repayable aid	146.0	100			146.1	100	10.9		1 743.3	56.9
- Programmable grants (of which microprojects)					146.1	100	10.9	71.7	1 597.3 (17.6)	52.2 (0.6)
- Exceptional aid	146.0	100							146.0	4.7
1.2. Special loans									393.8	12.9
1.3. Stabex			374.0	100					374.0	12.2
2. <u>Aid administered by the EIB</u>							4.3	28.3	554.0	18.0
2.1. Loans from EIB resources									390.0	12.7
2.2. Interest rate subsidies									65.0	2.1
2.3. Risk capital							4.3	28.3	99.0	3.2
3. <u>GRAND TOTAL</u>	146.0	100	374.0	100	146.1	100	15.2	100	3 065.1	100
of which:										
- from EDF resources (1., 2.2., 2.3.)	146.0		374.0		146.1		15.2		2 675.1	87.3
- from EIB resources (2.1.)									390.0	12.7

TABLE IVa: Financing situation in 1980, by method of financing, by administrative body and by sector

	Development of production				Economic infrastructure		Social development		Trade promotion	
	Industrial-ization	Tourism	Rural production	%		%		%		%
1. Aid administered by the Commission	38.2	0.3	73.7	41.0	139.0	100	54.2		0.6	100
1.1. Non-repayable aid	25.8	0.3	67.6	34.3	89.5	64.4	50.8		0.6	100
- Programmable grants (of which microprojects)	25.8	0.3	67.6 (8.2)	34.3	89.5	64.4	50.8		0.6	100
- Exceptional aid										
1.2. Special loans	12.4		6.1	6.7	49.5	35.6	3.4			
1.3. Stabex										
2. Aid administered by the EIB	161.2			59.0						
2.1. Loans from EIB resources	117.4			43.0						
2.2. Interest rate subsidies	23.9			8.7						
2.3. Risk capital	20.5			7.3						
- Cancellation	- 0.6									
3. GRAND TOTAL	199.4	0.3	73.7	100	139.0	100	54.2	100	0.6	100
of which:										
- from EDF resources (1., 2.2., 2.3.)	82.0	0.3	73.7	57.1	139.0		54.2		0.6	
- from EIB resources (2.1.)	117.4			42.9						

TABLE IVa (cont'd 1)

2.

	Exceptional aid		Stabex		Other		Blocked approps.		Total	
		%		%		%		%		%
<u>1. Aid administered by the Commission</u>	35.1	100	62.7	100	16.4	100	10.9	71.7	431.1	72.3
1.1 Non-repayable aid	35.1	100			16.4	100	10.9	71.7	297.0	49.8
- Programmable grants (of which microprojects)					16.4	100	10.9	71.7	261.8 (3.1)	43.9 (0.5)
- Exceptional aid	35.1	100							35.1	5.9
1.2 Special loans									71.4	12.0
1.3 Stabex			62.7	100					62.7	10.5
<u>2. Aid administered by the EIB</u>							4.3	28.3	165.5	27.7
2.1. Loans from EIB resources									117.4	19.7
2.2. Interest rate subsidies									23.9	4.0
2.3. Risk capital							4.3	28.3	24.2	4.0
<u>3. GRAND TOTAL</u>	35.1	100	62.7	100	16.4	100	15.2	100	596.6	100
of which:										
- from EDF resources (1., 2.2., 2.3.)	35.1		62.7		16.4		15.2		479.2	80.3
- from EIB resources (2.1.)									117.4	19.7

TABLE V: Sectoral summary, at end 1980, showing percentage breakdown, method of financing and administrative body

	1			2	3	4	5	Total (1 to 5)
	Development of production			Economic infrastruc- ture	Social develop- ment	Trade promotion	Short-term aid programmes	
	Industrial- ization	Tourism	Rural production					
I. Aid administered by the Commission								
a. Programmable grants	165.7	0.9	445.1	445.0	352.7	30.9	25.1	(1 465.4)
b. Special loans	163.1		61.6	139.3	28.1	1.7		(393.8)
c. Exceptional aid								
d. Stabex								
e. Total 1 to 5	328.8	0.9	506.7	584.3	380.8	32.6	25.1	(1 859.2)
Breakdown 1 to 5 in %	17.7	0.05	27.3	31.4	20.5	1.7	1.3	100%
f. Total 1 to 6	328.8	0.9	506.7	584.3	380.8	32.6	25.1	
Breakdown 1 to 6 in %	16.6	0.05	25.6	29.5	19.2	1.6	1.3	
g. GRAND TOTAL	328.8	0.9	506.7	584.3	380.8	32.6	25.1	
Breakdown of total in %	13.1	0.04	20.2	23.3	15.2	1.3	1.0	
II. Aid administered by the EIB								
a. Loans from EIB resources	381.2	8.8						
b. Interest rate subsidies	63.5	1.5						
c. Risk capital	90.6	5.8						
- Cancellations	- 1.5	-0.2						
d. GRAND TOTAL	533.8	15.9						
III. GRAND TOTAL								
a. Breakdown 1 to 5 in %	35.8	0.7	21.0	24.3	15.8	1.4	1.0	100%
b. Breakdown 1 to 6 in %	34.1	0.7	20.0	23.1	15.0	1.3	1.0	
c. Breakdown of total in %	28.2	0.6	16.5	19.1	12.4	1.1	0.8	

TABLE V (cont'd 1)

2.

	6	Total (1 to 6)	7	8	9	TOTAL
	Other and overheads		Exceptional aid	Stabex	Blocked approps.	
<u>I. Aid administered by the Commission</u>						
a. Programmable grants	121.0	(1 586.4)			10.9	1 597.3
b. Special loans		(383.8)				393.8
c. Exceptional aid			146.0			146.0
d. Stabex				374.0		374.0
e. Total 1 to 5						
Breakdown 1 to 5 in %						
f. Total 1 to 6	121.0	(1 980.2)				
Breakdown 1 to 6 in %	6.1	100%				
g. GRAND TOTAL	121.0		146.0	374.0	10.9	2 511.1
Breakdown of total in %	4.8		5.8	14.9	0.4	100%
<u>II. Aid administered by the EIB</u>						
a. Loans from EIB resources						390.0
b. Interest rate subsidies						65.0
c. Risk capital					4.3	99.0
d. GRAND TOTAL						554.0
<u>III. GRAND TOTAL</u>						
a. Breakdown 1 to 5 in %	121.0	(2 529.9)	146.0	374.0	15.2	3 065.1
b. Breakdown 1 to 6 in %	4.8	100%				
c. Breakdown of total in %	3.9		4.7	12.2	0.5	100%

TABLE Va: Sectoral summary, in 1980, showing percentage breakdown, method of financing and administrative body

	1			2	3	4	5	Total (1 to 5)
	Development of production			Economic Infrastruc- ture	Social develop- ment	Trade promotion	Short-term aid programme	
	Industrial- ization	Tourism	Rural production					
I. Aid administered by the Commission								
a. Programmable grants	25.8	0.3	67.6	89.5	50.8	0.6	6.5	(241.1)
b. Special loans	12.4		6.1	49.5	3.4			(71.4)
c. Exceptional aid								
d. Stabex								
e. Total 1 to 5	38.2	0.3	73.7	139.0	54.2	0.6	6.5	(312.5)
Breakdown 1 to 5 in %	12.2	0.1	23.6	44.5	17.3	0.2	2.1	100%
f. Total 1 to 6	38.2	0.3	73.7	139.0	54.2	0.6	6.5	
Breakdown 1 to 6 in %	11.8	0.09	22.8	43.1	16.8	0.2	2.1	
g. GRAND TOTAL	38.2	0.3	73.7	139.0	54.2	0.6	6.5	
Breakdown of total in %	8.9	0.07	17.1	32.2	12.6	0.1	1.5	
II. Aid administered by the EIB								
a. Loans from EIB resources	117.4							
b. Interest rate subsidies	23.9							
c. Risk capital	20.5							
- Cancellation	- 0.6							
d. GRAND TOTAL	161.2							
III. GRAND TOTAL	199.4	0.3	67.6	139.0	54.2	0.6	6.5	(437.7)
a. Breakdown 1 to 5 in %	42.1	0.06	15.6	29.3	11.4	0.1	1.4	100%
b. Breakdown 1 to 6 in %	41.2	0.06	15.2	28.8	11.2	0.1	1.3	
c. Breakdown of total in %	33.5	0.05	12.3	23.3	9.1	0.1	1.1	

TABLE Va (cont'd 1)

2.

	6	Total (1 to 6)	7	8	9	TOTAL
	Other and overheads		Exceptional aid	Stabex	Blocked approps.	
<u>I. Aid administered by the Commission</u>						
a. Programmable grants	9.9	(251.0)			10.9	261.9
b. Special loans		(71.4)				71.4
c. Exceptional aid			35.1			35.1
d. Stabex				62.7		62.7
e. Total 1 to 5						
Breakdown 1 to 5 in %						
f. Total 1 to 6	9.9	(322.3)				
Breakdown 1 to 6 in %	3.1	100%				
g. GRAND TOTAL	9.9		35.1	62.7	10.9	431.1
Breakdown of total in %	2.3		8.1	14.6	2.5	100%
<u>II. Aid administered by the EIB</u>						
a. Loans from EIB resources						117.4
b. Interest rate subsidies						23.9
c. Risk capital					4.3	24.2
d. GRAND TOTAL					4.3	165.5
<u>III. GRAND TOTAL</u>	9.9	(483.6)	35.1	62.7	15.2	596.6
a. Breakdown 1 to 5 in %						
b. Breakdown 1 to 6 in %	2.1	100%				
c. Breakdown of total in %	1.6		5.9	10.5	2.6	100%

TABLE VI: Subsidized loans and risk capital committed by the EIB under the First Lomé Convention
(at end 1980)
Breakdown by country

(million ECU)

	Loans from EIB resources			Risk capital from EDF resources			Total		
	Number	Amount	%	Number	Amount	%	Number	Amount	%
Barbados	2	7.5	1.9	-	-	-	2	7.5	1.5
Botswana	2	6.5	1.7	2	1.75	1.8	4	8.25	1.7
Burundi	-	-	-	1	0.5	0.5	1	0.5	0.1
Cameroon	6	32.6	8.4	2	4.6	4.7	8	37.2	7.6
Cape Verde	-	-	-	2	3.6	3.6	2	3.6	0.7
Comoros	-	-	-	1	0.02	*	1	0.02	*
Congo	-	-	-	1	3.1	3.1	1	3.1	0.6
Ivory Coast	10	47.4	12.2	4	3.0	3.0	14	50.4	10.3
Djibouti	-	-	-	1	1.0	1.0	1	1.0	0.2
Fiji	2	24.0	6.2	-	-	-	2	24.0	4.9
Gambia	-	-	-	2	2.4	2.4	2	2.4	0.5
Ghana	2	16.0	4.1	2	2.25	2.3	4	18.25	3.7
Guinea	1	4.4	1.1	1	0.15	0.2	2	4.55	0.9
Guyana	-	-	-	1	3.2	3.2	1	3.2	0.7
Upper Volta	1	8.0	2.1	3	8.0	8.0	4	16.0	3.3
Jamaica	-	-	-	1	0.1	0.1	1	0.1	*
Kenya	8	52.4	13.4	2	1.2	1.2	10	53.6	11.0
Lesotho	-	-	-	1	0.03	*	1	0.03	*
Liberia	2	7.4	1.9	1	0.3	0.3	3	7.7	1.6
Madagascar	-	-	-	2	2.3	2.3	2	2.3	0.5
Malawi	3	14.5	3.7	2	1.2	1.2	5	15.7	3.2
Mali	-	-	-	2	6.1	6.2	2	6.1	1.3
Mauritius	3	12.5	3.2	1	0.04	*	4	12.54	2.6
Mauritania	1	25.0	6.4	-	-	-	1	25.0	5.1
Niger	2	6.0	1.5	1	0.9	0.9	3	6.9	1.4
Nigeria	2	50.0	12.8	-	-	-	2	50.0	10.2

TABLE VI (cont'd 1)

ACP	Loans from EIB resources			Risk capital from EDF resources			Total		
	Number	Amount	%	Number	Amount	%	Number	Amount	%
Papua New Guinea	1	7.0	1.8	1	1.9	1.9	2	8.9	1.8
Rwanda	-	-	-	1	3.0	3.0	1	3.0	0.6
Senegal	2	12.0	3.0	4	8.1	8.2	6	20.1	4.1
Seychelles	-	-	-	1	0.6	0.6	1	0.6	0.1
Somalia	-	-	-	1	0.25	0.3	1	0.25	0.1
Sudan	-	-	-	1	6.5	6.6	1	6.5	1.3
Swaziland	2	12.0	3.0	2	1.1	1.1	4	13.1	2.7
Tanzania	1	5.0	1.3	3	7.75	7.8	4	12.75	2.6
Chad	-	-	-	1	7.5	7.6	1	7.5	1.5
Togo	2	16.3	4.2	3	5.2	5.3	5	21.5	4.4
Trinidad & Tobago	2	10.0	2.6	-	-	-	2	10.0	2.1
Zambia	2	10.5	2.7	3	3.4	3.4	5	13.9	2.9
Zaire	-	-	-	5	5.2	5.3	5	5.2	1.1
Regional	1	3.0	0.8	1	0.14	0.2	2	3.14	0.6
Total	60	390.0	100.0	63	96.4	97.4	123	486.4	99.5
Blocked approps.	-	-	-	///	4.3	4.3	///	4.3	0.9
Cancellations	-	-	-	///	- 1.7	- 1.7	///	- 1.7	- 0.4
GRAND TOTAL	60	390.0	100.0	///	99.0	100.0	///	489.0	100.0

*virtually 0

TABLE VIa : Subsidized loans and risk capital committed by the EIB in 1980
Breakdown by country

(million ECU)

ACP	Loans from EIB resources			Risk capital from EDF resources			Total		
	Number	Amount	%	Number	Amount	%	Number	Amount	%
Barbados	1	5.0	4.3	-	-	-	1	5.00	3.5
Botswana	2	6.5	5.5	2	1.75	7.2	4	8.25	5.8
Cape Verde	-	-	-	1	3.50	14.5	1	3.50	2.5
Comoros	-	-	-	1	0.01	*	1	0.01	*
Ivory Coast	3	10.0	8.5	-	-	-	3	10.00	7.1
Fiji	1	11.5	9.8	-	-	-	1	11.5	8.1
Gambia	-	-	-	1	0.09	0.4	1	0.09	*
Ghana	-	-	-	1	0.25	1.0	1	0.25	0.2
Guinea	1	4.4	3.7	1	0.15	0.6	2	4.55	3.2
Upper Volta	1	8.0	6.8	1	3.50	14.5	2	11.50	8.1
Kenya	1	7.5	6.4	-	-	-	1	7.50	5.3
Lesotho	-	-	-	1	0.03	0.1	1	0.03	*
Malawi	1	5.0	4.3	1	0.19	0.7	2	5.19	3.7
Mauritius	1	7.5	6.4	1	0.04	0.2	2	7.54	5.4
Nigeria	1	25.0	21.3	-	-	-	1	25.00	17.6
Senegal	2	12.0	10.2	1	6.40	26.4	3	18.40	13.0
Somalia	-	-	-	1	0.25	1.0	1	0.25	0.2
Swaziland	1	2.0	1.7	1	1.00	4.1	2	3.00	2.1

TABLE VIa : (cont'd 1)

ACP	Loans from EIB resources			Risk capital from EDF resources			Total		
	Number	Amount	%	Number	Amount	%	Number	Amount	%
Tanzania	-	-	-	1	0.35	1.5	1	0.35	0.3
Trinidad & Tobago	1	5.0	4.3	-	-	-	1	5.00	3.5
Zaire	-	-	-	1	0.04	0.2	1	0.04	*
Zambia	1	8.0	6.8	1	2.80	11.6	2	10.80	7.7
Regional West Africa	-	-	-	1	0.14	0.6	1	0.14	0.1
Total	18	117.4	100.0	18	20.49	84.6	36	137.89	97.4
Non-alloc. blocked approps.	-	-	-	///	4.30	17.8	///	4.30	3.0
Cancellations	-	-	-	///	- 0.57	- 2.4	///	- 0.57	- 0.4
GRAND TOTAL	18	117.4	100.0	///	24.22	100.0	///	141.62	100.0

*virtually 0

TABLE VII: Subsidized loans and risk capital committed by the EIB under Lomé I (at end 1980)
Breakdown by sector

(million ECU)

Sector	Ordinary loans from own resources			Risk capital from EDF resources			Total		
	Number	Amount	%	Number	Amount	%	Number	Amount	%
General (including lines of credit)	17	82.5	21.1	15	9.7	9.8	32	92.2	18.9
Mines and extractive industries	2	33.0	8.5	3	4.7	4.7	5	37.7	7.7
Metal-working industries	3	17.7	4.5	3	6.5	6.6	6	24.2	5.0
Chemical industries	3	17.4	4.5	4	9.2	9.3	7	26.6	5.4
Manufacturing industries	7	34.8	8.9	14	26.8	27.1	21	61.6	12.6
Agri-industrial complexes	11	64.9	16.6	15	30.9	31.2	26	95.8	19.6
Projects with energy bias	14	130.9	33.6	5	2.8	2.8	19	133.7	27.3
<u>Total industrialisation</u>	57	381.2	97.7	59	90.6	91.5	116	471.8	96.5
Tourism	3	8.8	2.3	4	5.8	5.9	7	14.6	3.0
<u>Total</u>	60	390.0	100%	63	96.4	97.4	123	486.4	99.5
Blocked approps.	-	-	-	///	4.3	4.3	///	4.3	0.9
Cancellations	-	-	-	///	- 1.7	- 1.7	///	- 1.7	- 0.4
GRAND TOTAL	60	390.0	100%	///	99.0	100.0	///	489.0	100.0

TABLE VIIa: Subsidized loans and risk capital committed by the EIB under Lomé in 1980
Breakdown by sector

(million ECU)

SECTOR	Ordinary loans from own resources			Risk capital from EDF resources			Total		
	Number	Amount	%	Number	Amount	%	Number	Amount	%
General (including lines of credit)	5	19.0	16.2	6	4.97	20.5	11	23.97	16.9
Mines and extractive industries	1	8.0	6.8	2	3.75	15.5	3	11.75	8.3
Metal-working industries	2	12.4	10.6	-	-	-	2	12.40	8.7
Chemical industries	2	11.5	9.8	2	7.90	32.6	4	19.40	13.7
Manufacturing industries	-	-	-	3	3.14	13.0	3	3.14	2.2
Agri-industrial complexes	3	13.5	11.5	1	0.09	0.4	4	13.59	9.6
Projects with energy bias	5	53.0	45.1	3	0.64	2.6	8	53.64	38.0
<u>Total</u>	<u>18</u>	<u>117.4</u>	<u>100.0</u>	<u>18</u>	<u>20.49</u>	<u>84.6</u>	<u>36</u>	<u>137.89</u>	<u>97.4</u>
Non-alloc. blocked approps.	-	-	-	///	4.30	17.8	///	4.30	3.0
Cancellations	-	-	-	///	-0.57	- 2.4	///	- 0.57	- 0.4
GRAND TOTAL	18	117.4	100.0	///	24.22	100.0	///	141.62	100.0

TABLE VIII: Interest rate subsidies in 1980

Country	Name of project	Amount of loan (million ECU)	Amount of subsidy (ECU)
Barbados	BLPC	5.0	902 008
Botswana	Power station	4.0	993 472
	Industrial vaccine	2.5	335 165
Ivory Coast	MSO	3.0	431 157
	COFINCI	3.5	607 390
	CCI	3.5	636 126
Fiji	FEA II	11.5	2 119 433
Guinea	Frijuia	4.4	548 114
Upper Volta	Poura	8.0	1 635 901
Kenya	KTDA	7.5	1 510 965
Malawi	INDEBANK II	5.0	947 182
Mauritius	CEB III	7.5	1 670 874
Nigeria	NEPA	25.0	6 657 957
	SONACOS	3.0	401 405
Senegal	ICS (1st phase)	9.0	1 903 910
Swaziland	NIDCS	2.0	447 008
Trinidad & Tobago	TTDFC II	5.0	823 823
Zambia	RCM	8.0	1 351 173
TOTAL ACP			23 923 063

TABLE IX: STABEX

A - Results of 1980 operations (for year of application 1979)
by ACP State

Recipient ACP State	Product	Amount of transfer in million ECU
Benin	Cotton, not carded or combed	0.3
Cape Verde	Bananas	0.4
Central African Republic	Cotton, not carded or combed	3.9
Gambia	Groundnut oil	4.0
	Groundnut oil-cake	1.0
Guinea Bissau	Groundnuts, shelled or not	2.5
Madagascar	Vanilla	2.8
Mali	Groundnuts, shelled or not	3.9
Uganda	Cotton, not carded or combed	3.8
	Tea	3.1
Sudan	Groundnuts, shelled or not	27.2
	Sesame	2.6
Swaziland	Iron ore	4.4
Chad	Cotton, not carded or combed	2.7
Tonga	Vanilla	0.06
TOTAL		62.7

B - Results of 1980 operations for former OCT continuing to benefit
from OCT appropriation

Recipient ACP State	Product	Amount of transfer in million ECU
Comoros	Cloves	0.4
Dominica	Bananas	2.9
TOTAL		3.3

TABLE IX (cont'd 1)

C - Transfers by product at end 1980 (including former OCT continuing to benefit from the OCT appropriation : Comoros, Djibouti, Dominica, Kiribati, Solomon Islands, Tuvalu)

Products	Amount (million ECU)	%
Groundnuts	71.3	18.4
Groundnut oil	68.0	17.5
Groundnut oil-cake	16.4	4.2
Iron ore	61.8	15.9
Cotton	43.4	11.2
(Total)	(260.9)	(67.2) *
Wood in the rough	39.0	10.1
Sisal	20.6	5.3
Coffee	14.5	3.7
Raw hides	9.1	2.3
Copra	7.0	1.8
Tea	8.4	2.2
Bananas	5.8	1.5
Palm kernel oil	5.6	1.4
Vanilla	2.9	0.7
Sesame	2.6	0.7
Cloves	2.3	0.6
Palm oil	2.2	0.6
Coconut oil	2.1	0.5
Palm kernel oil-cake	1.2	0.3
Cocoa	1.1	0.3
Sawn wood	0.7	0.2
Gum arabic	0.8	0.2
Pyrethrum	0.6	0.2
Cocoa paste	0.5	0.1
Ylang-Ylang	0.2	0.05
GRAND TOTAL	388.1	100%

*5 products account for about two-thirds of the transfers

TABLE X: Number of technical cooperation staff employed in ACP countries in 1980

Sector	Total ACP (1)	of which least-deve- loped ACP countries (2)	& (2 : 1)
Planning and administration	44	31	70.5
Public utilities	30	27	90.0
Agriculture	239	148	61.9
Industry	195	160	82.1
Trade	18	8	44.4
Training	60	32	53.3
Health	13	10	76.9
Social services	16	13	81.3
Multi-sector	37	4	10.8
TOTAL	652	433	66.4

TABLE XI: Measures to assist small and medium-sized enterprises
as at 31.12.1980

('000 ECU)

Credit lines

- Sierra Leone (National Development Bank)	1 000
- Mali (Banque de Développement)	180
- Botswana (National Development Bank)	650
- Guyana (Guyana Agric. Coop. Ind. Dev. Bank)	700
- Samoa (Western Samoa Development Bank)	890
- Fiji (Fiji Development Bank)	890
- Tonga (Tonga Development Bank)	130
- Ghana (National Investment Bank)	1 880
- Belize (Development Finance Corporation)	400
- Bahamas (Bahamas Development Bank)	690
- Jamaica (Development Venture Capital Financing)	1 860
- Suriname (Landbouwbank N.V. and Nationale Ontwikkelings- bank)	2 000
- Benin (Banque béninoise de développement)	350
- Solomon Islands (Dev. Bank Solomon Islands)	780
- Uganda (Uganda Development Bank)	1 500

Industrial cooperation and promotion (grants)

- ALL ACP	
. Dakar Investor's forum (1978)	180
. Dakar Investor's forum (1980)	500
- Central African Republic (establishment of the Office Promotion SME)	1 300
- Mano River Union (Industrial project appraisal unit)	900
- Mauritius (industrial promotion)	700
- Senegal	
. SME (small and medium-sized enterprises)	950
. Promotion of the Dakar Industrial free zone	590
. National data-processing scheme	250

Technical assistance (grants)

- Botswana (Technology Centre)	475
- St. Kitts (Industrial Programme)	310
- TA for development banks (Netherlands Antilles, Belize, Congo, Zambia)	1 000
- Other TA projects (Mali, Rwanda, Sierra Leone)	400

TABLE XII: Situation of commitments and payments as at 31 December 1980

(million ECU)

COUNTRIES	EDF resources administered by the Commission Commitments					EDF resources administered by the EIB Commitments		Total EDF Commitments	EDF Payments	Payments (9) as % of commitments (8)
	Projets and programmes (special loans and grants)	STABEX	Exceptional aid	Delegation expenses	Total	Risk capital	Interest rate subsidies			
	(1)	(2)	(3)	(4)	(5) = (1) to (4)	(6)	(7)	(8) = (5) + (6) + (7)	(9)	(10) = (9) : (8)
BAHAMAS	1.8			0.04	1.8			1.8	0.4	22.2
BARBADOS	2.5		0.05	0.8	3.4		1.3	4.7	2.8	59.6
BENIN	30.9	20.4	0.02	1.8	53.1			53.1	36.9	69.5
BOTSWANA	18.5		2.7	1.0	22.2		1.3	25.2	12.1	48.0
BURUNDI	48.6	1.5	2.1	1.8	54.0	0.5		54.5	25.3	46.4
CAMEROON	39.0	3.6	2.3	3.7	48.6	4.6	4.7	57.9	38.9	67.2
CAPE VERDE	3.5	1.2	1.4	0.03	6.1	3.6		9.7	3.8	39.2
CENTRAL AF. REP.	36.1	7.8	1.1	2.3	47.3			47.3	21.5	45.4
COMOROS	6.3		2.9	0.3	9.5	0.02		9.5	3.6	37.9
CONGO	25.0	7.4	0.2	2.2	34.8	3.1		37.9	30.3	80.0
IVORY COAST	35.0	15.0	0.1	3.5	53.6	3.0	7.2	63.8	39.8	62.4
DJIBOUTI	2.0		1.3	0.02	3.3	1.0		4.3	1.8	41.9
DOMINICA	0.4		3.9		4.3			4.3	4.2	97.7
ETHIOPIA	85.4	14.4	4.8	1.7	106.3			106.3	48.0	45.2
FIJI	8.9	0.2	3.5	1.0	13.6		4.2	17.8	10.6	59.5
GABON	8.4	6.7		1.6	16.7			16.7	14.0	83.8
GAMBIA	11.3	7.5	0.7	0.8	20.3	2.4		22.7	11.8	52.0
GHANA	44.7	5.2	2.7	1.9	54.5	2.3	2.4	59.2	21.8	36.8
GRENADA	1.9		0.5	0.08	2.5			2.5	0.7	28.0
GUINEA	59.4		3.0	1.7	64.1	0.2	0.5	64.8	27.5	42.4
GUINEA BISSAU	18.4	11.3	0.5	1.2	31.4			31.4	24.4	77.7
EQUATORIAL GUINEA	6.7		0.3	0.09	7.1			7.1	0.3	4.2
GUYANA	12.3			1.0	13.3	3.2		16.5	4.6	27.9

TABLE XII (cont'd 1)

COUNTRIES	EDF resources administered by the Commission Commitments					EDF resources administered by the EIB Commitments		Total EDF commitments	EDF payments	Payments (9) as % of commitments (8)
	Projects and programmes (special loans and grants)	STABEX	Exceptional aid	Delegation expenses	Total	Risk capital	Interest rate subsidies			
	(1)	(2)	(3)	(4)	(5) = (1) to (4)	(6)	(7)			
UPPER VOLTA	56.3	7.3		2.8	66.4	8.0	1.6	76.0	39.8	52.4
JAMAICA	17.6		1.2	1.7	20.5	0.1		20.6	8.2	39.8
KENYA	71.1		1.6	2.5	75.2	1.2	9.0	85.4	39.5	46.3
KIRIBATI	0.5				0.5			0.5		
LESOTHO	17.6		1.2	1.0	19.8	0.03		19.8	8.3	41.9
LIBERIA	23.4	7.6		1.2	32.2	0.3	1.3	33.8	17.2	50.9
MADAGASCAR	67.1	4.6	1.7	3.1	76.5	2.3		78.8	27.4	34.8
MALAWI	61.6		4.0	1.5	67.1	1.2	2.4	70.7	37.5	53.0
MALI	66.3	9.8	1.0	2.9	80.0	6.1		86.1	64.1	74.4
MAURITIUS	10.5		4.8	1.2	16.5	0.04	2.6	19.2	7.2	37.5
MAURITANIA	28.0	37.0	1.7	2.5	69.2		3.6	72.8	55.7	76.5
NIGER	64.4	22.7	9.6	3.1	99.8	0.9	1.0	101.7	71.7	70.5
NIGERIA	7.4			1.1	8.5		9.6	18.1	11.5	63.5
UGANDA	30.4	20.6	3.5	1.3	55.8			55.8	34.6	62.0
PAPUA NEW GUINEA	3.9			0.6	4.5	1.9	1.2	7.6	3.7	48.7
RWANDA	58.7	0.6	6.4	1.8	67.5	3.0		70.5	44.4	63.0
SAINT LUCIA	0.9		1.0		1.9			1.9	1.0	52.6
SAINT VINCENT			0.5		0.5			0.5	0.5	100.0
SOLOMON ISLANDS	6.6				6.6			6.6		
SAMOA	4.5	2.8		0.3	7.6			7.6	5.5	72.4
SAO TOME	1.6		0.3	0.1	2.0			2.0	1.2	60.0
SENEGAL	52.5	65.1	4.6	3.8	126.0	8.1	2.3	136.4	104.6	76.7
SEYCHELLES	2.1				2.1	0.6		2.7	1.2	44.4
SIERRA LEONE	26.4	4.0		1.2	31.6			31.6	13.6	43.0

TABLE XII (cont'd 2)

	EDF resources administered by the Commission Commitments					EDF resources administered by the EIB Commitments		Total EDF commitments	EDF payments	Payments (9) as % of commitments (8)
	Projets and programmes (special loans & grants)	STABEX	Exception- al aid	Delegation expenses	Total	Risk capital	Interest rate subsidies			
	(1)	(2)	(3)	(4)	(5)= (1)to (4)	(6)	(7)			
SOMALIA	41.2	1.9	13.4	2.2	58.7	0.2		58.9	33.1	56.2
SUDAN	90.0	41.8	4.9	3.0	139.7	6.5		146.2	65.8	45.0
SURINAME	8.2	-	-	1.2	9.4			9.4	3.6	38.3
SWAZILAND	11.8	13.2	0.03	0.6	25.6	1.1	1.8	28.5	21.2	74.4
TANZANIA	85.0	20.7	0.4	2.2	108.3	7.8	0.7	116.8	58.8	50.3
CHAD	40.8	7.3	0.3	2.6	51.0	7.5		58.5	33.3	56.9
TOGO	35.1	3.6	-	2.1	40.8	5.2	2.3	48.3	29.1	60.2
TONGA	2.8	1.2	0.2	0.2	4.4	-		4.4	3.5	79.5
TRINIDAD & TOBAGO	5.7	-	-	1.3	7.0	-	1.6	8.6	3.7	43.0
TUVALU	0.5	-	-	-	0.5	-		0.5	-	-
ZAIRE	93.4	-	19.3	3.3	116.0	5.2		121.2	39.2	32.3
ZAMBIA	43.6	-	17.0	2.0	62.6	3.4	1.8	67.8	34.2	50.4
REGIONAL AID	232.3		-		232.3	0.1	0.6	233.0	98.1	42.1
NON-ALL. AID	-		13.3	20.5	33.8			33.8	19.8	58.6
TOTAL	1 876.8	374.0	146.0	103.4	2 500.2	96.4	65.0	2 661.6	1 426.9	53.6
RISK CAPITAL CANCELLATIONS						- 1.7		- 1.7		
BLOCKED APPROPS.	10.9				10.9	4.3		15.2		
GRAND TOTAL	1 887.7	374.0	146.0	103.4	2 511.1	99.0	65.0	2 675.1	1 426.9	53.3

TABLE XIII: COST OF DELEGATIONS

STATE	AMOUNTS IN '000 ECU		
	1976-79*	1980 (2 months)*	TOTAL
BAHAMAS	37.5	45.5	80.0
BARBADOS	1 124.8	- 878.8	246.0
BENIN	1 683.0	122.3	1 805.3
BOTSWANA	929.7	131.0	1 060.7
LESOTHO	934.4	79.1	1 003.5
SWAZILAND	501.6	65.0	566.6
BURUNDI	1 710.0	127.2	1 837.2
CAMEROON	3 360.9	250.2	3 611.1
CENTRAL AFRICAN REP.	2 118.4	200.7	2 319.1
CONGO	2 002.4	145.6	2 148.0
IVORY COAST	3 237.4	112.3	3 349.7
ETHIOPIA	1 580.4	229.0	1 809.4
FIJI	959.4	- 526.4	433.0
SAMOA	196.3	- 30.2	166.1
TONGA	133.7	- 18.1	115.6
GABON	1 482.7	123.6	1 606.3
GAMBIA	701.2	51.0	752.2
GHANA	1 804.2	180.0	1 984.2
GRENADA	78.4	53.0	131.4
GUINEA BISSAU	1 086.9	99.1	1 186.0
GUINEA	1 557.8	115.2	1 673.0
EQUATORIAL GUINEA	8.9	16.5	25.4
GUYANA	877.0	96.6	973.6
UPPER VOLTA	2 551.1	174.2	2 725.3
MAURITIUS	1 083.5	- 218.3	865.2
COMOROS	262.7	126.0	388.7
SEYCHELLES	3.1	103.2	106.3
JAMAICA	1 556.7	- 151.6	1 405.1
KENYA	2 132.3	258.8	2 391.1
LIBERIA	1 126.1	91.1	1 217.2
MADAGASCAR	2 907.2	165.2	3 072.4
MALAWI	1 347.9	110.3	1 458.2
MALI	2 633.0	238.0	2 871.0
MAURITANIA	2 310.4	218.1	2 528.5
NIGER	2 907.9	199.8	3 107.7
NIGERIA	924.2	114.2	1 038.4
RWANDA	1 686.6	152.4	1 839.0
SENEGAL	3 521.4	208.7	3 730.1
SIERRA LEONE	1 130.0	84.1	1 214.1
SOMALIA	2 025.8	161.5	2 187.3

TABLE XIII : (cont'd 1)

STATE	AMOUNTS IN '000 ECU		
	1976-79*	1980 (2 months)*	TOTAL
SUDAN	2 699.5	288.5	2 988.0
SURINAME	1 104.3	64.8	1 169.1
TANZANIA	2 102.5	124.6	2 227.1
CHAD	2 420.7	166.0	2 586.7
TOGO	1 895.1	205.4	2 100.5
TRINIDAD & TOBAGO	1 191.2	- 274.7	916.5
UGANDA	1 171.7	212.9	1 384.6
ZAIRE	3 135.5	205.9	3 341.4
ZAMBIE	1 851.2	105.9	1 957.1
CAPE VERDE	27.3	6.1	33.4
PAPUA NEW GUINEA	479.6	109.1	588.7
SAO TOME & PRINCIPE	87.8	28.2	116.0
DJIBOUTI	16.4	32.2	48.6
DOMINICA	-	180.2	180.2
SAINT LUCIA	-	222.8	222.8
ALL STATES	6 238.4	358.6	6 597.0
GRAND TOTAL	82 638.1	4 848.6	87 486.7

* Final figures emerging from a breakdown made after all items charged to fourth EDF. The negative amounts are the result of a subsequent breakdown of operating costs for islands formerly included in the operating costs of the Delegation responsible.

TABLE XIV : BREAKDOWN of works contracts by nationality of contractor
of supply contracts by origin of goods
of technical cooperation contracts by nationality of contractor

4th EDF - SITUATION AS AT 31.12.1980

(in '000 ECU)

Nationality of firms	Works contracts			Supply contracts			Technical cooperation contracts			Total contracts		
	Amount	% 31.12.80	% 31.12.79	Amount	% 31.12.80	% 31.12.79	Amount	% 31.12.80	% 31.12.79	Amount	% 31.12.80	% 31.12.79
Germany	37,927	5.58	6.93	50,720	21.01	21.35	45,763	19.08	20.07	134,410	11.58	12.52
Belgium	37,366	6.97	5.33	11,133	4.61	5.05	20,860	8.70	9.51	79,359	6.84	6.10
France	173,154	25.48	24.34	50,959	21.11	21.07	48,761	20.33	19.52	272,874	23.50	22.71
Italy	69,660	10.25	12.64	44,442	18.41	21.08	26,569	11.07	11.79	140,671	12.12	13.61
Luxembourg	-	-	-	21	0.01	-	3,703	1.54	1.89	3,724	0.32	0.38
Netherlands	26,680	3.93	4.51	10,300	4.27	4.34	18,123	7.55	7.75	55,103	4.75	5.13
Denmarks	2,309	0.34	0.45	613	0.25	0.03	5,910	2.46	2.91	8,832	0.76	0.85
United Kingdom	25,925	3.81	3.65	36,441	15.10	13.30	33,610	14.01	10.54	95,976	8.27	7.01
Ireland	-	-	-	38	0.02	-	3,550	1.48	1.60	3,588	0.31	0.32
ACP-OCT	287,329	42.28	42.24	22,177	9.19	10.00	31,805	13.26	14.42	341,311	29.40	30.05
Third countries	9,256	1.36	0.91	14,526	6.02	3.78	1,239	0.52	-	25,021	2.15	1.32
Total	679,606	100	100	241,370	100	100	239,893	100	100	1.160,869	100	100
	58.54%			20.79%			20.67%			100%		