SUDAN — EEC RELATIONS

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SUDAN – EEC RELATIONS

The largest country in Africa and one of the most linguistically and geographically diverse, Sudan acts as an important bridgehead between Africa and Europe and between the Arab, Moslem north and the non-Arab, non-Moslem south. As President of the Organization of African Unity until July 1979 President Nimeri has a key role to play in promoting peace in Africa. As one of the original 46 ACP signatories of the 1975 Lomé Convention Sudan favours closer economic ties with the EEC. As chairman of the Euro-Arab Dialogue for the past six months Sudan has also had a role to play in fostering closer ties between the Arab countries and the nine Member States of the EEC.

But Sudan is also one of the world’s ‘most seriously affected’ countries (MSA) with a per capita national income of only about USD 355 (£ S 120). With overall foreign debts totalling USD 2 000 million at the end of 1977 and a further USD 300 million debt forecast for the end of this year massive international aid may soon be necessary. In July the Sudanese pound was devalued as part of a comprehensive ‘Financial reform and economic stabilization programme’. Another feature of the programme is a slowing down of the USD 7 700 million six-year development plan (1977/78 – 1982/83). No new projects will be started and priority will be given to directly productive projects financed by foreign aid.

In view of Sudan’s massive needs the amount of aid supplied by the EEC may seem modest. Of the USD 167 million the EEC is supplying, USD 129 million (£ S 57 million) is given under the Lomé Convention and the remainder in the form of food aid, United Nations special action (launched by the Paris Conference on International Economic Cooperation), and the United Nations emergency operation (1974-75). However EEC aid often serves as a catalyst to attract aid from other sources.

Profile

Date of independence — January 1956.
Area — 2.5 million sq.km. Largest country in Africa, but only 8% of the potential arable land of 800 000 sq.km is currently farmed.
Climate — Ranges from desert conditions in north to subequatorial forest in south.
Time — 2 hours ahead of Greenwich Mean Time (GMT).
Growth — 2.4% annual average growth rate.
Density — 7 per sq. km = av. density.
Mainly Arab stock in north and pagan and Christian in south.
Towns — Khartoum (capital) 1.1 million
Port Sudan 123 000
Juba 100 000
Wad Medani 70 000
National income per person (1974) — £S 67 = USD 190.
Monetary Unit — £S 1 = USD 2.5.
£S 1 = EUA 1.7.
Petroleum refinery capacity — 1.2 million tonnes.
Electrical capacity — 112 megawatts.
Ships (1975) — 14, totalling 45 578 gross tonnes.
Port — Sudan: goods loaded 1.2 million tonnes,
goods unloaded 2.0 million tonnes.
Principal airports — Khartoum, Juba, Malakal, El Obeid.
Development planning

The current 6-year plan (1977/78-1982/83) is Sudan's third. The aim is to achieve an annual growth rate of 7.5% and to raise GDP per capita from USD 314 to USD 877.

Total volume of investment during the 6-year plan is estimated at £S 2,700 million (USD 7,700 million). This includes the first phase of the 25-year master plan (1976-80) of the Arab Authority for Agricultural Investment and Development (AAAID), an agency of the Kuwaiti based Arab Fund for Economic and Social Development (AFESD). The aim of the plan is to turn Sudan into an 'Arab granary'.

Agriculture is given priority in the 6-year plan closely followed by social services. The investment is allocated as follows (%):

<table>
<thead>
<tr>
<th>Sector</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and irrigation</td>
<td>27</td>
</tr>
<tr>
<td>Social services</td>
<td>26</td>
</tr>
<tr>
<td>Industry, mining, power, tourism</td>
<td>20</td>
</tr>
<tr>
<td>Transport and communications</td>
<td>19</td>
</tr>
<tr>
<td>Reserves</td>
<td>8</td>
</tr>
</tbody>
</table>

The broad aim of the plan is to raise per capita income and remove regional imbalances and bottlenecks to economic development (e.g. infrastructure and education and training, road and rail services). Private investment in both livestock and crop production will be encouraged as well as development of the traditional sector. The processing of agricultural raw materials will also be developed.

Major projects

A number of huge development projects are being carried out:

1. Rahad agricultural project

This USD 250 million project on the Blue Nile is modelled on the 1925 Gezira scheme and will grow cotton, wheat, groundnuts, fruit and vegetables for export on a 300,000 acre highly mechanized farm. Utilizing a new type of irrigation it is planned to produce higher yields as well as higher living standards for the 14,000 families to be settled in the area.

The project is financed by a variety of Arab funds and US aid. Dutch and British consultants have been used.

2. Kenana sugar project

When fully operational this project will be the largest in the world producing 375,000 tonnes annually on 60,000 hectares of land irrigated by the White Nile. Sugar is being grown as an alternative crop to cotton and much of it will be exported to Arab countries.

About 50% of the project is foreign financed – British (Lonrho), Japanese (Missho lwai) and Arab – costs having quadrupled over the past 4 years to USD 600 million.

3. Jonglei canal

This joint Sudan/Egypt project involves the construction of a 200-mile canal in the southern reaches of the White Nile, bypassing the great 'Sudd' swamps. It should increase the flow of the Nile by 4,000
million cubic metres annually — the water being equally shared between Sudan and Egypt. The canal will thus provide water to irrigate 4 million acres.

The canal is now expected to be completed in 1984. The EEC, through EDF, is contributing 2.1 million EUA to finance swamp (fisheries) and range (livestock) ecology studies, a French company is digging the canal and a consultancy firm will advise on bridges and other work connected with the canal.

4. **Juba University**

The first national university to be established outside Khartoum, it will help meet the southern region’s urgent needs for trained cadres, technicians, teachers, etc. The first part of the project — the town campus — was opened in 1977. Work on the main site at Bilinyang, on the East bank of the White Nile opposite Juba, will start after a comprehensive development plan and architectural studies are finished. The EEC (EDF resources) may contribute almost 10 million EUA to the overall project under the present programme.

5. **Babanousa railway**

The object of this 14.5 million EUA project is to improve communications between the western region and the capital Khartoum and Port Sudan. It will encourage agricultural production by improving access for rural farmers to urban markets.

The project involves the replacement of 363 km of rails between Babanousa and El Rahad and the supply of signalling equipment. It forms part of Sudan’s fourth railway plan, the object of which is to increase overall rail traffic from 2.7 to 5.3 million tonnes by 1983. Half the cost is being financed by external aid notably Arab funds, the World Bank and the EDF.

A financing convention for 9 million EUA was signed in Brussels on 9 October between the Sudanese Minister of Planning, Syed Nasr el Din Mustafa, and the European Commissioner responsible for development, Mr Cheysson. The EEC aid is being given in the form of a special loan repayable over 40 years starting in the 11th year at an interest rate of 1%. The EEC contribution constitutes 56% of the project’s cost, the remainder is being financed by Sudan Railways Corporation.

**Financial and technical cooperation**

In the Lomé Convention 3 390 million European Units of Account of aid (1 EUA = £S 0.7) was pledged by the EEC to the original 46 ACP States to last until 1 March 1980. This was composed of 3 000 million EUA from the fourth European Development Fund (EDF) and 390 million EUA from the Luxembourg based European Investment Bank (EIB).

Sudan’s share of this total is 90.6 million EUA (now £S 56.9 million). An indicative aid programme was established in November 1975 giving priority to transport and telecommunications (36%) so as to provide the necessary infrastructure for developing agricultural and industrial production. Rural development was also stressed (31%), aid being directed towards upgrading the poorer traditional farming sector and creating more jobs. The remainder of the aid was allocated for education (24%) and feasibility studies (9%) to train the staff required to implement the national development plan and to identify and prepare projects, many in the industrial/processing sector.

As Sudan is classified as a least-developed country it could and should receive about 90% of the EEC aid in the form of non-repayable grants.

By June 1978 projects worth over 40% of the indicative programme (i.e. 36 million EUA) had already been approved by the European Commission and this should rise to 80% by end-1979.

In the industrial sector EDF aid has contributed to the processing of molasses, a by-product of the growing sugar-industry, and to identifying raw materials for the building industry. The EIB is co-financing an integrated cotton textile mill which will be owned by a cooperative consisting of 96 000 tenants of the Gezira scheme. The mill will produce for the domestic market only.
The projects and the amount of aid so far committed are given below:

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount (’000 EUA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cash crop (tea) production, Equatoria province</td>
<td>260</td>
</tr>
<tr>
<td>2. Feasibility study for producing alcohol, bread yeast and animal feed from molasses</td>
<td>114</td>
</tr>
<tr>
<td>3. Technical assistance and feasibility studies for the development of the construction materials industry (1st phase)</td>
<td>200</td>
</tr>
<tr>
<td>4. Economic and technical study for the Kadugli-Talodi road (100 km)</td>
<td>300</td>
</tr>
<tr>
<td>5. Improvement of telecommunications</td>
<td>6 974</td>
</tr>
<tr>
<td>6. Juba University</td>
<td>120</td>
</tr>
</tbody>
</table>

**1977**

Agricultural development in the Nuba Mountains ................................ 35  
Cash crop production in Equatoria province ........................................ 28  
Juba University (town campus) ....................................................... 2 000  
Technical assistance for Ministry of Agriculture ............................... 550  
Technical assistance for First Khartoum International Fair .................. 50  
Scholarships 1976–1978 ....................................................................... 350  
Cash crop (tea) production in Equatoria province ................................ 8 350  
Aflatoxin (regional) research project .............................................. 3 000  
Soil survey in Jonglei region ............................................................ 300  

**1978**

Agricultural development in the Nuba Mountains ................................ 85  
Development studies in Jonglei canal region ........................................ 1 800  
First annual microproject programme ................................................. 75  
Delegation expenses ............................................................................. 884  
Babanousa railway (special loan) ....................................................... 9 000  
Multiannual training programme (scholarship) ..................................... 4 650  
Trade promotion: Second Khartoum International Fair ........................... 50  
Aweil rice project ................................................................................. 50  
Juba airport ......................................................................................... 150  
Higher technical secondary schools (4) .............................................. 315  
Out-of-season vegetables ....................................................................... 140  

Total (September 1978) ......................................................................... 17 199  

39 830
### Sudan: Indicative Aid Programme (modified)

**October 1978**

<table>
<thead>
<tr>
<th>I. Transport and telecommunications</th>
<th>€UA million</th>
<th>£S million</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Replacement of the Babanousa-El Rahad railway line</td>
<td>9.0</td>
<td>4.5</td>
</tr>
<tr>
<td>2. Telecommunications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1. Automatic switching equipment</td>
<td>7.0</td>
<td>3.5</td>
</tr>
<tr>
<td>2.2. Expansion of UMM Haraz Earth Station</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Kadugli-Talodi road study</td>
<td>0.3</td>
<td>0.15</td>
</tr>
<tr>
<td>4. Improvement of the domestic air transport infrastructure (Juba airport)</td>
<td>6.0</td>
<td>3.0</td>
</tr>
<tr>
<td>5. Reserve (from Kadugli-Talodi Road)</td>
<td>10.3</td>
<td>5.15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32.6 = 36%</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>II. Rural development</th>
<th>€UA million</th>
<th>£S million</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Jebel Marra (South Darfur)</td>
<td>6.0</td>
<td>3.0</td>
</tr>
<tr>
<td>2. Tea project (Equatoria)</td>
<td>8.0</td>
<td>4.0</td>
</tr>
<tr>
<td>3. Aweil rice scheme (Bahr El Ghazel)</td>
<td>4.0</td>
<td>2.0</td>
</tr>
<tr>
<td>4. Nuba Mountains (South Kordofan)</td>
<td>8.0</td>
<td>4.0</td>
</tr>
<tr>
<td>5. Reserve (created by withdrawal of Saag el Naam project)</td>
<td>2.0</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28.0 = 31%</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>III. Education and technical assistance</th>
<th>€UA million</th>
<th>£S million</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Construction and equipment of technical secondary schools</td>
<td>(12.0)</td>
<td>(6.0)</td>
</tr>
<tr>
<td>2. Juba University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Training and scholarships</td>
<td>(10.0)</td>
<td>(5.0)</td>
</tr>
<tr>
<td>4. Technical assistance</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22.0 = 24%</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IV. Feasibility studies/Trade promotion</th>
<th>€UA million</th>
<th>£S million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>8.0 = 9%</strong></td>
<td><strong>4.0</strong></td>
</tr>
<tr>
<td><strong>Trade cooperation</strong></td>
<td><strong>90.6 100%</strong></td>
<td><strong>45.3</strong></td>
</tr>
</tbody>
</table>

**Trade cooperation**

Under the Lomé Convention nearly all ACP exports enjoy free access to the EEC market. The only exceptions are certain products covered by the EEC's common agricultural policy (CAP) but these still enjoy preference over imports from other third countries.

The EEC is Sudan's most important trading partner accounting for about 50% of its exports and imports. While trade between the two sides is expanding strongly the balance is still in the EEC's favour. This reflects Sudan's shift away from barter trade with the East European countries to trade in convertible currencies with the EEC.

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1. The European Community indicative commitments are expressed in units of account (EUA). These are approximate equivalents of the originally proposed indicative figures in Sudanese Pounds. The rate of exchange used is 2 EUA = £S 1.

2. The figures in brackets indicate tentative allocations. Firmer figures to be determined after detailed project appreciation and appraisal.
Overall trade balance: 1974/75–1977/78

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>444</td>
<td>507</td>
<td>609</td>
<td>777</td>
</tr>
<tr>
<td>Imports (net)</td>
<td>-814</td>
<td>-753</td>
<td>-683</td>
<td>-1069</td>
</tr>
<tr>
<td>Balance</td>
<td>-370</td>
<td>-246</td>
<td>-274</td>
<td>-292</td>
</tr>
</tbody>
</table>

Source: Bank of Sudan.

### EEC trade with Sudan

<table>
<thead>
<tr>
<th>CST heading</th>
<th>Product</th>
<th>Value ('000 EUA)</th>
<th>Volume (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>011.1</td>
<td>Beef</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>051.95</td>
<td>Dates, pineapples, mangoes</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>054.2</td>
<td>Dried vegetables</td>
<td>91</td>
<td>251</td>
</tr>
<tr>
<td>081.3</td>
<td>Oil cakes</td>
<td>28 152</td>
<td>143 600</td>
</tr>
<tr>
<td>221.1</td>
<td>Unroasted groundnuts</td>
<td>54 367</td>
<td>112 421</td>
</tr>
<tr>
<td>221.6</td>
<td>Cotton seed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>221.7</td>
<td>Castor oil seed</td>
<td>817</td>
<td>2 207</td>
</tr>
<tr>
<td>221.8</td>
<td>Nuts and almond seed</td>
<td>5 670</td>
<td>11 274</td>
</tr>
<tr>
<td>263.1</td>
<td>Bulk cotton</td>
<td>83 776</td>
<td>34 587</td>
</tr>
<tr>
<td>292.2</td>
<td>Goat skins</td>
<td>1 415</td>
<td>1 464</td>
</tr>
<tr>
<td>292.4</td>
<td>Sheep skins</td>
<td>263</td>
<td>228</td>
</tr>
<tr>
<td>211.1</td>
<td>Groundnut oil</td>
<td>17 297</td>
<td>22 237</td>
</tr>
<tr>
<td>211.4</td>
<td>Goat skins</td>
<td>461</td>
<td>150</td>
</tr>
<tr>
<td>211.6</td>
<td>Sheep skins</td>
<td>2 075</td>
<td>516</td>
</tr>
<tr>
<td>263.2</td>
<td>Cotton linters</td>
<td>135</td>
<td>490</td>
</tr>
<tr>
<td>421.4</td>
<td>Groundnut oil</td>
<td>17 297</td>
<td>22 237</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>214 634</strong></td>
<td><strong>468 665</strong></td>
<td></td>
</tr>
</tbody>
</table>

### EEC exports to Sudan 1977

<table>
<thead>
<tr>
<th>CST heading</th>
<th>Product</th>
<th>Value ('000 EUA)</th>
<th>Volume (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>541.70</td>
<td>Medicine</td>
<td>16 572</td>
<td>2 148</td>
</tr>
<tr>
<td>599.20</td>
<td>Insecticides</td>
<td>11 382</td>
<td>4 992</td>
</tr>
<tr>
<td>691.10</td>
<td>Metallic construction</td>
<td>18 564</td>
<td>14 430</td>
</tr>
<tr>
<td>711.50</td>
<td>Other explosive motors</td>
<td>13 388</td>
<td>2 155</td>
</tr>
<tr>
<td>717.11</td>
<td>Textile machinery</td>
<td>10 500</td>
<td>1 522</td>
</tr>
<tr>
<td>718.39</td>
<td>Bakery and patisserie equipment</td>
<td>38 765</td>
<td>10 383</td>
</tr>
<tr>
<td>732.30</td>
<td>Goods vehicles</td>
<td>52 173</td>
<td>13 120</td>
</tr>
<tr>
<td>732.89</td>
<td>Car spare parts and accessories</td>
<td>21 870</td>
<td>4 447</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>490 233</strong></td>
<td><strong>325 442</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Trade promotion

The Lomé Convention contains provisions to promote trade cooperation so as to enable the ACP States to gain the maximum benefit from the trade concessions and possibilities of industrial cooperation in the Convention to boost their exports to the EEC and international markets.

Assistance has been provided and planned for the following areas of cooperation:

- Improving the structure and working methods of ACP trade organizations;
- Training of ACP staff in foreign trade and trade promotion centres;
- Improving cooperation between EEC and ACP businessmen;
Market research;
Collection and distribution of ACP trade information;
ACP participation in fairs and exhibitions: The EEC helped finance and organize the first Khartoum International Fair in January 1978. EEC Member States exhibited at a joint EEC pavilion instead of in separate pavilions. Speaking at the opening ceremony the President of the European Commission, Mr Roy Jenkins said, that the fair was '... an impressive demonstration of the potential strength of the Sudanese economy, and an effective testimony to the importance of African and Arab trade in the world'.
The fair was preceded by an Afro-Arab Trade Symposium attended by 40-50 representatives from the Sudanese public and private sectors, International organizations, African and Arab countries and the European Commission.

To give an indication of the scale of the EEC’s trade promotion activities the European Commission helped organize 240 ACP displays at 28 specialized trade fairs in 1977.

Industrial cooperation

A new institution was set up under the Lome Convention to promote industrialization in ACP States. Known as the Centre for Industrial Development (CID) and based in Brussels it complements the Commission’s and European Investment Bank’s efforts.

Whereas the Commission concentrates on large infrastructure projects, industrial promotion and technical assistance, the CID specializes in economically viable light industrial projects of interest to small and medium-sized companies. The CID acts as a catalyst and information centre arranging contacts between ACP and European businessmen and advising how projects can be properly implemented and managed.

In March 1978 a CID team visited Khartoum to identify projects of mutual interest. The CID’s 5 main priority areas applicable to all ACP States are: food and agro industries, building materials and construction industry, engineering, basic metals and chemicals. The Khartoum mission identified a number of suitable projects in the building, engineering and agro-industrial sectors. A follow-up mission to Sudan is expected to finalize the projects.

Regional cooperation

The Lomé Convention puts much greater emphasis on regional and inter-regional cooperation among ACP States than the earlier Yaoundé Convention. The Convention provides a total of 339 EUA (10% of the Fourth EDF) for this type of aid.

Under Article 47 of the Convention 'The Community shall provide effective assistance for attaining the objectives which the ACP States set themselves in the context of regional and inter-regional cooperation'. The main criteria for the selection of projects are the extent to which they promote genuine regional integration of the countries concerned, the priorities of the countries concerned and the state of project preparation.

Within this regional programme Sudan could receive aid for a 600 km road link with Kenya (Juba-Lodwar). A detailed feasibility study financed by Norway has just been completed. It is hoped that an EEC contribution would help attract other donors including Arab funds.

As a member of the African Groundnut Council, Sudan will benefit indirectly from the 3 million EUA allocated for the Aflatoxin research programme.

Stabex (Stabilization of export earnings)

Under this system which covers 12 groups of commodities exported by ACP States, Sudan is eligible for compensation for earnings lost either through crop failures due to natural disasters or a drop in world market prices.

About a quarter of Sudan’s total export earnings (cotton, groundnuts, raw hides, skins and leather, and gum arabic) are covered by Stabex. In 1976 Sudan received 1.6 million EUA to compensate for the drop in raw hides and skins export earnings. As Sudan features among the 24 least-developed ACP States (Article 48 of the Lomé Convention) it received the aid in the form of non-repayable transfers.

For a similar reason Sudanese exports need only account for 2.5% instead of the usual 7.5% of total export earnings and need only to have fallen in value by 2.5% instead of 7.5% in order to benefit from Stabex aid.
A Sudanese request for a Stabex transfer to cover losses in groundnut export earnings in 1977 has not yet been approved.

Sudan has requested that sesame seed be added to the list of products covered by Stabex. This will be discussed during the negotiations to renew the Lomé Convention.

**Afro-Arab Dialogue**

Sudan took over the Presidency of the Organization of African Unity (OAU) in July. Over the next year it will be able to use its position as the leading Afro-Arab country to accelerate the Dialogue which only began in early 1975.

At the first Afro-Arab summit in Cairo in March 1977 the Arab countries decided to release USD 1,450 thousand million for development projects in Black Africa over the next 5 years. This will mostly be channelled through Arab national funds though part will be handled by BADEA in Khartoum. Much of the aid will go towards creating a trans-African road network, teledetection of minerals and water, and setting up of a regional data bank.

Sudan already receives massive amounts of Arab – mostly Saudi Arabian aid. In 1976 this amounted to USD 100 million in project aid, USD 150 million in balance-of-payments aid and a Saudi Arabian guarantee for a USD 200 million Eurodollar loan.

The main Arab interest is in developing Sudanese food production – about 80% of the Arab world's cultivable land lies in Sudan. Only 15 million acres are farmed at present but it is estimated that there are another 70 million acres suitable for farming plus 200 million acres for grazing. In July 1977 the Arab Authority for Development and Agricultural Investment was set up in Sudan by AFESD. It has drawn up a USD 650 million programme aimed at providing 40% of the Arab world's food needs by 1985. In addition there are huge projects such as the Rahad irrigation project (launched last December), the Kenana sugar project and the 200 mile Jonglei canal which will greatly increase the water availability in the Nile.

**The new ACP/EC Convention to replace Lomé**

Negotiations between the EEC and the ACP States (now numbering 57) for the renewal of the Lomé Convention officially opened in Brussels on 24 July. The present 5-year Convention expires on 1 March 1980.

At the Khartoum summit of the OAU in July a resolution was passed expressing satisfaction at the model framework of cooperation represented by the Lomé Convention, and earnestly requesting that its shortcomings be remedied though renegotiation. African ministers were mandated to undertake such negotiations, in accordance with the ACP memorandum on the subject, relying on the solidarity and support of the Caribbean and Pacific members of the group.

Thus the Sudanese President, General Jaafar Mohammed Nimeri has, as Chairman of the OAU, an interest in the negotiations (it will be recalled that it was the eight principles of the OAU governing relations with the EEC that in 1973 caused African countries to form the common front that led to the formation of the ACP group).

**Euro-Arab dialogue**

Sudan held the 6-month Presidency of the Euro-Arab Dialogue until September 1978. The Dialogue was launched shortly after the 1973 oil crisis in an attempt to improve relations between the EEC and the 20 members of the Arab League. The dialogue mainly concerns economic and trade cooperation though the Arabs would like it to have a political content as well.

Every 6 months the General Committee — composed of Arab and EEC Ambassadors — meets in Arab and EEC capitals alternately. At the last meeting of the General Committee in Brussels in October 1977 it was decided to finance 8 joint project studies. One of these was for a meat production project (with emphasis on feedlots and abattoir-use in the Khartoum area).

The next meeting of the General Committee is not envisaged before October, partly because the Arab side is preoccupied with the Middle East peace problem and partly because not enough progress has been made since the last meeting.

In between the meetings of the General Committee 7 working groups composed of Arab and EEC experts meet frequently to discuss cooperation in sectors ranging from industry to culture.
Non-Lomé aid

1. Food aid

Since the Lomé Convention came into force in April 1976 the EEC has given food aid worth 113 million EUA to 38 ACP States. The aid, which is given outside the framework of the Lomé Convention, is provided in the form of cereals, skimmed-milk powder and butteroil.

In the case of landlocked countries the aid is usually delivered to the final destination but for other countries it is usually delivered to the port of entry. Some of the food is sold locally and the proceeds used to finance agricultural development projects. Most of the rest is distributed free to the most needy sectors of the population. Emergency food aid is provided after droughts, floods and other natural disasters.

The EEC also provides food aid indirectly through the World Food Programme, the Red Cross, non-governmental organizations and the United Nations Children's Fund.

Sudan suffers a serious food shortage, particularly for cereals. Between 1976 and 1978 it received 3.81 million EUA of direct EEC food aid.

<table>
<thead>
<tr>
<th>Product</th>
<th>Volume (tonnes)</th>
<th>Value (million EUA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals</td>
<td>17 500</td>
<td>1.57</td>
</tr>
<tr>
<td>Skimmed-milk powder</td>
<td>6 495</td>
<td>1.23</td>
</tr>
<tr>
<td>Butteroil</td>
<td>1 000</td>
<td>1.01</td>
</tr>
</tbody>
</table>

For 1978 the Commission has proposed to the EEC Council of Ministers that 7 000 tonnes of cereals and over 2 000 tonnes of skimmed-milk powder be supplied to Sudan.

2. UN emergency operation

Under this operation, which was launched by the United Nations in 1974 to mitigate the effects of the world economic crisis, the EEC has so far given Sudan 3.6 million u.a. (USD 4.3 million).

3. UN special action

This action was initiated by the Paris Conference on International Economic Cooperation (CIEC) otherwise known as the North-South Dialogue to help bridge the gap between rich industrialized countries and the poor developing countries. Of the 385 million u.a. which the EEC has agreed to contribute, the World Bank’s International Development Association, which is channelling the funds, has allocated 17 million u.a. for the Sudan. Sudan’s share of the special action resources is USD 20.5 million.

4. Non-governmental organizations (NGOs)

Three projects totalling 28 000 u.a. have so far been approved by the European Commission. Two more projects are under consideration.

Trilateral cooperation

Trilateral cooperation — that is between Sudan, the EEC and Arab funds — in the Lomé Convention is mainly concerned with the infrastructure projects in the indicative aid programme.

The EDF is participating with the Abu Dhabi and Kuwaiti Funds and the Arab Fund for Economic and Social Development (AFESD) in financing Sudan’s fourth railway programme. The EDF is also collaborating with the Saudi Fund and the World Bank in financing the expansion of Juba airport. There have not yet been any co-financed agricultural projects mainly because many of these are still at the preparatory stage. In addition the Arab funds have so far preferred huge mechanized farming schemes whereas the EDF aid has been directed towards the poorer traditional farming sector.

Overall the EEC and Arab funds are co-financing 8 African development projects and another 6 are under study. The EEC is contributing 154 million EUA and the Arabs 246 million EUA.
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:

COMMISSION OF THE EUROPEAN COMMUNITIES
Spokesman's Group and Directorate-General for Information
Publications Distribution Service, Berlaymont 2/83
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
Special edition Ivory Coast and the Lomé Convention: tremendous opportunities
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