

2

IVORY COAST AND THE LOMÉ CONVENTION: TREMENDOUS OPPORTUNITIES

CONTENTS

An open-door policy	4
Aid adjusted to the country's requirements	9
Tables	16

Free reproduction authorized, with or without indication of source. Voucher copies would be appreciated.

September 1978

NOTICE

Subscribers to 'EUROPE-INFORMATION' are requested to note that this publication is distributed by the services of the Office for Official Publications in Luxembourg.

Any change of address should be notified to:

Mr MARASCHIN
OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES
Boîte postale 1003 — 5, rue du Commerce
L — LUXEMBOURG

However, any requests for new subscriptions or additional information concerning this publication should be addressed to:

COMMISSION OF THE EUROPEAN COMMUNITIES
Spokesman's Group and Directorate-General for Information
Publications Distribution Service
Berlaymont 2 - 27 A
Rue de la Loi, 200
B — 1049 BRUXELLES
Tel. 735 00 40 / ext. 5120 or 2346

Ivory Coast and the Lomé Convention - tremendous opportunities

Compared with the links forged in the past by the European Community with the developing countries, the Lomé Convention represents a qualitative leap forward, from which Ivory Coast may well be one of the main countries to benefit. This country, with its prosperous agriculture and its industrial ambitions, is now in a position to establish even closer ties with Europe, to be achieved not only through financial assistance but also through trade cooperation. Due to the advanced structure of Ivory Coast's economy, the aid extended to it by the EEC is increasingly taking the form of loans, either on special terms (when granted under the 4th EDF) or on ordinary terms (when provided by the European Investment Bank for the financing of projects in industry, mining and tourism). This aid is, of course, supplemented by the system for the stabilization of export earnings (Stabex).

Ivory Coast has thus been the recipient of 15 million European units of account to compensate for the decline in its export earnings as a result of the unfavourable situation on the market for wood in the rough in 1975. Also eligible for Stabex aid are two further commodities, both essential to the economy: - green coffee and cocoa beans.

Community financial assistance, as provided for by the Lomé Convention, fits in perfectly with the methods of administration practised in Abidjan. Firstly, the drawing-up of an indicative programme enabled the Ivory Coast authorities to gain advance knowledge of the funds that would be available for backing up the national investment budget (which, it should be noted, now exceeds current expenditure) and to plan their allocation exactly. Secondly, they have at their disposal an extremely wide range of credit possibilities, from the conventional loan to the acquisition of holdings.

At the present time, however, Ivory Coast is making particular efforts to diversify its trade links. Thanks to its geographical range, the Lomé Convention simplifies this task. Example: the Centre for Industrial Development, which is now able to promote investment by Ivory Coast industry and to open up markets for its produce, particularly in the wood, processed fruit and vegetables, clothing and hardware sectors. These openings are, of course, being created in Europe, but also in other third countries (Japan, Brazil, Eastern Europe, etc.). Moreover, regional cooperation is playing an increasingly important role in Abidjan's objectives and has taken concrete shape in the exemplary CIMAO clinker plant project, which is being part-financed by the EEC, and in which Togo and Ghana are also involved.

Finally, the Lomé Convention offers Ivory Coast, like the other countries of Africa, the Caribbean and the Pacific, many other opportunities:

- duty-free entry to the Community market for nearly all its exports;
- trade cooperation schemes;
- the abolition of the customs advantages granted in the past to imports from the Six (which meant that in 1976 the Ivory Coast budget was boosted by about 44 million EUA);
- certain specific facilities concerning the supply of wheat (increased subsidies on Community exports).

Ivory Coast now has to concentrate on "digesting" the Lomé Convention and hence make full use of its potential, an undertaking that will doubtless come fully to fruition during "Lomé II".

An open-door policy

Since achieving its independence on 7 August 1960, Ivory Coast, with a population of 7.3 million and an area of 322 000 km², has enjoyed remarkable political stability. President Félix Houphouët-Boigny put this in a nutshell when he said: "We are not socialists in that we do not believe in giving priority to the distribution of wealth but wish to encourage the creation and multiplication of wealth first of all. Our major concern is with the human aspect of growth. Our system cannot be described as liberalism either, but it can be likened to a planned economy. We are following a policy of State capitalism".

Mention has frequently been made of the "Ivory Coast miracle", which is based mainly on the development and diversification of its agriculture. Despite the steady progress achieved in the economy, Ivory Coast, which is now the third biggest producer of coffee and cocoa in the world, still has to overcome various obstacles (such as its heavy dependence on other countries, marked regional disparities, etc.) but it steadfastly refuses to turn inwards. To quote the President again: "Our policy is one of openness towards all States, regardless of any political considerations, provided that they undertake to respect our sovereignty and not to interfere in our internal affairs. Our religion is peace. Our sole weapon is dialogue."

In concrete terms, this desire for dialogue has led Abidjan to step up its cooperation with France, whilst at the same time developing its relations with the EEC's other Member States. Witness the important role played by the Ivory Coast authorities in the conclusion of the Lomé Convention.

An ambitious plan

The "State capitalism" advocated by President Houphouët-Boigny is to be achieved through the country's ambitious Five-Year Plan (1976-80), the objectives of which are to maintain a high rate of economic growth (which, during the period 1975-77, was close on 9%), to modernize the food and agricultural sector and to gear industry to exports. All this should give the people greater control over their development.

This effort calls for public investment estimated at CFAF 1 020 thousand million (at 1975 values) and should raise the country's rate of borrowing from abroad to 15% of export earnings by 1980, as opposed to 11.6% in 1975 and 7% in 1974 (see Table I).

The transport sector alone, which has been receiving regular financial support from the EEC, is to absorb 22.3% of proposed expenditure. The other main focal points are agriculture (21.2%), energy (14.7%), improvements in way of life and living conditions (13.1%) and industry (11.2%).

Prospects are encouraging in all the major sectors of economic activity, with the possible exception of forestry, where resources are dwindling

rapidly. This optimism, encouraged by the attraction that Ivory Coast still holds for foreign capital, makes it possible to envisage the implementation of large-scale projects which are likely substantially to alter the economic structure of the country: iron-ore mining on Mount Klakoyo, the establishment of several sugar complexes, the completion of the Buyo hydroelectric dam, etc.

From coffee to sugar

In the agricultural sector, Ivory Coast has very rapidly developed industrial-scale and export crops.

Coffee production is now approaching 300 000 tonnes per annum; of which 98% is Robusta. Coffee is grown on 280 000 plantations. A modernization programme has been in progress since 1968, with the aim of establishing production of selected varieties on 21 000 hectares annually. Before the start of each crop year, the Government itself fixes the purchase price which depends, *inter alia*, on the foreseeable market situation and on the state of the monetary reserves held by the Agricultural Prices Stabilization and Support Fund (CSSPPA). Owing to the diversification of exports, coffee now accounts for only 30% of foreign trade, despite a considerable increase in its value.

Cocoa production, running at 240 000 tonnes p.a., represents along with coffee the second main source of income for the Ivorian. There are some 200 000 cocoa plantations. The Government, through the CSSPPA, guarantees the purchase price.

Within the space of a few years, Ivory Coast has become Africa's major exporter of palm-oil. Each year it produces some 950 000 tonnes of clusters and 153 400 tonnes of oil. The "Palm Plan", which led to the setting up, in 1963, of SODEPALM (Oil-Palm Development and Cultivation Company), reflects the country's aim to diversify in the agricultural sector. Under the Plan the country's industrial-scale and village plantations are to be extended to 90 000 hectares.

The production of bananas for export (180 000 tonnes p.a.) is beset with various difficulties: unsatisfactory quality, climatic problems (in 1973), and a need for restructuring. A number of companies are responsible for technical supervision (SODEFEL), collection and inspection (SONACO), and, lastly, export (COFRUITEL).

Cotton-growing has only recently been developed in Ivory Coast, but the policy Abidjan intends to pursue is nevertheless an ambitious one, based on the establishment of a large spinning and weaving industry. Annual production is to be stepped up from 60 000 to 100 000 tonnes by 1980 and to nearly 130 000 tonnes by around 1985.

Pineapple production (220 000 tonnes p.a.) was encouraged initially by the trade agreements concluded with France and later with the EEC. Exports of fresh fruit are somewhat static (70 000 tonnes), as are exports of tinned pineapple (150 000 tonnes), the processing of which is carried out by three factories (SALCI, SIACA and SAFCO).

Ivory Coast has launched major programmes for the production of rubber (currently 16 000-18 000 tonnes p.a.). The Grand-Béréby project runs to

a total of CFAF 7 700 million. The European Development Fund, France and the World Bank are participating in the financing of this programme, whilst the task of operating it has been placed in the hands of the Compagnie générale des établissements Michelin, with which the government signed a 14-year technical assistance and management contract. Most of the production is exported unprocessed, but the Government wants to encourage the setting up of a tyre industry.

The production of 500 000 tonnes p.a. by 1985 is Ivory Coast's target in the sugar sector.

At first, the aim is to cover local market requirements (some 70 000 tonnes in 1976). The Kerkéssédougou I complex is currently producing nearly 40 000 tonnes. Four other complexes currently being set up are due to become operational between 1978/1979 and 1982.

Furthermore, studies are now in progress with a view to setting up two other complexes between now and 1985-90.

Among the food crops intended for the local market (an average of 4 million tonnes p.a.), rice and maize are a subject of major concern for the authorities and this has resulted in a policy aimed at increasing and improving production. In 1976, Ivory Coast produced 460 000 tonnes of paddy and is now trying to become self-sufficient. Nevertheless, a system whereby the purchase price was fixed at too high a level at the start is now forcing the Government to provide massive subsidies for production and consumption.

With regard to maize (some 300 000 tonnes p.a.), programmes aimed at increasing production are currently under way, in particular under the Bandama valley development project, with the introduction of high-yield hybrid varieties.

In stock-farming and fisheries, Ivory Coast is still very dependent on imports: only 45% of its meat requirements are covered by local production and imported frozen products account for over 50% of total fish consumption.

From agriculture to industry

In 1975, sales of wood (logs and sawnwood) accounted for 26% of Ivory Coast's exports, as opposed to 29% in 1973.

Forestry poses two major problems:

- (a) the preservation and renewal of national resources: the workable area fell from 10 million hectares in 1956 to 4 million in 1976;
- (b) the processing of resources on the spot. The Government aims at increasing exports of processed timber. This policy has seen the beginnings of success: in 1976, 40% of total production was delivered to local industry, as opposed to 25% in 1967. However, since progress is very slow, a large-scale paper project has been launched in the San-Pedro region and several plywood, furniture and constructional timber plants have been established. In 1975, exports of logs totalled 2.4 million m³ (as opposed to 3.4 million m³ in 1973). These were equivalent in value to CFAF 34 800 million, whereas exports of processed timber still only amounted to CFAF 7 400 million (6 700 million for sawnwood, 700 million for processed wood).

This link between agricultural resources and processing has always been one of the essential factors underlying the Ivory Coast economy. The food aid agricultural sector alone accounts for around 35% of national industrial turnover (9% being attributable to grains and flours, 10% to preservation and preparation, 3% to drinks and ice-cream, 9% to oils and fats and 3% to tobacco and other), with textiles and clothing accounting for 13% to 14% and wood 7%. Industry in general represents 17% of the gross domestic product and employs only 60 000 people at present. Its overall rate of growth is over 10% p.a.

The oil-refining and petroleum products sector

(about 12% of total industrial turnover) is particularly active. The discovery last year of an oilfield off Grand-Bassam could hopefully lead to the production of 500 000 tonnes of oil by 1980. For the moment, however, the country's unobtrusive entry into the oil-producing club is principally going to mean very big investment either in drilling or in petro-chemical plant.

Ivory Coast has been pursuing a very dynamic investment policy for three years: this was confirmed by the 1976-80 Plan. The budget set aside for investment should, in 1978, run to CFAF 257 200 million, as opposed to 245 000 million in 1977, 60 000 million in 1976 and 54 000 million in 1975. Surpluses from coffee and cocoa sales have, via the Stabilization Fund, made available a considerable supply of capital. Moreover, Ivory Coast has been offered a massive influx of foreign capital, administered by the Autonomous Amortization Fund. Among the more important projects realized, one should mention the San-Pedro port, the Kossou dam over the Bandama and, of course, the Ferkéssédougou sugar complex, as well as the construction of motorways and airports, the installation of refineries, the purchase of merchant vessels, etc.

We should also note Ivory Coast's steady efforts in the field of education, for which the EEC, among others, is providing financial support. More than 60% of children attend school. Few countries have ploughed so much money into education. In 1977, there were 860 million pupils, 8 200 of them in higher education. Emphasis must now be placed on the training of managerial staff.

Since 1967, aid to Ivory Coast from abroad has been increasing (see Table 2). It accounted for 60% of public investment in 1973-74 (as opposed to 40% in 1960-72) and is increasingly taking the form of loans (80% of the total figure). The major banks - the IBRD (International Bank for Reconstruction and Development), the EIB (European Investment Bank) are tending to become the major suppliers of funds to Ivory Coast. Total borrowing abroad has thus considerably increased in recent years. At the end of 1975 the external debt was equivalent to some 38% of GDP, but the country's borrowing capacity remains adequate.

During the 1971-74 period, funds granted by the Nine and by the EEC as such (via the EDF and the EIB) accounted for 55% of the total foreign aid

received by Ivory Coast, as opposed to 67% in 1966-70. Community aid proper represented 14% of the total (12% in 1966-70).

Trade: the EEC - a privileged customer and supplier

Examination of Ivory Coast's balance of payments reveals a happy financial situation. Following a spell in the black which lasted from 1963 to 1970, (with the exception of 1967), deficits were recorded in 1971, 1972, 1973 and particularly in 1975, but in 1977 there was a surplus again (about CFAF 75 000 million).

The development of the balance of payments

(in CFAF '000)

1963	+ 4.4	1970	+ 9.4
1964	+ 5.2	1971	- 3
1965	+ 2.9	1972	- 18.9
1966	+ 3.1	1973	- 2
1967	- 6.3	1974	+ 21
1968	+ 8.6	1975	- 35.4
1969	+ 9.3	1976	+ 8.5
		1977 (Estimate)	+ 75

The trade balance has been in the black since 1963, and has more than offset regular deficits in services and transfer operations. Exports alone account for an average of nearly 40% of the gross domestic product.

Apart from green coffee, cocoa beans and logs, Ivory Coast's main export items are worked wood, crude palm oil, petroleum products and cocoa butter (see Table 4). In 1976, the EEC absorbed 61.5% of total sales of these products (as opposed to 57.6% in 1975, 66% in 1974 and 62.9% in 1973) which are tending to be increasingly spread out among the Nine and thus less centred on France (see Table 5). The biggest buyer of wood is in Europe (Italy), and so is the best customer for cocoa and palm oil (the Netherlands). In 1974, France absorbed 37.85% of total coffee exports and 63% and 54% of banana and pineapple sales respectively. It remains the biggest customer (accounting for 25% of the total), followed by the Netherlands and Italy, with Germany ahead of the United States.

Ivory Coast exports to the Community of Nine (in CFAF '000 million)

Importing countries	1973	1974	1975	1976	1977
France	49.2	76.1	69.1	99.9	135.9
Italy	21.3	27.5	16.8	36.3	45.2
Federal Republic of Germany	20.7	27	22.5	28.5	28.4
Netherlands	14.9	45	26.5	51.4	78.9
BLEU	6.9	7.6	4.2	6.6	6.9
United Kingdom	6.4	8.6	6.3	15.6	19.6
Denmark	0.46	0.78	0.7	1.6	1.8
Ireland	0.31	0.21	0.31	0.8	0.6
Total	120.17	192.79	146.41	247.7	317.3
Community of Nine's share of total trade (%)	62.9	66	57.6	61.5	60

Ivory Coast's imports consist mainly of crude oil, transport supplies, machinery, iron and steel products and machinery, and electrical machinery (see Table 6). 59.2% of these imports came from the EEC in 1976 (as opposed to 58.9% in 1975, 57.8% in 1974 and 63% in 1973). France's share of these imports has declined but remains at a very high level (see Table 7).

Imports from the EEC countries (in CFAF '000 million)

Exporting countries	1973	1974	1975	1976	1977
France	69.7	90	94.9	119.6	169.2
Italy	6	10	12.5	12.4	14.5
Federal Republic of Germany	12.7	14	13.1	21.9	31.7
Netherlands	6	7.7	7.3	12.4	18.0
BLEU	3.1	7	5.7	7.1	8.6
United Kingdom	2.9	5	8.3	9.7	12.9
Denmark	0.37	0.39	0.42	0.8	0.8
Ireland	0.03	0.05	0.11	0.3	0.6
Total	100.80	134.14	142.33	184.2	256.3
Community of Nine's share of total trade (%)	63	57.8	58.9	59.2	59.7

AID ADJUSTED TO THE COUNTRY'S REQUIREMENTS

Since 1961, cooperation between Europe and Ivory Coast has taken the form of Community aid to the latter, used for the gradual development of its infrastructure and economy.

In the past Ivory Coast received total financing of 209.1 million EUA¹, of which around three-quarters was supplied by the EDF and one quarter by the European Investment Bank:

<u>Million EUA</u>	<u>EDF</u>	<u>EIB</u>	<u>Total</u>
1st EDF (1961-65)	39.7	-	39.7
2nd EDF (1st Yaoundé Convention - 1965-69)	58.9	11.3	70.2
3rd EDF (2nd Yaoundé Convention - 1970-74)	59.7	39.5	99.2
Total	158.3	50.8	209.1

¹EUA is the equivalent of about CFAF 280.

Under the Lomé Convention (1976-80), Ivory Coast is to receive 90 million EUA, comprising 40 million from the EDF and 50 million from the European Investment Bank, plus interest rate subsidies on EIB loans (equivalent to some 8 million EUA), an appropriation for regional cooperation projects (15 million) and transfers made under the system for the stabilization of export earnings (Stabex).

Under the second Yaoundé Convention, the ratio of grants to loans in total EDF and EIB financing worked out at 37.27% and 62.73%, whereas under the first Convention these figures were inverted - 66% and 34% respectively. We should bear in mind that only grants were provided under the first EDF. The change of emphasis from grants to loans was an indication of the rapid progress achieved by Ivory Coast in economic and social development and in its borrowing and budgetary participation capacity.

Under the first EDF, the Community helped to meet the country's primary infrastructure requirements. Following on from this, the second and third EDFs were mainly devoted to achieving the major aim of its development policy - i.e. diversification of the economy, which, owing to a lack of mineral resources, had to be built up around agriculture. Hence 72% of the funds available under the second EDF were allocated to two important projects aimed at diversifying the country's agriculture: the implementation of the first part of the Palm Plan and the development of cotton-growing.

Encouraging results from these two operations enabled Ivory Coast to obtain further financial assistance - in the form of loans (from the EIB, CCCE, IBRD, etc.) - in order to carry them on. Aid provided under the third EDF was geared to meeting another objective of Ivory Coast economic policy, i.e. the reduction of the regional imbalance caused by the development of the Centre South region, where progress had been much more rapid than elsewhere. As well as providing substantial financing for projects in the agricultural sector (rice-growing in the north, modernization programmes in the centre and the development of stock-farming), the third EDF also financed economic and social infrastructure projects: - the asphaltting of the San Pedro-Issia road in the south-west, the road around Lake Kossou, the modernization of a stretch of the Abidjan-Ouagadougou railway, Korhogo hospital, the sinking of wells, etc.

The record to date

First EDF financing in Ivory Coast totalled CFAF 9 800 million, divided up as follows (see Table 3): - transport and communications 38.37%; education and training 22.52%; water engineering 15.58%; health 10.14%; rural production 9.86%; industrialization 3.15%; technical cooperation 0.38%.

The projects financed under the first EDF included the following:

(i) Development of palm-oil production: a grant of CFAF 1 200 million (5.1 million u.a.). This project involved the setting up and maintenance for four years of industrial plantations growing selected oil palms in Eloka and Toumanguié, the establishment of 2 500 hectares of village plantations and the construction of two oil-mills.

(ii) Road improvements in the cocoa belt: a grant of CFAF 1 100 million (4.7 million u.a.) This was used to improve the Kotobi-Akoupe road (47 km),

the Kotobi-Agoua road (24 km) and the Dimbokro-Bocanda road (23 km) and also to establish 309 km of tracks.

(iii) Water engineering for humans and livestock: a grant of CFAF 1 200 million (5 million EUA). This programme enabled 348 wells and earth dams to be established in village communities.

The second EDF also financed projects of this type, and the fourth is to spend 11.3 million EUA in this area.

(iv) Road improvements in the Man region: a grant of CFAF 652 million (2.6 million u.a.) spent on improving the Man, Danane, Toulepleu and Guiglo roads and 342 km of tracks.

(v) Rural training camp: a grant of CFAF 5.78 million (2.3 million u.a.). The 10 operations covered by this project comprised the provision of water and electricity supplies, site preparation, the setting up of dormitories, etc.

Financing granted to Ivory Coast under the second EDF amounted to a total of CFAF 14 500 million, divided up as follows: - rural product is 72.17% transport and communications 16.5%; education and training 7.2%; technical cooperation 3.16%; health 0.9%.

The following are some of the biggest projects:

(i) 32 000 hectares of selected palm plantations: a grant of CFAF 8 100 million (32.8 million u.a.) and a special loan of CFAF 899 million (3.6 million u.a.) carrying interest at 2% and repayable in 12 years. The aim of this major operation was to establish plantations in the Basse-Côte area (4 100 hectares on savannah and 27 900 hectares on woodland). The money was also used to finance forest-clearing, means of transport and social infrastructure.

(ii) Development of cotton-growing: a grant of CFAF 1 200 million (4.4 million u.a.) and a special loan of CFAF 464 million (1.6 million u.a.) carrying interest at 2% and repayable in 20 years. Within the framework of the diversification of Ivory Coast farming, this project made it possible to extend and continue a programme aimed at increasing the amount of land planted with cotton to 85 000 hectares in the north, west and centre of the country. The loan was used to establish storage facilities and manufacturing plant.

(iii) Modernization of a stretch of the RAN (Régie Abidjan-Niger) railway: a special loan of CFAF 1 600 million (6 million u.a.) with 3% interest, to be paid off within 15 years. This loan was granted to the Régie Abidjan-Niger to pay for straightening the alignment between Agboville and Dimbokro.

We should point out that the RAN had already received aid amounting to CFAF 564 million (2.2 million u.a.) under the first EDF, for the purchase of rolling-stock and the reinforcement of metal bridges.

Third EDF financing in Ivory Coast amounted to a total of CFAF 16 400 million, divided up as follows: - rural production 45.35%; transport and communications 32.72%; health 6.52%; technical assistance 5.82%; education and training 4.45%; industrialization 3.63%; trade promotion 1.51%.

The following projects should be noted:-

(i) Development of rice-growing: a grant of CFAF 2 800 million (10.5 million u.a.). This vast programme provides for the construction of three dams in the north of the country, the intensification of rice-growing on land subject to flooding in the Odienne region, the cultivation of prepared land around the town of Bouaké, the development of dry rice-growing in the Mankono region, the training of supervisory staff and the supply of seed.

(ii) Industrial hevea plantation: a special loan of CFAF 1 900 million (6 900 million u.a.) with an initial interest rate of 0.5% and then 3%, repayable over 30 years. The aim of this project, which is also being financed by the World Bank and the CCCE, is to establish 7 000 hectares of plantations in Grand-Béréby, in the south-west of the country, to go into full production around 1990.

Nevertheless, its profitability depends on developments on the natural rubber market. The fourth EDF is to devote 5.3 million EUA to the project.

(iii) Asphalting of the San Pedro-Issia road: a special loan of CFAF 1 900 million (6.8 million u.a.). This was used to carry out the work and provide the supplies necessary for asphalting this road (approximately 21.5 km long) and for certain extra operations required in connection with it. The project was granted an EIB loan of CFAF 2 200 million (7.9 million u.a.), with 7.75% interest, repayable in 15 years.

(iv) Modernization of the Dimbokro-Bouaké railway: a special loan of CFAF 1 300 million (5 million u.a.) with 1% interest, repayable in 40 years. This paid for the construction of a new platform and the purchase of various supplies. It was granted to the RAN which, for the same project, received an EIB loan of CFAF 3 900 million (14 million u.a.) carrying interest at 6.25% and repayable in 15 years: an interest rate subsidy of 2.5% on this loan was provided from EDF funds.

Fourth EDF: "Planned" aid

The indicative programme for the 40 million EUA allocated to Ivory Coast from the fourth EDF under the Lomé Convention breaks down as follows: -

<u>Rural sector</u>	<u>million EUA</u>	<u>as % of total</u>
(i) hydro-agricultural development of the Kan valley	3.9	
(ii) agricultural development of the Bandama valley	3.9	
(iii) Grand-Béréby hevea project (stage two)	5.3	
(iv) development of stock-farming	5.4	
	18.5	46.1

Water engineering for human use

(i) village water-engineering programme	11.3	
(ii) urban sanitation programme	<u>1.9</u>	
	13.2	33

Training and research

(i) study and training grants programme	3	
(ii) agricultural research centre in the north	<u>1.9</u>	
	4.9	12.3

Transport infrastructure

improvement and asphaltting of the Bada-Marabadiassa road (10 km)	1.5	3.8
---	-----	-----

<u>Trade promotion programme</u>	1.9	4.8
----------------------------------	-----	-----

Total	40	100
-------	----	-----

The indicative programme's sectoral breakdown corresponds to the general guidelines laid down in the Ivory Coast's Development Plan for 1976-80. The programme provides for the allocation of more than three-quarters of the funds available to agricultural and stock-farming projects and to water engineering for human use, since these are the two areas considered to be the most important. The aim of the hydro-agricultural development of the Kan valley in the centre of the country is to encourage people to settle there by creating small irrigated farms where cash crops suitable for export would be introduced.

On the basis of initial financing provided under the third EDF (a grant of CFAF 920 million, equivalent to 3.3 million EUA), the agricultural development of the Bandama valley should make it possible to stabilize crop production, thus eliminating the tendency for farmers to move from place to place, and also improve the marketing of the region's products.

With the financial support of the same bodies as before (the EEC, the World Bank, CCCE), Ivory Coast intends to extend the Grand-Béréby hevea project, which, as we have seen, already received a special loan under the third EDF.

As far as stock-farming is concerned, several measures have been planned with a view to reducing the country's dependence on meat imports: centre for the improvement of cattle breeds, pig-farming (in the northern region), promotion of stock-farming in the forest areas (in the centre and south), promotion of sheep-farming (in the northern region), introduction of a system of credit for stock-farmers.

The water-engineering and sanitation programme includes the sinking of wells fitted out with pumps in the villages, the establishment of water supplies in all towns and the equipping of inland urban centres with waste water collection networks. The total cost of the projects proposed in this field for the 1976-80 Plan is 135 million EUA.

With regard to education, priority has been given to three sectors: technology, agriculture and the economy. Two thirds of the grants requested are intended for the training of middle managers, to be carried out principally in Ivory Coast itself.

The only instance of Community aid in the field of transport infrastructure is the improvement and asphaltting of the Bada-Marabadiassa branch road (10 km) in the Lake Kossou region.

Overall, the projects contained in the indicative programme, and particularly those relating to agriculture, stock-farming and water engineering, largely concern the inland regions of the country (north, centre, south-west) and are thus likely to help correct the existing imbalances between Abidjan and the other urban centres and between the towns and the country, which represents one of the major concerns of the Ivory Coast authorities.

A special interest in trade promotion

Abidjan has also displayed special interest in the schemes involving aid for marketing and trade promotion, which account for 4.8% of the funds in the indicative programme.

The purpose of these schemes is to diversify Ivory Coast's foreign trade and to bring about foreign currency inflows that are a more regular basis than current earnings from the sale of agricultural produce, which are subject to the ups and downs of the international markets.

Community aid in this area covers:

(i) assistance in backing and developing the activities of the Ivory Coast

Foreign Trade Centre, both in Ivory Coast itself and abroad (by sending experts and technical advisers); also, assistance in developing and improving the International Textile and Clothing Show in Abidjan (SITHA), which aims at promoting the ACP States' products on the international market in the face of competition from other developing countries, particularly those in Asia;

(ii) the financing, over a three-year period, of a trade promotion programme. In particular, this involves:

(a) the organization of seminars on the development of export production;
(b) the training and further training of managers in the public and private sectors whose work is geared to foreign trade (marketing seminars in Ivory Coast and training courses in firms in Europe);

(iii) market research to find out what opportunities exist for diversifying exports (sectoral and market analysis), the development of export businesses (distribution networks and the winning of contracts), and the middle- and long-term preparation of a new generation of export companies.

An original project

The CIMAO project is probably one of the best examples of the financial support offered to Ivory Coast by the Community, and its regional nature makes it particularly original. It involves the construction of a

clinker plant (clinker being the product of one of the stages of cement manufacture) and will be run by CIMAO, in which the Governments of Togo, Ghana and Ivory Coast are the principal shareholders. It is to have an annual capacity of 1.2 million tonnes and will be situated in Tabligbo (Togo) near limestone deposits.

The total cost of this project, which also provides for accompanying structures, is estimated at CFAF 70 000 million (249.38 million EUA).

The Community's contribution is as follows:

4th EDF: a special loan of CFAF 9 600 million (18 million EUA), carrying interest at 1% and repayable over 40 years, from the funds reserved for regional cooperation, and risk capital operations for Ivory Coast, Ghana and Togo, amounting to CFAF 540 million (2 million EUA) each.

EIB: loans to CIMAO of 5.95 million EUA (9.5% interest, repayable within 15 years) and 14 million EUA (6% interest, with an interest rate subsidy of 3% from the fourth EDF, repayable within 14 years).

Lastly, financing already committed in Ivory Coast under the Lomé Convention includes:

- a special loan under the fourth EDF of CFAF 1 000 million (3.6 million EUA) for the gradual establishment of 2 000 family farms in the savannal zone around Lake Kossou (in the central region);
- an EIB loan of CFAF 2 000 million (7.5 million EUA) to the Palminindustrie company for the construction of a mill to produce oil from palm kernels and copra. This loan, which follows a sum of CFAF 2 500 million (9.1 million EUA) granted to the same company under the first Yaoundé Convention for the construction of eight palm oil-mills, is to be repaid over 13 years; the interest rate is 6% by virtue of a 3% interest rate subsidy covered by the fourth EDF.

Table 1

THE ALLOCATION OF PUBLIC INVESTMENT IN THE 1976-80 PLAN

(in CFAF '000 million, 1975 values)	State	Public Enterprise	Total	%
1. Agriculture	75.4	140.7	216.1	21.2
2. Stock-farming	20.0	6.1	26.1	2.5
3. Fisheries	5.7	10.7	16.4	1.6
4. Forestry	15.0	1.2	16.2	1.6
5. Industry	72.5	42.0	114.5	11.2
6. Small business	3.0	-	3.0	0.3
7. Trade	2.9	3.0	5.9	0.6
8. Tourism	2.1	-	2.1	0.2
A. Economic activity	196.6	203.7	400.3	39.2
9. Scientific research	5.5	-	5.5	0.5
10. Energy	9.3	140	149.3	14.7
11. Transport and telecommunications ...	149.4	77.8	227.2	22.3
B. General back-up for development	164.2	217.8	382.0	37.5
12. Population	-	-	-	-
13. Health	20.6	-	20.6	2.0
14. Solidarity	2.6	-	2.6	0.3
15. Quality of life and living conditions	78.0	10.0	88.0	8.6
16. Culture	3.0	-	3.0	0.3
17. Information	19.0	-	19.0	1.9
C. Ways of life and living conditions .	123.2	10.0	133.2	13.1
18. Education	48.3	-	48.3	4.7
19. Employment	2.2	-	2.2	0.2
20. "Ivorization"	4.0	-	4.0	0.4
D. The advancement of man	54.5	-	54.5	5.3
E. Regional development	30.0	-	30.0	2.9
F. Administration	20.0	-	20.0	2.0
Total	588.5	431.5	1 020.0	100.0

Source: Ministry of Planning

Table 2

TOTAL INVESTMENT AID RECEIVED BY IVORY COAST BY SECTOR AND SOURCE (1960-74)
(Agreements signed. CFAF million)

	Agri- culture and Agri- industries	Indus- tries	Transport	Public Amenities	EECI	Housing and Urban Works	Education and Training	Health	Other	Total	As % of total
	*		**	***							
I. Grants											
FAC ¹	4 185	77	1 085	1 005	-	80	5 261	2 111	1 596	15 400	6.49
University							2 895			2 895	1.22
EDF	15 815	152	5 110	2 391	-	462	2 796	2 262		28 988	12.23
Other (CIDA & WFP) ²				375			1 956		500	2 831	1.19
Total grants	20 000	229	6 195	3 771	-	542	12 908	4 373	2 096	50 114	21.13
II. Loans											
EDF	3 948	275	5 269							9 492	4.00
FAC ¹	119		2 332	257	840					3 548	1.50
CCCE	13 452	3 821	2 689	4 717	3 369	9 595	400		3 683	43 726	18.44
Debenture loans (from France)	3 375		2 040	1 460		4 500				11 375	4.80
Italy	2 450		11 341		19 970					33 761	14.24
USA	7 540	1 230	418	969	8 000	426	242		68	18 893	7.97

Table 2 (contd)

	Agri- culture and Agri- industries	Indus- tries	Transport	Public Amenities	EECI	Housing and Urban Works	Education and Training	Health	Other	Total	As % of total
	*		**	***							
Germany	3 910	2 319	2 793	1 390						10 412	4.39
Other loans	5 282	5 125	10 037	125	1 612				576	22 756	9.60
IBRD	10 780	50	13 165	6 000			3 050			33 045	13.93
Total loans	50 856	12 820	50 084	14 918	33 791	14 521	3 692	-	6 326	187 008	78.87
Overall total	70 856	13 049	56 279	18 689	33 791	15 063	16 600	4 373	8 422	237 122	100
As % of total	29 88	3 50	23 74	7 88	14 25	6 35	7 00	1 85	3 55	100	-

*Agri-industries engaged in first-stage processing.

**Equipment and infrastructure (road, rail, sea, air).

***Water supply, market, telecommunications, industrial estate, hotels.

¹Aid and Cooperation Fund (FAC).

²Canadian International Development Authority and World Food Programme.

Source: Ministry of Planning.

Table 3

EDF AND EIB AID TO IVORY COAST BY SECTOR (at 31 December 1977)
(in CFAF million and %)

	1	2	3	4	5	6	7	8	0	STABEX	TOTALS
1st EDF	310	-	970	3773	2214	997	1532	-	37	-	9833
%	3.15	-	9.86	38.37	22.52	10.14	15.58	-	0.38	-	13.58
2nd EDF	-	-	10469	2393	1045	140	-	-	458	-	14505
%	-	-	72.17	16.50	7.20	0.97	-	-	3.16	-	20.03
1st/2nd EDF reserve account	-	-	330	-	-	-	580	-	-	-	910
	-	-	36.26	-	-	-	63.74	-	-	-	1.26
3rd EDF	595	-	7440	5367	730	1070	-	250	954	-	16405
%	3.63	-	45.35	32.72	4.45	6.52	-	1.51	5.82	-	22.65
4th EDF	3541	-	1522	-	780	-	530	248	41	4081	10743
%	32.96	-	14.17	-	7.26	-	4.93	2.31	0.38	37.99	14.83
EIB	8802	450	-	10783	-	-	-	-	-	-	20035
%	43.93	2.25	-	53.82	-	-	-	-	-	-	27.65
Totals	13248	450	20731	22316	4769	2207	2642	498	1490	4081	72431
%	18.29	0.62	28.62	30.81	6.58	3.05	3.65	0.69	2.06	5.63	100

Economic and social sectors affected by EDF and EIB financing:

1. Industrialization
2. Tourism
3. Rural production

4. Transport and communications
5. Education and training
6. Health

7. Water engineering
8. Trade promotion
0. Project-linked and general technical assistance, plus administrative costs

Table 4

EXPORTS BY CATEGORY OF PRODUCT

(in CFAF million)	1973	1974	1975
1. Green coffee	45 538	63 218	61 702
2. Cocoa beans	27 758	62 281	63 313
3. Logs	56 223	52 641	51 571
4. Worked wood	9 869	13 045	12 440
5. Crude palm oil	2 357	12 619	10 552
6. Petroleum products	3 782	10 885	14 407
7. Tinned pineapple	4 241	6 679	6 113
8. Cocoa butter	3 787	6 348	10 195
9. Cocoa paste	1 842	5 735	4 137
10. Cotton, not carded or combed	3 204	5 288	3 640
11. Cotton fabric/Textiles	1 411	4 155	5 276
12. Fresh bananas	3 029	3 666	3 006
13. Fresh pineapples	2 088	2 976	3 112
14. Rubber	1 982	2 668	1 731
15. Soluble coffee	1 598	2 284	2 365
16. Cola nuts	1 121	1 576	1 144
17. Diamonds	529	460	667
18. Other	20 497	35 246	20 349
Total	190 856	291 771	254 572
Source: Ministry of Planning			

Table 5

IVORY COAST EXPORTS: PRINCIPAL DESTINATIONS
(in CFAF million)

Country	1971	1972	1973	1974	1975	1976
Germany (Fed. Rep.) ..	11 192	15 150	20 689	27 057	22 540	28 469
Belgium-Luxemburg	2 307	3 097	6 908	7 648	4 242	6 617
Denmark	433	378	456	708	691	1 648
France	42 210	40 664	49 219	76 139	69 116	99 881
Ireland	55	83	314	206	307	822
Italy	9 835	14 927	21 296	27 556	16 821	36 265
Netherlands	11 237	10 420	14 868	45 126	26 570	51 380
United Kingdom	4 297	3 814	6 384	8 650	6 323	15 602
EEC	81 566	88 533	120 134	193 090	146 610	240 684
Spain	2 905	4 755	9 117	10 656	10 009	18 465
Greece	707	1 110	1 534	2 031	2 697	4 258
Yugoslavia	773	555	1 429	4 219	1 898	3 289
Hungary	983	816	2 242	1 449	886	1 183
USSR	2 916	1 502	1 026	6 013	3 591	3 429
UMOA (West African Monetary Union)	4 942	7 768	9 385	15 699	17 481	19 843
Algeria	579	958	3 057	3 570	2 741	3 066
Mali	1 347	2 274	3 409	7 710	11 339	8 452
Morocco	724	1 424	2 748	4 047	3 134	4 694
United States	21 366	19 411	21 151	20 594	26 015	41 016
Japan	2 247	2 286	4 415	2 941	4 049	10 172
Other countries	5 505	8 149	111 209	19 752	24 122	34 350
Total	126 559	139 541	190 856	291 771	254 572	392 501

Table 6

IMPORTS BY CATEGORY OF PRODUCT

(in CFAF million)	1973	1974	1975
1. Crude oil	5 766	31 043	33 531
2. Transport equipment	25 289	25 192	26 547
3. Machinery (other than electrical).	18 046	24 978	30 396
4. Iron and steel products	11 655	15 959	16 835
5. Electrical machinery	8 466	10 535	11 933
6. Paper	4 173	7 568	-
7. Cotton articles	6 278	7 214	6 656
8. Rice	8 547	7 095	215
9. Sugar	3 915	5 769	-
10. Fish	2 588	5 349	6 419
11. Milk products	3 440	5 051	6 792
12. Plastics	2 715	5 037	4 137
13. Beverages	3 063	3 957	4 437
14. Hardware	2 847	3 898	-
15. Rubber	3 009	3 857	4 733
16. Clinker	2 139	3 791	4 328
17. Medicinal preparations	3 045	3 753	4 682
18. Aircraft - Vessels	5 270	3 519	-
19. Clothing	2 223	2 612	2 589
20. Wheat	2 866	2 165	2 585
21. Aluminium articles	1 665	2 150	-
22. Glass	1 109	1 540	-
23. Other	33 407	50 236	74 578
Total	157 521	232 268	241 393
Source: Ministry of Planning			

Table 7

IVORY COAST IMPORTS BY COUNTRY OF ORIGIN

(in CFAF million)

Country	1971	1972	1973	1974	1975	1976
Germany (Fed. Rep.)	7 222	7 899	12 661	14 766	13 065	21 962
Belgium - Luxembourg	2 383	2 954	3 087	7 064	5 724	7 092
Denmark	505	374	368	389	429	880
France	51 778	53 870	69 699	90 104	94 883	119 551
Ireland	10	11	27	48	109	206
Italy	7 589	6 120	5 962	10 337	12 562	12 351
Netherlands	5 264	5 154	6 039	7 733	7 283	12 448
United Kingdom	2 596	2 342	2 892	5 073	8 391	9 732
EEC	77 347	78 724	100 735	135 514	142 446	184 222
Spain	717	858	968	1 586	3 139	5 307
Sweden	699	569	1 080	1 483	1 291	1 611
Switzerland	709	916	1 006	1 797	2 542	2 809
USSR	262	435	1 017	3 456	4 792	3 630
UMOA	2 261	2 470	3 286	4 811	4 678	4 947
Algeria	1 488	856	976	1 294	3 224	767
Gabon	1 754	3 276	2 464	11 468	11 921	2 356
United States	7 587	6 996	14 129	15 902	17 274	23 186
Iran	298	2 653	2 591	14 085	3 551	12 816
Japan	4 194	3 167	4 526	8 218	9 746	15 777
Taiwan	1 265	1 649	5 067	9 920	3 495	4 901
Other countries	12 257	11 748	19 677	22 752	33 294	49 278
Total	110 838	114 317	157 522	232 286	241 393	311 607
Source: Ministry of Planning						

PUBLICATIONS ABOUT 'DEVELOPMENT AID'

Other EEC publications about the Community's relations with the Third World in general and the Arab world in particular can be obtained from the following address:

Spokesman's Group and Directorate-General for Information
Publications distribution service, Room 2/27 A
Commission of the European Communities
Rue de la Loi, 200
B-1049 Brussels (Belgium)

The *Information* series of notes. These are published regularly in all the Community languages, and in some cases also in Arabic:

- 119/76 Tunisia—EEC
- 162/77 Cooperation agreement between Tunisia and the EEC
- 120/76 Algeria—EEC (+ Arabic)
- 121/76 Morocco—EEC
- 144/76 Jordan—EEC
- 147/77 Lebanon—EEC
- 161/77 The EEC's Generalized System of Preferences
- 139/77 List of agreements between the European Community and non-member countries.
- 172/78 Promotion of trade and marketing of ACP products

The *Information Note* series:

- P 14 Cooperation agreements between the European Community and Algeria, Morocco and Tunisia
- P 100 Cooperation agreements between the European Community, Egypt, Jordan and Syria

The *European Documents* series:

The European Community and the developing countries, No 1977/1

Dossier:

The European Community and the Third World
Brussels, September 1977 (English, French and German)

Europe Information:

- 4/78 Bananas: essential element of the world and Community markets
- Special edition EEC—Egypt cooperation agreement
- 10/78 Industrial cooperation and the Lomé Convention



OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

Boîte postale 1003 — Luxembourg

Catalogue number: CC-AB-78-020-EN-C