



# DEVELOPMENT

## FINANCIAL COOPERATION UNDER THE LOME CONVENTIONS

### REVIEW OF AID AT THE END OF 1993

Report prepared by the Directorate-General for Development  
of the Commission of the European Communities, in conjunction  
with the European Investment Bank.

Manuscript completed in June 1994.

Luxembourg: Office for Official Publications of the European Communities, 1995

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**Financial cooperation**  
**under**  
**the Lomé Conventions**

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## **Preface**

Article 327(1) of the fourth Lomé Convention requires the ACP States and regional organisations, on the one hand and the Commission (in collaboration with the European Investment Bank - EIB), on the other to prepare an annual report on the management of development finance cooperation. These reports are designed to facilitate the work of the Development Finance Cooperation Committee (DFCC) set up under Article 325 of the Convention in examining whether the objectives of financial cooperation are being achieved. The reports should also look at any general and specific problems resulting from the implementation of cooperation.

Article 327(2)(a) requires the DFCC to prepare an annual report, for submission to the Council of Ministers at its annual meeting to lay down the general guidelines for development finance cooperation.

The present report covering the period up to 31 December 1993 - with particular emphasis on the year 1993 - has been prepared by the Commission in liaison with the EIB.

## 1. Introduction

This report describes progress made in the implementation of financial cooperation under three Lomé Conventions, with particular attention to work in 1993.

After a brief overview in Chapter 2 of the overall performance in respect of the different types of aid, Chapter 3 looks at the various components of programmed aid under European Development Funds and provides an analysis of national trends and of the progress on larger projects and programmes.<sup>(1)(2)</sup>

Chapter 4 outlines structural adjustment policy initiatives, which started in the form of import support programmes under Lomé III and have gained increasing importance under Lomé IV. Moreover, the generation of counterpart funds by the structural adjustment programmes adds a new and important dimension to financial cooperation, which will also be discussed in that Chapter.

Chapter 5 looks at the different instruments of non-programmed aid, such as Stabex, Sysmin and aid to refugees and returnees. The chapter also includes a report on the aid administered by the EIB.

Chapter 6 provides a sectoral analysis of Lomé aid. Procedures for aid implementation are discussed in Chapter 7.

Chapter 8 summarises the conclusions to the report.

Note above all that the analysis in this report is entirely based on financial data relating to amounts of aid allocated by Commission and EIB financing decisions (primary commitments) and to secondary commitments and disbursements. Comparisons are drawn between successive Conventions, between sectors and between different ACP States, noting in each case whether performance is "above average" or "below average". Such comparisons are not intended to pass judgment on the aid implementation "performance" of individual ACP States. They should be seen in the context of the mix of programmes and aid instruments concerned and of the aid objectives they are designed to meet. Analyses of payments in the case of inherently quick-disbursing instruments such as Stabex, emergency aid or the Structural Adjustment Facility will give different results from those of inherently slower disbursing rural-development projects or major infrastructure programmes.

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<sup>(1)</sup> A separate EDF was set up under each Convention, the 5th EDF for Lomé II, 6th EDF for Lomé III and 7th EDF for Lomé IV.

<sup>(2)</sup> For a description of the different types of aid see point 3 of the Annex, which contains explanatory notes on the principal features and procedures of the EDF.

The Community's primary aim is to make financial cooperation as effective as possible in achieving development objectives and this is the purpose of this financial analysis. Undue delays in aid implementation can cause linkages between operations to break down and lead to increased costs and impaired quality. Figures on commitments and disbursements of aid must also be seen as measures of progress in realising physical operations, which in turn are means of achieving qualitative and quantitative objectives.

## 2. General overview of Lomé aid to ACP States

### 2.1 Total aid from the European Development Fund

Table 2.1 shows the utilisation of funds under the 5th, 6th and 7th EDF by the end of 1993 and the annual figures for decisions, commitments and payments over the period 1989-1993.

Overall, decisions totalled ECU 1.6 billion, commitments ECU 1.45 billion and payments ECU 1.34 billion.<sup>(3)</sup>

However, comparison of EDF aid in 1993 with previous years is complicated by two factors: (i) the closure of the fifth EDF entailed a number of decommitments; (ii) Stabex transfers were blocked by a disagreement between the signatories to the Convention on additional financing for the system (see Chapter 5).

The upshot has of these two things is the decommitment of some 5th EDF decisions and an ECU 330 million shortfall in 7th EDF resources for 1993 transfers to cover the 1992 application year. If these two factors are left out of the reckoning, 1993 decisions and commitments were on a level comparable to 1992, although payments were down.<sup>(4)</sup>

Lomé IV financing is now predominant: the 7th EDF in its second full year of implementation outweighed the 6th EDF at all levels, even, for the first time, payments, despite the lack of Stabex transfers. (see Table 2.1)

<sup>(3)</sup> By decisions we mean Commission financing decisions; commitments (secondary, also called assigned funds in Article 70 of the Financial Regulation) refer to the award of contracts; payments are actual payments made under contracts.

<sup>(4)</sup> These adjustments are as follows:

MECU	1993 results	Forecast Stabex trans. + 5th EDF decommitments	Adjusted 1993 results	1992 results
Decisions	1.603	385	1.988	2.052
Commitments	1.454	330	1.784	1.731
Payments	1.310	330	1.640	1.917



**Table 2.1 - European Development Funds**

	Cumulative as at 31/12/93	% of the envelope	annual figures				
			MIO ECU	1989	1990	1991	1992
<b>Decisions</b>							
5th EDF	4.142,59	100,00	36,10	14,80	(64,10)	(21,30)	(361,69)
6th EDF	7.380,26	93,03	1.305,30	855,80	440,60	118,60	15,54
7th EDF	4.762,45	41,77			857,80	1.954,90	1.949,71 a)
<b>Total</b>	16.285,30		1.341,40	870,60	1.234,30	2.052,20	1.603,56
<b>Secondary Commitments</b>							
5th EDF	4.142,59	100,00	126,80	118,30	115,20	28,00	(134,91)
6th EDF	6.527,60	82,28	1.383,40	1.297,30	869,40	654,50	299,85
7th EDF	2.722,97	23,88			397,90	1.048,20	1.289,16 a)
<b>Total</b>	13.393,16		1.510,20	1.415,60	1.382,50	1.730,70	1.454,10
<b>Disbursements</b>							
5 th EDF	4.142,59	100,00	235,70	187,50	130,70	133,00	74,05
6th EDF	5.628,57	70,95	1.018,50	1.030,30	847,30	896,10	561,82
7th EDF	1.784,23	15,65			195,50	887,60	701,13 a)
<b>Total</b>	11.555,39		1.254,20	1.217,80	1.173,50	1.916,70	1.337,00

a) including 361.69 MECU and 134.91 MECU transferred decisions and commitments from the 5th EDF

Note .

Envelopes of	5th EDF	6th EDF	7th EDF
Programmed aid	2.718.89	5.133.68	6.215.00
Non-programmed aid			3.535.00
Structural adjustment	1.409.01	2.672.02	1.150.00
Balances	14.70	127.61	501.01
<b>Total</b>	<b>4.142.60</b>	<b>7.933.31</b>	<b>11.401.01</b>

The 6th EDF is now at a mature stage with over 90% of funds the subject of financing decisions since 1992, 80% of funds committed and 70% disbursed. The only serious gaps concern countries and/or projects or programmes which have been delayed in the past (see Chapter 3).

The 7th EDF, in contrast, is gearing up. Leaving aside 1993 Stabex payments, annual decisions are not far off the ECU 2 billion mark, a little less than 20% of the Fund's five-year financial package. In view of the economic and political constraints reigning in many ACP countries, this is an acceptable average for implementation of the Convention's first financial protocol, since commitments and payments tend to lag behind decisions because of the nature of programme and project implementation.

## 2.2 Lomé II

The 5th EDF was closed at the end of 1993. A review of all the programmes and projects financed under this Fund led to the decommitment of funds left over, making them available for other instruments.

Table 2.2 shows the final figures for the 5th EDF at closure, the overall balance being ECU 501.1 million. It should be stressed that these funds will not be lost to the recipient countries, the funds having simply been transferred to the 7th EDF.<sup>(5)</sup> The balance includes sums already decided and committed but not yet executed.

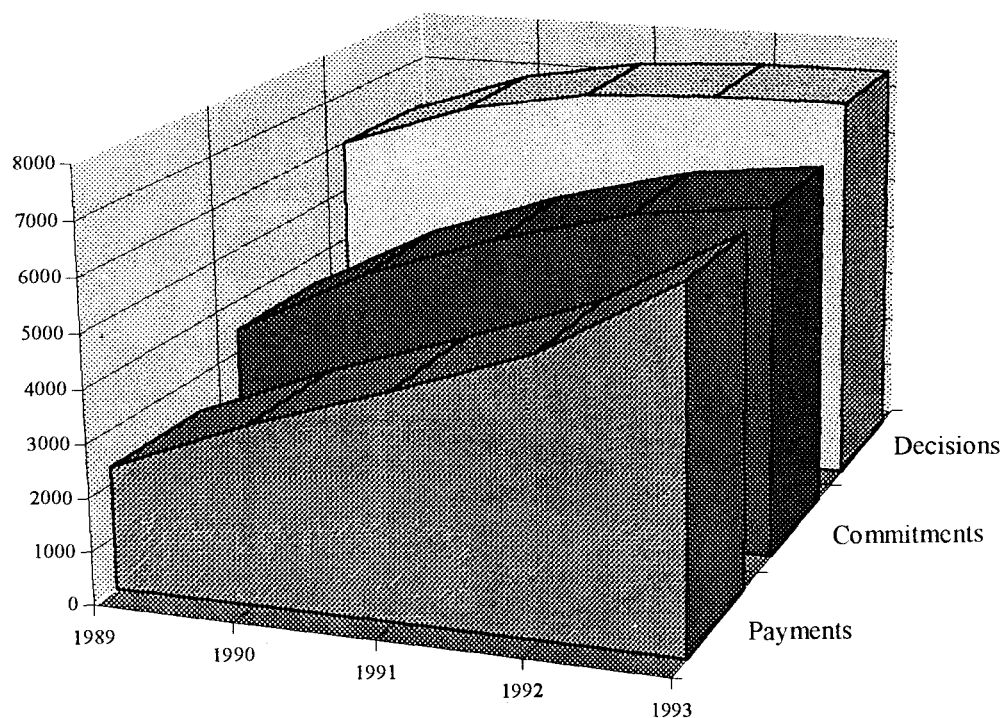
Net decisions and commitments were negative in 1993, although payments stood at ECU 47 million.

<sup>(5)</sup> Note that Lomé II procedures and rules still apply to the allocation and use of resources transferred from the 5th EDF.

### 2.3 Lomé III

After eight years of implementation Lomé III is in its final stages, reflected in a declining level of new decisions and commitments in 1993 (see graph 2.2).

Graph 2.2



By the end of the year a total of ECU 7.3 billion, 93% of the Fund's total allocation, had been the subject of financing decisions. ECU 300 million was committed over the year, still quite a sizeable amount, and this brought total commitments up to 82.3% of the Fund.

The picture for payments is different: they amounted to ECU 562 million in 1993, meaning that disbursement of the total rose from 63.9% in 1992 to 71%.

As Table 2.3 shows, most new decisions and commitments concerned programmable aid, whether grants or special loans. The bulk of the non-programmed aid was fully decided before 1993. Secondary commitments consisted of decommitments of risk capital.

Payments for non-programmed aid stood at ECU 110 million; they were mostly for emergency aid, Sysmin and risk capital. The total volume of decisions, commitments and payments for Sysmin and interest-rate subsidies was still well below average. The subsidies element fell from ECU 162.5 million to ECU 110 million in 1993 since the EIB has stopped granting loans from own resources under Lomé III.

Almost all the funds available for Stabex, emergency aid and aid for refugees under Lomé III had been disbursed by the end of 1993.

**Table 2.2 - 5th EDF<sup>(6)</sup> CUMULATIVE RESULTS AS AT 31/12/93 AND ANNUAL FIGURES**

	DECISIONS			COMMITMENTS			PAYMENTS		
	cumul. result	% of the envelope	annual figures	cumul. result	% of the envelope	annual figures	cumul. result	% of the envelope	annual figures
<b>Total envelope</b>		<b>3.135,80</b>							
<b>Programmed Aid</b>	2.718,89	86,70	(298,95)	2.718,89	86,70	(86,26)	2.718,89	86,70	66,17
Grants	2.309,30	88,45	(217,30)	2.309,30	88,45	(61,62)	2.309,30	88,45	58,34
Special Loans	409,59	78,02	(81,65)	409,59	78,02	(24,64)	409,59	78,02	7,82
<b>Total envelope</b>		<b>1.480,00</b>							
<b>Non Programmed Aid</b>	1.409,01	95,20	(59,77)	1.409,01	95,20	(48,95)	1.409,01	95,20	6,27
Rehabilitation Fund	22,58	97,54	(0,61)	22,58	97,54	(0,32)	22,58	97,54	0,10
Interest Rebates <sup>(7)</sup>	78,36	85,53	(21,77)	78,36	85,53	(19,28)	78,36	85,53	0,27
Emergency Aid	179,19	100,00	(0,95)	179,19	100,00	(0,95)	179,19	100,00	
Aids	23,46	67,03	(11,54)	23,46	67,03	(11,03)	23,46	67,03	2,70
Risk Capital <sup>(7)</sup>	259,10	97,72	(7,72)	259,10	97,72	(7,72)	259,10	97,72	0,45
Stabex	655,34	99,92	(3,13)	655,34	99,92	(0,69)	655,34	99,92	0,04
Sysmin	190,98	83,02	(14,05)	190,98	83,02	(8,96)	190,98	83,02	2,71
<b>Total Balance</b>		<b>27,90</b>							
<b>Balance prev EDF</b>	14,70	52,69	(2,97)	14,70	52,69	0,31	14,70	52,69	1,61
<b>Total envelope</b>		<b>4.643,70</b>							
<b>TOTAL 5th EDF</b>	4.142,60	89,21	(361,69)	4.142,60	89,21	(134,91)	4.142,60	89,21	74,04

<sup>(6)</sup> The 5th EDF was closed on 3/12/93 the balances of 501.10 (4643.7-4142.6 mecu) were transferred to the 7th EDF

<sup>(7)</sup> EDF accounts

**Table 2.3 - 6th EDF CUMULATIVE RESULT AS AT 31/12/93 AND ANNUAL FIGURES**

	DECISIONS			COMMITMENTS			PAYMENTS		
	cumul. result	% of the envelope	annual figures	cumul. result	% of the envelope	annual figures	cumul. result	% of the envelope	annual figures
<b>Total envelope</b>		<b>5.133,68</b>							
<b>Programmed Aid</b>	4.762,96	92,78	59,41	3.991,05	77,74	308,75	3.314,37	64,56	439,22
Grants	4.237,46	94,60	52,61	3.601,47	80,54	259,13	3.013,87	67,29	367,58
Special Loans	525,50	80,30	6,80	389,58	64,93	49,62	300,50	45,92	71,64
<b>Total envelope</b>		<b>2.672,02</b>							
<b>Non Programmed Aid</b>	2.543,32	95,18	(44,91)	2.482,03	90,79	(18,20)	2.275,45	85,16	110,43
Rehabilitation Fund	2,12	18,09	0,00	1,61	48,03	0,00	0,90	7,68	0,04
Interest Rebates <sup>(8)</sup>	108,92	99,78	(8,40)	107,98	98,92	(9,06)	76,22	69,83	9,16
Emergency Aid	189,94	99,99	0,05	187,82	98,88	1,82	176,79	93,08	10,11
Refugees aid	99,37	100,00	(0,46)	98,38	98,90	1,65	91,19	91,77	5,82
Aids	4,00	100,00	0,00	3,98	99,43	0,00	2,00	50,00	0,90
Risk Capital <sup>(8)</sup>	545,55	100,00	(37,31)	542,55	90,43	(33,28)	419,96	76,98	61,15
Stabex	1.447,13	98,11	1,21	1.447,13	98,11	1,21	1.447,12	98,11	1,79
Sysmin	146,30	57,82	0,00	92,57	36,59	19,46	61,26	24,21	21,46
<b>Total Balance</b>		<b>121,61</b>							
<b>Balance 4th EDF</b>	73,97	60,83	1,03	54,52	44,83	9,29	38,75	31,87	12,16
<b>Total envelope</b>		<b>7.933,30</b>							
<b>Total 6th EDF</b>	7.380,25	93,03	15,54	6.527,60	82,28	299,84	5.628,57	70,95	561,81

<sup>(8)</sup> EDF accounts

**Table 2.4 - 7th EDF CUMULATIVE RESULT AS AT 31/12/93 AND ANNUAL FIGURES**

	DECISIONS			COMMITMENTS			PAYMENTS		
	cumul. result	%of the envelope	annual figures	cumul. result	%of the envelope	annual figures	cumul. result	%of the envelope	annual figures
<b>Total envelope</b>		<b>6.215,00</b>							
<b>Programmed Aid</b>	2.254,69	36,28	935,89	714,62	11,50	421,24	336,48	5,41	192,63
Grants	2.254,69	36,28	935,89	714,62	11,50	421,24	336,48	5,41	192,63
<b>Total envelope</b>		<b>1.150,00</b>							
Structural Adjustment	685,50	59,61	378,00	611,06	53,14	419,39	433,05	37,66	300,26
<b>Total envelope</b>		<b>3.535,00</b>							
<b>Non Programmed Aid</b>	1.514,27	42,84	327,84	1.259,38	35,63	307,55	1.009,33	28,55	202,87
Rehabilitation Fund	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Interest Rebates <sup>(9)</sup>	104,23	37,23	50,69	94,49	33,75	44,39	22,45	8,02	17,32
Emergency Aid	127,25	50,90	84,50	92,20	36,88	64,82	47,49	19,00	33,31
Refugees Aid	50,35	50,35	29,31	42,25	42,25	22,53	26,05	26,05	16,73
Risk Capital <sup>(9)</sup>	231,92	28,11	97,99	177,72	21,54	83,44	61,04	7,40	43,37
Stabex	876,45	54,78	1,27	789,64	49,35	29,28	789,64	49,35	29,47
Sysmin	124,08	25,85	64,08	63,08	13,14	63,08	62,66	13,05	62,66
<b>Total Balance</b>		<b>501,01</b>							
<b>Balance 5th EDF<sup>(10)</sup></b>	307,99	61,47	307,99	137,91	27,53	140,97	5,37	1,07	5,37
<b>Total envelope</b>		<b>11.401,01</b>							
<b>Total 7th EDF</b>	4.762,45	41,77	1.949,71	2.722,97	23,88	1.289,15	1.784,23	15,65	701,12

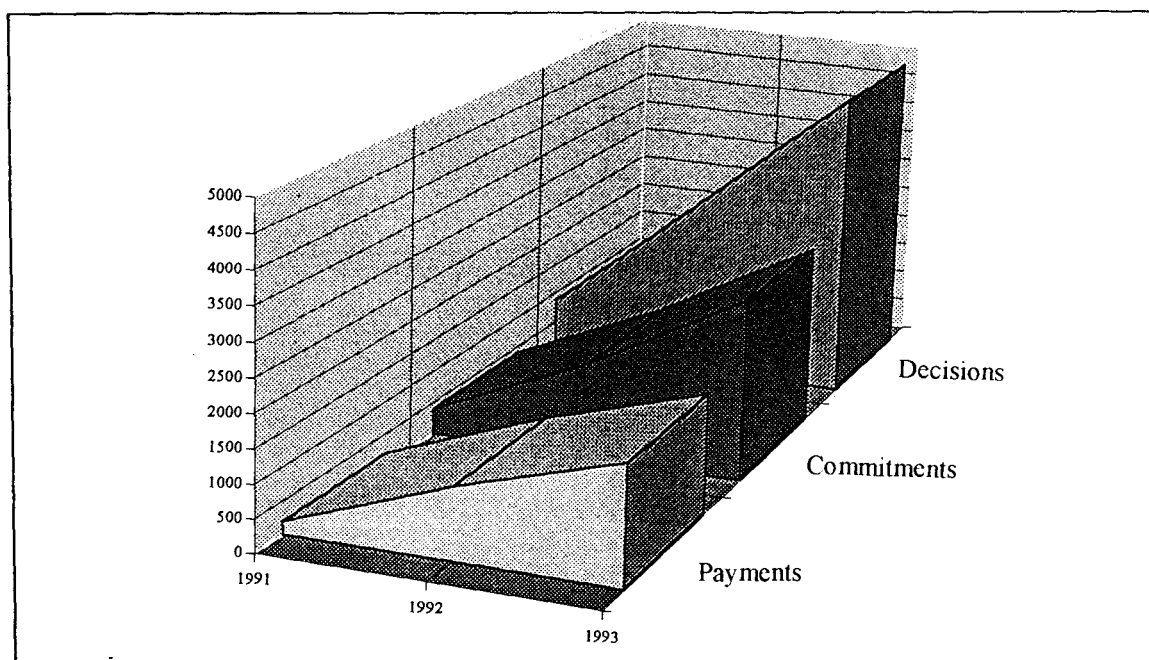
<sup>(9)</sup> EDF accounts preview

<sup>(10)</sup> The 5th EDF was transferred to the 7th EDF on 3/12/93.

## 2.4 Lomé IV

Lomé IV came into operation in September 1991.

Graph 2.3 gives annual figures for decisions, commitments and payments under the 7th EDF.



Decisions in 1993 totalled more than ECU 4.7 billion: ECU 2.3 billion for indicative programmes, ECU 1.5 billion ECU for non-programmed aid and ECU 685 million for structural adjustment. 5th EDF balance also included decisions for 308 MECU. The decision rates were 36.3%, 42.8% and 59.6% respectively.

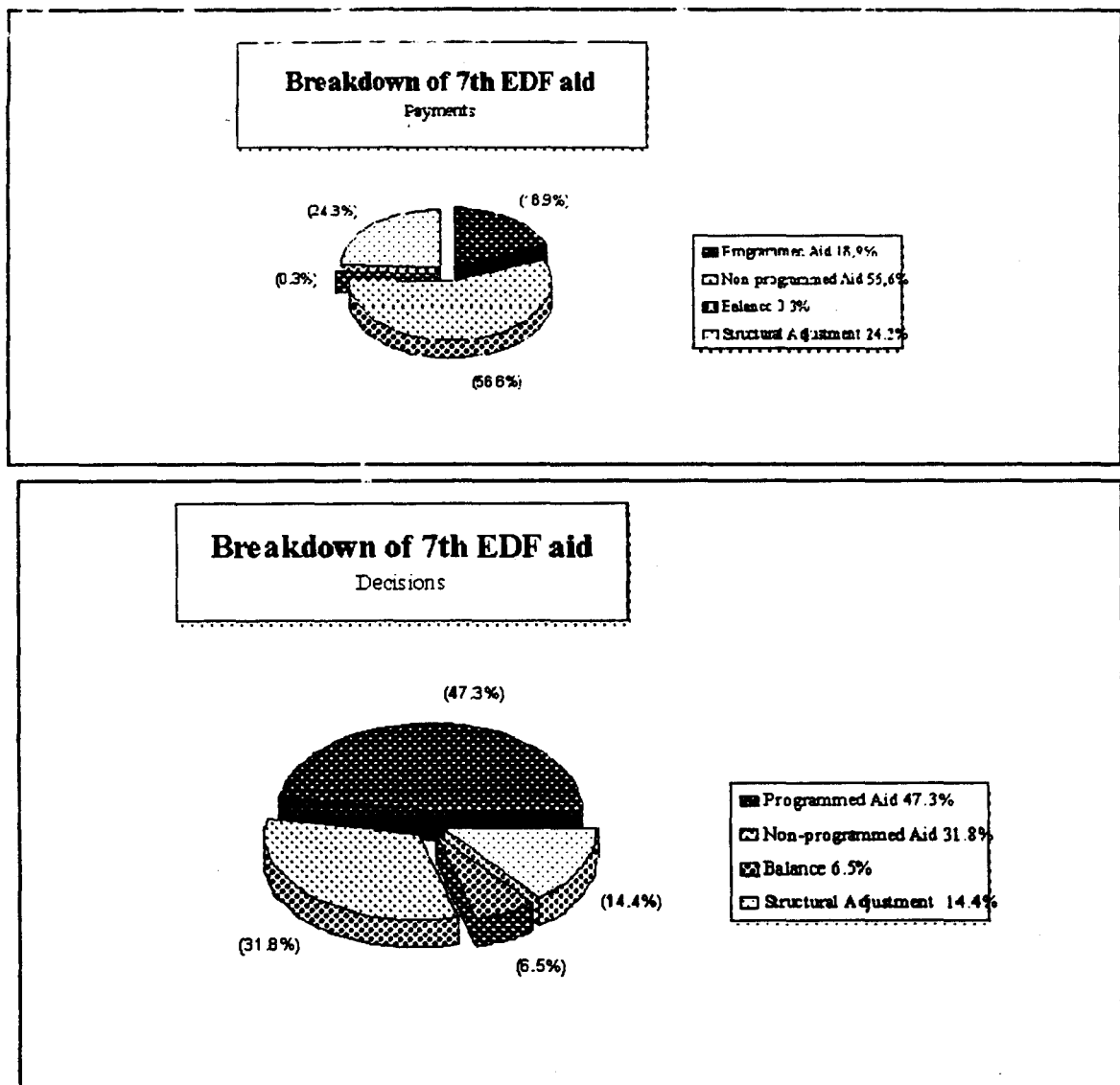
Because of the different nature of the instruments used, the levels of commitments and payments for the indicative programmes were below other forms of aid. Being multiannual, indicative programmes require a longer gestation period and financing for studies and preparatory work in the early stages. In fact, although decisions stood at 36.3%, less than 11.5% of the indicative programme funds were committed and only 5.4% disbursed at year end. Non-programmed aid and the Structural Adjustment Facility are quick-disbursing instruments and such operations can be up and running within a year. Thus their commitment and payment rates were closer to the decision rates, i.e. 29% and 36% against 43% for non-programmed aid, and 53% and 33% against 60% for structural adjustment aid.

The breakdown by instrument for the 7th EDF in Table 2.4 shows the lack of Stabex payments (ECU 330 million). The low level of secondary commitments and payments reflects the pre-1992 application years. Both decisions and commitments and payments for non-programmed aid stood at a low level, ECU 300 million and ECU 200 million respectively.

Table 2.4 also highlights the preponderance of decisions and commitments for emergency aid and refugees. While those for interest-rate subsidies, risk capital and Sysmin were well under way in 1993, the absorption rates were below the average for non-programmed aid as a whole.

Disbursements from the SAF, standing at ECU 300 million, accounted for the largest share of the ECU 700 million payments total for the 7th EDF. This quick-disbursing instrument also had the highest decision rate of all Fund instruments: 60% at year end against 42% on average for the whole Fund.

Graph 2.4 gives the breakdown for 7th EDF decisions and payments by type of instrument.





## **2.5 Aid for least-developed, landlocked and island countries**

In response to a resolution of the ACP--EEC Council of Ministers (17 and 18 May 1993) on the implementation of financial and technical cooperation, in particular point 14 dealing specifically with the least-developed, landlocked and island countries and calling for a joint assessment of cooperation between the EC and these countries, an evaluation study is being carried out on behalf of the Commission.<sup>(11)</sup>

## **3. Programmed Aid**

### **3.1 Implementation of indicative programmes**

Financial cooperation under the Lomé Conventions must be assessed taking account of the various constraints and difficulties affecting the preparation and implementation of operations in the ACP countries, namely the political situation, the economic policy context, the project cycle itself and the procedures for implementation of EDF programmes.

#### The political situation

Political developments and prospects have a direct impact on the pace of EDF activities. In recent years the political situation in a number of ACP countries, plus the links established by the Community and the Convention itself (Article 5) between certain political principles and development aid have acted as a brake.

At the end of 1993 seven ACP countries were affected to some degree by suspension measures taken by the Community in response to the security situation, the lack of progress towards democracy or non-observance of human rights. As a result, some ECU 1 billion of these countries' programmable resources are frozen, together with ECU 85 million in Stabex transfers.

The countries concerned are: Haiti, Liberia, Somalia, Zaire, Malawi, Sudan, Togo and Equatorial Guinea. In the case of the latter three, the freeze in force at the end of 1993 applied only to new financing decisions and the conclusion of frameworks of mutual obligations for Stabex. Projects already under way continued. A relative improvement in the security situation in Somalia and Liberia has made it possible to envisage some reconstruction and rehabilitation operations in partnership with local authorities and NGOs in certain regions.

There are other countries where the situation led to a long suspension of aid - Malawi until July 1993 and quick-disbursing aid to Kenya for two years - or a temporary suspension of new commitments/slowdown of operations in the wake of political developments or instability - Burundi, Rwanda, Nigeria, Angola, Mozambique and Congo.

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<sup>(11)</sup> ACP-EEC document No 2130/93.

This will be an ongoing problem. Hopes for a return to normal in countries like Haiti and Zaire have been dashed more than once. Major steps forward - Malawi and Kenya - and slight improvements - Somalia and Liberia - that made possible a stepping-up or resumption of aid in 1993 were counterbalanced by the appearance of serious new problems (Burundi, Nigeria (1993) and Lesotho) that put a question mark over the continuation of Community aid in the countries concerned.

In other ACP countries the process of democratic transition itself can cause political confusion, civil protest and administrative disruption. Innumerable national conferences, long electoral periods followed by the checking and publication of results all focus attention on the political sphere to the detriment of development-aid administration. This transition may also highlight the failings inherited from the previous regime, which can be corrected only gradually. It has to be accompanied by far-reaching changes in the civil service, institutional and legal reform, and a redefinition of development priorities, all of which complicates the policy dialogue and slows down identification of EDF projects and project preparation. This affected Lomé IV programming in a number of ACP countries in 1990-91 and is now affecting their actual implementation, examples being Ethiopia (the indicative programme has been renegotiated twice since 1991) and Kenya. In countries such as Madagascar, Central African Republic, Congo and Cameroon delays in establishing economic policy guidelines have held up the use of EDF funds.

Democratization and progress towards good governance should, in the long-term, improve aid implementation and the flow of funds to, and impact of, EDF-financed programmes. This "virtuous" circle is already starting to form in some countries - Benin, Tanzania, Burkina Faso and Mali - but the scale of the political changes taking place, especially in Africa, affects the absorption capacity of many countries in transition.

Examples of countries where the political situation had a noticeable impact on the level of commitments and disbursements in 1993 were Sierra Leone, Congo, Djibouti, Equatorial Guinea and Rwanda. Such factors had a significant influence on financial cooperation with Suriname which explains, in part, the lower than ACP average commitment level.

#### The economic context

The pace of EDF operations in a given country is ever more dependent on the economic context owing to the links established at the time of programming between the implementation of government measures and the inflow of Community support. These links may come into play at sectoral level during execution of the indicative programme or at macroeconomic level if a country is receiving structural adjustment aid. The deteriorating economic and social situation in many ACP countries (plummeting commodity prices and debt) combined with political change does nothing to help here.

Economic reforms in the agreed focal sectors also affected the pace of approval and implementation of programmes financed with NIP resources. In a number of cases, appraisal of new programmes had to be delayed until the sectoral policy environment could be clarified.

SAF disbursements, which stood at ECU 300 million in 1993, are obviously tributary to the will to implement reforms. Of the 38 ACP countries eligible for SAF funds in 1991 on the basis of existing reform programmes, 14 fell by the way-side before the financing stage because of economic policy changes: this meant suspension of ECU 160 million (35% of the first SAF allocation), which then had to be decommitted.

However, while economic policy changes often act as a brake on EDF implementation, the positive aspects should not be overlooked. The fact that some 30 ACP countries are pursuing tough adjustment policies with a will, that firm monetary measures have been taken by nearly half the ACP Group, and that public investment programmes and public spending reviews are giving results in terms of sectoral strategies means that malfunctioning ACP economies that have long impeded aid administration and reduced its impact on the mass of the population are starting to turn round.

### The project cycle

As is the case for all donors, European Union development activities involve a project cycle made up of necessary, and unavoidable, procedural stages, which start with identification of the project and end with its final evaluation; implementation and payment schedules are largely determined by the rhythm of this cycle.

The evaluation work of the Commission and the ACP States has highlighted the identification stage of the cycle as being the most critical in terms of setting the course for effective implementation and sustainability prospects of development projects. In this context, efforts to take account of a whole range of criteria e.g., compatibility with sectoral or macroeconomic policy, environmental impact, gender issues or distributional effects, call for a thorough analysis and dialogue with the various actors, starting even before the design stage of the operation.

In order to sensitise staff both in the Commission and the ACP Administrations as well as contractors and other development agents to the critical issue of effective management of the total project cycle, the Commission introduced a new Project Cycle Management (PCM) method in 1992/3.

The method obliges practitioners in project design to focus on the real needs of the beneficiaries by requiring a detailed assessment of the existing situation and by applying the Logical Framework method in designing the project. The project purpose is defined in terms of an objective expressed as the utilisation of the services supplied by the project. Right from the early stages in the project cycle, aspects assuring sustainability are incorporated in the project design. The strength of PCM is that project documents are structured according to a standardised format dealing with all relevant issues including the assumptions on which the project is based ("integrated approach"). At each stage in the project cycle, these issues are examined and revised where necessary and carried forward to the next stage. This system makes the project concept and context in which it operates clear and visible while, hopefully, ensuring effective implementation free of major bottlenecks (see Box 1).

### The management and administration of aid

The introduction of the new 'Project Cycle Management' method in the European Commission and the ACP Administrations should facilitate dialogue, and contribute to better identification, implementation, monitoring and evaluation of projects. In this regard, the method should ensure that implementation schedules follow more closely those which are set down in the Financing Agreement while, at the same time, improving the overall efficiency and effectiveness of aid.

Despite the delays inherent in project cycle management, there has been a speedy growth in decisions since 1991 but the gap between the decision and payment has widened, so slowing down aid flows and swelling the portfolio of projects under way. To cope with this, project management had to be rethought and refocused on the project cycle itself. This led to the Commission's adoption in 1992 of a new method of project management and monitoring, " the integrated approach", which has been applied since 1993.

The use of the method by both the Commission and the ACP administrations should facilitate the policy dialogue, smooth difficulties at the appraisal stage and facilitate project implementation and monitoring. By so doing, it should make aid more effective and encourage compliance with implementation schedules laid down in the financing agreements.

Adherence to agreed management and implementation procedures also plays a key role in ensuring a smooth flow of EDF resources, especially in situations of joint responsibility. The entry into force of the new General Conditions for EDF contracts in June 1991 helped to simplify administrative tasks ranging from the call for tenders to payments and dispute settlements. Its effect on overall implementation capacity is expected to increase markedly now that the necessary training has been provided.

The purpose of the post-Fiji study was not to examine the pertinence or efficiency of ACP-EEC cooperation procedures (see Chapter 7) but it did highlight the fact that certain procedures necessary to ensure transparency, fair and open competition and a sound management of EDF operations cannot be compressed. Delays could be reduced if all parties followed the right procedures. Across-the-board rules for key stages of the implementation cycle could also help eliminate bottlenecks.

Other factors of importance are compatibility of Community aid procedures with national administrative systems and the effect on national contributions to EDF projects of budgetary difficulties and austerity measures.

Box 1

Cycle of EDF projects

The cycle of EDF projects includes overall six separate stages:

1. **Indicative programming**  
General definition of the guidelines and principles of cooperation; it evokes the sectoral and/or subject concentration by country, stressing the overall objectives and programme purpose.
2. **Identification**  
First development of the ideas of the project, expressed in overall objectives, project purpose and expected results together with the related assumptions with a view to determining if prefeasibility and feasibility must, or not, be studied .
3. **Appraisal**  
Determination of all the detailed aspects of a project, results, activities, means, costs and assumptions on the basis of a feasibility study; internal scrutiny in the Commission departments on the appropriateness of the project and on its coherence with the sectoral policies.
4. **Financing**  
Drafting of the financing proposal. Its examination by the EDF Committee, favourable opinion of the Committee and financing decision of the Commission; drafting and signature by the two parties, EC and ACP, of the financing agreement .
5. **Implementation**  
Implementation of the project by the implementation of the means envisaged in the financing agreement with a view to achieving the results and the purpose of the project; drawing up work plans and writing monitoring reports.
6. **Evaluation**  
Analysis of coherence and the relevance of the objectives. Then, analysis of the results and effects (impact) of the project and the strategy adopted during or after its implementation with a view to, where appropriate, its possible reorientation and/or for the formulation of recommendations for the orientation of similar projects in the future.

## **3.2 Indicative national programmes**

### **3.2.1 Lomé II**

After 13 years of operation the fifth EDF was closed on 3 December 1993. The Commission had tried during the year to get a clear picture of the exact situation of projects still under way, an exercise which led to the closure of "sleeping" projects, a revision of estimates of future needs and the release of resources for other operations.

This is why there was a high level of decommitment for national programmes in 1993. Payments totalling ECU 45 million were made for current operations, mainly in Benin, Guinea, Kenya, Malawi, Mali and Belize (see table in Annex 4).

With the closure of the 5th EDF about 600 active projects were transferred to the administration of the 7th EDF, as were unexpended balances. 5th EDF balance is 501,1 MECU of which 307 MECU were decided before, and 137,9 MECU engaged.

### **3.2.2 Lomé III**

Implementation of Lomé III NIPs, mostly concluded in 1986-87, is, eight years later, generally satisfactory, as shown by the 1993 figures: of the funds notified to ACP governments, 95% have been allocated to programmes and projects, and 67% paid out.

Most countries made food security a priority and this, combined with the overall emphasis on rural development, led to the adoption between 1986 and 1989 of vast integrated rural development programmes that have been time-consuming and difficult to implement. So, although the 6th EDF was committed much more quickly than previous Funds (and to a smaller number of operations), the pace of implementation has been relatively slow. Since 1992 the pace has improved, thanks mainly to reviews of programmes in difficulty. Sixth EDF indicative programmes accounted for ECU 228 million in commitments and ECU 356 million in payments in 1993 and disbursements are likely to continue until 1996.

The overall absorption rate masks a variety of situations: while almost all ACP countries have committed the bulk of their Lomé III allocations at primary level, barring some exceptional cases, the final absorption rates are very uneven with secondary commitment and payment rates as low as 30% (Antigua, Trinidad and Tonga) or as high as 90% and over (Côte d'Ivoire, Dominica, Grenada, Guyana, Uganda and St Vincent).

Average percentages for national (not regional) indicative programmes were as follows: 94.9% for decisions, 74.4% for commitments and 67.1% for payments.<sup>(12)</sup>

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<sup>(12)</sup> See Box 2 for a more detailed explanation of decision, commitment and payment rates.

The table below lists the ACP countries where the use of indicative programme resources was markedly below average.

**Table 3.1 - 6th EDF: countries with implementation rates below the ACP average**

Decisions < 90% of NIP allocation ACP average = 95%	Commitments < 75% of NIP allocation ACP average = 83,6%	Payments < 80% of NIP allocation ACP average = 84,6%
Angola	Antigua	Antigua
Antigua & Barbuda	Barbados	Barbados
Barbados	Botswana	Botswana
Fiji	Congo	Burkina Faso
Ghana	Equator, Guinea*	Cap Vert
Liberia*	Ethiopia	Congo
Madagascar	Fiji	Fiji
Malawi*	Gabon	Guinea Bissau
Mauritius	Ghana	Kiribati
Somalia*	Guinea Bissau	Liberia*
St. Kitts et Nevis	Liberia*	Mauritania
Sudan*	Madagascar	Mauritius
Surinam	Sudan*	Nigeria
Trinidad & Tobago	Surinam	Rwanda*
	Tonga	Sierra Leone
	Trinidad & Tobago	Tonga
	Tuvalu	Tuvalu
	Zaire*	Trinidad & Tobago
		Zimbabwe
		Zaire*

\* countries with which cooperation was (partly) suspended in 1992

The major decision in 1993 under the 6th EDF was the approval of a rehabilitation programme in Somalia following an extraordinary decision by the ACP-EEC Council of Ministers on 18 November 1992 the EDF Chief Authorizing Officer could assume the role of National Authorizing Officer for Somalia in view of the exceptional circumstances reigning in that country. The decision provided for rehabilitation operations in the productive and social sectors and some physical infrastructure projects in relatively stable areas of the country. The programme has financing of ECU 38 million, of which ECU 22 million in unused NIP resources and the remainder from the Special Debt Programme.

Decisions concerning other countries were on a modest scale: two Caribbean countries, Jamaica and Suriname made good progress in terms of fresh decisions with ECU 3.4 million respectively (=8% of the NIP) and ECU 4.5 million (=18.5% of the NIP).

Referring to 1992, new secondary commitments show that implementation of the NIPs was progressing satisfactorily in Antigua, Burkina Faso, Mali, Nigeria, Somalia and Tanzania.

Total payments under the NIPs stood at ECU 356 million for the year, giving an aggregate 6th EDF total of ECU 2 776 million.

A good many countries were below the overall ACP average, although the payments level for some of them was quite high (Burkina Faso, Nigeria, Fiji and Kiribati).

Other countries also made progress, implementation of programmes being reflected in a marked increase in the volume of payments (Burundi, Cameroon, Ethiopia, Guinea, Mali, Uganda, Senegal, Zambia, Bahamas, Barbados, St Vincent, St Lucia and Western Samoa).



Box 2

How to measure progress in implementation?

1. There are several ways to evaluate progress in aid implementation: the physical execution of projects, the commitments and contributions of national governments, the organization of activities with the target groups, the participation of the local administration and/or beneficiary groups, the arrival of goods at destination etc. This report is mainly concerned with financial cooperation, which is measured in terms of financial decisions, commitments and payments. Bear in mind, however, that these indicators are only a part reflection of what would be considered as real progress in implementation of indicative programmes.

2. Four indicators are used in this chapter to measure progress: the financial allocations to the indicative programmes and the level of decisions, commitments and payments. Comparing decisions with the allocation shows how much of the total funds available has been allotted to programmes and projects. This is expressed by the decision rate. Then, in order to see to what extent these decisions have effectively given rise to contracts with executing agents (constructors, suppliers, technical assistance, etc.), commitments can be set against decisions. Thus the commitment rate gives an idea of the number of projects and programmes that have reached the actual implementation stage (i.e. the planning completed and the personnel appointed). A look at the level of the payments, finally, is a way of checking on the progress of programmes and projects since payments are usually made on the basis of 'work in progress'. Comparing payments with commitments, through the payment rate, is a basis for drawing conclusions on the level of progress and/or completion of programmes.

3. An average decision, commitment and payment rate for all ACP states is just a 'pointer' to how an individual country compares with the total group. In some countries with sizeable financial programmes (e.g. Ethiopia, Zaire) internal events have severely delayed the implementation of aid programmes and the 'ACP average' for implementation is therefore skewed downwards. Countries rated as 'below average' had a rate well below the ACP average.

### 3.2.3 Lomé IV

The Commission has practically completed the programming of Community aid for the five years covered by Lomé IV's first financial protocol. At the end of 1993 63 national indicative programmes<sup>(13)</sup> of a possible 70 had been signed.<sup>(14)</sup>

Seventh EDF operations got off to a good start with a speeding-up of project appraisal in 1992 and a rising number of financing decisions in 1993.

Lomé IV NIP financing decisions accounted for ECU 936 million in 1993, bringing the total to ECU 2 255 million.

The average for NIP decisions was 36% at the end of 1993 and would rise to 44% if the countries without NIPs were excluded from the calculation. In 11 countries, some of them (Senegal and Guinea) with large allocations, the decision rate was already over 80%. In five of them virtually the whole NIP has been accounted for. There are, of course, others which were well below average: Ghana (19%), Central African Republic (22%), Ethiopia (24%), Kenya (18%) and Madagascar (1%).

The table overleaf gives a breakdown of ACP countries by decision rate.

Actual implementation of a decision takes some years, so commitments (ECU 714 million) and payments (ECU 326 million) account for only a small proportion of the programmable funds (11.5% and 5% respectively).

Implementation of 7th EDF projects is thus in the early stages but there were still payments totalling ECU 193 million in 1993. Political instability has held up implementation in some cases, and there have even been cases (Ethiopia, Trinidad and Kenya) where sectoral priorities have been redefined only a few months after initial agreement.

The table in Annex 5 sets out the figures for Lomé IV decisions, commitments and payments by country at the year's end, a little over two years after the entry into force of the 7th EDF.

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<sup>(13)</sup> The political situation has prevented the conclusion of national programmes for the 7th EDF in Sudan, Zaire, Haiti, Liberia and Somalia; Somalia has not even signed the fourth Convention. Suriname's indicative programmes is not yet signed. Eritrea acceded to the Convention in October 1993 and its first NIP should be concluded in the course of the year.

<sup>(14)</sup> Eritrea's accession to Lomé IV in October 1993 brought the number of ACP States to 70.

**Lomé IV indicative programmes**

Cumulative decision rate as at end 1993 - NIP % - ACP average = 39,8<sup>(o)</sup>

Below average countries Aggregate decisions < 30%	Average countries Aggregate decisions 30 - 50%	Above average countries Aggregate decisions > 50%
Angola Antigua Central African Republic Dominica Ethiopia Fiji Ghana Guinea Bissau Haiti* Kenya Kiribati Liberia* Madagascar Malawi Rwanda Solomon Somalia* St. Lucie St. Kitts Sudan* Surinam Tonga Vanuatu Western Samoa Zaire*	Botswana Burundi Cameroon Cap Vert Comores Congo Côte d'Ivoire Equatorial Guinea * Gabon Mali Mauritius Namibia Niger Nigeria Togo* Zimbabwe	Bahamas Barbados Belize Benin Burkina Faso Chad Côte d'Ivoire Djibouti Dominican Republic Gambia Grenade Guinea Guyana Jamaica Lesotho Mauritania Mozambique PNG Sao Tome Senegal Seychelles Sierra Leone St. Vincent Swaziland Tanzania Trinidad Tuvalu Uganda Zambia

\* Countries with which cooperation was suspended in 1993.

<sup>(o)</sup>44% is the corrected average for those countries in which cooperation was not suspended.

### Performance in selected countries

At the end of 1993, two whole years of implementation have passed, since the Lomé IV Convention became operative.

In this chapter, the implementation of certain indicative programmes under Lomé IV in some countries will be briefly described. These countries were chosen without prejudging the individual performance of the ACP state. The brief description will reflect the situation at the end of 1993. In some countries, developments in the beginning of 1994 (for example the devaluation of the CFA Franc in January 1994) have quickly changed the conditions of the implementation.

#### **Angola**

Civil war devastates Angola since independence (1975). The toll is heavy : 800.000 died, over 1,5 million people need social and economic reintegration and most of the urban skilled people left the country. Most of the territory is now a battle ground ravaged by a merciless war, where 4 provincial capitals are held by the Government whilst UNITA retains control of other 4 capitals.

Peace talks in Adis-Ababa and Abidjan failed early in 1993. In May 1993 the USA recognised the Angola Government. In September 1993 the UN Security Council adopted a Resolution condemning UNITA and imposing to it an international arms and weapons embargo. Late in 1993 formal peace talks started in Lusaka, but prospects were not optimistic.

Government controlled areas are not directly affected by war : these areas show fast deteriorating social and economic conditions, as well as a serious humanitarian situation (spreading of cholera and other epidemics) requiring emergency/food aid to be intensified.

Battle ground areas, where access is in general not possible both for security reasons and by a Government imposed blockade, the situation seemed to be apocalyptic; visit to Huambo, Menongue and Kuito by EC, UN and NGO officers regrettably confirmed the worst.

As regards the aid activities, besides on-going large scale food and emergency aid operations, post-emergency social "rehabilitation" projects have been launched since May 1993. The reduced opportunities for standard development projects, combined with the accrued need for this type of operations, led to an increase of the resources used for such activity (NIP grants, as well as funds from the Commission's budget and from the article 254 and 255 of Lomé IV Convention) This post-emergency operations have been carried out in Luanda and in Southwestern provinces - zones fully controlled by the Government where the security conditions allow for the continuation of previous Community efforts.

#### **Antigua and Barbuda**

The level of commitment and disbursement of Lomé III funds were still unsatisfactory by the end of 1993.

Major events in 1993 were the award of contract for the Lomé III Road Rehabilitation programme, phase II (3,1 MECU). Work was started in September and broadly on schedule at year end. The Livestock Development programme, financed with Lomé II and Lomé IV funds started during the year.

Commitment of Lomé IV funds was very low. The study for a Hotel Training Centre Projects was not completed until October but with unsatisfactory results due to a combination of poor consultancy work and Government inaction. The Government was unable to reach a decision on whether to proceed with the other major actions foreseen in the indicative programme. No decision could be made as regards the envisaged construction of a secondary school at Bolans.

One may conclude that cooperation with Antigua is not very successful in 1993.

### **Burundi**

Burundi was in the throes of major social and political change in 1993. For the authorities the first half of the year was largely devoted to preparations for the democratic presidential and parliamentary elections held in June, the conduct of which was considered exemplary. In the second half of the year, however, ethnic violence following the attempted military coup on 21 October leading to 100 000 dead, about a million wounded and the flight of 500 000 to 700 000 refugees to neighbouring countries.

Implementation of programmes under way did continue but only three Lomé IV operations were approved: a microprojects programme (ECU 4 million), aid for elections (ECU 1.95 million) and aid for a national literacy campaign that did not in fact get under way because of the outbreak of violence.

### **Comoros**

Democratization in Comoros proved to be complex in 1993.

Financial cooperation under Lomé III continued (integrated rural development in north-east Anjouan and non-industrial fisheries) and the preparation and appraisal of Lomé IV projects started. One financing decision was taken concerning shipping access to Moheli (ECU 3.25 million). An ECU 5.5 million structural adjustment programme was also approved.

Political and economic difficulties held back Lomé IV cooperation: the primary commitment rate stood at 34.5% but secondary commitments and payments were negligible.

### **Djibouti**

Under Lomé IV's first financial protocol, Djibouti received 17,5 MECU grant aid and 2,5 MECU risk capital. Of this 12,73 MECU grant aid has so far been committed, representing 72,74% of the programmable resources.

In relation to 1992 this represents an increased commitment of only 9,2%. This is due to the fact that the internal civil unrest notified in the 1992 report continued and seriously perturbed implementation of existing projects and the initiation of new projects.

The inaccessibility of two thirds of the country made it impossible to initiate new projects as originally planned under the national indicative programme.

Additionally during 1993 the National Government essentially ran a war economy which compromised its ability to finance complementary elements of EDF projects which it alone could undertake. As a result, the Urban Development Programme Phase II (8,75 MECU), committed during 1992, could not be started.

The consequences of the civil conflict, which has not yet been satisfactorily resolved, will probably continue to compromise the community development programme for some time to come.

### **Eritrea**

By decision no. 1/93 dated 22 October 1993, the ACP-EC Council of Ministers agreed that the state of Eritrea should participate as a contracting party in the fourth ACP-EC Convention. Eritrea has thus become the 70th ACP state within the Lomé Convention. The programming exercise will be done, and the national indicative programme will be signed, during the course of 1994. Consequently, Eritrea as such had not national indicative programme during 1993, and actions were financed from either budget lines, art. 255, or the special programme for reconstruction and recovery, the total amounting to some 62 MECU.

As regard the programme for reconstruction and recovery in Eritrea (20 MECU taken out of Ethiopia's 7th EDF national indicative programme funds), it had the following main components :

- Integrated rural development, comprising a package of measures designed to improve water management (western lowland irrigation scheme), agricultural production, protection of the environment, health and primary education (malaria control programme).
- The road network, specifically repairs to the Massawa-Asmara road link.
- Institutional support for a number of government departments, including the preparation of the master plan at national level and technical assistance to accompany the various operations planned on the ground.

Eritrea showed eagerness to recover from the devastating civil war which lasted for three decades. It has demonstrated its political readiness by developing and maintaining good relations with practical all countries in the region.

## **Ethiopia**

With regard to the implementation of programmed aid to Ethiopia it is important to recall that the national indicative programme Lomé IV had to be renegotiated in 1992 following the change of the political regime in 1991. The revised Lomé IV national indicative programme was signed in March 1992 for a total amount of 265 MECU, including 225 MECU of grants and 40 MECU of loans (risk capital), administered by the European Investment Bank.

Of the total programmable 7th EDF resources about 48 MECU have been committed and 12 MECU spent by the end of 1993. Implementation has well progressed during 1993.

In addition, Ethiopia received substantial Stabex transfers of 64,6 MECU and 49,4 MECU to partly compensate shortfalls in coffee and hides and skins earnings respectively in 1990 and 1991. Moreover, the country received additional structural adjustment support of 75 MECU which will be used mainly for funding of a General Import Programme.

A high level mission of the European Commission visited Ethiopia towards the end of 1993 in order to review, with the NAO and the key ministries involved in EU-Ethiopia cooperation, the present state and/or the preparation of major ongoing projects and in particular of envisaged Lomé IV projects/programmes.

## **Ghana**

Total programmable resources for Ghana amount to 97,5 MECU under Lomé III (of which 11,5 MECU special debt programme) and to 161,5 MECU under Lomé IV (of which 56,5 MECU allocations under the structural adjustment facility). In addition, Ghana received a transfer of 16,4 MECU under Stabex to partly compensate for shortfalls in cocoa earnings during 1991

During 1993, the economy had to digest the shocks imposed in it by some measures taken by Government in 1992, and in particular the increase in public salaries. Inflation doubled to a rate of more than 20%. The increase in fuel taxes proved to be insufficient to bring the budget back into balance. However, the meeting of the Consultative Group in June showed the continuous donor support for Ghana aid pledges being sufficient to meet external financing requirements for the next two years.

The Commission continues to support structural adjustment in Ghana by means of general import programmes. An agreement for a new programme of 29 MECU was signed in November 1993. Apart from general import finance, the programme will also support budget expenditure in the health and education sectors, to compensate for part of the social cost of adjustment.

Focal sectors for Ghana under the Lomé III and IV indicative programmes are transport infrastructure and rural development. Unfortunately, the roads construction projects, which are supposed to be the major activities in the area of transport infrastructure, continued to experience delays, mainly because of a legal dispute between the Government of Ghana and a contractor. It was therefore not possible to further proceed with the preparation and approval of a major new road projects, which had already been under preparation for some time.

The second projects in this area, the Ports Rehabilitation Projects, continues to be implemented more smoothly, although one component of it, the Tema access road, is also experiencing a considerable delay. This projects has now been complemented by a "master plan study", which will look into the longer term development of the ports in the context of the regional transport sector, and which will form the basis for future investment projects in the maritime transport sector in Ghana.

Ongoing projects in the rural development sector include a rice irrigation scheme and a microprojects programme, a third phase of which is presently under preparation. Other projects under preparation in this sector include a protected area development project (preparation and initial implementation of management plans for two reserves in the forest zone) and the Western Region Agricultural Development Project, the major new project in this sector in Ghana. Both projects are supposed to be approved during 1994.

Activities outside the focal sectors include an appropriate technology transfer scheme, phase II of which started in early 1992, and a small and medium enterprises development programme, which is expected to become operation in 1994. Moreover, in 1993 the Commission and the International Labour Organization carried out a joint study on structural adjustment and employment in Ghana, which will serve as a basis for future activities in the area of private sector promotion.



## Guyana

Guyana has achieved significant progress since it embarked on its Economic Recovery Programme in 1988; the economy has responded strongly and growth rates surged, reaching 7% per year on average during 1991-1993. However, Guyana is facing huge constraints because of its high external debt and dilapidated economic and social infrastructure and, also, pervasive poverty. Guyana has been informed that during 1994, it will receive a 2nd General Import Programme, following good performance and that, also, assistance will continue following capacity of absorption.

Following the elections in 1992, Guyana has pursued, through 1993, its transition towards constitutional rule. Guyana now faces many problems resulting from the waste, extravagance, corruption and inefficiency of the previous government. The Commission will support good governance through transparency and accountability of public expenditure.

Lomé III commitment and disbursement were satisfactory under Lomé IV almost all of the envelope was decided but operation were just starting.

Under the indicative programme for Lomé III (22,1 MECU), 90% of the resources have been devoted to the Economic Infrastructure Sector, with the objective of removing constraints on increased production in particular through the rehabilitation of the infrastructural network.

From the first Financial Protocol of Lomé IV, 26 MECU for programmable resources and 4,5 MECU for structural adjustment were allocated. EC financial and technical cooperation is concentrated on the consolidation of actions financed under the previous Lomé Convention, namely rehabilitation of economic and social infrastructure.

In 1993, following feasibility studies, three major infrastructure projects were approved : New Amsterdam Water Supply Phase II (4,5 MECU), Demerara Harbour Bridge Rehabilitation Projects (8 MECU) and Rehabilitation of Sea Defences (12 MECU).

Other activities during 1993 include EDF technical assistance to the Project Execution Unit of the Sea Defence Rehabilitation Programme (750.000 ECU) and assistance to the private sector (Small Business Credit Initiative Project : 250.000 ECU).

The General Import Programme approved in the framework of the structural adjustment support was nearly completed by year end.

## **Guinea-Bissau**

On the economic front the country had mixed fortunes. Strict observance of adjustment requirements in macroeconomic policy led to the World Bank's approval of its next tranche of structural adjustment aid. But these policies also caused social unrest and disruption of the domestic market without reducing the country's debt burden by very much. A Community-financed structural adjustment programme (ECU 8 million) to bolster the government's efforts was decided by the Commission.

The price of rice, the staple food, reached historic highs with no relation to the general population's purchasing power. Cashew exports, which, with fish, are Guinea-Bissau's main earner, were lower than usual as a result of a dispute between exporters and the Ministry of Trade. Economic problems still remain, therefore.

Projects financed under the indicative programme met with various difficulties. The biggest project, a Lomé III rural development programme in the east, ground to a halt with administrative problems following radical restructuring. Various administrative problems dogged cooperation as a whole.

The Lomé IV indicative programme was slow getting off the ground because of the country's low absorption capacity and slow decision-making in key areas such as education and infrastructure. It was therefore decided to revamp the indicative programme with the aim of seeding up the implementation of Community aid.

## **Haiti**

Haiti, the most recent signatory to the Lomé Convention, has not received development aid from the EDF. The Lomé IV indicative programme had not yet been signed when the military coup took place on 30 September 1991.

In response to the coup the European Union and its Member States suspended financial and technical cooperation. When the Governor's Island agreements were signed in September 1993 it was decided to go ahead with a microprojects programmes but events in October put paid to the project. Community aid at the beginning of 1994 was thus "on stand by". The Haitian authorities confirmed their adherence to the reprogramming paper drawn up earlier.

However, emergency aid (ECU 1 million), food aid (ECU 6.2 million) and co-financing for NGO projects (ECU 1.07 million) continued. A human rights project (ECU 600 000) is under way and another (ECU 650 000) is on the drawing board. ECU 307 000 was accorded for a project of the AIDS-control programme.

## **Kenya**

Cooperation with Kenya in the Lomé context has moved deeper and deeper into a state of crisis over the past year. While implementation of already decided projects is progressing, albeit not without problems, commitment of new resources have ground to

a halt.

This is true of our support for the structural adjustment programme which has been withheld for political and economic reasons since December 1991. For Stabex 1991/92 for the Lomé IV national indicative programme stood at an unacceptably low rate of commitment (decisions 18%, secondary commitments 8% and disbursements 1%) with little prospect of improvement in the near future.

The reason for this state of affairs are due to a number of factors : violations of human rights, non-respect of democratic rule and good governance, inadequate, and often contradictory, macro-economic and sectoral policies, weaknesses in the administration and the insufficiency of eligible projects.

There were signs that the situation could improve in 1994. A Consultative Group was held in November 1993. The government itself had committed itself to a programme of reforms, agreed with the Bretton Woods Institutes and the community of donors. As far as the community cooperation was concerned, a government task force has been established to negotiate a revision of the indicative programme.

### **Madagascar**

Cooperation continued despite political and administrative difficulties but implementation of programmed aid fell well short of expectations.

Major efforts were made to close Lomé II and two major projects (development of craft activities and rehabilitation of irrigated rice-growing areas in the south) were transferred to the 7th EDF.

The Lomé III financial package was not sewn up by the end of the year as planned. The primary commitment rate remained just above the ACP average at 79/9% but secondary commitments marked time. While numerous studies and technical assistance contracts were concluded to the tune of nearly ECU 3 million (aid programme for training, support for microprojets, coordination unit for tourims, monitoring and supervision of the national road maintenance programme, etc.), approval of two major infrastructure programmes (rehabilitation of provincial airports (ECU 16.4 million) and rehabilitation of trunk roads (ECU 72.5 million, of which 8.5 million from Lomé III funds) has been held up by the government's failure to offer the necessary sectoral-policy guarantees required for their success. They should, however, be approved in the first half of 1994.

The explanation for the very low Lomé IV commitment rate (1%) is the same. Most of the delay will be made up with the implementation of road programmes referred to above, which will receive ECU 59 million in Lomé IV financing.

## **Malawi**

Implementation of the Lomé III and IV indicative programmes has suffered from the partial freeze of cooperation from May 1992 till July 1993. New projects developed during 1994 should permit however to reach normal levels of implementation by the end of the year if the favourable development in the political situation will continue. Most of the Lomé IV projects are still at a very preliminary stage of preparation.

Only 13% of the indicative programme had been subject to positive decisions by the Commission at year end.

In the second half of 1994 the following projects in the concentration sectors of the rural development and transport infrastructures are expected to be launched : the Limbe/Thyolo/Muloza-Road (24,5 MECU), smallholder sector improved performance programme (>45 MECU), rural health programme and a reforestation programme.

Besides these actions, interventions in the field of human rights/democratisation were foreseen : in 1993 1,2 MECU were disbursed for the funding of the referendum (plus 1,6 MECU from the EC Budget for complementary actions) and in 1994 a similar amount could be made available.

## **Mali**

Mali has proved unable to keep up with its economic adjustment programme and the new government was forced last year to devise a raft of measures to keep down the budget deficit and recreate the framework necessary for continuing structural adjustment aid from the international community.

Financial and technical cooperation was satisfactory and implementation of Lomé III programmes continued, while Lomé IV implementation was speeded up.

Major Lomé III decisions in 1993 concerned: structural adjustment aid for 1993-94 (ECU 24 million); the formulation and implementation of a decentralization policy (Nearly ECU 5.5 million); aid for the national health service (ECU 10.2 million); desertification control in northern Mali (ECU 6.8 million)

Preparatory studies for infrastructure projects (roads) were commissioned with a view to financing decisions in 1994.

At the end of the year, the decision rate for the Lomé IV indicative programme stood at 50%.

## **Mauritius**

Textiles, sugar and tourism remained the pillars of the Mauritian economy but continued growth was recorded in services.

Inflation was expected to reach 11% against 4.6% in 1992. GNP growth in 1993 is put at 4.5%, giving a per capita GNP rise from \$2 648 in 1991 to \$2 950 in 1994.

Cooperation with Mauritius continued on a normal footing: most Lomé III projects were close to completion, apart from a training programme (ECU 2.5 million), which had just been appraised, and the craft industries programme, which was being evaluated to decide on its future. An AIDS-control programme was scheduled to start up in 1994. The decision rate is still above the ACP average (88.6%).

Three operations with Lomé IV financing were approved in 1993: development of the natural resources of Rodrigues (ECU 1.96 million); coastal protection (ECU 0.35 million) and irrigation on the west coast (ECU 7 million).

By year's end 46% of the NIP resources had been allocated by financing decisions, which is satisfactory compared with other ACP countries.

Preparations and appraisal of an irrigation project on the north coast (ECU 7 million), a solid waste storage facility (ECU 4 million) and two training projects (ECU 2 million) are at advanced stages.

## **Mozambique**

The year was marked by a permanent ceasefire over the whole country and the return home of some 1.5 million people. The peace process paving the way for general elections is progressing slowly in terms of the ambitious timetable laid down in the peace agreement. But major steps forward were taken this year, including the installation of Renamo representatives in Maputo and the setting-up of commissions to administer the process. By year's end the electoral law had been approved by all the political parties, and demobilization of the armed forces and training officers in the future national army had started.

With the ceasing of hostilities Community aid started to switch from emergency relief operations to rehabilitation, for which there was a marked speeding-up of Lomé IV commitments.

With the commitment rate for the Lomé III NIP at 96%, most Lomé III projects were close to completion. Agricultural projects, however, which were severely disrupted during the war, will not be back on course until 1994.

A good number of Lomé IV financing decisions meant that two-thirds of the NIP was committed at primary level. Decisions covered: all technical assistance and studies needed for programmes in the areas of health, infrastructure repair, fisheries, rural development and culture (ECU 2.5 million); microproject programmes, especially targeted at areas where refugees are returning (ECU 2.3 million); a second aid programme for the reintegration of returning refugees and displaced persons (ECU 12 million); a transport rehabilitation programme (rural tracks, roads and bridges) in Zambezia and Sofala provinces (ECU 30 million); an aid programme for Mozambican students (financing their return home and reintegration or the completion of their studies (ECU 2 million).

Preparations for major health and transport projects got under way.

### **Nigeria**

Political events in Nigeria, notably the interruption in June of the political process which was supposed to lead to a democratically elected president and the take-over in November of a new military regime, have hampered the smooth implementation of Community development programmes.

As a result of decision in July to introduce limited sanctions and to review new aid programmes on a case by case basis in December, both commitments and payments of the total 390 MECU from Lomé IV resources have remained quite low (respectively 31 and 6% of the envelope). Nevertheless, commitments and payments under the third Lomé Convention have progressed quite satisfactorily.

A more favourable political context together with the improvement of the economy of the country would enable the E.U. to speed-up the implementation of its cooperation programmes.

Given these conditions, an estimated considerable amount could be committed during 1994 in the focal sectors of health, rural development and human resources.

### **Dominican Republic**

The NIP (ECU 85 million plus ECU 13.5 million from the structural adjustment facility) was signed on 6 December 1991.

In May 1992 the Commission approved a sectoral import programme for oil products (ECU 22 million, of which 13.5 million from the SAF and 8.5 million from the NIP). The programme finished in March 1993 and an evaluation of its implementation was carried out in April and of the use of the counterpart funds in August.

The Commission decided on a second similar programme in September 1993 (ECU 9.5 million from the SAF). Following an international invitation to tender, implementation started in December and is scheduled to end in early 1994.

Prequalification for the selection of technical assistance for the integrated rural development programme in the North-East (ECU 23.61 million, approved in December

1992) took place in the first half of the year and the invitation to tender published before the end of the year. The contract should be signed in the first quarter of 1994. The programme will run over four years and its contribution to irrigation and social infrastructure should improve the living conditions and the environment of people in one of the poorest areas of the country.

Two other programmes were approved in March 1993: an integrated development programme for primary education at local level (ECU 7 million) and an integrated health programme in the South-West (ECU 8.8 million). The three-year education programme is designed to improve schools and the living standards of teachers, and to promote the involvement of local institutions and organizations in education. It will be implemented in three provinces : Salcedo, San Juan de la Maguana and Elias Piña. The integrated health programme is aimed at reducing morbidity and mortality of mothers and children, and at improving drinking water supply and general hygienic conditions. The programme covers the IV and the VI healthy regions, and it will be implemented for three years.

On the basis of studies carried out in 1992 and the first half of 1993 a geology and mining development programme (23 MECU) was approved by the Commission in December. The financing decision will be signed in the first quarter of 1994.

Appraisal of the Los Toros water engineering project (some ECU 25 million) led to a two-phase study, which started in March 1993. The first phase was completed in September and the second should be wrapped up in the first quarter of 1994.

Thus sums, plus smaller amounts for things like preparatory studies, technical assistance and trade promotion, gave a primary commitment rate of nearly 60% at the end of the year. Payments stood at 11%. Structural adjustment (ECU 23 million) and non-programmable (Sysmin) funds (ECU 23 million) were fully committed.

## **Rwanda**

The country's development capacity was affected by political developments in 1993. The resumption of the civil war in February caused a surge in the number of refugees fleeing the war (from 350 000 to 900 000) and the crisis in Burundi added another 350 000. The signing of the Arusha peace agreements on 4 August 1993 put an end to the fighting but their implementation has been delayed. Meanwhile, the country's already fragile economy is continuing to deteriorate.

Financing decisions were adopted for a microprojects programme (ECU 4.95 million) and a project to rehabilitate and extend the drinking water system at Bugles East (ECU 8.8 million).

Another important operation was the sending of humanitarian aid for people displaced by the war and for Burundian refugees: ECHO mobilized ECU 7 million in 1993.

## **Senegal**

The 6th EDF NIP with resources of ECU 97 million has been entirely devoted to the development of the Podor province (département) in northern Senegal.

The project involves agricultural development (ECU 48 million), environmental operations (ECU 5 million), aid for setting up small and medium-sized enterprises

(ECU 5 million, of which 2 million in special loans), rehabilitation of a road (ECU 12.5 million), of which 8 million in special loans), rural racks (ECU 5.5 million), social development operations (ECU 10.7 million) and monitoring (ECU 4.6 million).

Implementation of the programme advanced at a satisfactory pace in 1993. Secondary commitments stood at 98% of NIP resources at the end of the year (against 93% at the end of 1992) and payments at 84.4% (against 68% at the end of 1992).

Senegal was allocated ECU 112 million in programmable aid under the 7th EDF; the NIP signed in February 1991 focused on two operations:

- an adjustment programme for the transport sector (roads) - PAST;
- a development programme for the St Louis region.

In addition to this programmable aid, Senegal was accorded ECU 15 million from the SAF.

In 1992 a financing agreement was approved granting PAST ECU 70 million, 10 million of which from the SAF. The ECU 60 million from the NIP covered rehabilitation of part of the priority road network, some regular road maintenance requirements and technical assistance.

The ECU 10 million from the SAF financed a general import programme, the counterpart funds from which are used for current road maintenance and financing the voluntary departure of officials of the Ministry of Equipment, Transport and the Sea.

The development programme for the St Louis region (ECU 22.5 million) was approved in August 1993 with the aim of underpinning certain projects started under the Podor programme (6th EDF): credit for SME, health, environment and urban sewage.

Two projects outside the focal sector were approved in 1992 - aid for the supply of electoral materials for the 1993 elections (ECU 1.3 million) and ECU 2 million for tourism promotion - and two others in 1993 - AIDS control (ECU 1.7 million) and microprojects (ECU 3 million).

At the end of 1993 primary commitments accounted for 81% of NIP resources. Secondary commitments were still quite low because of delays in implementing the roads programme.

### **Seychelles**

Work continued on the last two Lomé III projects, the rehabilitation of the Thonier quay and rural development, and they were completed in November and December. At the end of the year there were a few payments to be made (about ECU 1.3 million) before closure of the NIP.

Under Lomé IV implementation of a project to consolidate craft industries continued and a variety of projects were prepared (biodiversity and national parks, an SME credit line



and aid for small-scale industry). This brought the decision rate up to nearly 60%.

### **Somalia**

The presence of a UN troops numbering nearly 30 000 following the "Restore hope" operation of December 1992 improved the security situation in many areas in 1993 and helped the speedy delivery of humanitarian aid in the areas worst affected by famine and disease.

Furthermore, food aid requirements dropped following good harvests in early 1993 and so, at UNOSOM's request, international donors have cut back on aid free of charge to avoid penalizing local farmers.

The European Union decided to finance five microprojects mounted by NGOs already active locally in the Kismayo area. They concern rehabilitation of Kismayo hospital, the rebuilding of roads and dams (the Juba Valley) and repair of water points. These small-scale operations were carried out with logistic support from the UN forces stationed in Kismayo.

A rehabilitation programme with ECU 38 million financing from 6th EDF resources was given the go-ahead by the EDF Committee on 16 November and; it will be carried out in the framework of the Special Initiative for Africa adopted by the Council on 25 May 1993. The approach is pragmatic, the aim being to reconcile security considerations in the choice of priority geographical areas and the need to get production up and running, especially the key sector, livestock. In view of the state of Somalian institutions, the programme will mainly be implemented by development NGOs and in partnership with local structures (district or regional councils, for instance) in places where such structures enjoy the support of the local population and where security is adequate.

### **Sudan**

The Commission informed the Government of Sudan that the circumstances pertaining in Sudan did not provide an acceptable basis on which to launch a meaningful Lomé IV programming dialogue for the 165 MECU placed at the country's disposal. This remained the position throughout 1993 reflecting the concerns of the European Union in respect of human rights, delivery of humanitarian assistance, democracy and the armed conflict in the South. Programming of 63,9 MECU Stabex funds from 1990 and 1991 also remained suspended for the same reasons.

No new development programmes were initiated during 1993. Progress in the area of financial and technical cooperation was limited to the utilisation of balances of existing projects. Disbursement was limited during 1993 and a remaining balance of 5,4 MECU was transferred from 5th EDF (now closed) to 7th EDF in late 1993.

The conflict in Southern and Western Sudan continued throughout 1993. As a result, Lomé II and III agricultural sector programmes in the region continued to be frustrated by insecurity.

The displaced and war affected population in Southern Sudan as well as the drought affected population of the north necessitated the execution of substantial humanitarian relief from the European Union which allocated 14,5 MECU for humanitarian programmes since early 1992.

### **Tanzania**

Implementation of Lomé II, III and IV projects continued at a similar rate to 1991 and 1992, at about 53 MECU of annual disbursements. Structural adjustment support funding expanded substantially, however, to 40,5 MECU during the year (against 15 MECU in 1992); and some 19 MECU of Stabex funds were used to support the coffee sector.

The Lomé III indicative programme was fully committed by the end of the year and paid at more than 80%. More than half of the Lomé IV programme was decided, however, commitments and payments were still low.

Delays in the preparation of four significant projects during 1993 (Zanzibar Port phase II design; Mwanza-Nyangugue road design; Mbeya and Songea Soil Conservation; and Iringa an Ruvuma road maintenance; totalling over 75 MECU) were due to technical difficulties of design and the complexity of consultation and agreement with all the local authorities concerned. Implementation of one approved project - Southern Telecommunications - was delayed due to legal problems with tender documents.

Delays in structural adjustment funding were averted by rapid and flexible reaction by the Commission and programme technical assistance to the premature unification of the official and the exchange bureaux exchange rates by the Government, under pressure from the IMF and World Bank, in September 1993. This change was putting the country's macroeconomic situation in difficulty at year end, as revenue collection by customs was not up to the additional strain put upon it by the change.

1993 saw rapid progress in implementing various road and rail projects approved in earlier years. This will be followed by an increased emphasis on maintenance and institutional aspects of sustainability in 1994 and after, as the basic infrastructure investments are completed.

Soil conservation and reforestation were the subject of a significant study conducted in the Southern Highlands in late 1993, for eventual decision in 1994. A support project to the Serengeti National Park, to improve road facilities for park protection and use, was approved in September.

A substantial contribution to temporarily helping rural coffee-producers in Norther areas, hit by the failure of the rains in the autumn, was made by the timely distribution of some 6 MECU of Stabex counterpart funds directly to producers.

### **Chad**

For Chad 1993 was a momentous year: a sovereign national conference was held from 15 January to 7 April and the transitional government was restructured in November.

Preparations towards the end of the year for the drafting of a constitution and the holding of free elections boded well for the future.

Chad's economy remains fragile but it is forecast to become an oil exporting country in 1998 following the discovery of oil fields in the Doba region in the South.

In the meantime cooperation continued on a satisfactory footing with the implementation of Lomé III rural development programmes (the NIP is now exhausted) and the start-up of Lomé IV operations.

The major Lomé IV decisions concerned a village water-engineering project in the focal area (ECU 8.3 million) and maintenance of rural tracks serving cotton plantations (ECU 7 million).

The decision rate was over 60% at the end of the year. Commitments and payments were still very low but a great deal of preparation and appraisal was done for projects and programmes scheduled to start up in 1994.

### **Trinidad & Tobago**

1993 saw an effective re-launch of Lomé cooperation with Trinidad & Tobago. At the start of 1993, both Lomé III (15 MECU) and Lomé IV (17 MECU) were effectively unused apart from 1,7 MECU in two Lomé III projects. In July revised national indicative programmes for Lomé III and IV were signed, introducing a new set of projects. These cover road rehabilitation (16 MECU), structural adjustment (9,7 MECU, including 3 MECU from the structural adjustment facility), agricultural youth training programme (5 MECU), small business development (2 MECU) and rural electrification (2 MECU).

After a feasibility study, the 16 MECU road rehabilitation programme was adopted by the EDF committee in December. The 9,7 MECU structural adjustment programme was adopted by the EDF committee in May. By year-end, 3,5 MECU had been disbursed. The remaining programmes were being prepared for adoption in the first half of 1994.

This progress represents a major and rapid improvement in the climate of cooperation with Trinidad & Tobago, an improvement reflected also in the signing of an establishment agreement in September.

In terms of good governance, while Trinidad & Tobago has all the advantages of being a lively democracy with a vibrant press and an effective opposition, the bureaucratic processes are cumbersome and over-centralised. This problem is fully admitted - the same phenomenon gives rise to even greater public concern in the case of the judicial process - but no solutions appear to hand.

### 3.3 The implementation of large programmes and projects

#### 3.3.1 Lomé III

At the end of 1993 83 programmes and projects each costing more than ECU 10 million had been approved in 35 ACP States under the Lomé III NIPs.<sup>(15)</sup>

Details of amounts and dates of approval, commitments and payments are given in the table in Annex 8.

The average commitment rate for large programmes was 79.7% against 83.6% for all programmed aid; the payment rate was 79.8% (84.6% for all national programmed aid).<sup>(16)</sup>

Clearly, larger, multi-component programmes take more time to complete. Yet, a comparison of the 1991, 1992 and 1993 results shows that the implementation of all programmed aid was reaching its final stages. The difference between commitment and payment rates for all national programmed aid compared to projects costing more than 10 ECU 10 MILLION decreased by a few significant percentage points from 7% and 10.6% respectively in 1991 to 5.3% and 7.5% in 1992 and 3.9% and 4.8% at the end of 1993.

Twenty projects were near completion or closure in 1993, including the rural and maritime rehabilitation projects in Guinea (ECU 40 million in Maritime Guinea and ECU 30 million in Upper Guinea), two programmes in Niger, one on irrigation and another on road maintenance (ECU 15 million and 21.6 million respectively), the rehabilitation of the port of Zanzibar in Tanzania (ECU 15.4 million), a rural development programme in Central African Republic (ECU 28 million) and a sewage programme in Chad (ECU 12 million).

Of a total of 83 large programmes and projects, 51 had run into implementation delays, according to the criteria set by the Commission. However, in 39 cases the delays had been caused by pre-1993 factors; 15 projects were still plagued with delays but the other 24 had resumed or continued at a satisfactory pace.<sup>(17)</sup>

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<sup>(15)</sup> This analysis excludes the import support programmes discussed in Chapter 4.

<sup>(16)</sup> For the definition of commitment and payment rate see Box 2 on page 23.

<sup>(17)</sup> Progress was assessed by comparing individual commitment and payment rates and looking at movements in the EDF accounts. Where there had been no movement in the accounts for six months or more and/or the commitment/payment rate was five points below the average for all large programmes, the project was deemed delayed. For projects approved before 1990 a payment rate of 75% was required. It was then seen whether the situation had improved in 1993. Progress was considered satisfactory if the increase was higher than average (i.e. about 10

So 27 projects experienced ongoing implementation difficulties in 1993, a higher number than in 1992 (20). A quarter of the projects delayed in 1992 did, however, pick up satisfactorily in 1993.

The five projects that progressed well in 1993 were: a development programme for Praia in Cape Verde, the Fedar project in Congo, a coffee programme in Ethiopia, aid for rural development in Cad and a programme to development small-holdings in Zambia.

Nine of the 15 projects which suffered chronic delays in 1993 were located in countries where a difficult political situation during the whole year hampered development cooperation: Liberia, Sudan (3 projects), Togo and Zaire (4 projects).

Similar factors related to general social and political circumstances lay behind the slow progress of 11 large projects such as the rural development programmes in Burundi, Ethiopia (3 projects), Kenya and Nigeria, the cereals reform programme in Kenya, a sewage project in Angola, the improvements of telecommunications in Mozambique and the large building of roads in Sierra Leone and Rwanda.

It is normal procedure to evaluate and review the implementation of large programmes at mid term. In some cases such reviews led to a reorientation of the programme which may have caused delays, examples being the rural development programme in Chad and Guinea Bissau, and the feeder roads programme for the agricultural sector in Tanzania (implementation of which did, however, resume in 1993).

Local institutional or administrative complications held back progress in a number of countries. This happened to the "Great Irrigation" project in Niger aimed at boosting rice production along the Niger river, an irrigation project in Zimbabwe and a road infrastructure programme in Burkina Faso and Ghana.

### **3.3.2 Lomé IV**

#### 7th EDF

After only two years of cooperation under the fourth Convention there are already a good number of projects costing over ECU 10 million: 64 projects or programmes in 33 countries.<sup>(18)</sup>

The large number is attributable to the work that went into preparing and appraising large projects before ratification, which meant that financial cooperation under the 7th EDF got off to a quick start.

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<sup>(18)</sup> Here we have excluded import programmes, which are generally financed with SAF funds.

Typical sectors for large projects are rural development (especially important under Lomé III) and transport and communications, where projects tend always to be on a certain scale. There are, however, large projects in other sectors: health (a rehabilitation programme for health posts in Angola) and health policy support programmes in Benin (ECU 11.85 million), Burundi (ECU 18 million), Côte d'Ivoire (ECU 11.2 million), Gabon (ECU 11 million), Mali (ECU 10.2 million), Namibia (ECU 13.5 million), Uganda (ECU 20 million) and Chad (ECU 16.5 million).

Another well-represented sector is that of private investment, especially aid to small and medium-sized enterprises: Burkina Faso (ECU 10.5 million), Mali (ECU 13 million), Niger (ECU 12 million) and Nigeria (ECU 11.5 million). Human resources programmes were decided for Uganda (ECU 14.5 million) and Papua New Guinea (ECU 14 million). A schools rehabilitation programme was launched in Chad (ECU 10 million).

Decisions on large programmes and projects totalled ECU 1.055 million at the end of 1993, 56.5% of all decisions national programmable aid.

Naturally, there is a time-lag between the adoption of large-scale projects and the call for financing. Thus commitments stood at ECU 277 million and payments at ECU 110 million. Some projects, however, were well advanced: road rehabilitation programmes in Burkina Faso, Niger and Chad were near completion with over 80% of the payments made, and the same was true of an SME programme in Mali.

Other projects made reasonable progress over the year (a commitment level of between 25% and 50%): a reconstruction programme in Eritrea (ECU 2.5 million); rural development programmes in Gambia (ECU 14.5 million), Nigeria (ECU 28 million) and Senegal (ECU 23.5 million); road building and rehabilitation in Guinea (ECU 65 million - two projects), Mauritania (ECU 17.5 million), Mozambique (ECU 10 million), Uganda (ECU 23 million) and Swaziland (ECU 10 million); the building of hydro-electric power stations in Lesotho (ECU 34 million) and Togo (ECU 11.2 million); a telecommunications project in Nigeria (ECU 20 million); trade promotion programmes in Zambia (ECU 10 million) and Zimbabwe (ECU 10.2 million). A programme worth mentioning is the Oban Hills programme in Nigeria, the objectives of which are tropical forest protection and better living conditions for local people. The programme started up in February 1993 and ECU 8.1 million has already been committed, which should make for satisfactory implementation despite certain political constraints.

The table in Annex 9 lists these large projects and shows the state of financial implementation.

### **European Investment Bank**

The improved international climate accentuated the internal difficulties in the ACP countries. In general, the economic growth remained lower than the demographical growth.

The following examples illustrate the general characteristics of the implementation of some mining projects financed by the own resources or by venture capital.

In Guinea, the Friguia project received a loan of 13 MECU in 1988. This involved the third financing of the Bank, which was granted in venture capital. The first two interventions were loans from the own resources of the Bank for a total amount of almost 12 MECU.

These loans were granted to the Friguia company to finance the investments which made it possible to

- improve the quality of the alumina produced conforming the international standards,
- improve the production capacity while reducing the principal consumption and
- safeguarding the environment thanks to the control of the effluent of the Kimbo factory, the control of the evolvement in the (aluminium manufacturer) port of Conakry.

Concerning Friguia I, the final cost of the project was a proximately 5 % higher than the initial budget. The final cost of Friguia II was conform the budget.

The part of the final costs financed by the Bank was 3 % higher than estimated. The part financed by the sysmin loans showed a decrease (- 15%) caused by the fact that certain investments were not made or were suspended.

In general it appears therefore that the costs of the investments, using the financial assistance of the Bank, were well controlled.

In Jamaica, a 4 MECU loan has been granted to the Jamaica Bauxite Mining (JBM) for the modernisation of two alumina factories.

This loan made it possible to diminish the environmental problems while reducing the operational costs by:

- the modification of the ovens (furnaces) in Kirkvine, which reduced fuel consumption,
- the construction of storage and evaporation sections of red dirt caused by Ewarton factory, which permits the recycling of water and the salvage of significant quantities of caustic soda.

Because of the fall of the fuel prices and the decrease in demand, the ovens were not (transformed) replaced. Although some small not stipulated projects were carried out, 800.000 ecu of the initial loan was cancelled.

Because of the reasons evoked before, the final costs of the projects were less than 5.5% of the forecast in US dollars and 24% of the budget in ECU.

On the basis of these two projects, one can learn the following lessons:

- for the projects which corresponds to the technical modernisation/ improvement of the environment within companies, which already existed, the major objectives envisaged were achieved. In addition, thanks to the important entries of currencies generated by the investments, the companies were able to maintain their activities despite the very difficult conditions in the respective markets.

- the procedures of the Bank (instructions, follow up, control) were respected correctly. The flexibility, which is appreciated by their customers, made it possible to change the preliminary draft to improve the effectiveness.

### 3.4 Regional Cooperation

#### 3.4.1 Lomé III

Article 112 of Lomé III earmarked ECU 1 billion for the financing of regional programmes and projects.

The total package is made up of grants, special loans and risk capital to be financed by the EDF, and loans from the EIB's own resources.

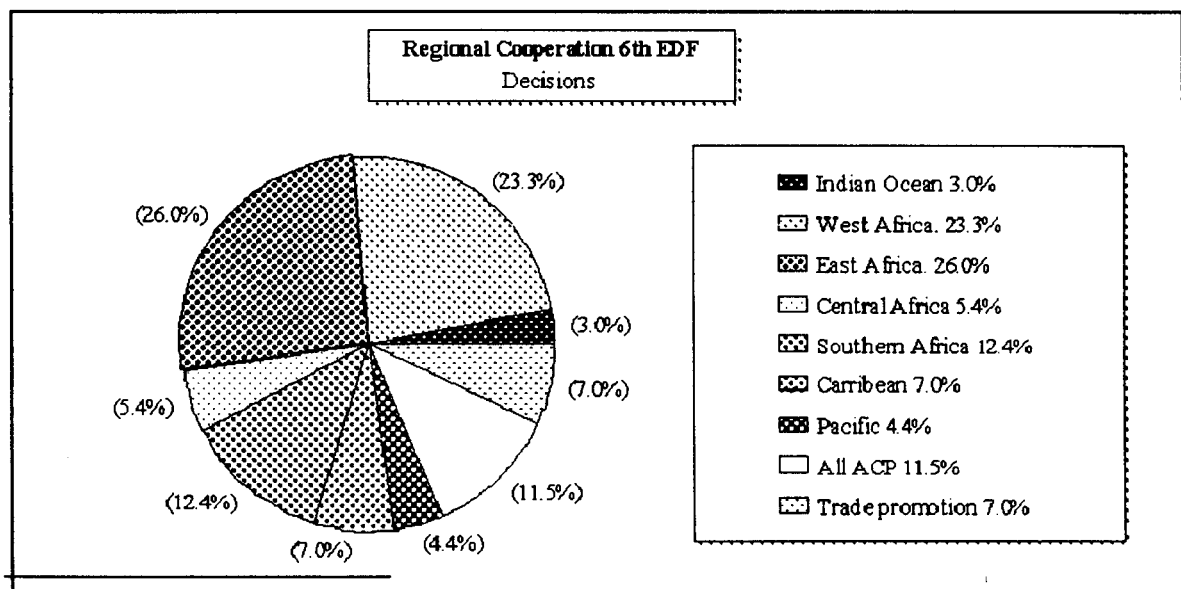
In 1989 the appropriation was reduced by ECU 15.2 million, which was transferred to Stabex.

In 1993 the EDF Chief Authorizing Officer decided to transfer to the regional cooperation funds ECU 21.7 million of unused funds originally intended for interest-rate subsidies under Lomé III.<sup>(19)</sup>

The whole regional appropriation has been allocated, apart from ECU 99.8 million destined for all ACP States and reserve funds (minimum ECU 60 million) for trade promotion, as laid down by Article 100 of the Convention.

By the end of 1993, ECU 854 million had been approved. Financing decisions on regional programmes accounted for ECU 832 million in programmable aid, 91.8% of the total ECU 906.6 million.

Graph 3.1 gives a geographical breakdown of decisions end 1993



<sup>(19)</sup> The EIB ceased to make loans on own resources when Lomé III expired on 1 March 1990.



According to table 3.2 the regions which absorbed (measured by dividing engagements by decisions) less than the average were Central Africa (60 %) and Southern Africa (78 %). These regions have been political instable for many years.

The total level of engagements (707 MECU, 85 % of decisions) and payments (537 MECU, 76% of engagements) are practically at the same level as the national programmed aid.

**Table 3.2 - Lomé III - Regional Cooperation - programmable aid: decisions, commitments and payments by region end 1993**

Region	Decisions MECU	Commitments MECU	Payments MECU
West Africa	194	162	101
Central Africa	45	22	10
East Africa	216	201	157
Southern Africa	103	85	73
Indian Ocean	25	12	12
Caribbean	73	54	38
Pacific	37	35	26
All ACP	76	85	84
Trade Promotion	64	51	37
<b>Total</b>	<b>833</b>	<b>707</b>	<b>537</b>

As regards large projects and programmes costing more than 10 MECU, 22 were regional cooperation projects. Sixteen of these projects experienced delays in implementation.<sup>(20)</sup> However, only four continued to make poor progress in 1993. The average commitment and payment rates for large regional programmes were 86% and 78.5% respectively, which is comparable to the corresponding averages for large projects financed under NIPs.

Eight projects were completed or near completion, including a railway project in Tanzania and Uganda and the Bukombé-Isaka road in Tanzania.

Continued good progress was made in 1993 with the environment information programme in Burkina Faso, a programme to use the ecosystems in Congo and, after delays in 1992, a regional education programme in the Caribbean and rehabilitation of the Lower Fouta-Djalou/rural rehabilitation of Godomey-Bohicon in Benin.

<sup>(20)</sup> For criteria see Box 2 on page 23.

### 3.4.2 Lomé IV

Box 3

Regional cooperation

The fourth Lomé Convention attaches particular importance to regional cooperation and has made some essential innovations with regard to both the objectives and the methods and procedures.

In particular, a central role has been attributed to the promotion and support of regional economic integration.

By the end of 1992 a regional indicative programme had been concluded for each of the seven ACP regions. In four regions, the programming exercise was coordinated by a regional organisation.

In each of the regional indicative programmes the promotion and support of intra-regional trade and the coordination of sectoral and macro-economic policies at regional level was cited as a primary objective. The ACP States concerned have committed themselves to undertake the necessary measures to facilitate this process.

Along with operations which directly promote economic integration, it is planned to select and implement the regional activities to be undertaken in the framework of the priority sectors determined for each region, in accordance with this overall objective. The main sectors on which Lomé IV regional cooperation activities will be concentrated are: transport and communications, food security and the conservation of natural resources, trade and investment development, and human resources development.

The Community has been placing greater emphasis on regional economic integration as a central objective of regional cooperation under Lomé IV and in 1993 it gave technical and financial support for ambitious regional integration initiatives: the transformation of the Monetary Union of West African States (UMOA) into a monetary and economic union, the setting-up of a customs union of Central African States (UDEAC), and reform measures to reduce barriers to trade, investment and intra-regional payments in East and Southern Africa and the Indian Ocean.

The Commission also took advantage of its participation in international forums to raise the profile of regional integration. At the high-level meeting of the World Coalition for Africa at Cotonou from 9 to 11 June it presented a report proposing an action programme to promote regional integration and cooperation in sub-Saharan Africa

At the end of the year financing decisions had committed ECU 390 million to Lomé IV regional projects, 38% of the EDF regional allocation of ECU 1.025 million.<sup>(21)</sup> This is an encouraging start in the short time that has elapsed since programming.

Of course, it is still early days for the implementation of 7th EDF regional projects: only ECU 73.7 million had been disbursed by the end of the year, a payment rate of 19% in relation to decisions. It is well under way in the Pacific, Southern Africa and the Indian Ocean, while the process is much slower in Central Africa and the Caribbean.

Progress was also made as regards decisions and payments for thematic operations such as trade promotion and budgetary support thanks to the efforts of the Centre for the Development of Industry and the Technical Centre for Agricultural and Rural Cooperation (CTA).

The table below gives a breakdown of decisions, commitments and payments at year's end.

**Table 3.3 - programmable regional 7th EDF resources - situation at 31 December 1993**

Region/theme	Decisions	Commitments	Payments
West Africa	67,1	8,2	0,6
East Africa	49,1	15,2	1,2
Southern Africa	43,4	2,7	0,7
Central Africa	14,5	0,7	0,2
Indian Ocean	16,0	0,2	0,2
Caribbean	2,3	2,1	0,8
Pacific	20,8	1,2	0,2
All ACP	90,9	55,6	32,2
Industrial Promotion	44,7	29,6	23,6
Trade Promotion	41,3	27,0	14,0
<b>TOTAL</b>	<b>390,1</b>	<b>142,5</b>	<b>73,7</b>

<sup>(21)</sup> The Convention provides that regional cooperation projects may be financed with EIB own resources or EDF resources. 225 MECU in EIB resources has been tentatively earmarked for regional cooperation, giving a total of 1.250 MECU. Unlike EDF aid, EIB operations cannot be programmed but EIB resources are taken into account at the identification stage to ensure that the Convention's overall objectives are achieved.

### **3.5 Microprojects**

In 1993 12 multiannual microproject programmes were adopted. Primary commitments totalled ECU 34 million. In order to ensure the financing of these operations a third overall amount of ECU 30 million was approved by the Commission on 20 July 1993.

The fact that total decisions in 1992 and 1993 (ECU 72 7 million) accounted for approximately 81% of all microprojects financed under Lomé III confirms the growing interest in microprojects. This trend will be even more marked in future since a good number of microproject programmes are being prepared in response to the Commission's specific guidelines for the use of microprojects under Lomé IV.

The main sectors for microprojects have been economic and social infrastructures in rural areas, in particular village water engineering, education, and health. Various operations also took place in the productive sector (agriculture and small businesses).

### **3.6 Industrial cooperation and private investment**

A large number of ACP States have included, in the Indicative Programme, the private sector as one of the areas in which Community aid under Lomé IV will complement policy measures and actions undertaken by the national authorities.

During the course of 1993, attention had been focused on the identification and appraisal of private sector support projects in the following countries: Burkina Faso; Comores; Dominican Republic; Ghana; Guyana; Niger; Senegal; the Seychelles and Trinidad & Tobago.

Depending on the specific needs, these projects can either be situated at:

- macro-economic level to improve the environment in which the private sector operates;
- at intermediary level, e.g. to reorganise financial institutions, to support Chambers of Commerce or other bodies providing services to the local enterprises;
- at the enterprise level, e.g. providing credit line facilities for investment financing, training actions etc.

Three financing decisions were taken in 1993 for the support for the private sector and promotion of small and medium sized enterprises in Burkina Faso, Ghana and the Seychelles.

Operational coordination between the Commission, the European Investment Bank and the CDI was further strengthened during regular meetings in 1993. The Commission also considers it as indispensable to coordinate with other donor organisations with a view to being more effective and avoiding overlapping of projects.

In June, the Commission and the Co-secretariat ACP-EU organised the first annual meeting of the Advisory Council of the Committee on Industrial Cooperation. The Advisory Council is composed of 24 representatives of the ACP States and the Member States of the European Union, from the business world or experts on industrial development. The Advisory Council examined the reports of the Commission on the progress of industrial cooperation and investment flows between the European Union and the ACP States.

Investment promotion through the organisation of industrial fora whereby European and ACP industrial operators can exchange information on concrete investment opportunities remains an important element of the ACP-CEE industrial cooperation. In November 1993, the 5th EEC-Central Africa Industrial Forum was organised in Yaoundé. This forum was successful with a high number of participants (400), who held more than 2,000 bilateral meetings and signed about 90 letters of intention in relation to 180 industrial projects which were identified beforehand.

The CDI undertook 212 operations to promote industrial projects in the ACP States, 97 of which were finished in 1993. According to their sectors, 35% of these operations were undertaken in agri-foodstuffs, 38% in building materials, 11% in clothing and 16% in other sectors. A breakdown of operations in terms of location shows that 23% of these were located in West Africa, 21% in the Caribbean, 19% in Southern Africa, 17% in East Africa, 14% in Central Africa and 6% in the Pacific.

### 3.7 Development of trade and tourism

#### Box 4

#### Development of Tourism

Article 121 of the fourth Lomé Convention lays down that in view of the real importance of the tourism industry for the ACP States, the Contracting Parties shall implement measures and operations to develop and support tourism. These measures shall be implemented at all levels, from the identification of the tourism product to marketing and promotion.

The aim shall be to support the ACP States' efforts to derive maximum benefit from national, regional and international tourism in view of tourism's impact on economic development and to stimulate private financial flows from the Community and other sources into the development of tourism in the ACP States. Particular attention shall be given to the need to integrate tourism into the social, cultural and economic life of the people.

Article 122 sets out that tourism development programmes and projects based on these policies should cover human resources and institutional development, product development, market development and research and information.

Box 5

Trade development

The objectives and measures for trade development are laid down in Articles 135 to 138 of the Convention. In particular, Article 136 of Lomé IV lays down that:

1. In promoting the development of trade and services, in addition to developing trade between the ACP States and the Community, particular attention shall be given to operations designed to increase the ACP States' self-reliance, develop intra-ACP and international trade and improve regional cooperation in trade and services.
2. Operations shall be undertaken at the request of the ACP States, particularly in the following areas:
  - the establishment of coherent trade strategies;
  - development of human resources and professional skills in the field of trade and services;
  - the establishment, adaptation and strengthening of organizations in the ACP States dealing with the development of trade and services, particular attention being paid to the special needs of organizations in the least-developed, landlocked and island ACP States;
  - support for ACP States' efforts to develop and improve the quality of their products, adapt them to market requirements and diversify their outlets;
  - market development measures, including increasing contacts and exchanges of information between economic operators in ACP States, the Member States of the Community and third countries;
  - support for ACP States in the application of modern marketing techniques in production-oriented sectors and programmes in areas such as rural development and agriculture;
  - support for the ACP States' efforts to develop and improve supportive service infrastructure, including transport and storage facilities, in order to ensure effective distribution of goods and services and to enhance the flow of exports from ACP States.

The implementation of activities programmed under Lomé IV in the fields of trade and services, including tourism, was further reinforced during the year; actions were undertaken at national as well as regional level. The main objectives pursued were to pay particular attention to the new guidelines under Lomé IV and contribute to the realisation of coherent policies and strategies, notably with regard to assistance to promote diversification of exportable products, seeking out new markets, strengthening trade development bodies and closer attention to the specific concerns of trade operators.

A human resource initiative in trade development - TrainforTrade - was launched in the Caribbean and should be followed by other sub-regional and regional initiatives.

Within the ACP States' participation in trade fairs in the framework of the regional integrated programme of support to trade and services, particular attention was paid to the organisation of support aimed at targeting the attention of European specialists to the ACP stands. Thus the success of the African fashion show at the Women's Ready-to-Wear Fair in Paris.

In the tourism field, sectoral support for many African countries was strengthened by the carrying out of studies and the implementation of various programmes, particularly aimed at drawing up an African tourism policy. Moreover, interventions benefiting all island regions of the ACP group are now in place.

In the framework of the annual integrated programme the Commission also financed something like 300 participations in trade and tourism fairs, trade missions and seminars. In addition, twenty or so ACP States took part in or benefited from assistance in the production of brochures and other material. Professional organisations, such as APROMA for commodities and COLEACP for fruit and vegetables, flowers and spices, have continued to receive assistance with their development activities, the latter complemented by local initiatives involving structural reforms in the ACP States.

### **3.8 Projects and programmes in the health sector and AIDS control**

Several large aid programmes for reinforcing health systems were decided, notably in Cameroon (ECU 8.5 million), Congo (ECU 10 million), Gabon (ECU 11 million) and Mali (ECU 10.2 million). The common aim of these programmes is to boost the effectiveness of health systems by developing a policy on health districts. This involves operations to rebuild infrastructure and train staff with a view to ensuring that a minimum level of preventive and remedial activities corresponding to the community's essential needs is provided at the grassroots of the health structure. Other measures concentrate on boosting planning and financial management capacity at various tiers of the health care structure as well as at its centre.

In some countries the Community is supporting government efforts to introduce an essential drugs policy. Special mention should be made here of the programme carried out in the Côte d'Ivoire where financial and technical assistance for the reorganization of the Central Pharmaceutical Supplies Office has helped restore the essential drugs supply chain to the various tiers of the health structure. Talks were also held with representatives of the local private sector involved in drug supplies (wholesalers and pharmacists) to discuss ways of bringing down the price of essential drugs sold by the private sector by changing their drugs supply practices.



In the area of HIV and AIDS prevention measures, for which a minimum of ECU 50 million was earmarked in the 7th EDF, including ECU 20 million under the "all ACP" regional programme and ECU 30 million under the indicative programmes, 1993 was notable for the adoption of a first series of decisions financed from the various national indicative programmes. These decisions expressed in concrete terms the ACP States' recognition of the reality and scale of the epidemic and the need to invest rapidly and effectively in prevention in the short and medium term and to deal with the new problems involved in caring for AIDS sufferers.

Primary commitments under the national indicative programmes reached a level of 43% of the ECU 30 million earmarked during 1993. These include for example: continuation and extension of support for transfusion safety measures on a regional scale, programmes for the prevention and control of sexually transmitted diseases (an important factor in the transmission of HIV) and related education measures.

At the end of 1993, the level of secondary commitments under the 7th EDF's regional programme stood at 25%. The programme helped finance HIV education measures in schools in Benin and Cameroon, laboratory technique training projects (for the region as a whole) in Cameroon and research into sexual transmission in Tanzania and perinatal transmission in Rwanda.

In addition to EDF funding, the ACP States also received financing under the AIDS budget heading which helped support international activities such as conferences, seminars, technical assistance and training aimed at all developing countries.

#### **4. Structural Adjustment, Special Debt Programme and import support programmes**

##### **4.1 The Special Debt Programme and import support programmes under Lomé III**

The introduction of quick-disbursing import support programmes was the Union's response to the severe shortages of foreign exchange in ACP States, thus contributing in the short term to the relief of their foreign debt problems.<sup>(22)</sup>

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<sup>(22)</sup> A description of the objectives of and procedures involved in import support programmes is contained in the Annex to this report.

European Union financing is provided under Article 188 of the Lomé III Convention which specifies the conditions for granting aid to resolve problems of a structural nature through the provision of inputs to the productive system, and the Special Debt Programme approved at the 1987 Venice summit and adopted by the Council in December of that year.<sup>(23)</sup>

The Community programme was included in a more comprehensive initiative for the sub-Saharan African countries coordinated by the World Bank and with the participation of some 20 other bilateral and multilateral donors.

At the end of 1993 total payments under the Special Debt Programme amounted to ECU 534 million i.e. 96.6% of the approved amount of ECU 553 million.

Total decisions for all import programmes, including the Special Debt Programme, were ECU 807.6 million by the end of the year. Payments reached ECU 758 million, i.e. 93.9% of all decisions (see also tables 4.1 and 4.2).

A few programmes in Jamaica, Mozambique, Rwanda and Trinidad and Tobago were confronted with implementation delays.

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<sup>(23)</sup> The resources of the debt programme (ECU 572 million) are made up of ECU 311 million of additional resources (211 from the Lomé III programmed aid reserve and ECU 100 million covered by a Council Decision of 19.12.87) together with ECU 261 million from the normal indicative programme allocation of ACP States.

**Table 4.1- Lome IV - Special Debt Programme - Cumulative situation as at 31.12.93**

Country	NIP		Add. resources and reserves		Total	
	Decisions	Payments	Decisions	Payments	Decisions	Payments
Benin	19,7	19,7	11,00	11,00	30,70	30,70
Burundi			12,00	11,90	12,00	11,90
Central African Republic			7,00	6,20	7,00	6,20
Gambia	1,90	1,90	3,00	3,00	4,90	4,90
Ghana	9,00	7,96	11,50	11,20	20,50	19,16
Guinea			12,50	12,50	12,50	12,50
Guinea Bissau	3,40	2,50	6,00	6,00	9,40	8,50
Equat. Guinea			1,50	1,30	1,50	1,30
Kenya	35,00	35,00	7,00	7,00	42,00	42,00
Madagascar	4,80	2,10	15,00	15,00	19,80	17,10
Malawi	42,20	38,20	12,50	12,50	54,70	50,70
Mali	10,00	10,00	18,50	18,50	28,50	28,50
Mauritania			7,00	7,00	7,00	7,00
Mozambique	37,35	37,34	21,90	21,23	59,25	58,57
Niger			14,00	13,54	14,00	13,54
Uganda	17,30	17,20	17,10	17,10	34,40	34,30
Sao Tome	0,02	0,02	1,00	1,00	1,02	1,02
Senegal			11,50	11,50	11,50	11,50
Somalia	14,97	14,97	14,40	14,30	29,37	29,27
Sudan			15,80	12,84	15,80	12,84
Tanzania			24,50	23,57	24,50	23,57
Chad			9,50	9,50	9,50	9,50
Togo	3,00	2,99	7,00	7,10	10,00	10,09
Zaire	10,50	10,50	19,50	19,30	30,00	29,80
Zambia	49,00	47,19	11,00	10,90	60,00	58,09
<b>Total</b>	<b>258,14</b>	<b>247,57</b>	<b>291,70</b>	<b>284,98</b>	<b>549,84</b>	<b>532,55</b>

**Table 4.2 - 6th EDF - Other import programmes**

Country	Decisions	Payments
Angola	38,50	38,17
Cameroon	11,95	11,90
Cap Vert	4,00	3,90
Cote d'Ivoire	41,00	41,00
Ethiopia	51,50	42,82
Guyana	17,30	16,40
Jamaica	15,50	10,50
Mauritius	3,00	2,57
Mozambique	9,70	0,60
Nigeria	10,00	10,00
Papua New Guinea	5,50	5,50
Rwanda	9,00	9,00
Sierra Leone	6,00	4,00
Sudan	17,80	16,90
Surinam	8,50	7,20
Trinity Tobago	5,00	3,50
Zambia	0,50	
<b>Total</b>	<b>254,75</b>	<b>223,96</b>

## 4.2 Structural Adjustment under Lomé IV

### Box 6

#### The main objectives of structural adjustment

On the basis of the relevant provisions of the Fourth Lomé Convention, the Commission has developed its policy in the field of structural adjustment along the lines indicated in the Council Resolution of May 1992, which were also endorsed by the ACP/EEC Council.<sup>(24)</sup>

This policy, which implies close cooperation with the Bretton Woods Institutions, has four main objectives :

- (i) to focus efforts on the essential aspects with regard to provisions of the Convention: reconciling adjustment with long-term development, the need to adapt the pace of reforms to the specific constraints and capacities (political and social) of each country, the need to take account of the regional and social dimensions of adjustment;
- (ii) maximizing consistency with other Community instruments (food aid, Stabex) which act in a similar manner upon the balance of payments, and which may generate counterpart funds;
- (iii) increasing involvement in the public finances of the States concerned, first in order to help them improve their budgetary process, but also to establish an instrument enabling them to ensure that the recipient ACP States comply with budget commitments and thus make Community aid safe;
- (iv) stepping up coordination with other donors - e.g. Member States, IMF, World Bank - both at design and operational level.

### Implementation

Out of the total EDF allocation, ECU 1 150 million have been earmarked for structural adjustment support in the ACP States under the Lomé Convention.

1993 saw confirmation of the importance of structural adjustment support as laid down in the Fourth Lomé Convention with 42 ACP States being declared eligible for the Structural Adjustment Facility (SAF).

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<sup>(24)</sup> Resolution ACP/EEC 2126/1/92/Rev. 1

By keeping to the specific approach developed since 1989 and approved by the Council and the ACP States, the Commission has already exerted a degree of influence on certain facets of the adjustment process in the countries concerned (reconciling long and short term aims, social aspects, the regional dimension of adjustment, etc.). The Commission attaches special importance to strengthening coordination with the other donors involved, in particular the Member States and the Bretton Wood institutions. To this end, it has continued, inter alia, to support the special programme to help the poor and heavily indebted countries of sub-Saharan Africa (SPA), in which all the principal bilateral and multilateral donors are participating.

In this respect the Commission has continued to commit itself actively to influencing the policies of all donors involved in structural adjustment. Several points on which the Commission has insisted in recent years have been retained as priorities for the period 1994-96: adapting the rate and sequence of economic reform to the constraints and specific situation of each country; adopting a more pragmatic approach to conditionality; paying special attention to the regional dimension of adjustment.

In terms of financial support, 41 decisions were taken between October 1991 and December 1993 for a total of ECU 847 million. ECU 685.5 million of this came from the SAF and the remainder from the allocation to the National Indicative Programmes of the countries concerned. Other import programmes were decided in Ethiopia (ECU 27 million) and Niger (ECU 15 million).

Aggregate payments amounted to ECU 547 million, including 433 under the structural adjustment facility. More than 40% of the SAF has already been used up therefore and two-thirds of all decisions taken resulted in payment, thus confirming the ability of structural adjustment to disburse the appropriations committed quickly. In 1993 alone, structural adjustment gave rise to ECU 400 million in new decisions and ECU 340 million in payments, i.e. more than 20% of total EDF disbursements.

The growth and speed of implementation of structural adjustment aid operations show the usefulness of this new instrument not only for the ACP countries but also for cooperation under Lomé itself, which is experiencing absorption difficulties in its more traditional forms of aid. However, use of the structural adjustment facility is limited by the inability of some ACP States to meet the conditions attached to this sort of aid or to adhere to the reform programmes that they committed themselves to.

Table 4.3 shows the details of decisions and payments by country.

**Table 4.3 - Structural adjustment and import programmes under the 7th EDF - cumulative situation as at 31.12.93**

Country	NIP			SAF			TOTAL		
	Dec.	Com mit.	Paym.	Dec.	Com mit.	Paym.	Dec.	Com mit.	Paym.
Benin	11,00	11,00	11,00	28,70	28,70	22,70	39,70	39,70	33,70
Burkina Faso	10,00	10,00	10,00	50,50	49,65	38,00	60,50	59,65	48,00
Burundi				12,00			12,00	0,00	0,00
Cameroon	11,00	11,00	5,01	18,50	18,03	17,00	29,50	29,03	22,01
Comores				5,50	5,31	3,50	5,50	5,31	3,50
Cote d'Ivoire				34,00	32,95	32,77	34,00	32,95	32,77
Ethiopia	27,00	25,10	12,95	75,00	75,00	40,00	102,00	100,10	52,95
Gambia	2,00	2,00	1,80	6,20	4,20	1,80	8,20	6,20	3,60
Ghana	11,00	11,00	10,06	38,00	38,00	37,80	49,00	49,00	47,86
Guinea				14,00	14,00	10,50	14,00	14,00	10,50
Guinea Bissau				8,00			8,00	0,00	0,00
Lesotho				8,50	8,44	8,36	8,50	8,44	8,36
Malawi	10,00			20,60	19,70	19,70	30,60	19,70	19,70
Mali	15,00	14,83	14,49	40,00	39,50	25,75	55,00	54,33	40,24
Mauritania				18,00	17,75	10,00	18,00	17,75	10,00
Mozambique	15,00			30,00	21,99	12,73	45,00	21,99	12,73
Niger	15,00	14,90	10,02				15,00	14,90	10,02
Uganda	14,25	14,25	14,25	17,00			31,25	14,25	14,25
Sao Tome				1,50	0,32	0,19	1,50	0,32	0,19
Senegal				10,00	10,00	5,00	10,00	10,00	5,00
Sierra Leone	8,00			12,00	3,01	2,28	20,00	3,01	2,28
Tanzania				85,00	84,95	45,59	85,00	84,95	45,59
Togo	7,00			10,00			17,00	0,00	0,00
Zambia	9,70	9,70	9,50	71,00	70,85	59,00	80,73	80,52	68,50
Zimbabwe	9,00	9,00	2,50	19,00	19,00	11,00	28,00	28,00	13,50
<b>Africa</b>	<b>174,95</b>	<b>132,78</b>	<b>101,58</b>	<b>633,00</b>	<b>561,35</b>	<b>403,67</b>	<b>807,98</b>	<b>694,10</b>	<b>505,25</b>

Country	NIP			SAF			TOTAL		
	Dec.	Com mit.	Paym.	Dec.	Com mit.	Paym.	Dec.	Com mit.	Paym.
Dominica				2,00	1,96	0,02	2,00	1,96	0,02
Dominican Rep.	8,50	8,39	8,30	23,00	22,90	13,50	31,50	31,29	21,80
Guyana				4,50	4,47	3,13	4,50	4,47	3,13
Jamaica	4,60			2,50			7,10		
Trinidad et Tobago	1,70	1,68	0,01	3,00	3,00		4,70	4,68	0,01
Grenade				2,00	1,89	0,23	2,00		
<b>Caribbean</b>	<b>14,80</b>	<b>10,07</b>	<b>8,32</b>	<b>37,00</b>	<b>34,22</b>	<b>16,88</b>	<b>51,80</b>	<b>42,40</b>	<b>24,97</b>
Papua New Guinea	4,00	4,00	4,00	15,50	15,50	12,50	19,50	19,50	16,50
<b>Pacific</b>	<b>4,00</b>	<b>4,00</b>	<b>4,00</b>	<b>15,50</b>	<b>15,50</b>	<b>12,50</b>	<b>19,50</b>	<b>19,50</b>	<b>16,50</b>
<b>Total</b>	<b>193,75</b>	<b>146,85</b>	<b>113,90</b>	<b>685,50</b>	<b>611,06</b>	<b>433,05</b>	<b>879,28</b>	<b>755,99</b>	<b>546,71</b>

### 4.3 Counterpart funds

Counterpart funds (CPF) are generated by Community development instruments financed under Lomé IV such as indicative programmes, structural adjustment facility, Stabex, Sysmin and Food aid. This last instrument is financed under the Community budget although its utilization is enrolled to the policy linked to the the Lomé Convention. The constitution, utilisation and monitoring of CPF are the subject of the Council resolution of 27 May 1991. The European Commission widely contributed to determine this policy under the Assistance Special Programme to subsaharian Africa (SPA), to which the most important donor countries and Bretton Woods institutions participate.

The Commission created special procedures in the CPF management. All delegation in ACP countries are requested to report about the situation of these funds. The funds are jointly managed and administrated by the Commission and ACP governments, which means that management and payment procedures are integrated in national procedures. Control and responsibility are shared between Commission and ACP governments.

The tables 12 and 13 in the annex show statistical data on the constitution and utilisation of CPF issued by import programmes of Lomé III and Lomé IV.



It should also be noted that it is not necessarily the total amount of decisions which generates funds in local currency; a portion of the programmes can also concern contracts of technical assistance or import of goods to be delivered or distributed free of charge (school books, medicines, etc...).

The tables show that the constitution of funds is generally satisfactory. The Commission made substantial efforts during these last years to implement procedures able to assure the total disbursement of CPF. Differences between the amounts due and paid are low in many cases, and are essentially due to administrative delays or programme execution. In Cape Verde, Ghana, Mozambique and Sierra Leone a relatively large balance of local currency still remains to be paid under Lomé III programmes. This is due to the nature of the sectoral import programmes. This kind of problem, frequent under Lomé III, has become rare for programmes financed under Lomé IV.

Concerning the use of CPF, there is a big difference between the affectation of the generated funds under Lomé III, before the Council resolution in 1991, and the corresponding Lomé IV policy.

Traditionally, the counterpart funds which were in the past created only for the food aid programmes, were used as a complement to the EDF programmes. This often took the form of a national contribution to the projects financed by the donors. The trend was to use funds generated by food aid in the primary sector (rural production, fishery ...), particularly within the framework of rural development programmes, in conformity with Lomé policy.

Table 12 shows that under Lomé III, the counterpart funds were used for rural development in the majority of ACP countries. In a large number of countries the rural development sector absorbed more than half of the counterpart funds (ex. Cameroon, Côte d'Ivoire, Gambia, Kenya, Senegal, Sudan, Surinam and Chad).

Under Lomé IV only a few countries still use available counterpart funds for rural development. However, two thirds of the ACP countries have now allocated these funds to the health and education sectors. In Burkina Faso, Côte d'Ivoire, Gambia, Grenada, Lesotho, Mali, Niger and Zimbabwe nearly all funds have been allocated in these sectors. This shift in the use of funds is a clear result of a change in policy. It should be noted that in most countries the spending in the social sectors is directly related to the policy of structural adjustment and forms an integral part of reforms in the public sector and public finance.

Special attention should be given to the other countries. In some countries like Mozambique and Uganda, where budgetary policy does not yet allow for the allocation of these funds to a specific sector, the counterpart funds under Lomé IV were used in a general framework of public finance reforms, and as a result these funds were not earmarked. In Angola, a great variety of social programmes were supported by CPF. In Cape Verde projects in the area of urban development were supported with counterpart funds.

The CPF can also contribute to other objectives in the framework of reform of the public sector, for example financing voluntary departure of civil servants, demobilisation of soldiers or debt reduction. Such is the case in Benin, Central African Republic (Lomé III), in Ethiopia, Ghana (Lomé III), Rwanda and Malawi.

In Sierra Leone, Sao Tome and Guinea Bissau CPF contributed to employment by their use in support of national investment programmes.

Finally, the political circumstances in other countries may sometimes require a change to the agreed use of funds; such was the case of Burundi, Mozambique, Rwanda. In these countries the funds were used to help refugees and displaced people.

## 5. Non-programmed aid

### 5.1 Stabex

#### Box 7

##### What is Stabex?

The system for stabilizing export earnings from agricultural commodities was first introduced in Lomé I with the objective of providing funds to ACP countries to cover shortfalls in earnings brought about by fluctuations in prices or output of agricultural products exported to EEC countries.

Article 186 of Lomé IV stipulates that the system should contribute to remedying the harmful effects of instability of export earnings and to helping the ACP States overcome one of the main obstacles to the stability, profitability and sustained growth of their economies. In order to obtain the objective, transfers shall be devoted, in accordance with a framework of mutual obligations to be agreed between the ACP State concerned and the Commission in each case, either to the sector that recorded the loss of export earnings and be used there for the benefit of economic operators adversely affected by this loss, or, where appropriate, to diversification, for use in other appropriate productive sectors.

Eligibility for assistance is based on the two following criteria:

1. A product is eligible if, in the year prior to the year of application, it represented 5% of a country's total export earnings to all destinations (4 % for sisal).
2. A country is eligible if there has been a drop in earnings of at least 4.5% - as compared to an average for the six years minus the lowest and the highest figures, preceding the year of application. (Note : in both cases the percentage is 1% for least developed, landlocked and island ACP states.) Beneficiary countries are required to give an account of what is done with aid funds.

For the 1992 application year, the Commission noted that 32 ACP States were eligible for 60 transfers under the System for the Stabilization of Export Earnings (Stabex) established by the Fourth ACP-EEC Convention.

The total amount of eligible transfers under the procedure laid down at Article 203 of the Convention comes to ECU 848 029 662. The resources available to the Stabex system consist of the following:

1992 annual instalment of ECU 300 million reduced by 25% arising from the automatic advance use made from this instalment for the 1991 application year.	ECU 225 million
Automatic advance use of the annual instalment for the 1993 application year (Art. 194(1) of the Convention)	ECU 75 million
Approximate amount, at 31.7.1993, of interest made available in application of Art. 192 of the Convention	ECU 30 million
<b>Total</b>	<b><u>ECU 330 million</u></b>

As the above resources come to less than the total of eligible transfers, the reduction of the latter in accordance with Article 194(2) of the Convention applies. The total reduction amounts to ECU 84 802 971 and brought the total transfers down to ECU 763 226 691. Based on this figure, the shortfall in resources available amounted to ECU 433 226 691.

This situation was the subject of a report which the Commission forwarded to the ACP-EEC Committee of Ambassadors.<sup>(25)</sup> The ACP-EEC Council of Ministers (Brussels, 17-18 May 1993) had delegated the power to the Committee to take the appropriate decisions to remedy the situation caused by the shortfall in available resources.

On 23 July 1993 the Committee examined the Commission's report. However, the two sides could not reach agreement as the Community's position was that it was inappropriate to add additional resources to the resources that were ordinarily available (i.e. ECU 330 million, giving 43% coverage), while the ACP States considered that the Commission's offer was unacceptable and that further talks should take place.

As regards use of the funds transferred in respect of the 1990 and 1991 application years, the 1992 "Commission Report to the Council on the functioning of Stabex" contains a summary of the frameworks of mutual obligations signed by the Commission and the Member States concerned.<sup>(26)</sup> Evaluations of the programmes and other measures implemented were being prepared and the results would be communicated later.

In 1993 the Commission disbursed a total of ECU 31.3 million in respect of commitments made previously for the 1990 and 1991 application years.

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<sup>(25)</sup> SEC(93)1109

<sup>(26)</sup> SEC(93)845 final.

## 5.2 Sysmin

### Box 8

#### Sysmin

The "Special Financing Facility", or Sysmin, was created by Lomé II to assist ACP States heavily dependent on mining exports to the Community to remedy the harmful effects on their incomes of serious temporary disruptions affecting the mining sector. The products covered by Sysmin under Lomé IV are copper and cobalt, phosphates, manganese, bauxite and alumina, tin, iron ore and uranium. Countries can apply for Sysmin aid if the relevant products have on average, represented more than 15% of their total exports for 4 years (10% for least developed countries) or 20% or more of their export earnings from all mining products (12% for the least developed, landlocked or island countries).

1993 saw an increased activity concerning Sysmin. The low metal prices in 1992-93, to a certain extent caused by the flooding of the metal market by the countries belonging to the Commonwealth of Independent States, have caused severe problems for many ACP metal producing countries, so they may have become eligible for Sysmin assistance.

No new decisions were made under Lomé III in 1993, total decisions stood at 146 MECU in 1993, i.e. still less than 60% of the envelope for the Sysmin instrument. Yet, commitments and payments increased by 20 MECU and 21,5 MECU respectively, bringing the relative proportions closer to the EDF 6 averages.

The implementation of projects was progressing well, with the exception of the programmes in Togo and Senegal. Particular good progress was made in Botswana and Guinea while also a project in Niger continued satisfactorily. The political situation in Togo has prevented a continued implementation of the projects. In Senegal the project implementation has been delayed because changes in the economic environment which resulted in part of the project no longer being profitable.

Request for Lomé IV finance from the following countries were being examined by the Commission services : Gabon, Guinea Conakry, Burkina Faso, Mauritania and Niger.

A decision was taken in favour of Namibia on the basis of difficulties in the uranium industry and projects amounting to 40 MECU were accepted.

Also, Burkina Faso was declared eligible because of severe problems in the Soremib gold mine and was allocated 1 MECU in emergency aid for the mine. This was the first time the emergency procedure was used. More projects are expected to follow in 1994.

The Dominican Republic encountered difficulties in the gold mine Rosario Dominicana. The country was declared eligible and projects outside the affected mine, amounting to 23 MECU was approved and decided.

To conclude, the Lomé IV performance was better after two years of operation. The new decisions amounted to 64 MECU in --- countries. The decision rate was still low, 25,9% but much improved compared to previous Lomé conventions for this instrument. Commitments and payments reached satisfactory levels in 1993, in fact all decisions taken in 1992 were fully paid in 1993. This concerned notably a programme in Zambia which was set up in the form of a quick disbursing import programme.

Finally, a sewers projet in Jamaica for an amount of 25 MECU was approved. Originally Lomé II financing was foreseen for this mining project, but as the conditions had changed the design of the project has been modified.

### **5.3 Assistance to refugees**

20 interventions totalling ECU 14 million were decided under Article 255 of the Fourth Lomé Convention in respect of 13 ACP countries. 17 operations (ECU 7.1 million) were implemented with the rapid procedure (operations of less than 750,000 ECU decided by the Chief Authorizing Officer). In addition, three programmes were approved by the Commission (two in Malawi for ECU 2 and 3.2 million and one in Eritrea for ECU 1.7 million). Since the Lomé IV Convention entered into force (September 1991), 49 operations have been decided for a total sum of ECU 50.4 million out of total funds available of ECU 100 million.

Secondary commitments and payments reached ECU 39.0 and 25.9 million respectively by the end of the year.

By the end of the 1993 therefore, decisions appeared to have achieved a steady pace (an average ECU 25 million/year) which was also reflected in the pace of secondary commitments (77.4% of decisions) and disbursements (51.5% of secondary commitments).

Aid for refugees, returnees and displaced persons was still concentrated on a few countries (Malawi - ECU 5.4 million) or regions: southern Africa, western Africa and the Horn of Africa, although the situation here gradually stabilized (Ethiopia/Eritrea: ECU 3 million, Liberia ECU 1 million).

The majority of aid granted under Article 255 went to Angola (ECU 8 million), Ethiopia/Eritrea (ECU 3.5 million), Liberia (ECU 2.5 million), Malawi (ECU 11 million) and Mozambique (ECU 18.5 million).

Instruments which complemented each other (humanitarian aid and Article 255) or dovetailed with other means available from the EDF (National Indicative Programmes) came into play in several situations (e.g. in Angola or Sierra Leone) and are currently being applied in the context of the Rehabilitation Plan for Africa. Good coordination also took place with other donors (UNHCR, WFP, Red Cross) in the case of Malawi, for instance.

The principal partners for the implementation of operations were NGOs and in particular the various branches of Médecins sans Frontières and UNHCR. Decisions relating to NGOs accounted for 62% (ECU 30.5 million) and for UNHCR 14% (ECU 7 million) of financing.

Aid was devoted primarily to the health sector (technical assistance, supplies), which was a top priority because of the positive impact it had on vulnerable groups.

However, operations for the revival of agriculture and the rehabilitation of rural infrastructure were also undertaken (Angola, Central African Republic, Eritrea, Niger, Senegal, Sierra Leone) for a total of about ECU 4 million, i.e. 28.5% of financing decided in 1993.

By a rough estimate, the Community's various financial contributions are thought to have benefited either directly or indirectly approximately 12 750 000 persons, including refugees, returnees, displaced persons, demobilized soldiers and people in neighbouring areas.

#### **5.4 Emergency aid**

A sum of ECU 100.1 million was set aside for victims of conflict, drought and other natural catastrophes in ACP countries. Out of this total ECU 82.2 million were financed under Article 254 of the Fourth Lomé Convention and a further ECU 7.8 million under the Third Lomé Convention (mainly on the basis of Article 203 and Somalia's national indicative programme). Those countries in the ACP region whose inhabitants are experiencing the aftermath of various types of conflict deserve special mention, e.g. Angola, Burundi, Liberia, Mozambique, Rwanda, Somalia, Sudan, Zaire and Haiti. These countries have accounted for approximately 80% of the resources granted to the ACP States.

In Burundi, the coup d'état of 21 October, the assassination of President Ndadaye and the ensuing ethnic violence have resulted in a massive exodus of thousands of Burundians into neighbouring countries. The Commission immediately released an aid package of ECU 6.5 million (for food, shelters and medical care) to help the mainly Hutu Burundian refugees who fled to Rwanda, Tanzania and Zaire.

A joint Commission-UNHCR mission to Rwanda in December 1993 concluded that supplementary emergency aid was needed. To ensure the rapid implementation of aid, the UNHCR was given the task of helping to follow through and coordinate requests to the Commission from the NGOs concerned which had already started operations in Rwanda. The idea of a coordinated effort involving several different partners was put to the NGOs and UN agencies at a meeting in Kigali. A comprehensive plan (with the participation of the UNHCR, WFP, IFRC and 9 NGOs) was then put in place for the refugees from Burundi and Rwanda in Tanzania and Zaire. A total of ECU 18.3 million was approved for the plan under Article 254 of the Fourth Lomé Convention. Together with the UNHCR and Red Cross, the Commission delegations to Rwanda and Tanzania will have an important role in coordinating and monitoring aid. The UNHCR on the other hand is responsible for operational coordination of the comprehensive plan.

In Somalia, the Commission granted ECU 12.3 million in aid in 1993 which was spent on the provision of medical and health care, several water supply and drainage projects for the victims of the civil war. Medical centres were opened to give medical training to local staff and to monitor the food situation.

Sudan was granted a total ECU 10.4 million which was mainly targeted at the south of the country. The aid included air transport of food aid and other essential items and provision of medical and support staff.

In 1993 the European Commission granted ECU 9 million to Liberia which has been experiencing the aftermath of civil war since 1990. Despite the signature of a pact between the rival factions in July 1993, the country is still in need of substantial food aid. In addition to food aid, the Commission has also provided aid in the form of medical and health care and shelters to the victims of the civil war in Liberia.

As a result of the ongoing civil war in Angola, the Commission has carried out several operations in the country amounting to ECU 7 million. These measures mainly involved provision of aid in the form of medical and health care, food aid, kitchen utensils and shelters.

The Commission granted ECU 7.8 million in humanitarian aid to displaced persons in the provinces of Shaba and Kivu in Zaire.

Humanitarian aid was also granted to Kenya, which received ECU 2.4 million mainly intended for the Somali refugee camps in the north of the country.

Mozambique, Haiti, Ghana, Benin, Fiji and Djibouti were the other principal beneficiaries of Commission aid.



## 5.5 Aid administered by the European Investment Bank

### Box 9

#### The European Investment Bank (EIB)

Financial assistance administered by the EIB consists of loans from its own resources (mainly from borrowings on the capital markets) and aid in the form of risk capital operations from EDF resources.

Financing from the Bank's own resources is always in the form of loans and is principally used for projects in countries whose economic and financial situation is such that they can assume the debt involved and ensure that debt service payments are maintained. The project's forecast operating results and the revenues that it generates should be such as to cover repayment of principal and interest.

Risk capital is a form of aid particularly well suited to the difficult financial and economic situation prevailing in a large number of ACP States. Drawn from budgetary funds, risk capital resources permit the EIB greater flexibility in setting terms and conditions.

Risk capital may be provided in the form of:

- direct equity subscriptions, on behalf of the European Community;
- quasi-capital assistance mainly as:
  - . subordinated loans
  - . conditional loans

Financing applications for projects in industry, mining, tourism, and energy production schemes linked to investment in these sectors are appraised by the EIB. The Bank is also empowered to finance infrastructure projects in the transport, telecommunication, water and cash crop sectors.

### General overview

Compared to previous years, EIB financing operations in the ACP countries were down slightly during 1993. Lending operations from own resources and risk capital from the European Development Fund require a reasonably stable political and commercial framework and the existence of a project promoter, either in the public or the private sector, who is prepared to take responsibility for implementing a particular project and for the financial commitment involved. These two criteria, together with the continuing difficult economic and financial situation in these countries, explain the downward trend that had already been observed in 1992 and now continued into the current year. By the end of 1993, more than 10% of the African ACP countries were affected by suspension decisions taken by the Commission for reasons relating to their human rights situation, the lack of progress towards democracy and political insecurity. Numerous other countries were beset by economic and political troubles.

In 1993 the Bank signed financing agreements amounting to almost ECU 208 million of which ECU 138.4 million were loans on own resources with interest rate subsidies and ECU 89.4 million from risk capital on EDF resources, including ECU 0.3 million under Lomé III.

Seven projects were financed entirely from loans on own resources (ECU 122.4 million), the others from risk capital, including twenty entirely from risk capital (ECU 63 million) and the others together with loans on own resources.

#### Geographical breakdown of EIB operations

In 1993 the Bank invested in 31 projects in 23 African, Caribbean and Pacific countries. The lion's share of loans went to Africa: ECU 156 million (including ECU 101.4 million on own resources and ECU 54.8 million on risk capital), or 75% of the total. The principal beneficiary was southern Africa, followed by western and then eastern Africa. The Caribbean and Pacific received 17% (including a regional loan) and 8% of all loans respectively.

In southern Africa loans amounted to ECU 93.3 million, almost half of which was accounted for by two loans to Zimbabwe: the first for the installation of an electric power line (ECU 37.0 million), the second for the construction of additional units at a paper manufacturing plant (ECU 7 million). Malawi received ECU 15 million for the construction of a hydroelectric power station. In Botswana the EIB financed new interconnections with South Africa's electricity network and national water supplies for a sum of ECU 14.4 million. Of the ECU 12 million granted to Mauritius, part helped finance reconstruction of a water treatment plant and the rest the building of a new station for the island's drinking water supply. Smaller loans were granted to Swaziland (modernization of a sugar refinery for ECU 4.5 million) and Mozambique (working a graphite seam for ECU 3.3 million).

The largest amount in western Africa (ECU 56.4 million) went to Ghana for the construction of an electricity power station west of Accra. In Cape Verde, ECU 5 million helped finance a port extension at Mindelo. In Guinea Bissau, ECU 5 million went to finance a radio relay link, a window and door factory and a leather goods plant.

In Nigeria a total loan of ECU 2.5 million will help the development of SME in the private sector and ECU 1.1 million will go to palm oil producers. In Burkina Faso, ECU 2.2 million has been granted to a plastics processing plant and ECU 0.6 million went to SME in Senegal.

In east Africa, loans of ECU 8.16 million helped support SME investments in Kenya and Tanzania and finance a feasibility study of the opening of a cobalt mine in Uganda.

Loans to the Caribbean (ECU 35.3 million) went mainly to Jamaica (ECU 17 million) and Barbados (ECU 10 million). In Jamaica, it contributed to an electric power line project and to support for SME, while in Barbados it helped finance a project on waste water collection and treatment for the south coast.

In Guyana, a sum of ECU 5 million was granted to help restore a bauxite mine. A loan of ECU 0.3 million went to Belize for a feasibility study on working a gold mine. A further global loan of ECU 3 million was granted to a regional development bank to finance shareholdings in small and medium-sized enterprises.

In the Pacific, the EIB granted loans totalling ECU 16.5 million: for improving electricity transport and supply in Papua New Guinea (ECU 12 million) and for small and medium investments in private sector enterprises in the Solomon Islands (ECU 2 million), Tonga (ECU 2 million) and Tuvalu (ECU 0.5 million).

Several investments in the ACP countries were cofinanced together with other development organizations.

### Payments

During 1993, payments reached a total of almost ECU 265 million, ECU 122.3 million of which was under Lomé II and the remainder (ECU 142.2 million) under Lomé IV.

At the end of 1993, payments under Lomé III reached a total of ECU 943 million, ECU 526 million from own resources and ECU 427 million in the form of risk capital. These amounts correspond respectively to 68% and more than 75% of all commitments.

Payments under Lomé IV during 1993 reached ECU 142.2 million of which ECU 91.3 million from own resources. By the year end this had gone up to almost ECU 190 million, ECU 118 million from own resources and ECU 69 million in the form of risk capital, i.e. 25% and 29% respectively of total commitments at the end of 1993.

## **6. Sectoral breakdown of aid**

### **6.1 Aid administered by the Commission**

#### European Development Fund

Details of the aid decisions under Lomé III and Lomé IV classified by sector and subsector are shown in tables 6 and 7.

Table 6.1 below gives a comparison for major sectors of EDF 5, 6 and 7 by the end of 1993.<sup>(27)</sup>

Previous reports on financial cooperation presented detailed analysis of the comparison and composition of the sectoral breakdown of Lomé II and III.

The figures for Lomé IV after two years of operations account for more than 40% of the 7th EDF's financial package and cannot yet be meaningfully compared with the breakdowns of the other Conventions.

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<sup>(27)</sup> The introduction of a new accounting system in the Commission brought a slight modification in the codification of sectors which complicates comparison with years prior to 1992.

The last column of table 6.1 lists the proportions of aid at the end of 1992, at which stage a sum of ECU 2.8 million had been decided. Despite the relative decline, the table clearly brings out the high proportion of aid allocated to the Convention's quick disbursing instruments such as Stabex and Structural Adjustment.

The table also reveals that other sectors have reached the high proportion achieved by transport and communications in 1992, e.g. rural production, which normally enjoys a large share of EDF financing, has gone up to the same level as transport and communications. Industry comes in third place, with the ECU 455 million decided under the 7th EDF accounting for almost 10% of the total aid. In view also of the increasing percentages in the education and health sectors, these figures appear to show a certain level of interest in the new policy orientations of the Fourth Lomé Convention in such areas as poverty alleviation and support for social sectors.

However, it is too early to draw definitive conclusions about the new approach. Financing in certain sectors, in particular rural development, sometimes require several years of preparation. Likewise, it is true that Stabex and structural adjustment, in the form of the counterpart funds (see para. 4.3), are manifestations of the EDF's policies, notably by providing budgetary support to target sectors, in particular the social sectors and the environment.

**Table 6.1 - Sectoral Breakdown of EDF aid approved up to 31.12.93**

Sectors	Lomé II <sup>a)</sup>		Lomé III		Lomé IV		
	MECU	%	MECU	%	MECU	%	% 1992
Rural production	977	23,6	2034	27,6	617	13,0	9,6
Transport & communications	763	18,4	1235	16,7	628	13,2	11,9
Industry	777	18,8	748	10,5	455	9,6	7,7
Education & training	245	5,9	239	3,2	185	3,9	2,3
Water supply	257	6,2	172	2,3	222	4,7	2,4
Health	107	2,6	141	1,9	205	4,3	2,5
Stabex	655	15,8	1447	19,6	876	18,4	31,1
Structural adjustment	-	-	-	-	686	14,4	11,0
Others <sup>b)</sup>	361	8,7	1364	18,5	888	18,5	21,5
Total	4142	100	7.380	100	4.762	100	100

a) N.B. The 5th EDF accounts were closed on 3.12.1993. Ongoing commitments were transferred to the 7th EDF.

b) "Others" includes emergency aid, aid to refugees, trade promotion for Lomé III and IV, most of the import support programmes financed by the Lomé Special Debt Programme. Under Lomé IV thematic programmes account for much of the total.

## Rural Development

Expenditure on rural development was almost twice as high under Lomé III as compared to Lomé II which confirmed the importance attached to this field of cooperation under the Lomé III Convention.

Under Lomé IV, financing in the rural development sector amounted to ECU 617 million by the end of 1993.

The Commission approved several initiatives in this sector, e.g. the small irrigation programme for the Lower Tarka in Niger, the second phase of which was decided for a total of ECU 16 million. The aim of this programme is to improve the food security of the rural population by protecting crops from variations in climate and to increase revenues, thereby allowing producers to boost their investment capacity. It is also proposed to improve the organization of supply and marketing. The programme is designed to combat the phenomena associated with desertification by means of measures adapted to the natural environment.

In Uganda, the Commission decided to contribute to the development of the tea sector (ECU 20 million), a key sector in the national economy. The project ensures continuity with the previous project financed under the 6th EDF since 1989. Its aim is to improve production and the quality of leaves, but it also involves an element of industrial development with the intention of ensuring the economic and financial viability of tea factories.

Despite constraints related to elections and a long-running civil service strike, cooperation got under way in the Central African Republic at the end of 1993 with the approval of Phase II of the northern region development project (ECU 14.6 million), which represents a significant contribution to the protection and rational management of the fauna.

## Transport and Communications

Lomé III is notable for a deliberate shift away from the transport and communication sector, in particular from roads and bridges, in favour of rural development.

However, rural development programmes often include infrastructure building. On the whole programmes in these sectors are quickly prepared and presented to the Commission. Indeed the share of the transport and communications sector was still relatively high after just 1 year of operations under Lomé IV. Progress has been slower in 1993 however with large amounts of aid targeted at some 15 countries.

In Benin, for instance, road construction and maintenance programmes amounting to ECU 14 and 29 million respectively were approved in November, which represents a significant implementation of the objectives of the 7th EDF indicative programme.

In Cameroon, the Commission provided assistance to the transport sector project, which focused in particular on the road network, in the form of a maintenance programme approved in 1993 for a total ECU 22.5 million. The programme not only provides for operational maintenance of the road infrastructure, but is also designed to contribute to development of the private sector, especially small and medium-sized enterprises which will be awarded the maintenance works.

A project for the rehabilitation of roadways (tracks, roads, bridges) has been launched in Mozambique (ECU 30 million) in the provinces of Zambezia and Sofala.

In the telecommunications sector, the Commission approved a maintenance and training project in Nigeria (ECU 10.5 million). The aim of the programme is to increase Nitel's (Nigerian Telecommunications) capacity and to ensure maintenance of technical facilities. The programme finances the purchase of equipment and the organization of training courses. Technical assistance will be a large element of the programme.

### Industry

Aid to the industrial sector declined between Lomé II and Lomé III, partly as a result of the relative success of Sysmin. The improvement under Lomé IV is one of the reasons for the high amount decided after two years of ECU 455 million.

Projects in the energy sector are generally eligible for loan finance from the EIB. Several programmes were approved in the industry sector, including programmes to help strengthen the private sector. A large scale project (ECU 10.5 million) was approved in Burkina Faso aimed at introducing a support mechanism for private initiatives to set up and develop viable undertakings. The growth of entrepreneurship thus encouraged would lead to the emergence of a network of enterprises providing lasting employment, revenue and added value. To launch the project, a series of agencies is to be set up to deal with the various elements involved in technical assistance: financing, transfers of knowhow in the information and data management fields, accountancy and legal aspects. A similar programme has made headway in Mali (ECU 13 million) and has set the example for other initiatives to follow.

### Health and education

The social sector seems to have received less finance under Lomé III than under Lomé II, but this can partly be explained by a change in definition. Large multi-component programmes in the rural sector include a social dimension and thereby reduce the number of projects identifiable as pertaining to the social sector. However, the relative shares of these sectors under the 7th EDF is higher which could be an indication of increased interest in social development programmes.

Direct EDF financing and the targeting of the counterpart funds generated by instruments like structural adjustment and Stabex (see also chapter 4.3) attest to the priority that the policy of Lomé IV gives to the social sectors.

The EDF financed a large, integrated programme in the health sector in Namibia (ECU 13.5 million). The programme includes institutional and policy support at central level (finance, administration, training) and at regional level (strengthening of institutions, management and other health service related aspects). Another part of the programme deals with supplies of drugs and improving management of stocks and equipment.

In Uganda a health project has been approved (ECU 20 million) for improving regional health service systems by means of improvements in the areas of information and availability and quality of services. The project also aims to introduce better management and greater openness so as to allow the government to decentralize health policy implementation.

Two large health sector programmes were decided, first in Angola (ECU 15 million) where the primary aim is the renovation of health centres throughout the country, and secondly in Congo (ECU 10 million), where the programme, which is yet to start, involves supporting health sector development.

In Senegal, the Commission approved a programme of a total ECU 22.5 million for the development of the Saint-Louis region. Its aim is to aid economic development in the valley of the Senegal and it will involve the continuation and geographical extension of projects first launched under the 6th EDF. The programme is an example of an integrated, multi-component project embracing several of the overall objectives of Lomé IV policy (the health sector, education, private investment and protection of the environment).

A programme for improving living conditions in the interior of Guinea (ECU 20 million) covers three priority social sectors. In the health sector, the programme involves putting 12 hospitals and 35 health centres in three regions back in running order. In education, this operation forms part of an adjustment programme instigated by the IBRD, USAID and "Coopération Française", with the emphasis on renovating or building primary schools, teacher training centres, decentralized education facilities and youth job settlement centres. Finally, the rural water engineering part of the programme will help achieve a more balanced water supply throughout the country by equipping water-starved areas and by distributing supplies to provincial towns.

Secondary and tertiary education requirements are the subject of a human resources development programme in Papua New Guinea (ECU 15 million). The aim of the programme is to improve the supply of qualified and educated manpower for the country's important economic sectors. Part of the programme also includes reform of the secondary education system and renovation and reconstruction of Papua New Guinea University.

The final example is a social sector support programme in Zambia (ECU 12 million) which is designed to minimize the negative effects of the consequences of structural adjustment of the economy. The project will help refurbish health centres and set up water supplies. In education, the programme will finance purchases of school books and other materials for primary education and the renovation of several teacher training colleges.

#### Progress in implementation

Table 6.2 shows for Lomé III the ratios for secondary commitments to decisions and of payments to secondary commitments as at the end of 1992 and 1993.

**Table 6.2 - Lomé III - Commitment and Payment ratios classified by sector (%)**

Sectors	Commistments/Decisions		Payments/Commitments	
	as at 31 December			
	1992	1993	1992	1993
Rural development	73	81	72	79
Transport & communications	80	84	72	81
Industry	90	92	67	80
Health, social sector and water engineering	74	80	71	80
Other (incl. Stabex)	95	97	95	96
Total	85	88	81	86

Although Lomé III is entering its final phase, there is still a discernible convergence of the commitment and payment rates for the different operational sectors.

Table 6.3, on the other hand, shows a significant variation from one sector to another in the rate of implementation of the aid programmes when the Convention first came into effect.

As a result, the "slow" sectors, such as rural development, water engineering, health and education, still show a low rate of commitments to decisions, whereas the sectors in which implementation is easier give a higher rate. The average for the 7th EDF therefore conceals a wide variety of situations in the different sectors. Amongst the fast sectors, note the very high rates of payment for instruments such as structural adjustment, emergency and humanitarian aid (under "other") and Stabex (100% rate of payments to commitments). These figures lead to the conclusion that the flow of resources to the recipient countries happens almost immediately after signing of the financing agreements following on from the Commission decisions on aid operations in the sectors concerned.



**Table 6.3 - Lomé IV - Ratios of commitments to decisions and payments to commitments by sector (%) at 31.12.93**

Sector	Commitments/Decisions	Payments/Commitments
Rural development	34	28
Transport & communications	34	30
Industry	56	42
Water engineering	26	13
Health	20	30
Education and training	21	26
Trade promotion	52	34
Thematic measures	78	71
Stabex	90	100
Structural adjustment	89	71
Others	62	60
Total	57	65

### Regional Cooperation

The sectoral distribution of aid for regional cooperation is shown in table 6.4. The transport and communications sector is particularly suited to regional programmes, indeed this sector absorbed ECU 412 million i.e. 45% of the funds allocated to regional cooperation under the 6th EDF by the end of 1993. The contribution to trade promotion also deserves mention as it reflects, inter alia, the high level of financing of international trade fairs and exhibitions.

Total financing decisions made under Lomé IV came to ECU 495 million by the end of 1993. Another factor affecting the breakdown by sector is the start phase of the fourth Lomé Convention which explains why the percentages remain high for thematic projects and the contributions to the Centre for Industrial Development and the Technical Centre for Rural and Agricultural Cooperation.

**Table 6.4** - Distribution of aid decisions for regional cooperation classified by sector at end 1993 (%)

Sectors	6th EDF	7th EDF
Rural development (excl. CTA)	13,5	17
Transport & communications	45	12,5
Industry (excl. CDI)	2	11
Health, social sector & Water engineering	10	12
Trade promotion	8,5	11
Thematic actions	8	14
Non geographic of which :	8	14
CDI	4	6
CTA	3	4
ACP Secretariat	1	4
Other	7	8,5
Total	100	100
Amount in MECU	914	495

## 6.2 Aid administered by the EIB

The main beneficiary sectors of EIB lending in 1993 were energy and industry (including small and medium-sized enterprises), producing a situation comparable to 1991. The two sectors accounted for 58% and 24% respectively of total operations. There has been little noticeable change in the infrastructure sector. It is worth pointing out that practically 27% of all financing (60% for risk capital alone) related to private sector investments.

**Table 6.5 - Sectoral breakdown of EIB financing in 1993 (in MECU)**

	Own resources	Risk capital	Total	Energy	Infra-structure	Industry & Tourism	Global loans
Africa	101,4	54,6	156,0	99,0	26,9	22,0	8,1
Caribbean	24,0	11,3	35,3	9,0	10,0	5,3	11,0
Pacific	13,0	3,5	16,5	12,0	-	-	4,5
<b>Total</b>	<b>138,4</b>	<b>69,4</b>	<b>207,8</b>	<b>120,0</b>	<b>36,9</b>	<b>27,3</b>	<b>23,6</b>
Sectors as a % of total	66,6	33,4	100,0	57,7	17,8	13,1	11,4

Aid for projects involving the production, transport and distribution of energy accounts for almost 80%, i.e. ECU 120 million, of total financing with resources being divided equally between production on the one hand and transport and distribution on the other.

Two loans for a total ECU 55 million were granted to the energy production sector, including ECU 40 million in the form of a loan from own resources to the Volta River Authority in Ghana, which has received four loans from the Bank since 1976 amounting to ECU 57 million. This loan will help construct a 200 MW power station to the west of Accra which will be able to supply local and export markets when commissioned in 1996, as planned. The balance represents a risk capital operation for constructing a hydroelectric power station in Malawi.

Four electricity transport and supply projects for a total ECU 85 million will help improve electricity supplies in Zimbabwe, Papua New Guinea, Jamaica and Botswana as well as in neighbouring countries in certain cases.

Loans to industry and to SME amounted to almost ECU 51 million, i.e. about 25% of total financing. Industrial projects benefited exclusively from operations financed directly from risk capital (ECU 27.3 million). The manufacturing and mining sectors received aid totalling ECU 17.3 million and 8.3 million respectively. The balance represents financing of feasibility studies. No assistance was granted to the tourism sector. The remaining ECU 23 million were granted in the form of global loans to local or regional development banks to enable them either to acquire holdings in SME or to finance the SME's own investments with loans. SME were in receipt of more than 150 loans (ECU 45 million) from global loans implemented by the EIB in collaboration with national or regional development banks. Such banks continue to be one of the most effective forces behind the development of the private sector.

The infrastructure sector accounts for almost 18% of the Bank's total financing. Three waste water collection and treatment projects totalling ECU 29 million were carried out in Botswana, Mauritius and Barbados, another involved the extension of port facilities in Cape Verde and a final project concerned building a radio relay link between the capital of Guinea Bissau and the east of the country.

## **7. Aid implementation**

### **7.1 Study on implementation of aid procedures**

The Council, at its meeting in Fiji in May 1990, adopted a proposal by Mr Marín that a study be undertaken on the implementation procedures for EDF programmes and projects under financial and technical cooperation with a view to identifying the problem areas and bottlenecks and to make practical proposals aimed at facilitating the implementation of the programmes and projects. The assignment covered the entire project cycle starting from the establishment of the indicative programmes through project preparation, tendering procedures and project execution.

In May 1991, the Council received and noted the project proposal which included the contents of the study and the procedures for its conduct.

The study was conducted jointly by the ACP Secretariat and the Commission, within the framework of the ACP-EEC Development Finance Cooperation Committee.

The ACP-EEC Council of Ministers, meeting in Brussels on 17 and 18 May 1993 adopted a resolution on the results of the study.

In its resolution the Council stressed that the *raison d'être* of the fundamental rules of management and implementation procedures which applied to projects involving ACP-EEC cooperation was to ensure that all the parties concerned genuinely contributed and, in particular, that implementation (notably design, execution and monitoring) should be carried out at every stage in such a way as to guarantee the viability and sustainability of EDF-financed programmes through the full participation of the ACP governments and nations concerned.

The recommendations contained in the resolution call for the preparatory stages of programming to be started as soon as possible and for the financing agreement and protocol to be ratified at the earliest opportunity so that they can be implemented quickly and the timetables fixed for every stage of the programme and project cycle. They also point out that appropriate and more in-depth training and information should be provided and that explanatory documents should limit the possibility of discrepancies in the interpretation of the procedures laid down by the agreement or other related texts.

The Council also believed that consideration should be given to the possibility of amending the existing rules and implementation procedures with a view to improving the working of financial and technical cooperation.

The Council's conclusions can be followed up during the mid-term review of the Fourth Convention due to take place in 1994 and 1995.

## 7.2 Tenders and Contracts

In accordance with the Financial Regulation for the 7th EDF, the Commission informs the Council each year of any contracts concluded during the year. The Commission gives this information in a special annual report on tenders and contracts. The summary data presented here are to complete the picture on aid implementation.

Table 7.1. shows the change in the proportions of works, supplies and service contracts in successive EDFs.

**Table 7.1 - Breakdown of works, supplies and technical assistance contracts at 31.12.93**

EDF	Works	Supplies	Technical Assistance
5	49.7	30.5	19.8
6	42.4	32.4	25.2
7	50.7	14.2	35.1

The drop in the share of works contracts under the 6th EDF partly reflects the shift in emphasis from traditional construction type projects to rural development with its high emphasis on human resources. However, the stage of implementation of different Conventions also affects the types of contracts placed, emphasis on technical assistance being relatively more important in the earlier stages of implementation, as shown by the high percentage for such contracts under the 7th EDF at the end of 1992 (41.9%).

The table in Annex 11 gives a breakdown of contracts by nationality of firms as at 31 December 1993.

The high proportion of works contracts shown in this table as going to ACP/OCTs should be noted - 22.6% and 39.1% respectively for the 6th and 7th EDFs.

The percentage of supply contracts going to ACP/OCT was 23.1% as against 20.9% in 1991. The percentage for technical assistance contracts also went up by 6.9% to 9.1%. The comparable figures for the 7th EDF are 19.0% and 9.9% at the end of 1993.

Table 7.2. shows the breakdown of contracts under the 6th EDF classified by type of procurement procedure. The statistics on contracts under the 7th EDF show a figure of only ECU 347 million.

**Table 7.2** EDF contracts 1986-1993 by type of tender procedure (%)

	6th EDF			7th EDF		
	Works	Supplies	Services	Works	Works	Services
<u>International tenders</u>						
Open	64,3	71,8	0,6	75,2	82,6	1,1
Accelerated	13,8	0,3	-	6,4	1,6	-
Restricted after publication in OJ	78,1	-	0,7	1,5	-	19,9
<b>Total</b>	<b>85,9</b>	<b>72,1</b>	<b>1,3</b>	<b>83,1</b>	<b>84,2</b>	<b>21,0</b>
<u>Other procedures</u>						
Restricted tenders	6,4	11,7	47,4	12,5	8,4	27,8
Supplementary restricted tenders	0,1	-	4,0	-	-	1,5
Direct agreement	7,6	16,2	41,8	4,4	7,4	48,7
Other	-	-	5,5	-	-	1,0
<b>Total</b>	<b>14,1</b>	<b>27,9</b>	<b>98,7</b>	<b>16,9</b>	<b>15,8</b>	<b>79,0</b>
<b>Grand total</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>
MECU	1.167,5	892,1	693,3	175,8	49,1	122,2

The figures in Table 7.2 are based on the statistics collected by the end of 1993 and represent approximately 45% and 3.7% of the financial allocations subject to tendering for the 6th and 7th EDF.<sup>(24)</sup>

<sup>(24)</sup> Not all forms of aid are subject to tendering. This is true in particular for most of the aid from Stabex, emergency aid, aid to refugees and interest subsidies. The approximate allocations subject to tender and the amounts covered in the statistics at end 1993 are as follows :

Allocations*	Amount at 31.12.93	%
6th EDF : 6083	2753	45.3
7th EDF : 9271	347	3.7

\*Total appropriation minus Stabex, emergency aid and aid to refugees and interest subsidies.

Also not included in table 7.2 are direct labour contracts and a category of "other" agreements notably selected to the structural adjustment facility. For more information, consult the annual report on tendering.

### 7.3 Evaluation of the development aid of the European Union<sup>(25)</sup>

On the basis of guidelines adopted in 1992 relating to the establishment of a reinforced structure for the evaluation of the European development assistance, 1993 saw the development of evaluation activities in this new framework. Furthermore, since the end of 1993, the unit responsible for the evaluation of Commission-managed aid has become a joint unit, covering all the ACP, PVD-ALA and Mediterranean countries. The evaluation activities aim mainly to :

- continuous monitoring and the assessment of the results and impact of development aid and where necessary to facilitate the reorientation of on-going operations;
- inform decision-makers of these results and of the constraints affecting Community aid;
- contribute to the improvement of the effectiveness and sustainability of aid by taking into account the lessons learnt from past experience;
- contribute to the development and improvement of tools and methodologies for programming, appraisal, monitoring and evaluation of projects, as well as to the setting up of training operations to internalise the results of evaluations.

Under the budgetline, the amounts allocated to evaluation activities totalled 3,6 MECU in 1993 with supplementary funds coming from project resources. The main evaluation activities in 1993 were the following :

- 80 (mid-term and final) evaluations of projects and programmes in ACP countries;  
  
The mid-term evaluations resulted in the reorientation, where necessary, of some on-going operations. The final evaluations enabled the assessment of the validity of projects and programmes and their consistency with and contribution to overall development objectives, taking into account the context in which the projects and programmes are undertaken. The final evaluations also allowed better measurement of the results of our interventions, especially with respect to their impact on beneficiaries and their sustainability.
- the finalisation of two major sectoral studies, covering a sample of the projects and programmes undertaken, under the first three Lomé Conventions, in the areas of rural development and transport.  
  
The establishment of feedback mechanisms covering these two sectoral evaluations, which were completed at the end of 1993, will take place in 1994/1995.
- the launching of two joint ACP/EEC sectoral studies relating to urban development and the mining sector (SYSMIN). It is expected that the third phase, which relates to the synthesis and the conclusions of these sectoral evaluations will be undertaken in 1994;
- horizontal evaluations of cooperation instruments :
  - food aid
  - projects cofinanced with NGO (integrated development projects and savings and credit projects)
- 2 evaluations of the impact of trade preferences and industrial promotion operations

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<sup>(25)</sup> A report on aid evaluation activities is presented annually

(industrial forums) foreseen in the framework of the provisions under Lomé III and Lomé IV.

With regard to the sectoral and horizontal evaluations, 1994/5 should permit the internalisation of the lessons learnt from the past and lead to increased consideration of evaluation results at the programming, identification and appraisal stages of new cooperation projects and programmes.

The preliminary results of this work confirm :

- the need to integrate projects and programmes into a structured methodological framework which guarantees that factors essential for the success of operations are taken into account throughout the project cycle (and especially during the identification and appraisal of projects);
- the need to reinforce the monitoring of the impact of projects, particularly through the definition of performance indicators;
- the crucial role of sectoral policy frameworks in determining the success and sustainability of projects and the need to design projects so that they consolidate and promote the development of sectoral policies.

The continuation in 1993 of actions to develop tools and methodologies led to :

- the publication and the dissemination of a manual on "Project Cycle Management" for the Commission services and for users outside the Commission (Member States, beneficiary countries, consultants,...), in order to ensure that the "integrated approach" is used by all those involved in the implementation of Community development aid;
- the continuation of a wide-ranging training programme on "Project Cycle Management" in the delegations and partner ACP countries; by the end of 1993, more than 1000 people had been trained;
- the preparation of a specific manual on economic and financial analysis, aimed at complementing the operational instruments necessary for the implementation of the "integrated approach" and at harmonising the methodology used for improvement assessment of factors affecting the sustainability of projects and programmes, as well as for measuring their effects with regard to the development objectives of a country.

It is foreseen that the manual will be disseminated and test seminars will take place at the beginning of 1994.

Finally, in order to facilitate access of internal and external users to information, the evaluation unit has established an inventory, codified on a sectoral basis, covering all the evaluations undertaken up to now. It has also created an up-to-date data base which is compatible with the DAC system. A directory including all the data was first published in September 1993.

The initial results of the evaluations reveal a necessity to consolidate and reinforce our evaluation efforts, with a view to deepening the debate on factors determining success or failure. Feedback should contribute to improving the effectiveness of future activities and, in particular, to strengthening the long-term sustainability of development aid.



## **8. Conclusions**

### **Total aid from the European Development Funds**

1993 decisions and commitments were on a level comparable to 1992 if account is taken of the absence of a decision on Stabex and the especially high number of decommitments brought about by the closure of the 5th EDF. Payments were down, on the other hand, compared to previous years, probably as a result of the Stabex problem. The level of decisions under the 7th EDF came to 25.8% and payments 9.9% of the Fund's total financial package at the year end.

Lomé IV activities played a more important role in financial cooperation than in the preceding years. The 7th EDF in its second full year of implementation outweighed the 6th EDF at all levels, even, for the first time, payments, despite the lack of Stabex transfers.

The 6th EDF is now at a mature stage with 70% of funds disbursed. The only serious gaps concern countries and/or projects or programmes which have been delayed in the past.

### **The National Indicative Programmes**

The political situation in a number of ACP countries continued to have an effect on implementation of national indicative programmes. Aid was partially suspended in the following countries: Haiti, Liberia, Somalia, Sudan, Togo, Equatorial Guinea and Zaire.

In other ACP countries the process of democratic transition itself caused political confusion, civil unrest and administrative disruption.

Democratization and progress towards good governance should, in the long-term, improve aid implementation, as can already be observed in countries such as Benin, Tanzania, Burkina Faso and Mali.

Other factors to have a significant influence on execution of indicative programmes were the deteriorating economic and social situation and the management and administration of aid. Here the Commission began to apply a new method of project management and monitoring, "the integrated approach", which should facilitate project implementation and monitoring. By so doing, it should make aid more effective.

The post-Fiji study highlighted the fact that certain procedures necessary to ensure transparency and a sound management of EDF operations cannot be compressed. However, delays could be reduced to a minimum if continued efforts are made to harmonize procedures and these are observed by all the parties concerned.

The 5th EDF was closed in 1993 and active projects were transferred to the administration of the 7th EDF.

Implementation of Lomé III national indicative programmes, mostly concluded in 1986-87, is, eight years later, generally satisfactory, as shown by the 1993 figures: of the funds notified to ACP governments, 95% have been allocated to programmes and projects, and 67% paid out.

The overall absorption rate masks a variety of situations: while almost all ACP countries have committed the bulk of their Lomé III allocations at primary level, barring some exceptional cases, the final absorption rates are very uneven with secondary commitment and payment rates as low as 30% (Antigua, Trinidad and Tonga) or as high as 90% and over (Côte d'Ivoire, Dominica, Grenada, Guyana, Uganda and St Vincent).

64 indicative programmes out of a possible 70 were signed in respect of Lomé IV. 1993 saw a rising number of financing decisions, giving a total figure of ECU 2 255 million. The average for NIP decisions was 36% at the end of 1993 and would rise to 44% if the countries without NIPs were excluded from the calculation.

As regards large programmes and projects, the number of projects costing more than ECU 10 million was already high with 64 approved in the context of 7th EDF national indicative programmes. Some of these programmes made good progress, notably in Burkina Faso, Niger and Chad.

### **Sectoral breakdown of aid**

After two years of operation it is still not possible to assess the sectoral breakdown of aid under Lomé IV with any accuracy. However, the figures for decisions taken reveal an increased share for the transport and communications sector, which is probably due to the relative ease of appraising projects in this sector, and other increases for teaching and training, water engineering and health, which is in keeping with the priorities set out in the Convention.

### **Regional cooperation**

Regional cooperation activities under Lomé III followed a similar pattern of implementation to national programmes and neared completion in all cases except the two regions worst hit by political strife: central and southern Africa. The importance of regional integration was further stressed under Lomé IV. The Commission provided financial and technical assistance to various initiatives in west and central Africa and to the implementation of reforms to promote development of trade and investment in east and southern Africa and the Indian Ocean.

### **Other forms of programmed aid**

Twelve multiannual microproject programmes were adopted for a total sum of ECU 34 million. Attention was focused on the identification and appraisal of private sector support projects and led to the approval of projects in a dozen ACP countries.

The Centre for Industrial Development (CID) helped promote more than 200 industrial projects involving small and medium-sized enterprises.

Contributions were made to more than 300 fairs for promoting trade and tourism.

## **The Structural Adjustment Facility**

42 ACP States were declared eligible for the Structural Adjustment Facility and 41 decisions were taken by the end of 1993 totalling ECU 872 million, of which ECU 685.5 million came from the SAF and the balance from the indicative programmes.

Two-thirds of all decisions resulted in payment, thus confirming the instrument's ability to disburse rapidly.

The figures showed that the counterpart funds generated by structural adjustment import programmes went predominantly to the social sectors. This constitutes a marked change from Lomé III under which these funds, converted to local currency, were frequently used in the rural sector.

## **Non-programmed aid**

For the 1992 application year, the Commission noted that 32 ACP States were eligible for 60 Stabex transfers for a total amount of ECU 848 million. The gap between this figure and the resources available (ECU 330 million) was too great for the Community and the ACP States to reach an acceptable solution for the additional resources. The failure to reach agreement meant that no decision was taken in 1993. Several countries applied for financing under Sysmin. Three projects were decided in 1993 including a large programme in Namibia (ECU 40 million) and another in the Dominican Republic (ECU 23 million). The performance of Sysmin seemed to have improved by comparison to previous Conventions.

Twenty operations of aid to refugees (Article 255 of Lomé IV) were carried out in thirteen countries. More than half of the resources available for such operations have been approved and decided by the Commission since the Convention's entry into force.

## **The European Investment Bank**

EIB financing in the ACP States was down slightly compared to previous years. Lending operations from the Bank's own resources and risk capital from the European Development Fund require a reasonably stable political and commercial framework and the existence of a project promoter, either in the public or the private sector, who is prepared to take responsibility for implementing a particular project and for the financial commitment involved. These two criteria, together with the continuing difficult economic and financial situation in these countries, explain the downward trend that had already been observed in 1992 and now continued into the current year.

Financing agreements were signed for a total amount of 208 MECU: 138,4 MECU as loans under its own resources as well as interest rebates, and 69,4 MECU as loans from risk capital under FED resources, of which 0,3 under Lomé III.

## **Aid implementation**

The ACP-EEC Council of Ministers in May adopted a resolution on the results of the post-Fiji study which should help modify the existing rules and implementation procedures of technical and financial cooperation.

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## ANNEX

### EXPLANATORY NOTES ON INSTRUMENTS AND PROCEDURES FOR IMPLEMENTATION OF FINANCIAL AND TECHNICAL COOPERATION UNDER THE LOME CONVENTIONS

#### 1. List of ACP Countries

Angola	Malawi*+
Antigua & Barbuda*#	Mali*+
Bahamas#	Mauritius#*
Barbados#	Mauritania#
Belize*	Mozambique*
Benin*	Namibia*
Botswana*+	Niger*+
Burkina Faso*+	Nigeria
Burundi*+	Papoua New Guinea#
Cameroon	Republic dominican#
Cape Verde*#	Rwanda*+
Central African Republic*+	St.-Kitts & Nevis*#
Comoros*#	Ste-Lucie*#
Congo	St.-Vincent and the Grenadines*#
Djibouti*	Sao Tomé & Príncipe*#
Dominica*#	Senegal
Equatorial Guinea	Seychelles*#
Erythrea (since 1993)	Chad*+
Ethiopia*	Sierra Leone*
Fiji#	Solomon Islands*#
Gabon	Somalia*
Gambia*	Sudan*
Ghana	Surinam
Grenada*#	Swaziland*+
Guinea*	Tanzania*
Guinea Bissau*	Chad*
Guyana	Togo*
Côte d'Ivoire	Tonga*#
Haiti*#	Trinity et Tobago#
Jamaica#	Tuvalu*#
Kenya	Vanuatu*#
Kiribati*#	Western Samoa*#
Lesotho*+	Zaire
Liberia	Zambia+
Madagascar#	Zimbabwe+

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\* Least developed ACP States

# Island ACP

+ Landlocked

## **2. List of organisations associated with implementation of regional cooperation**

SADCC	Southern Africa Development Coordination Conference
PTA	Preferential Trade Area
CEAO	Economic Community of West Africa
ECOWAS	Economic Community of West African States
CILSS	Inter State Committee on the fight against drought in the Sahel
OMVS	Organisation for exploitation of the resources of the Senegal river
ASECNA	Association for air navigation security in Africa
CARICOM	Caribbean Community
OECS	Organisation of Eastern Caribbean States
SPEC	South Pacific Economic Commission
IOC	Indian Ocean Commission

## **3. Financial Cooperation - Principal Characteristics and Procedures**

Each ACP-EEC Convention provides for a general envelope of aid to be allocated from the EDF during the Convention. In addition, it provides for loans by the European Investment Bank (EIB) from its own resources which may benefit from interest rate subsidies from the EDF.

Aid from the EDF consists of :

- (i) Programmed aid<sup>1</sup> in the form of grants financing a five year indicative programme prepared for each ACP country.
- (ii) Non-programmed aid
  - stabilization of export earnings from agricultural commodities (STABEX)
  - special financing facility for mining products (SYSMIN)
  - emergency aid
  - risk capital (managed by EIB)<sup>2</sup>
  - interest subsidies on loans from the own resources of the EIB
- (iii) Structural Adjustment Facility

This facility has been introduced under Lomé IV in the form of grants. It continues similar aid programmes financed from the Special Debt Programme and Art. 188 of the Lomé III Convention.

The structural adjustment aid may be topped up with an amount (maximum 10%) of the allocation for National Indicative Programmes.

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<sup>1</sup> The Lomé Conventions I, II and III also provided special loans (40 year duration, 10 years grace, interest at 1% - 0,50% for least developed ACPs, under Lomé III).

<sup>2</sup> Under Lomé III and IV, part of the amount provided for risk capital has been included in the national allocation of the indicative programmes for least developed ACP States.

Details of the amounts provided under the various aid headings under Lomé I, II and III and Lomé IV are as follows:

	MECU	
	Lomé III	Lomé IV
<b>Total Convention</b>	9,033.30	12,601.01
<b>Total EDF</b>	7,933.30	11,401.01
- grants of which structural adjustment facility	4,985.30 --	7,346.01 1,150.-
- special loans	654.45	-
- risk capital	545.55	825.-
- Stabex	1,494.98	1,600.-
- Sysmin	253.02	480.-
BEI "own resources" loans up to	1,100.-	1,200.-

The procedures for allocation of non-programmed aid are based on the relevant provisions contained in the corresponding Articles of the Lomé Conventions.

At the beginning of each Convention, the Commission informs each ACP State of the total programmed aid to be allotted to it.

The award of programmed aid is very much dependent on the EDF decision cycle. Broadly speaking, five distinct stages can be identified:

1. Preparation of indicative programmes by ACP States in agreement with the Commission and the EIB;
2. Project preparation by the ACP States and their examination by the Commission;
3. Project approval by the Commission of a project financing proposal, following favourable opinion of the EDF Committee<sup>(3)</sup>;
4. Project execution on the basis of contracts awarded by the ACP States, generally following international invitations to tender open to firms in the Member States and ACP States;
5. Payments of aid to contractors. Such payments are made in European currencies to contractors in the Member States or in national currency, where the contractors are nationals of the ACP State concerned, or in respect of local costs incurred by contractors from Member States.

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<sup>(3)</sup> The EDF Committee is composed of representatives of the Member States and is chaired by the Commission representative.



While there is some overlapping between the five stages discussed above (some of the stages also apply to non-programmed aid), most of the programming of aid takes place in the early years of each Convention; approval and commitment stages are spread out over several years and payments may be made over a number of years. In this regard, while each Lomé Convention runs for up to five years<sup>(4)</sup>, the Community legislation (the Internal Agreement and the Financial Regulation) relating to each EDF remains in force until the funds provided by the relevant Convention are paid out.

#### **4. Programmed Aid**

Lomé III envisaged more precise definition than in the past of programme content and also stressed the importance of the work done in preparation for programming. This approach was continued for Lomé IV.

On the question of content, it was jointly established that rigour and coordination were increasingly necessary in the management of domestic resources and also in the use of funds from external sources. The Community and the ACP States considered that the best way of securing this coordination and of making cooperation more effective was to situate a growing proportion of its operations in the context of support for sectoral policies because:

- such an approach enables Community operations to be more closely adjusted to the priority sectoral objectives established by each of the ACP States;
- support for sectoral policies makes it possible to use a very wide range of forms of aid (aid for maintenance, technical assistance, training, etc.) in addition to investment projects;
- such support means that for each operation, over and above its own merits, greater weight is given to its contribution to the success of the sectoral policy, so maximising its economic impact.

For this to succeed, the bulk of the Community financial resources placed at each State's disposal must, in the first instance, be focused on a limited number of sectors, or even a single sector. Without such concentration, there is a danger that Community operations would be thinly spread over a large number of highly diversified objectives and that they would have little chance of securing maximum economic impact.

Secondly, this approach means that, on the basis of exchanges of views between representatives of the ACP State and the Commission, the measures and operations most likely to ensure the attainment of the objectives which the ACP State has set itself for the sector concerned have to be specified, irrespective of whether the measures have to be taken by the ACP State itself or on the responsibility of the Community.

Lastly, it presupposes effective coordination between the Commission and the main providers of funds (including, obviously, the Member States) in order to ensure that operations in the focal sectors receiving Community aid are coordinated and complement each other.

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<sup>(4)</sup> Lomé IV will run for 10 years; the financing provided for in the financial protocol relates to the first 5 years of the Convention.

It is laid down in the Conventions that certain individual operations may be identified, in addition to the focal sectors, in the case of the continuation of projects which were begun under the preceding Convention and which are clearly deserving of priority.

Support for sectoral policies involves a far more demanding approach than in the past, and this has meant a change in the programming process.

The amount of aid is known at the outset, and this assures stable and predictable relations, and no extraneous considerations interfere.

On the basis of an analysis of the social and economic situation in each State conducted by the Commission in conjunction with the main providers of funds, exchanges of views commence between the Commission delegate in each ACP State and the representatives of the State concerned in order:

- to ensure that the Community is aware of the development objectives and priorities of the State concerned;
- to identify the focal sector or sectors for Community aid;
- to seek the most appropriate ways and means of attaining the objectives set.

It is not until the preparatory work has been completed that the programming mission, led by the Commission, and with the participation of the European Investment Bank, goes to each ACP State.

The indicative programme of Community aid is then drawn up with the national authorities; it sets out the sectors chosen, and within this framework, the indicative guidelines for Community aid; it identifies the most appropriate ways and means of implementing them, and determines the operations to be conducted outside the context of support for sectoral policies.

While the compilation of the indicative programme thus marks the end of a process, it is neither possible nor advisable for this document to fix, once and for all, all the conditions, measures and operations to be applied by the State and the Community in order to attain the objectives set. Programming must be sufficiently flexible to enable the action taken to be constantly adjusted in line with the objectives.

##### **5. Structural adjustment and the import support programmes**

The problems of structural adjustment cannot be appreciated in isolation from the programming process because the two components adjustment and programming - both contribute to the objective of long-term development.

As provided for by the Convention, most countries eligible for specific adjustment support have opted to use part of their indicative programme to supplement such support.

This interdependence between programming and adjustment has provided the backdrop to the implementation of the Convention, notably in terms of eligibility, the distribution of resources, the priority areas for Community aid or dialogue concerning the reforms carried out by the countries in question. It has also been taken into account in relations with the other donors (especially the IBRD and the IMF), and in the Community's involvement in wider initiatives, such as the SPA.

The Lomé Convention describes two categories of countries eligible for adjustment assistance:

- (i) those already receiving support (financial or other) from the main multilateral donors, which are automatically eligible;
- (ii) those carrying out an "autonomous" adjustment process, which, to become eligible, must show - on the basis of a joint assessment - that they effectively fulfil the criteria laid down in the Convention (seriousness of imbalances, scope of reforms).

At the programming stage the Commission focused on the first category of countries. Since the question of eligibility had been settled, it was after all only natural to assess the adjustment process under way and work out what strategy to follow to ensure that adjustment and programming backed and strengthened each other.

This approach has not prevented the Commission from carrying out an initial assessment for some of the other countries of the reform process under way and even from taking active steps either to help a country to introduce its reform programme or to assist with negotiations between a country and the World Bank and the IMF.

The structural adjustment support takes the form of import programmes which are quick disbursing both by their nature and because of the speedy procedures involved in their execution.

Two types of programmes can be distinguished: the sectoral and the general import programmes.

**Sectoral import programmes (SIP)** are divided into:

- imports in kind
- provision of foreign exchange (forex) to import specified goods (the "positive list").

A forex SIP based on a positive list of eligible imports presupposes a realistic exchange rate policy together with a transparent system for allocation of foreign exchange to importers. The choice of this type of programme has in general been influenced by the desire for quick execution and for the best possible sectoral impact.

**General Import programmes (GIP)** involve provision of foreign exchange for all products with the exception of those set out in a "negative list".<sup>4</sup> Establishment of a GIP presupposes effective implementation in the country of macro-economic reforms.

Both GIP/SIP have a number of common features:

- they require a central institution to organise and control the programmes. This is generally supported by technical assistance which may be provided jointly by a number of donors;
- they also generate counterpart funds whose use is decided jointly by the Commission and the National Authorising Officer;
- they require close monitoring by the Commission Delegate and the ACP authorities for the duration of programmes.

The Commission has issued two policy guideline papers on the application of the structural adjustment policy and the use of counterpart funds generated by inter alia the import programme support.

## 6. Stabex

Stabex - the system for stabilisation of export earnings from agricultural commodities - was first introduced in Lomé I with the objective of providing funds to ACP countries to cover shortfalls in earnings brought about by fluctuations in prices or output of agricultural products exported to EEC countries<sup>(5)</sup>.

A total of 390 MECU was provided for the system in Lomé I and this was increased to 660 MECU in Lomé II, 1449 under Lomé III and to 1600 MECU under Lomé IV<sup>(6)</sup>.

Eligibility for assistance is based on the two following criteria:

1. A **product** is eligible if, the year prior to the year of application, it represented 5% of a country's total export earnings to all destinations (4% in the case of sisal).
2. A **country** is eligible if there has been a drop in earnings of at least 4.5% - as compared to an average for the six years minus the lowest and the highest figures, preceding the year of application.<sup>(7)</sup>

Transfers have been used to maintain financial flows in the sector concerned or for the purpose of promoting diversification.

ACP countries are required to give an account of what is done with the aid funds. Stabex aid takes the form of grants.

## 7. Sysmin

The "Special Financing Facility" or Sysmin system was first provided for in Lomé II to assist ACP States heavily dependent on mining exports to the Community to remedy the harmful effects on their incomes of serious temporary disruptions affecting the mining sector. 230\* MECU was provided for the Facility in Lomé II, and 253\* MECU in Lomé III, taking the form of special loans (40 years duration, 10 years grace, interest at 1% - 0.50% for least developed ACPs). Lomé IV provides 480 MECU in the form of grants.

The products covered by Sysmin under Lomé IV are copper and cobalt, phosphates, manganese, bauxite and alumina, tin, iron ore, uranium. Countries can apply for Sysmin aid if the relevant products have, on average, represented more than 15% of their total exports

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<sup>(5)</sup> While, in general, Stabex takes into account only exports to the EEC, by derogation from the general rule, in the case of 13 ACP countries which, because of their geographical situation do not have the EEC as a natural outlet, exports to all destinations are taken into consideration.

<sup>(6)</sup> Including increases agreed by the Council in July 1988, July 1989, March 1990 and December 1991 respectively.

<sup>(7)</sup> 1% in the case of least developed ACP States.

for 4 years (10% for least developed countries) or 20% or more of their export earnings from all mining products (12% for LDLIC).

Award of aid follows case by case analysis of possibilities for reestablishing viable operations in the sector concerned. Most Sysmin aid involves cofinance with other donors e.g. European Investment Bank, World Bank Group, African Development Bank.

## **8. Financial assistance administered by the EIB**

Financial assistance administered by the Bank consists of loans from its own resources (mainly from borrowings on the capital markets) and aid in the form of risk capital from EDF resources.

In accordance with the division of responsibilities between the Commission and the EIB provided for under the Convention, financing applications with respect to productive projects or action programmes in industry (including agricultural processing), mining and tourism, and energy production schemes linked to investment in these sectors are submitted to, and appraised by, the Bank. The EIB is also empowered to finance infrastructure projects of benefit to the economy in such sectors as transport and telecommunications. In providing loans, the EIB takes into account the economic and financial situation of the ACP country concerned as well as factors which can give assurance that the debt will be serviced. The Bank makes the granting of loans conditional upon the receipt of suitable forms of security and requires a guarantee from the country concerned or other first-class guarantees. Loans from the EIB's own resources generally attract interest rate subsidies for which an overall sum is set aside out of EDF grant funds (280 MECU under Lomé IV). The interest rate subsidy is 4%, but when necessary it is automatically adjusted so that the interest rate actually borne by the borrower will be neither less than 3% nor more than 6%.

Risk capital may be granted through the acquisition of holdings or by means of quasi-capital assistance. Holdings taken in the capital of enterprises or development banks in the ACP States are of a temporary and minority nature and are destined for transfer, at an appropriate time, to nationals or institutions of the ACP States. Quasi-capital assistance may be provided in the form of loans subordinated to the redemption of other bank claims or in the form of conditional loans whose repayment, maturity and interest payments depend on the attainment of the level of return or production expected from the project. This capital is a form of financial aid particularly well-suited to the difficult financial situation and economic conditions facing the majority of the ACP States. The total provided in Lomé IV for risk capital is 825 MECU.

## **9. Cofinancing**

### **A. Forms of cofinancing**

Lomé III and IV provide for two types of cofinancing, joint or parallel, preference being given to the solution that is best from a cost and efficiency viewpoint :

- joint financing : all financing resources are placed in a common fund and disbursements made according to the progress of the project and in proportion to the respective contributions;
- parallel financing : each financial contribution is assigned from the outset to a separate part of the project, which is treated independently of the others.

There is, however, a definite preference for joint financing, which avoids competition between different sources of financing and makes it possible to rationalise financial procedures and checks.

## **B. Cofinancing procedures**

Lomé IV lays down (Article 251) that "with the agreement of the parties concerned, necessary measures shall be taken to coordinate and harmonise operations of the Community and of the other cofinancing bodies in order to minimize the number of procedures to be implemented by the ACP States and to allow those procedures to be made more flexible". This point is crucial since, under Community rules, participation in invitations to tender, in other procedures for the award of contracts and in the contracts themselves, is normally confined to Member States and ACP States. Article 296 of Lomé IV provides, however, for participation by non-Community and non-ACP countries in contracts financed by the Community where the Community participates in the financing of regional or interregional schemes involving such third countries and in the joint financing of projects with other providers of funds.

### **10. Financing and Technical Cooperation - Implementation Procedures**

**Financing Agreement** : The legal instrument which determines the rights and obligations of the beneficiary ACP State(s) and the Community in respect of projects and programmes aided by the EDF. The agreement which is signed by the Government(s) concerned and the Commission covers financing provisions, rules relating to tendering and placement of contracts and contains a technical description of the aided project and of the manner in which aid is to be implemented.

Amounts provided for in financing agreements which remain unspent are recycled into the EDF allocations for the ACP States concerned.

**Loan Contract (abolished under Lomé IV)**: Where aid to projects consists of special loans, the financing agreement is completed by a loan contract with the borrower which sets out the conditions for execution and reimbursement of the loan and of interest obligations. Where the special loan is made to a body other than an ACP Government, it must be covered by a **guarantee agreement** with the Government.

**Tendering and Contracts** : The fundamental principle applied to competition for EDF contracts is that of equal opportunity for bidders in the Community and in the ACP States. Only in exceptional cases are third countries permitted to bid (e.g. where projects involve cofinancing with such countries). Normally, competition takes the form of open international tendering. Contracts are awarded by the authorities of the ACP country concerned with the approval of the Commission Delegate. In exceptional cases (e.g. where a bid although not the lowest, is considered by the national authorities to be economically the most advantageous) the Commission may decide to accept that bid.

Despite the general practice of international tendering, Lomé IV also provides for restricted tendering, contracts by direct agreement or performance of contracts through public works departments in the case of operations relating to emergency aid, and to actions of urgent or minor nature. In order to benefit ACP bidders for EDF financed contracts, an accelerated tendering procedure may be applied to works worth less than 5 MECU<sup>(8)</sup> and a preference of 10% on works contracts and of 15% on all supplies contracts is given to ACP firms.

**Payments Procedures** : The basic concern of the Commission in respect of EDF payments is that each beneficiary State should not have to prefinance EDF aid from its national budget.

With this in mind, payments are made directly to firms who supply goods and services; this is true both in respect of payments in ACP currencies authorised locally and for payments in European currencies authorised by the Commission.

In the case of supply contracts, 60% may be paid to the supplier, where he provides a bank guarantee, at the time of signature of the contract, a further 30% on provisional acceptance by the authorities of the ACP State and the last 10% on final acceptance.

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<sup>(8)</sup> Less than 4 MECU under Lomé III.

**Annex Table 1**      **Programmed aid - National indicative programmes - 6th EDF**

COUNTRY	ANNUAL FIGURES			CUMULAT. AS AT 31-12-93		
	Dec.	Commit.	Paym.	Dec.	Commit.	Paym.
ANGOLA	0.159	0.537	4.654	85.870	78.135	74.858
BENIN	(0.061)	5.913	4.363	89.409	85.908	78.132
BOTSWANA	0.024	1.870	1.408	30.293	21.178	16.521
BURKINA FASO	(0.367)	21.158	23.738	105.970	96.964	68.450
BURUNDI	(0.057)	6.960	10.107	107.817	94.570	83.324
CAMEROON	(0.167)	4.701	15.646	100.832	92.215	80.555
CAP VERT	(0.016)	2.021	2.468	24.484	22.335	17.106
CENTRAL AFR. REP.	(0.127)	4.886	6.516	68.777	65.830	58.633
COMORES	(0.025)	1.708	1.755	20.416	19.301	17.412
CONGO	0.228	3.282	6.185	48.000	27.699	19.067
COTE D'IVOIRE	2.000	3.732	1.665	82.027	78.268	72.040
DJIBOUTI		0.722	3.056	15.978	15.870	12.677
ETHIOPIA	0.060	8.983	12.335	209.610	147.735	123.915
GABON	0.149	0.093	0.497	25.870	19.250	16.665
GAMBIA	0.020	0.711	0.613	20.998	19.303	17.345
GHANA	0.276	3.417	5.777	78.321	50.445	41.803
GUINEA	1.487	10.138	15.592	113.754	111.133	95.827
GUINEA BISSAU	0.063	3.990	2.346	37.486	26.084	19.907
GUINEA EQUAT.		0.098	0.659	11.952	6.140	5.645
KENYA	(3.888)	5.811	6.861	131.100	101.200	86.776
LESOTHO		1.059	1.621	41.464	39.774	35.165
LIBERIA	(0.572)	(0.233)	0.124	31.332	11.128	7.619
MADAGASCAR	2.901	6.915	6.216	99.857	74.037	64.816
MALAWI	(2.041)	1.497	2.276	103.200	95.272	91.929
MOZAMBIQUE	(0.367)	3.698	9.938	153.939	126.970	115.921
MALI	(0.056)	16.435	21.614	136.917	118.077	101.319
MAURITIUS	0.139	3.393	9.208	27.474	24.283	18.887
MAURITANIA	2.345	5.327	7.025	61.479	54.606	38.649
NIGER	(0.083)	1.624	9.432	121.863	102.097	91.198
NIGERIA	(0.083)	23.313	29.431	213.344	163.531	117.797



COUNTRY	ANNUAL FIGURES			CUMULAT. AS AT 31-12-93		
	Dec.	Commit.	Paym.	Dec.	Commit.	Paym.
UGANDA	0.017	2.162	13.190	132.955	127.230	118.846
RWANDA		(0.865)	10.812	110.000	103.247	70.808
SAO TOME			0.227	6.000	5.935	5.433
SENEGAL		4.392	13.991	108.500	106.228	91.550
SEYCHELLES	(0.015)	0.268	1.174	6.161	5.964	5.352
SIERRA LEONE	8.925	3.221	8.123	64.906	50.490	37.430
SOMALIA	29.171	35.218	23.016	80.708	78.912	61.437
SUDAN	(0.614)	2.363	4.846	94.928	67.806	62.532
SWAZILAND	(0.143)	(0.031)	1.386	25.314	22.813	21.294
TANZANIA	0.196	10.255	18.063	176.357	157.841	142.333
CHAD		1.964	4.268	88.999	66.707	57.683
TOGO		0.186	0.465	60.922	49.461	43.584
ZAIRE	(0.100)	(0.807)	(0.434)	162.196	112.063	81.428
ZAMBIA	(0.157)	1.125	10.286	91.816	82.512	73.393
ZIMBABWE		4.036	4.985	76.961	59.427	45.987
<b>AFRICA</b>	39.221	217.246	337.524	3,686.556	3,085.974	2,609.048
ANTIGUA	0.014	2.770	0.114	3.909	3.508	0.703
BAHAMAS	0.370	0.006	0.700	3.995	3.354	2.687
BARBADOS		0.379	0.421	3.967	2.397	1.813
BELIZE		0.188	0.337	7.950	7.354	6.710
DOMINICA			0.076	6.000	5.963	5.713
GRENADE	0.005	0.369	0.120	5.496	5.471	5.137
GUYANA	0.085	0.388	0.870	21.215	21.008	20.193
JAMAICA	3.439	0.195	5.755	40.162	33.837	28.691
KITS & NEVIS			0.030	2.760	2.624	2.539
ST. VINCENT		0.010	0.777	6.985	6.838	6.566
ST. LUCIE	0.105	0.843	0.862	5.985	5.220	4.353
SURINAM	4.538	1.371	1.629	19.578	13.138	11.470
TRINITY & TOBAGO	(0.888)	(0.930)	(2.444)	12.817	5.722	4.011
<b>CARIBBEAN</b>	7.668	5.589	9.247	140.819	116.434	100.586

COUNTRY	ANNUAL FIGURES			CUMULAT. AS AT 31-12-93		
	Dec.	Commit.	Paym.	Dec.	Commit.	Paym.
FIJI	0.495	0.992	2.213	17.808	11.974	8.140
KIRIBATI		0.260	1.587	6.500	6.390	5.006
PAPUA NEW GUINEA	(0.011)	0.747	0.757	34.364	31.177	28.581
SOLOMON		1.639	0.973	16.692	13.068	10.333
SAMOA			2.548	8.995	8.969	7.707
TONGA	(0.024)	0.937	0.610	6.474	2.600	1.390
TUVALU	(0.029)	0.088	0.049	1.904	0.446	0.331
VANUATU		0.781	1.125	6.698	6.233	4.964
<b>PACIFIC</b>	0.431	5.444	9.862	99.435	80.857	66.452
<b>NATIONAL TOTAL</b>	47.320	228.279	356.633	3,926.810	3,283.265	2,776.086
<b>REGIONAL</b>	12.090	80.471	82.590	836.154	707.785	538.285
<b>GENERAL TOTAL</b>	59.410	308.750	439.223	4,762.964	3,991.050	3,314.371

**Annex Table 2**      **Programmed aid - National indicative programmes - 7th EDF**

COUNTRY	ANNUAL FIGURES			CUMULAT. AS AT 31-12-93		
	Dec.	Commit.	Paym.	Dec.	Commit.	Paym.
ANGOLA	16.333	1.196	3.409	25.438	6.146	5.725
BENIN	43.109	1.420	4.489	60.372	5.755	4.501
BOTSWANA	7.154	3.311	0.567	13.874	4.173	0.688
BURKINA FASO	33.354	2.914	15.024	75.535	25.641	21.864
BURUNDI	7.030	17.269	6.827	45.435	19.729	7.468
CAMEROON	33.745	0.813	5.254	49.173	12.078	5.254
CAP VERT	7.167	0.159	0.132	8.287	0.479	0.132
CENTRAL AFR. REP.	15.518	0.833	0.481	16.258	0.833	0.481
COMORES	4.660	1.389	0.044	7.577	1.437	0.091
CONGO	10.230	0.080	0.025	19.730	0.080	0.025
COTE D'IVOIRE	44.069	6.115	0.696	55.876	6.720	0.940
DJIBOUTI	1.564	2.725	0.464	12.730	2.925	0.464
ETHIOPIA	5.715	18.772	17.179	52.895	33.832	17.211
GABON	11.285	0.320	0.012	11.846	0.320	0.012
GAMBIA	0.960	2.495	3.833	18.260	11.806	6.847
GHANA	4.967	2.787	1.237	19.459	14.120	11.295
GUINEA	36.866	31.134	1.865	102.406	31.447	1.946
GUINEA BISSAU	2.509	2.545	1.082	9.072	3.143	1.351
GUINEA EQUAT.			0.180	5.508	0.439	0.213
KENYA	13.375	11.641	1.314	25.763	11.641	1.314
LESOTHO		0.870	2.069	35.018	15.638	7.040
LIBERIA						
MADAGASCAR	1.119		0.032	1.183	0.063	0.062
MALAWI	11.361	3.687	1.120	15.761	3.687	1.120
MOZAMBIQUE	33.433	6.601	1.740	99.742	7.190	1.740
MALI	32.229	11.679	8.569	67.379	31.814	25.734
MAURITIUS	7.021	6.073	0.221	15.681	6.073	0.221
MAURITANIA	14.836	20.082	6.712	35.511	20.577	6.720

COUNTRY	ANNUAL FIGURES			CUMULAT. AS AT 31-12-93		
	Dec.	Commit.	Paym.	Dec.	Commit.	Paym.
NAMIBIA	17.691	4.525	1.339	22.396	6.232	1.410
NIGER	35.840	29.866	19.587	62.103	44.505	26.140
NIGERIA	11.095	16.142	10.116	117.049	45.542	19.089
UGANDA	46.762	22.138	6.334	104.530	36.950	20.862
RWANDA	16.782	4.013	0.422	23.920	4.984	0.507
SAO TOME	1.790	1.676	0.523	5.690	1.676	0.523
SENEGAL	27.842	17.077	4.704	91.197	14.501	4.709
SEYCHELLES	1.250	0.358	0.506	2.675	0.940	0.757
SIERRA LEONE	17.235	11.715	1.721	39.830	8.765	1.721
SOMALIA						
SUDAN						
SWAZILAND	6.100	1.835	2.286	21.630	11.320	4.275
TANZANIA	26.203	16.039	2.154	83.780	16.582	2.352
CHAD	16.403	3.493	1.131	63.423	4.186	1.283
TOGO	(1.200)	7.152	1.064	23.455	7.249	1.118
ZAIRE						
ZAMBIA	21.836	11.455	8.030	69.947	28.773	20.060
ZIMBABWE	8.079	23.093	6.308	38.455	23.168	6.308
<b>AFRICA</b>	<b>653.317</b>	<b>327.487</b>	<b>150.802</b>	<b>1,675.849</b>	<b>533.159</b>	<b>241.573</b>

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COUNTRY	ANNUAL FIGURES			CUMULAT. AS AT 31-12-93		
	Dec.	Commit.	Paym.	Dec.	Commit.	Paym.
ANTIGUA	0.004	0.130	0.122	0.366	0.356	0.212
BAHAMAS	3.500			3.500		
BARBADOS	3.062	1.692	0.200	3.360	1.886	0.219
BELIZE	0.117	4.257	1.964	8.717	8.657	4.084
DOMINICAN REP.	16.376	1.192	1.154	49.832	10.143	9.525
DOMINICA	0.165	0.112		0.165	0.112	
GRENADE		1.724	0.760	4.500	1.981	0.760
GUYANA	21.013	(4.038)	0.007	25.513	0.263	0.007
JAMAICA	18.330	3.830	0.669	39.498	4.055	0.799
KITS & NEVIS	0.040			0.060	0.014	0.012
ST. VINCENT	3.235			3.251	0.016	0.009
ST. LUCIE	1.000	0.579		1.000	0.579	
SURINAM						
TRINITY & TOBAGO	11.841	1.824	0.056	11.841	1.824	0.056
<b>CARIBBEAN</b>	<b>78.683</b>	<b>11.302</b>	<b>4.932</b>	<b>151.603</b>	<b>29.886</b>	<b>15.683</b>
FIJI	1.263	0.077	0.038	1.263	0.078	0.038
KIRIBATI	0.484	0.727	0.267	0.898	0.787	0.267
PAPUA NEW GUINEA	21.311	0.482	0.410	29.160	7.743	4.560
SOLOMON	1.430	0.744	0.355	3.764	0.967	0.365
SAMOA	1.328	0.060	0.068	1.388	0.120	0.068
TONGA	0.020	0.020	0.008	0.020	0.020	0.008
TUVALU	0.024	0.051	0.046	1.002	0.099	0.045
VANUATU	0.146	0.315	0.179	0.506	0.314	0.179
<b>PACIFIC</b>	<b>26.006</b>	<b>2.476</b>	<b>1.371</b>	<b>38.001</b>	<b>10.128</b>	<b>5.530</b>
<b>NATIONAL TOTAL</b>	<b>758.006</b>	<b>341.265</b>	<b>157.105</b>	<b>1,865.453</b>	<b>573.173</b>	<b>262.786</b>
<b>REGIONAL</b>	<b>177.880</b>	<b>79.978</b>	<b>35.527</b>	<b>389.241</b>	<b>141.447</b>	<b>73.689</b>
<b>GENERAL TOTAL</b>	<b>935.886</b>	<b>421.243</b>	<b>192.632</b>	<b>2,254.694</b>	<b>714.620</b>	<b>336.475</b>

**Annex Table 3 Non programmed aid 6th EDF**

COUNTRY	Annual Figures as at 31-12-93 : Payments						
	Interest Rebates	Emergency Aid	Aid to Refugees	Risk Capital	Stabex	Sysmin	TOTAL
ANGOLA							0.000
BENIN				5.511			5.511
BOTSWANA				1.000		12.077	13.077
BURKINA FASO				1.452			1.452
BURUNDI			0.069	1.240			1.309
CAMEROON							0.000
CAP VERT							0.000
CENTR.AFR.REP				1.300			1.300
COMORES							0.000
CONGO							0.000
COTE D'IVOIRE	0.312						0.312
DJIBOUTI			0.04				0.040
ETHIOPIA		1.211		0.343			1.554
GABON							0.000
GAMBIA							0.000
GHANA	0.382			1.756			2.138
GUINEA		0.083	0.018	3.598		5.360	9.059
GUINEA BISSAU							0.000
GUINEA EQUAT.							0.000
KENYA	1.14	0.232					1.372
LESOTHO				0.355	1.224		1.579
LIBERIA		1.509	0.492				2.001
MADAGASCAR				5.993			5.993
MALAWI	0.007	0.009	0.432	1.855			2.303
MALI							0.000
MAURITIUS	-0.243						(0.243)
MAURITANIA			0.183			0.020	0.203
MOZAMBIQUE		1.11	0.896	2.172			4.178
NIGER			0.092	8.232		2.042	10.366
NIGERIA	3.613						3.613
UGANDA		0.136		7.190			7.326

COUNTRY	Annual Figures as at 31-12-93 : Payments						
	Interest Rebates	Emergency Aid	Aid to Refugees	Risk Capital	Staber	Sysmin	TOTAL
RWANDA			0.088	2.920			3.008
SAO TOME				0.210			0.210
SENEGAL		-0.026	0.672			1.958	2.604
SEYCHELLES	0.016			0.657			0.673
SIERRA LEONE							0.000
SOMALIA		1.351	1.154				2.505
SUDAN		3.029	0.867				3.896
SWAZILAND			0.097				0.097
TANZANIA				3.797			3.797
CHAD			0.009	0.227			0.236
TOGO				1.935			1.935
ZAIRE		0.064	0.357				0.421
ZAMBIA							0.000
ZIMBABWE	1.479		0.328	0.306			2.113
<b>AFRICA</b>	<b>6.706</b>	<b>8.708</b>	<b>5.794</b>	<b>52.049</b>	<b>1.224</b>	<b>21.457</b>	<b>95.938</b>
ANTIGUA							0.000
BAHAMAS							0.000
BARBADOS	0.594			0.120			0.714
BELIZE			0.022				0.022
DOMINICA				0.475			0.475
GRENADE							0.000
GUYANA							0.000
JAMAICA	0.045			0.671			0.716
KITS & NEVIS							0.000
ST. VINCENT				0.280			0.280
ST. LUCIE							0.000
SURINAM							0.000
TRINITY & TOBAGO	0.776			0.860			1.636
<b>CARIBBEAN</b>	<b>1.415</b>	<b>0</b>	<b>0.022</b>	<b>2.406</b>	<b>0.000</b>	<b>0.000</b>	<b>3.843</b>

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COUNTRY	Annual Figures as at 31-12-93 : Payments						
	Interest Rebates	Emergency Aid	Aid to Refugees	Risk Capital	Stabex	Sysmin	TOTAL
FIJI	0.468						0.468
KIRIBATI							0.000
PAPUA NEW GUINEA	0.381						0.381
SOLOMON				0.375			0.375
SAMOA				1.197			1.197
TONGA	0.111				0.567		0.678
TUVALU				0.100			0.100
VANUATU							0.000
							0.000
<b>PACIFIC</b>	0.960	0	0	1.672	0.567	0.000	3.199
							0.000
							0.000
<b>NATIONAL TOTAL</b>	9.081	8.708	5.816	56.127	1.791	21.457	102.980
							0.000
<b>REGIONAL</b>	0.074			5.022			5.096
							0.000
<b>GENERAL TOTAL</b>	9.155	8.708	5.816	61.149	1.791	21.457	108.076
<b>AVERAGE 1</b>	12.01	4.93	0.00	14.56	0.12	35.03	
	76.222	176.793	91.190	419.954	1447.123	61.261	

Note : Average 1 = % of cumulative results



**Annex Table 4 Non programmed aid 7th EDF**

COUNTRY	cumulative as at 31/12/93 : decisions						
	Interest Rebates	Emergency Aid	Aid to Refugees	Risk Capital	Stabex	Sysmin	TOTAL
ANGOLA		15.500	8.020	3.075			26.595
BENIN		1.000			0.611		1.611
BOTSWANA	2.415		0.233				2.648
BURKINA FASO		0.500		5.200	2.139	1.032	8.871
BURUNDI		4.000			24.531		28.531
CAMEROON	0.315			12.500	136.590		149.405
CAP VERT				5.400	0.116		5.516
CENTR.AFR.REP.		0.200	0.232		9.275		9.707
COMORES				2.000	2.525		4.525
CONGO							0.000
COTE D'IVOIRE	1.115			1.000	162.924		165.039
DJIBOUTI		0.515	0.340				0.855
ETHIOPIA		4.950	3.515				8.465
GABON				6.000	113.984		119.984
GAMBIA				4.300	0.354		4.654
GHANA	5.330	0.500			23.319		29.149
GUINEA	3.925	1.000	1.280	8.000			14.205
GUINEA BISSAU		0.300		8.000	0.368		8.668
GUINEA EQUAT.					3.520		3.520
KENYA	4.380	9.550		2.000	46.284		62.214
LESOTHO				15.000	0.937		15.937
LIBERIA		9.990	2.449				12.439
MADAGASCAR				6.500	38.140		44.640
MALAWI		1.400	10.949	14.800	4.215		31.364
MALI		0.200	0.735	10.000	0.942		11.877
MAURITIUS	0.430			3.100			3.530
MAURITANIA	3.670	1.000		10.000	13.671	0.040	28.381
MOZAMBIQUE		5.000	18.521	6.350	1.269		31.140
NAMIBIA		0.180		2.500		40.000	42.680
NIGER			0.095				0.095
NIGERIA	40.325			2.500			42.825

COUNTRY	cumulative as at 31/12/93 : decisions						
	Interest Rebates	Emergency Aid	Aid to Refugees	Risk Capital	Staber	Sysmin	TOTAL
UGANDA		1.000		5.440	71.195		77.635
RWANDA		11.700	0.749		26.704		39.153
SAO TOME					2.058		2.058
SENEGAL	2.585	1.000	0.678	15.000			19.263
SEYCHELLES							0.000
SIERRA LEONE		1.850	0.819	15.500	3.445		21.614
SOMALIA							0.000
SUDAN		19.300			63.854		83.154
SWAZILAND				3.500			3.500
TANZANIA		2.000		19.250	31.707		52.957
CHAD							0.000
TOGO		0.500			12.979		13.479
ZAIRE		8.500					8.500
ZAMBIA				10.000		60.000	70.000
ZIMBABWE	19.281	0.712	1.241				21.234
AFRICA	83.771	102.347	49.855	196.915	797.656	101.072	1,331.616
ANTIGUA							
BAHAMAS							
BARBADOS							
BELIZE							
DOMINICAN REP				3.000		23.010	26.010
DOMINICA				2.500	0.832		3.332
GRENADA				1.500	3.816		5.316
GUYANA				5.000			5.000
HAITI		3.300			17.020		20.320
JAMAICA	6.795			3.000			9.795
KITS & NEVIS							0.000
ST. VINCENT							0.000
ST. LUCIE							0.000
SURINAM			0.500				0.500
TRINITY & TOBAGO	10.070						10.070
CARIBBEAN	16.865	3.300	0.500	15.000	21.668	23.010	80.343

COUNTRY	cumulative as at 31/12/93 : decisions						
	Interest Rebates	Emergency Aid	Aid to Refugees	Risk Capital	Stabex	Sysmin	TOTAL
FIJI	1.265	1.000					2.265
KIRIBATI					0.589		0.589
PAPUA NEW GUINEA				2.000	42.174		44.174
SOLOMON					6.111		6.111
SAMOA		0.300			1.717		2.017
TONGA					4.448		4.448
TUVALU					0.026		0.026
VANUATU					2.057		2.057
<b>PACIFIC</b>	1.265	1.300	0.000	2.000	57.122	0.000	61.687
<b>NATIONAL TOTAL</b>	101.901	106.947	50.355	213.915	876.447	124.082	1,473.646
<b>REGIONAL</b>	2.330	20.300		18.000			40.630
<b>GENERAL TOTAL</b>	104.231	127.247	50.355	231.915	876.447	124.082	1,514.276

**Annex Table 5 Lomé IV - Financing in ACP States and OCT - Breakdown by country (MECU)**

	Total Lomé IV	Total			Own ressources				Resources budgétaires			
		1991	1992	1993	Total	1991	1992	1993	Total	1991	1992	1993
<b>AFRICA</b>	597,6	218,1	224,9	154,6	380,9	158,5	121,0	101,4	216,7	59,6	103,9	53,2
<i>West</i>	330,5	130,3	144,9	55,3	238,5	105,0	93,5	40,0	92,0	25,3	51,4	15,3
Nigeria	132,5	55,0	75,0	2,5	130,0	55,0	75,0		2,5			2,5
Côte d'Ivoire	6,5		6,5		5,5		5,5		1,0		1,0	
Ghana	60,0	20,0	0,0	40,0	60,0	20,0		40,0				
Senegal	13,6		13,0	0,6	13,0		13,0		0,6			0,6
Mauritania	25,0	25,0			15,0	15,0			10,0	10,0		
Guinea	43,0	23,0	20,0		15,0	15,0			28,0	8,0	20,0	
Burkina Faso	5,2	3,0		2,2					5,2	3,0		2,2
Sierra Leone	8,0		8,0						8,0		8,0	
Mali	10,0		10,0						10,0		10,0	
Cap Vert	10,4		5,4	5,0					10,4		5,4	5,0
Gambia	4,3	4,3							4,3	4,3		
Guinea-Bissau	12,0		7,0	5,0					12,0		7,0	5,0
<i>Central-equatorial</i>	8,5	8,5			1,5	1,5			7,0	7,0		
Cameroon	1,5	1,5			1,5	1,5						
Zaire	7,0	7,0							7,0	7,0		
<i>East</i>	57,3	28,0	23,2	6,1	20,0	20,0			37,3	8,0	23,2	6,1
Kenya	25,3	20,0	2,0	3,3	20,0	20,0			5,3		2,0	3,3
Tanzania	20,6	8,0	11,2	1,3					20,6	8,0	11,2	1,3
Ethiopia	6,0		6,0						6,0		6,0	
Uganda	5,4		4,0	1,4					5,4		4,0	1,4
<i>Southern</i>	187,3	37,3	56,7	93,3	106,9	18,0	27,5	61,4	80,4	19,3	29,2	31,9
Zimbabwe	85,1	18,0	23,1	44,0	78,0	18,0	23,0	37,0	7,1		0,1	7,0
Zambia	10,0		10,0						10,0		10,0	
Botswana	16,9		2,5	14,4	16,9		2,5	14,4				
Malawi	29,8	14,8		15,0					29,8	14,8		15,0

	Total Lomé IV	Total			Own ressources				Ressources budgétaires			
		1991	1992	1993	Total	1991	1992	1993	Total	1991	1992	1993
Madagascar	6,5		6,5						6,5		6,5	
Mauritius	17,1	2,5	2,6	12,0	12,0		2,0	10,0	5,1	2,5	0,6	2,0
Swaziland	8,0		3,5	4,5					8,0		3,5	4,5
Mozambique	6,4		3,0	3,4					6,4		3,0	3,4
Angola	3,1		3,1						3,1		3,1	
Comores	2,0	2,0							2,0	2,0		
Namibia	2,5		2,5						2,5		2,5	
Multiregional projects	14,0	14,0			14,0	14,0						
<b>CARIBBEAN</b>	92,0	51,5	5,5	35,0	74,0	50,0		24,0	18,0	1,5	5,5	11,0
Trinidad and Tobago	38,0	38,0			38,0	38,0						
Jamaica	29,0	12,0	0,0	17,0	26,0	12,0		14,0	3,0			3,0
Barbados	10,0			10,0	10,0			10,0				
Guyana	5,0			5,0					5,0			5,0
Grenade	1,5	1,5							1,5	1,5		
Regional	3,0			3,0					3,0			3,0
Dominica	2,5		2,5						2,5		2,5	
Dominican Republic	3,0		3,0						3,0		3,0	
<b>PACIFIC</b>	23,0	7,0		16,0	18,0	5,0		13,0	5,0	2,0		3,0
Papua New Guinea	14,0	2,0		12,0	12,0			12,0	2,0	2,0		
Fiji	5,0	5,0			5,0	5,0						
Tonga	2,0			2,0	1,0			1,0	1,0			1,0
Solomon	2,0			2,0					2,0			2,0
<b>Total ACP States</b>	712,6	276,6	230,4	205,6	472,9	213,5	121,0	138,4	239,7	63,1	109,4	67,2

**Annex Table 6 Lomé III - Total decisions, commitments and disbursements classified by major sectors and subsectors**

Sector/Subsector	DECISIONS		COMMITMENTS		PAYMENTS	
<b>Trade Promotion</b>	<b>118.409</b>		<b>94.136</b>		<b>70.274</b>	
General		38.644		32.745		23.783
Exhibitions& Expositions		21.731		20.238		16.816
Devel. trade and services		21.133		15.139		12.539
Tourism		36.901		26.014		17.136
<b>Education and training</b>	<b>239.088</b>		<b>190.582</b>		<b>142.630</b>	
General		83.407		72.527		57.050
Infrastructure		67.090		44.475		31.505
Training		88.591		73.580		54.076
<b>Water engineering, Urban infrastructure &amp; Housing</b>	<b>172.193</b>		<b>150.658</b>		<b>124.925</b>	
Water Engineering		41.380		34.852		28.197
Water Supplies		74.031		69.707		61.286
Urban Sanitation		33.574		27.433		20.644
Urban improvement		23.208		18.666		14.798
<b>Health</b>	<b>140.524</b>		<b>99.817</b>		<b>84.164</b>	
General		140.524		99.817		84.164
<b>Transport, commun.</b>	<b>1,234.611</b>		<b>1,035.779</b>		<b>834.888</b>	
General		31.283		23.015		22.106
Roads and Bridges		859.894		723.195		589.391
Railways		86.921		69.905		65.076
Ports and Rivers		74.905		55.465		44.601
Airports		74.162		72.774		47.159
Telecommunications		102.311		91.143		66.463
Meteo-Tele-detection		5.135		0.281		0.092

Sector/Subsector	DECISIONS		COMMITMENTS		PAYMENTS	
<b>Trade Promotion</b>	<b>118.409</b>		<b>94.136</b>		<b>70.274</b>	
<b>Rural Production</b>	<b>2,034.945</b>		<b>1,648.762</b>		<b>1,297.706</b>	
General		348.166		261.369		209.687
Plantations		87.274		66.730		56.750
Farm Drainage		173.650		128.421		100.758
Agriculture		238.670		198.704		166.811
Cooperatives		23.688		22.051		16.766
Livestock rearing		69.081		46.821		32.715
Fisheries		55.066		46.105		32.263
Forests		106.164		84.927		63.663
Integrated programmes		896.543		757.784		587.122
Others		36.643		35.851		31.170
<b>Industry</b>	<b>747.547</b>		<b>685.270</b>		<b>545.622</b>	
General		188.742		185.128		151.158
Extractive		184.605		134.085		116.887
Metals		16.957		16.957		13.699
Chemicals		12.521		12.514		12.514
Manufacturing		52.147		49.102		41.262
Agro Industry		74.699		72.799		50.106
Energy Projects		145.060		142.470		107.964
Mining and Energy potential		72.817		72.214		52.031
<b>Thematic actions</b>	<b>828.160</b>		<b>778.442</b>		<b>734.495</b>	
<b>Exceptional aid, Stabex</b>	<b>1,765.232</b>		<b>1,759.954</b>		<b>1,724.778</b>	
<b>Other</b>	<b>99.550</b>		<b>84.200</b>		<b>69.091</b>	
<b>TOTAL</b>	<b>7,380.260</b>		<b>6,527.600</b>		<b>5,628.574</b>	

**Annex Table 7 Lomé IV - Total decisions, commitments and disbursements classified by major sectors and subsectors**

Sector/Subsector	DECISIONS		COMMITMENTS		PAYMENTS	
<b>Trade Promotion</b>	<b>137.331</b>		<b>70.496</b>		<b>23.820</b>	
General		37.131		20.047		7.895
Exhibitions and Expositions		16.970		15.287		10.205
Develop. Trade and Services		64.777		32.728		4.562
Tourism		18.453		2.434		1.158
<b>Education and Training</b>	<b>185.303</b>		<b>37.540</b>		<b>9.711</b>	
General		131.331		25.560		7.481
Infrastructure		32.126		6.887		0.169
Training		21.846		5.093		2.061
<b>Water Engineering, Urban infrastructure &amp; Housing</b>	<b>222.417</b>		<b>58.237</b>		<b>7.451</b>	
Water engineering		49.763		10.645		1.263
Water supplies		71.708		31.999		5.575
Urban sanitation		36.685		2.600		0.613
Urban improvement		64.261		12.993		
<b>Health</b>	<b>204.944</b>		<b>40.535</b>		<b>12.194</b>	
General		204.944		40.535		12.194
<b>Transport, commun.</b>	<b>627.589</b>		<b>213.068</b>		<b>63.031</b>	
General		18.525		1.891		0.322
Roads and Bridges		492.491		171.981		52.206
Railways		36.107		4.346		1.247
Ports and Rivers		21.043		11.566		0.268
Airports		5.008		3.102		0.191
Telecommunications		54.263		20.032		8.797
Meteo-Tele-detection		0.152		0.150		



<b>Rural Production</b>	<b>617.422</b>		<b>211.551</b>		<b>58.571</b>	
General		93.129		27.683		2.267
Plantations		41.344		24.878		9.438
Farm Drainage		15.630		2.399		0.214
Agriculture		101.321		49.453		24.801
Cooperatives		7.303		1.154		0.023
Livestock rearing		55.077		17.599		2.187
Fisheries		39.562		14.674		4.661
Forests		19.196		3.386		0.683
Integrated programmes		234.803		65.531		12.22
Other		10.057		4.794		2.077
<b>Industry</b>	<b>454.612</b>		<b>253.902</b>		<b>106.082</b>	
General		126.067		76.065		36.467
Extractive		124.945		45.178		25.847
Metals		3.949		3.949		0.764
Chemicals		0.022		0.022		
Manufacturing		33.427		26.161		15.872
Agro Industry		7.616		6.985		2.443
Energy Projects		129.358		89.823		20.592
Mining & Energy potential		29.228		5.719		4.097
<b>Thematic actions</b>	<b>976.150</b>		<b>760.674</b>		<b>540.767</b>	
<b>Exceptional aid, Stabex</b>	<b>1,087.157</b>		<b>926.421</b>		<b>857.168</b>	
<b>Other</b>	<b>250.503</b>		<b>162.853</b>		<b>105.437</b>	
<b>TOTAL</b>	<b>4,763.428</b>		<b>2,735.277</b>		<b>1,784.232</b>	

**Annex Table 8 Lomé III - Projects costing more than 10 MECU**

Countries/Project	Approved	Committed	Paid	Date of approval
<b>ANGOLA</b>				
-BOAVIDA HOSPITAL	22.43	22.28	21.76	88.11
-DANITATION OPER LUANDA	13.00	8.58	7.42	90.10
total projects > 10 MECU	35.43	30.86	29.18	
<b>BENIN</b>				
-REHAB. ROUTIERES	24.30	23.50	23.27	87.10
-DEV. RURAL PROV .MONO	16.50	15.89	9.66	88.10
total projects > 10 MECU	40.80	39.39	32.93	
<b>BURKINA FASO</b>	106.34	75.81	44.71	
-PROG INT SOURUO	44.00	42.57	33.97	88.02
-DEV RUR PROV SISSILLI	31.50	30.51	15.10	89.05
-RENF ROUTE YAKO OUAHIGOU.	15.50	11.29	9.96	90.03
total projects > 10 MECU	91.00	84.37	59.03	
<b>BURUNDI</b>				
-DEV SOCEC CANKUZO	34.82	29.40	26.00	87.12
-DEV SOCEC MUGAMBA	32.00	24.65	17.25	89.05
total projects > 10 MECU	66.82	54.05	43.25	
<b>CAMEROON</b>				
-DEV. RURAL BASSIN BENOUE	25.00	24.94	23.81	87.12
-CONSTR ROUTE YANOUE AYOS	42.70	42.70	37.84	88.10
-POL DEV. RURAL SAA NTUI	10.30	6.39	1.85	91.03
total projects > 10 MECU	78.00	74.03	63.50	
<b>CAP VERT</b>				
-AMENAG. VILLE DE PRAIA	19.80	17.77	12.55	88.04
total projects > 10 MECU	19.80	17.77	12.55	
<b>CENTRAL AFRICAN REPUBLIC</b>				
-PNDE PROJ NAT DEV ELEV	10.00	9.92	8.20	87.07
-PROG. DEVEL. REGION NORD	28.00	27.77	25.80	87.07
-DEVEL. REGION. CENTRE SUD	20.30	19.91	16.72	88.06
total projects > 10 MECU	58.30	57.60	50.72	

Countries/Project	Approved	Committed	Paid	Date of approval
<b>CONGO</b>				
-FEDAR POOL&CUV. ACT REG	40.82	26.23	17.91	88.06
total projects > 10 MECU	40.82	26.23	17.91	
<b>COTE D ' IVOIRE</b>				
-PALM PLANT. VILLAGE	20.85	20.17	19.26	87.01
-DEV. ELEVAGE BOVIN+OVIN	11.00	8.85	4.76	89.05
total projects > 10 MECU	31.85	29.02	24.02	
<b>ETHIOPIA</b>				
NORTH SHEWA DEV. RURAL	24.00	15.96	12.21	87.09
-SOUTH SHEWA DEV RURAL	26.20	12.78	9.98	88.06
PADEP CENTRAL SEHA	53.40	42.25	36.27	88.06
PESANT SECTOR COFFEE PROD.	38.10	20.57	15.20	88.12
total projects > 10 MECU	141.70	91.56	73.66	
<b>GHANA</b>				
-TRANSPORT INFRA PROG	21.00	2.87	2.35	87.04
-PROTS REHAB PROJ. PHAS 2	20.00	12.10	6.07	91.05
total projects > 10 MECU	41.00	14.97	8.42	
<b>GUINEA</b>				
-DEV. RURAL MARITIME	40.00	39.35	36.58	87.07
-DEV. RURAL HAUTE GUINEA	30.00	29.81	25.78	87.07
total projects > 10 MECU	70.00	69.16	62.36	
<b>GUINEA BISSAU</b>				
DEV.RURAL PROV. EST	23.80	16.49	10.41	87.12
total projects > 10 MECU	23.80	16.49	10.41	
<b>GUYANA</b>				
-INFRA REHAB. IRP	17.25	17.03	16.60	88.05
total projects > 10 MECU	17.25	17.03	16.60	
<b>KENYA</b>				
-AGR. LIVEST RES. PROG	16.00	13.00	8.83	87.07
-NORTH CORR. TRANSP. PROG	14.50	14.50	14.50	87.07
-CEREALS SECTOR REFORM	30.00	5.75	3.72	88.04
total projects > 10 MECU	60.50	33.25	27.05	

Countries/Project	Approved	Committed	Paid	Date of approval
<b>LIBERIA</b>				
-SEDP SOUTH EAST DEVEL PROG	27.00	8.17	5.66	87.10
total projects > 10 MECU	27.00	8.17	5.66	
<b>MADAGASCAR</b>				
-REHABIL. ROUTE RN4	10.00	10.00	9.95	87.09
total projects > 10 MECU	10.00	10.00	9.95	
<b>MALAWI</b>				
-BLANTYRE LINRANGWE M1	16.46	16.46	16.46	86.07
total projects > 10 MECU	16.46	16.46	16.46	
<b>MALI</b>				
-PROG. SOUT STRATEG ALIM	17.00	15.51	14.04	87.11
-PROG SECU ALIM REGION	21.40	18.96	16.88	88.03
-REHAB. AMEN. HYDRO. AGRIC.	57.70	42.88	29.89	89.07
total projects > 10 MECU	96.10	77.35	60.81	
<b>MAURITANIA</b>				
-PROG. ENTRETIEN ROUTIER	15.87	15.55	15.26	87.09
-APPUI DEV. REGION GORGOL	35.00	31.03	15.40	88.01
total projects > 10 MECU	50.87	46.58	30.66	
<b>MOZAMBIQUE</b>				
-REHAB. NACALA RAILWAY	25.00	23.58	21.98	87.01
-REHAB. PORT OF BEIRA	10.30	10.29	10.25	87.07
-AMELIOR. SERVICE TELECOM.	13.00	3.60	1.49	91.10
total projects > 10 MECU	48.30	37.47	33.72	
<b>NIGER</b>				
-ENTRETIEN RN1	15.00	14.96	14.59	87.04
-PROG. PETITE IRRIGATION	21.56	21.18	20.17	87.04
-GD IRRIG .VAL. FLEUVE NIGER	63.60	44.65	36.34	88.06
total projects > 10 MECU	100.16	80.79	71.10	

Countries/Project	Approved	Committed	Paid	Date of approval
<b>NIGERIA</b>				
-OIL PALM BLET RUR DEV.	68.84	54.40	39.71	88.06
-N-EASTARID ZONE DEV. PROG.	35.00	32.96	29.54	88.07
-SOKOTO DESERT	30.60	18.99	12.89	88.11
-MIDDLE BELT PROG.	33.00	17.17	10.36	89.11
PROJET BOURSES	10.10	9.15	6.21	
total projects > 10 MECU	177.54	132.67	98.71	
<b>UGANDA</b>				
-NRTHERN CORRIDOR ROADS	19.50	19.50	19.07	87.10
-KAMPALA INFRASTR PROG.	19.50	18.17	17.40	89.11
-FARMING SYST. SUPP. PROG.	13.00	12.95	7.35	90.01
total projects > 10 MECU	52.00	50.62	43.82	
<b>PAPUA NEW GUINEA</b>				
-BROWN RIVER VEIMAURI ROAD	11.80	10.19	9.68	88.11
total projects > 10 MECU	11.80	10.19	9.68	
<b>RWANDA</b>				
-PROG. APPUI STAT. ALIM.	51.00	48.25	38.55	87.12
-ROUTE GITARAMA-KIBUYE	33.35	29.40	7.47	92.05
total projects > 10 MECU	84.35	77.65	46.02	
<b>SENEGAL</b>				
-PROG. APPUI DEV. REG.PODOR	97.00	94.73	80.06	87.07
total projects > 10 MECU	97.00	94.73	80.06	
<b>SIERRA LEONE</b>				
-CONSTR FADUGU KUBALA ROAD	11.96	11.96	11.96	87.12
-REC. WATERLOO MASIKA ROAD	16.80	13.96	5.21	91.05
total projects > 10 MECU	28.76	25.92	17.17	
<b>SUDAN</b>				
-JEBEL MARRA RUR DEV. PROJ.	15.80	12.30	10.25	87.02
-NUBA MOUNT RURAL DEV.PROJ.	11.45	7.30	7.13	87.07
-SRSP RAILWAYS SUP. PROG.	11.50	0.00	0.00	88.11
total projects > 10 MECU	38.75	19.60	17.38	

Countries/Project	Approved	Committed	Paid	Date of approval
<b>TANZANIA</b>				
-FOOD SECURITY AGRIC. SECT PROJ.	20.80	19.89	18.71	87.01
-COFFEE PROD MARK AGRIC SEC	17.80	16.68	15.33	87.01
-VEHIC.TRAC. PEPAIR AGRIC. SE	11.20	10.58	10.41	87.01
-FEDER ROAD MAINT. AGRIC SECT	20.00	19.57	16.90	87.01
-REHAB. ZANZIBAR PORTS	15.38	14.13	14.04	87.07
-FEDER ROADS IN SOUTH WEST	16.00	10.75	8.72	90.12
total projects > 10 MECU	101.18	91.60	84.11	
<b>CHAD</b>				
-RENFOR. CAPAC. ENTRETIEN	19.50	19.11	18.28	87.04
-RENF .SYST. SANTE AU CHAD	12.00	11.31	10.94	87.06
DEVELOP.RURAL ZONE CONCENT.	15.00	9.78	7.88	87.06
APPUI DEVELOP. ECONOM.RURAL	28.00	12.59	8.72	89.03
total projects > 10 MECU	74.50	52.79	45.82	
<b>TOGO</b>				
-PROG. DEV. RURAL BASSAR	10.30	5.90	4.05	88.07
-REHAB. INFRASTR ROUTIERE	23.20	19.51	18.23	89.04
total projects > 10 MECU	33.50	25.41	22.28	
<b>ZAIRE</b>				
DEV.RURAL KIVU	40.00	33.01	18.07	87.07
-REHAB. ROUTE MATADI KINSHA	22.50	16.77	9.47	87.12
-APEK PROG. ARRIER PAYS ECO	25.00	14.66	6.99	88.11
-COMPOS. ROUTE PROGR.APEK	25.00	0.00	0.00	91.07
total projects > 10 MECU	112.50	64.43	34.53	
<b>ZAMBIA</b>				
-SMALLHOLDER DEV PROJ COPPERBEL	12.00	10.39	8.18	87.06
-SMALLHOLDER DEV CENT PROV	12.35	8.35	4.98	88.09
total projects > 10 MECU	24.35	18.74	13.16	

Countries/Project	Approved	Committed	Paid	Date of approval
<b>ZIMBABWE</b>				
-ASSIST. AGRI. FINAN. CORPORAT.	23.50	22.03	16.75	88.04
-SMALL SCALE IRRIG. PROG.	14.00	2.50	1.04	89.11
total projects > 10 MECU	37.50	24.53	17.79	
TOTAL NAT. 10 MECU	2,039.68	1621.48	1290.47	
<b>REGIONAL PROJECTS</b>				
COOP. AGRICOLE BUDGET 86	23.92	23.92	23.92	86.07
COOP. INDUSTR. BUDGET 86	35.70	35.70	35.70	86.07
KARONFA IBANDA ROAD	10.00	10.00	9.97	87.04
REHAB. PORT BEIRA MOZAMB.	44.70	44.70	44.58	87.04
NORTH CORRIDOR TRANSP.KENY	22.50	22.49	22.36	87.07
NORTH CORRIDOR UGANDA R.	21.00	20.95	18.67	87.10
CORRIDOR CENTRAL URG TRC	11.00	10.60	8.43	87.10
PAC. RE.MARIN DEV. PROJ.FIJI	10.70	10.45	6.37	88.12
AMEN. BAS FOUTA DJALON	30.00	15.75	8.90	88.12
SAHEL UTIL ENERG.SOLAIRE	34.00	33.28	13.22	89.04
FORM.INFORM. ENVIR.BURKINA	10.00	9.87	6.47	89.05
BEQUIA AIRPORT CONDTR.	16.50	16.50	16.50	89.10
DESENCLAV.TRANSPORT BURUN.	22.00	22.00	22.00	89.12
LOG.ETUD. INST. REG.EDUC.	10.00	5.17	2.18	90.03
BLOCK TRAINS 50TANZ.UGANDA	30.00	28.79	27.98	90.04
BUKOMBE ISIAKA ROAD TANZANIA	30.90	30.90	29.68	90.05
UTILIS.ECOSYST FOR CONGO	24.00	16.25	4.94	90.09
REH.ROUTE GODOMMEY BOHICON	18.50	16.53	8.46	91.05
KOBERO-NYAKASANKA ROAD	23.00	21.80	8.10	91.11
REHAB.ROADS S.W. ANGOLA	10.00	8.50	1.87	92.04
TELEC. SATEL. AERON AFR.	18.50	18.38	9.44	92.05
MUSOMA-SIRIARI ROAD	12.00	8.50	0.00	92.10
LIUMPOPO LINE REHABILITATION	10.00	3.00	2.20	92.10
RENFORC.ENTR.VOIES NAVIGAB.	10.00	0.13	0.03	92.12
total projects>10 MECU	488.92	434.16	331.97	
<b>TOTAL PROJECTS&gt;10 MECU</b>	<b>2528.59</b>	<b>2055.65</b>	<b>1622.44</b>	

**Annex Table 9 Lomé IV - Projects costing more than 10 MECU**

Countries/Project	Approved	Committed	Paid	Date of approval
<b>ANGOLA</b>				
PR.SANTE POST URGENCE	15.00			93.07
total projects > 10MECU	15.00			
<b>BENIN</b>				
APPUI POLITIQUE SANITAIRE	11.85	0.75	0.17	92.12
ROUTE PARAKOU DJOUGOU	14.00			93.11
ROUTE BEROUBOUAY/MALANV.	29.00			11.93
total projects >10MECU	54.85	0.75	0.17	
<b>BURKINA FASO</b>				
ROUTE KOUPELA FRONT.TOGO	13.85	12.32	10.87	91.08
VALOR.RESS.EAU DANS S/O	15.00	0.25	0.01	92.11
APPUI CREATION DE PME	10.50			93.10
total projects >10MECU	39.35	12.56	10.89	
<b>BURUNDI</b>				
DEV.SANIT.PROV.BUBANZA CIBIT.	18.00	0.67	0.23	92.09
AMELIOR.ACCES VILLE KIRUNDO	11.50	9.98	3.85	92.11
total projects >10MECU	29.50	10.65	4.08	
<b>CENTRAL AFRICAN REPUBLIC</b>				
PROG.DEVELOP. REGION NORD	14.60			93.12
total projects >10MECU	14.60	0.00	0.00	
<b>CHAD</b>				
DEV.SERV.SANTE PRE.SOCIO/SANT	16.50	1.71	0.96	92.03
APPUI REVIT. ENSEIGN.ELEMENT.	10.00			92.03
APPUI AMEL. ENTRE.INFR.ROUTIE	15.00			92.12
total projects >10MECU	41.50	1.71	0.96	
<b>CAMEROON</b>				
PROG. ENTRETIEN ROUTIER	22.50			93.02
total projects >10 MECU	22.50	0.00	0.00	

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Countries/Project	Approved	Committed	Paid	Date of approval
<b>CONGO</b>				
DEVLPMT SANITAIRE MISE/OEUVRE	10.00			93.11
total projects >10MECU	10.00	0.00	0.00	
<b>REP.DOMINICAN</b>				
INTEGR. RURAL DEVEL. (PROLINO)	23.61			92.12
total projects >10MECU	23.61	0.00	0.00	
<b>ETHIOPIA</b>				
AID RECONSTR./RECOVERY ERITRE	19.80	8.06	3.96	92.11
total projects >10MECU	19.80	8.06	3.96	
<b>GABON</b>				
APPUI REH. SYSTEME NAT. SANTE	11.00			93.11
total projects >10MECU	11.00	0.00	0.00	
<b>GAMBIA</b>				
DEV.PROG.NORTH BANK U/RIVER	14.50	9.81	5.05	91.10
total projects >10MECU	14.50	9.81	5.05	
<b>GUYANA</b>				
REHABILIT. OF SEA DEFENCES	12.00			93.12
total projects >10MECU	12.00	0.00	0.00	
<b>GUINEA</b>				
INFRASTRUCTURES ROUTIERES	50.00	22.82	1.50	92.12
PROG. HAUTE GUINEA OUEST	15.00	3.13		92.12
AMELIOR.CONDITION VIE INT.PAYS	20.00	3.19	0.04	93.03
PROG. GUINEA MARITIME II	15.00	0.35		93.12
total projects >10MECU	100.00	29.48	1.53	
<b>COTE D'IVOIRE</b>				
PROG.APPUI COMMUNES COTIERES	26.50	1.06	0.15	93.01
APPUI SECTEUR SANTE	11.20	2.00	0.11	92.11
MARCHE DU GROS A BOUAKE	12.00			93.12
total projects >10MECU	49.70	3.06	0.26	
<b>JAMAICA</b>				
ROAD INFRAS. & INSTIT.STRENGH.	13.50			92.07
NEGRIL- OCHO- RIOS WASTEWATER	15.00			93.12
total projects >10MECU	28.50	0.00	0.00	

Countries/Project	Approved	Committed	Paid	Date of approval
<b>LESOTHO</b>				
MUELA HYDRO-ELECTR CENTRALE	34.00	16.20	6.66	91.10
total projects >10MECU	34.00	16.20	6.66	
PREMIER PROGRAMME ROUTIER	17.50	16.55	5.84	92.05
total projects >10MECU	17.50	16.55	5.84	
<b>MALI</b>				
APPUI CREATION PET.&MOY.ENTRE	13.00	9.42	8.29	91.10
APPUI AMEL. SYSTEME NAT. SANTE	10.22			93.10
total projects >10MECU	23.22	9.42	8.29	
<b>MOZAMBIQUE</b>				
ROADS REHAB.& WATER SUPPLY	10.00	3.70	1.05	92.12
REINTEGR. DEPLACES REFUGIES	11.00	0.44		92.12
RECONSTRUC.&RESETTLEMENT	12.00			93.11
ROADS REHAB.ZAMBEZZA/SOFALA	30.00			93.12
total projects >10MECU	63.00	4.14	1.05	
<b>NAMIBIA</b>				
INTEGRATED HEALTH PROGRAMME	13.50	0.18	0.00	93.05
total projects >10MECU	13.50	0.18	0.00	
<b>NIGER</b>				
AMENAG.ROUTE NIAMEY SAY	12.00	11.98	11.44	91.10
APPUI DEV. SECTEUR PRIVE	12.00	12.00	2.47	92.04
PET.IRRIG. BASSE VALLEE TARKA	16.00	2.01	0.75	93.01
total projects >10MECU	40.00	25.99	14.66	
<b>PAPUA NEW GUINEA</b>				
HUMAN RESSOURCES DEVELP.PROG.	14.00	0.06		93.07
total projects >10MECU	14.00	0.06		
<b>SENEGAL</b>				
DEVELOP. REGION DE SAINT LOUIS	22.50	7.82	2.74	93.05
total projects >10MECU	22.50	7.82	2.74	
<b>SIERRA LEONE</b>				
APPUI SECTEUR AGRICOLE	14.30	6.00	0.62	92.12
total projects >10MECU	14.30	6.00	0.62	

Countries/Project	Approved	Committed	Paid	Date of approval
<b>SWAZILAND</b>				
UPGRADING MATSAPHA MANZINI R.	10.00	9.00	3.46	92.06
total projects >10MECU	10.00	9.00	3.46	
<b>TANZANIA</b>				
CENTRAL CORRIDOR RAILWAY REST	19.00	3.05	1.21	92.07
MUSOMA/SIRIARI/ISEBANIA/ROAD	10.70	10.70		92.10
SOUTHERN TELECOMMUNICATIONS	25.00			92.12
total projects >10MECU	54.70	13.75	1.21	
<b>TOGO</b>				
HYDR.VILL. REG. KARA& SAVANES	11.20	7.09	0.98	91.10
total projects >10MECU	11.20	7.09	0.98	
<b>TRINIDAD &amp; TOBAGO</b>				
ROAD REHABILITATION IN TRINIDAD	10.00			93.12
total projects >10MECU	10.00	0.00	0.00	
<b>UGANDA</b>				
REHABIL. OF KAMPALA CITY ROADS	23.00	18.32	5.02	92.06
HUMAN RESOURCES DEVL.PROG.	14.50	1.14		92.12
UGANDA HEALTH PROGRAMME	20.00	0.46	0.11	93.06
SMALLHOLDER TEA DEVELOPMENT	20.00			93.07
total projects >10MECU	77.50	19.91	5.13	
<b>NIGERIA</b>				
MAMBILLA TEA INTEGR. DEV.PROJ.	28.00	21.41	8.78	92.01
TELECOM. PAR SATEL.AERON. S/O	20.00	11.38	6.45	92.05
OBAN HILLS PRG.(CROSS RIVER)	16.50	8.09	1.17	92.07
UNIVERSITY LIBRAIRIES PROJECT	11.50	0.30	0.53	92.09
KATSINA ARID ZONE PROGRAMME	25.00	1.25	0.71	92.10
NITEL. MAINTENANCE TRAINING	10.50	0.02		93.05
total projects >10MECU	111.50	42.45	17.64	
<b>ZAMBIA</b>				
LUSAKA KABWE ROAD	19.00	5.17	0.83	91.12
EXPORT DEVELOPMENT PROGRAM.	10.00	5.01	5.00	92.12
SOCIAL SECTOR SUPPORT PROGR.	12.00			93.07
total projects >10MECU	41.00	10.18	5.83	

Countries/Project	Approved	Committed	Paid	Date of approval
<b>ZIMBABWE</b>				
ZIMTRADE SUPPORT PROGRAMME	10.20	7.80	1.58	92.04
total projects >10MECU	10.20	7.80	1.58	
<b>TOTAL NAT. &gt; 10MECU</b>	<b>1054.53</b>	<b>272.62</b>	<b>102.59</b>	
<b>REGIONAL PROJECTS</b>				
MUELA HYDRO ELECTR.CENTRALE	10.00			91.10
CENTRAL CORRIDOR RAILWAY RES.	14.00			92.07
MUSOMA-SIRIARI-SEBANIA ROAD	18.00	13.10	0.11	92.10
AT.COMMUN. &INFORMAT.PROT.ENV	12.10			92.12
APPUI PROG. ENVIRON.PAYS OC.IND	11.00			93.03
CONTROLE MALADIES ANIMALES A.O	10.00			93.11
total projects >10MECU	75.10	13.10	0.11	
<b>TOTAL PROJETS &lt; 10MECU</b>	<b>1,129.63</b>	<b>285.72</b>	<b>102.70</b>	

**Annex Table 10 Stabex Transfers under Lomé IV**

Breakdown by country

	Amount in MECU			%
	Year of application		Total	
	1990	1991		
Côte d'Ivoire	91,2	77,8	169,0	19,3
Cameroon	67,3	69,2	136,5	15,6
Ethiopia	64,6	49,4	114,0	13,0
Uganda	37,0	34,2	71,2	8,1
Sudan	31,7	32,1	63,8	7,3
Papua New Guinea	24,6	17,2	41,8	4,8
Madagascar	21,5	16,6	38,1	4,3
Ghana	6,9	16,4	23,3	2,7
Kenya	29,8	16,4	46,2	5,3
Tanzania	19,2	12,5	31,7	3,6
Rwanda	16,6	10,1	26,7	3,1
Burundi	16,6	8,0	24,6	2,8
Togo	5,2	7,7	12,9	1,5
Haiti	11,6	5,4	17,0	1,9
Mauritania	9,6	4,1	13,7	1,6
Central African Republic	6,7	2,5	9,2	1,0
Solomon Islands	4,6	1,5	6,1	0,7
Others <sup>(9)</sup>	19,0	11,7	30,7	3,5
<b>Total</b>	<b>483,7</b>	<b>392,8</b>	<b>876,5</b>	<b>100,1</b>

<sup>(9)</sup> 20 countries receiving less than 3 MECU

**Breakdown by product**

	Amount inMECU			%
	Year of application			
	1990	1991	Total	
Coffee & related products	326,4	250,9	577,3	65,9
Cocoa & related products	77,0	68,9	145,9	16,6
Cotton & related products	20,6	27,7	48,3	5,5
Leather & Hides	10,3	13,6	23,9	2,7
Copra & related products	11,1	5,4	16,5	1,9
Wood	-	4,7	4,7	0,5
Squid, Octopus, Seiches	9,6	4,1	13,7	1,6
Arabic Gum	2,9	3,5	6,4	0,7
Tea	2,1	2,3	4,4	0,5
Sesame	3,2	1,5	4,7	0,5
Others	20,5	10,3	30,8	3,5
<b>Total</b>	<b>483,7</b>	<b>392,9</b>	<b>876,6</b>	<b>100,0</b>

**Annex Table 11 EDF contracts classified by nationality of firm as at 31 December 1993 (provisional)**

6th EDF								
Nationality of firms	Works		Supplies		Techn. Assist.		Total	
	MECU	%	MECU	%	MECU	%	MECU	%
Belgium	56.2	4.8	65.8	7.5	85.9	12.4	208.0	7.6
Denmark	8.2	0.7	5.4	0.6	26.7	3.8	40.3	1.5
Germany	38.9	3.3	103.1	11.7	98.1	14.1	240.1	8.7
Greece	0	0	1.6	0.2	10.0	1.4	11.5	0.4
France	325.3	27.8	152.4	17.2	107.8	15.5	585.5	21.3
Ireland	1.3	0.1	3.3	0.4	15.4	2.2	19.9	0.7
Italy	323.5	27.7	71.6	8.1	80.5	11.6	475.6	17.3
Luxembourg	0.9	0.1	1.4	0.2	13.9	2.0	16.3	0.6
Netherlands	38.9	3.3	88.7	10.0	50.2	7.2	177.8	6.5
Spain	0.6	0.1	15.5	1.8	16.7	2.4	32.8	1.2
Portugal	26.4	2.3	19.4	2.2	27.3	4.0	73.1	2.7
United Kingdom	63.0	5.4	134.1	15.2	91.2	13.2	288.4	10.5
ACP/OCT	284.4	24.4	197.2	22.2	62.1	8.9	543.7	19.8
3rd Countries	0	0	24.2	2.7	8.6	1.3	32.9	1.2
<b>Total</b>	<b>1,167.6</b>	<b>100.0</b>	<b>883.7</b>	<b>100.0</b>	<b>694.4</b>	<b>100.0</b>	<b>2,745.9</b>	<b>100.0</b>
%	42.5		32.2		25.3		100.0	

Total	2745.8	67.9%
Other	492.6	12.2%
Annual work programme	699.6	17.3%
Direct labour	103.4	2.6%
<b>Grand Total</b>	<b>4,041.4</b>	<b>100.0%</b>

7th EDF								
Nationality of firms	Works		Supplies		Tech. Assist.		Total	
	MECU	%	MECU	%	MECU	%	MECU	%
Belgium	0.3	0.1	0.4	0.9	12.2	10.0	12.9	3.7
Denmark	0	0	0.3	0.7	1.7	1.4	2.0	0.6
Germany	9.3	5.3	1.5	3.1	21.8	17.9	32.6	9.4
Greece	0	0	0	0	0.4	0.4	0.4	0.1
France	24.3	13.8	6.8	13.8	24.8	20.4	55.9	16.1
Irleand	0	0	0	0	7.8	6.4	7.8	2.3
Italy	81.1	46.2	14.9	30.2	7.6	6.3	103.6	29.8
Luxembourg	0	0	0	0	2.7	2.2	2.7	0.8
Netherlands	0	0	1.7	3.5	8.5	7.0	10.2	2.9
Spain	4.2	2.4	8.5	17.3	2.8	2.3	15.4	4.5
Portugal	7.8	4.4	0.4	0.9	2.7	2.2	10.9	3.1
United Kingdom	9.0	5.1	5.1	10.5	13.4	11.0	27.6	8.0
ACP/OCT	39.9	22.7	9.4	19.0	12.0	9.8	61.2	17.7
3rd Countries	0	0	0.1	0.1	3.3	2.7	3.4	1.0
<b>Total</b>	175.9	100.0	49.1	100.0	121.7	100.0	346.6	100.0
%	50.7		14.2		35.1		100.0	

Total	346.7	47.7%
Others	262.3	36.1%
Annual work programme	116.1	16.0%
Direct labour	1.2	0.2%
<b>Grand Total</b>	<b>726.3</b>	<b>100.0%</b>



**Annex Table 12 Lomé III Convention - Counterpart Funds Instrument : Special Debt Programme - Import Programmes**

(Situation as at 31.12.93)

COUNTRY	Currency	Decisions MECU	Payments MECU	Counterpart funds (mio local currency)				Sector of application ( in % of commitments)					
				Amounts due a)	Paid in Account b)	Committed	Paid from account	Rural Develop- ment	Infra structure	Industry	Educa- tion	Health	Others c)
				(1)	(2)	(3)	(4)	(5)	(6)	I	II	III	IV
ANGOLA	AON	38.5	38.2	2,147.7	1,917.3	1,917.3	1,917.3	11.8	5.7		3.9	27.5	51.2
BENIN	XOF	30.7	30.7	10,740.0	9,941.0	9,941.0	9,941.0				8.0	0.2	91.8
BURUNDI	BIF	12.0	11.9	2,354.0	2,354.0	2,301.0	2,202.0	18.7	31.6	19.2	7.5	7.0	16.0
CABO VERDE	CVE	4.0	3.9	344.8	280.2	344.8	187.5						100.0
CAMEROON	XAF	11.9	11.9	5,980.0	5,980.0	5,980.0	5,980.0	100.0					
CENTRAL AFRIQUE	XAF	7.0	6.2	2,165.5	2,165.5	2,165.0	1,914.7	12.2			1.3		86.5
COTE D'IVOIRE	XOF	41.0	41.0	14,518.0	14,518.0	14,518.0	14,446.0	53.9				46.1	
ETHIOPIA	FKP	51.5	42.8	107.7	87.2	108.0	74.0	83.3	4.6				12.1
THE GAMBIA	GMD	4.9	4.9	40.4	40.4	39.9	37.0	71.4	21.8		3.0		3.8
GHANA	GHC	20.5	19.2	5,844.0	4,596.0	4,596.0	4,596.0				17.0	56.2	26.8
GUINEA	GNF	12.5	12.5	9,537.3	9,537.3	9,537.3	9,027.3	22.0	2.2		40.0	4.8	37.4
GUINEA BISSAU	GWP	9.4	8.0	19,260.6	17,544.6	16,498.3	16,498.3	14.6	15.3	0.1	1.5	5.4	63.1
GUINEA EQUAT.	XAF	1.5	1.3	465.8	534.4	525.8	476.7	9.8	14.1	76.0			0.1
GUYANA	GYD	17.3	16.4	78.2	83.5	78.2	63.0		99.0				0.1

COUNTRY	Currency	Decisions MECU	Payments MECU	Counterpart funds (mio local currency)				Sector of application ( in % of commitments)					
				Amounts due a)	Paid in Account b)	Committed	Paid from account	Rural Development	Infra structure	Industry	Educa-tion	Health	Others c)
				(1)	(2)	(3)	(4)	(5)	(6)	I	II	III	IV
JAMAICA	JMD	15.5	10.5	140.1	123.8	40.0	40.0				11.3	51.2	37.5
KENYA	KES	42.0	42.0	1,065.5	1,065.5	1,065.5	862.0	100.0					
MADAGASCAR	MGF	19.8	17.1	30,604.6	30,604.6			7.3	33.0	2.4	16.7	15.0	25.9
MALAWI (d)	MWK	12.5	12.5	45.5	45.6	44.2	43.1	11.3	8.8		2.9	17.6	59.3
MALI	XOF	28.5	28.5	9,167.0	9,124.0	9,076.0	8,811.0	16.5		15.0	25.0	40.0	3.5
MAURITANIA	MRO	7.0	7.0	629.6	629.6	629.6	629.6		20.6				79.4
MAURITIUS	MUR	3.0	2.6										
MOZAMBIQUE	MZM	69.0	59.2	82,800.0	43,374.0	82,800.0	43,374.0						100.0
NIGER	XOF	14.0	13.6	895.7	930.0	895.7	886.5					100.0	
NIGERIA	NGN	10.0	10.0	125.8	125.8	125.8						100.0	
PAPUA NEW G.	PGK	5.5	5.5	6.8	6.8	6.8	6.8		100.0				
RWANDA	RWF	12.0	11.7	1,936.5	1,707.0	755.2	279.3						100.0
SAO TOME & P	STD	1.2	1.0	226.0	226.0	179.4	177.8		10.1	0.2	5.2	17.6	66.9
SENEGAL	XOF	11.5	11.5	4,076.0	4,076.0	4,076.0	4,076.0	100.0					
SIERRA LEONE	SLL	6.0	4.0	1,110.7	862.2	913.7	874.9						100.0
SOMALIA		27.4	27.3										
SUDAN	SDD	17.3	17.2	92.6	85.5	85.5	85.3	100.0					
SURINAME	SRG	8.5	7.2	15.8	16.1	5.3	1.0	69.2					20.8
TANZANIA	TZS	24.5	23.6	4,675.7									

COUNTRY	Currency	Decisions MECU	Payments MECU	Counterpart funds (mio local currency)				Sector of application ( in % of commitments)						
				Amounts due a)	Paid in Account b)	Committed	Paid from account	Rural Develop- ment	Infra structure	Industry	Educa- tion	Health	Others c)	
				(1)	(2)	(3)	(4)	(5)	(6)	I	II	III	IV	V
TCHAD	XAF	9.5	9.5	3,356.2	3,356.2	3,356.2	3,274.8	100.0						
TOGO	XOF	10.0	10.0	3,299.5	2,671.6	2,671.6								
TRINIDAD TOBAGO	TTD	5.0	3.5	' n.c.	n.c.									
UGANDA	UGX	34.4	34.3	n.c	' n.c.									
ZAIRE		30.0	29.8											
ZAMBIA	ZMK	60.5	58.1	1,879.7	1,786.9	1,689.9	1,664.9							100.0

- a) As determined by the Delegation on the basis of the commitments or payments in ECU including interest on Ecu accounts
- b) Including interest generation on CPF accounts
- c) Other include national contributions to EDF projects, general contributions to budgets thematic actions (institution building environment), measures for refugees and displaced persons, etc.
- d) The tranche of 42.2 MECU will not generate counterpart funds according to the report of 31.12.93.
- n.c. not communicated

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**Annex Table 13 Lomé IV Convention - Counterpart Funds Instruments : Structural Adjustment Facility + Import Programmes**

Situation as at 31.12.93

COUNTRY	Currency	Decisions MECU	Payments MECU	Counterpart funds (mio local currency)				Sector of application ( in % of commitments)					
				Amounts due a)	Paid in Account b)	Committed	Paid from account	Rural Develop ment	Infra -structure	Industry	Education	Health	Others c)
								(3)	(4)	(5)	(6)	I	II
BENIN	XOF	39.7	33.7	13,037.0	13,249.0	9,022.0	7,702.0					11.1	
BURUNDI	BIF	12.0											
BURKINA FASO	XOF	60.5	48.0	16,320.2	8,624.2	8,500.0	6,073.4	2.4			22.6	24.3	
CAMEROON	XAF	29.5	22.0	7,497.0	7,497.0	7,497.0	7,497.0	20.7	71.6			7.7	
CENTRE AFRIQUE	XAF												
COMORES		5.5	3.5										
COTE D'IVOIRE d)	XOF	33.0	33.0	5,093.0	5,093.0	5,085.0	4,443.0	3.8				96.2	
	XOF												
DOMINICA	XCD	2.0	0.0										
ETHIOPIA	ETB	102.0	53.0	133.4	34.3	57.0	27.6				50.0	50.0	
THE GAMBIA	GMD	8.2	3.6	47.1	47.1	47.1	21.0		11.0		45.6	41.6	
GHANA	GHC	49.0	47.9	14,732.0	13,714.9	13,388.0	13,377.0	3.8			42.5	47.8	
GRENADA	XCD	2.0	0.2	0.6	0.6	0.6	0.6				100.0		

COUNTRY	Currency	Decisions MECU	Payments MECU	Counterpart funds (mio local currency)				Sector of application ( in % of commitments)					
		(1)	(2)	Amounts due a)	Paid in Account b)	Committed	Paid from account	Rural Develop ment	Infra -structure	Industry	Education	Health	Others c)
				(3)	(4)	(5)	(6)	I	II	III	IV	V	VI
GUINEA	GNF	14.0	10.5	11,760.2	11,760.2	11,760.2	3,180.1	19.8	5.5		40.4	16.6	
GUINEE BISSAU	GWP	8.0											
GUYANA	GYD	4.5	3.1	623.8	189.3	289.6	50.1				50.0	50.0	
JAMAICA	JMD	7.1											
LESOTHO	ZAR	8.5	8.4	31.4	31.4	27.5	11.6		22.7		58.9	17.7	0.7
MALAWI	MWK	30.6	19.7										
MALI	XOF	55.0	40.3	14,338.5	14,396.9	14,396.9	13,044.5	0.5	20.5		34.5	44.5	
MAURITA- NIA	MRO	18.0	10.0	1,382.4	1,382.4	1,382.4	1,203.0	8.9	48.6			39.5	3.0
MOZAM- BIQUE	MZM	45.0	12.7	71,701.0	44,331.0	71,701.0	44,331.0						100.0
NIGER	XOF	15.0	10.0	3,316.5	3,316.5	3,316.5	1,485.7					100.0	
PAPUA NEW G.	PGK	19.5	16.5	n.c.	n.c.								
REP. DOMINICAN	DOP	31.5	21.8	360.0	328.0	328.0	230.5	5.2	32.2		21.3	20.7	20.6
SAO TOME & P.	STD	1.5	0.2										
SENEGAL	XOF	10.0	5.0	1,656.4	1,656.4	1,656.4	1,656.4		73.5				26.5
SIERRA LEONE	SLL	20.0	2.3	2,154.6	1,203.7	2,154.6	164.4	27.1	12.7		1.1	57.5	1.7

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COUNTRY	Currency	Decisions MECU	Payments MECU	Counterpart funds (mio local currency)				Sector of application ( in % of commitments)							
				(1)	(2)	Amounts due a)	Paid in Account b)	Committed	Paid from account	Rural Develop ment	Infra -structure	Industry	Education	Health	Others c)
						(3)	(4)	(5)	(6)	I	II	III	IV	V	VI
TANZANIA	TZS	85.0	45.6	n.c.	n.c.										
TUVALU		0.9													
TOGO	XOF	17.0	0.0												
TCHAD	XOF														
TRINIDAD TOBAGO	TTD	4.7	0.0												
UGANDA	UGX	31.3	14.3	180,000. 0	27,703.2	24,703.4	23,449.8							100.0	
ZAMBIA	ZMK	80.7	68.5	n.c.	n.c.										
ZIMBABWE	ZWO	28.0	13.5	235.5	103.9	235.5	10.0				39.8	31.1	29.9		

a) As determined by the Delegation on the basis of the commitments or payments in ECU including interest on Ecu accounts

b) Including interest generation on CPF accounts

c) Others include national contributions to EDF projects, general contributions to budgets, thematic actions (institution building environment), measures for refugees and displaced persons etc.

d) Amounts due is based on the first tranche of 15.5 MECU.

n.c. not communicated

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