

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 89 final

Brussels, 3 March 1982.

## COMMISSION REPORT TO THE COUNCIL

on the administration of financial and technical cooperation  
in 1980  
pursuant to Decision 76/568/EEC on the association of overseas  
countries and territories

COM(82) 89 final

This Commission report on the administration of financial and technical cooperation in the overseas countries and territories (OCT) associated with the Community has been drawn up pursuant to Article 29 of Council Decision 76/568/EEC on the association of those countries and territories. The sections of the report which concern the European Investment Bank (EIB) have been drawn up by the Bank.

This is the third report since the entry into force of Decision 76/568; the two previous reports covered the years 1976-78 and 1979 respectively.

This report, which relates to 1980, is also the final report regarding the period covered by Decision 76/568, since a new Decision on the association of the OCT, adopted by the Council on 16 December 1980<sup>1</sup>, entered into force on 1 January 1981. Besides covering developments in 1980, the report seeks to review, at least provisionally, the application of the Decision throughout the period in question.

The political motivation of the Decision of 29 June 1976 is similar to that of the Lomé Convention. Indeed, the preamble to the Decision makes specific reference to the Convention and incorporates the substance of the Convention's major recital in stating that the provisions adopted seek to establish "a new model for relations between developed and developing regions, compatible with the aspirations of the international community towards a more just and more balanced economic order".

Likewise, the main titles of the Lomé Convention relating to trade cooperation, Stabex, industrial cooperation and financial and technical cooperation are analogous in terms of content. The symmetry extends to the choice of method of financing the projects and programmes, which is determined jointly by the Community and the ACP States (Article 43 of Lomé I) or by the Community and the competent authorities of the overseas countries and territories (Article 31 of the Council Decision).

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<sup>1</sup> Decision 80/1186/EEC - OJ No L 361, 31.12.1980.

There is, however, de jure as well as de facto, a great difference between the Lomé Convention and the Decision on the association of the OCT. The Convention establishes a contractual link between the Community its Member States and individual sovereign states and has its own institutional structure, whereas the association of the overseas countries and territories falls exclusively within the scope of the institutions of the Community itself.

The five-year period 1976-80 was marked by rapid political change on a substantial scale (involving a third of the OCT). The Netherlands, French and British countries and territories (or groups of countries and territories: e.g. the Associated States in the Caribbean), which totalled 27 in 1976, numbered no more than eighteen at the end of 1980.

With the exception of one case where the change involved integration with the parent state (St. Pierre and Miquelon becoming a French department), the majority of the countries and territories in question gained independence and subsequently acceded to the Lomé Convention.

These countries were<sup>1</sup>:

Suriname;

Djibouti (formerly the territory of the Afars and Issas);

the Comoros (except Mayotte, which is a territorial collectivity of the French Republic);

certain Caribbean associated states: Dominica, Saint Lucia, Saint Vincent and the Grenadines;

Gilbert Islands, which became Kiribati;

Solomon Islands;

Seychelles;

Tuvalu;

Vanuatu (formerly the Anglo-French condominium of the New Hebrides).

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<sup>1</sup> Belize, which became independent on 21 September 1981, has applied for accession to the Second Lomé Convention.

This change in the international status of a large number of OCT has meant a corresponding adjustment of the overall amount of aid, which was initially set at 160 million ECU (150 million from the EDF and 10 million from the EIB's own resources). This figure was eventually reduced to 95 064 500 ECU (slightly over 85 million from the EDF and 10 million from the EIB).

The itemized breakdown of the allocation (initial and final) is as follows:

	<u>INITIAL ALLOCATION</u> (Art. 30 of Decision 76/568/EEC) (million ECU)	<u>FINAL ALLOCATION</u> (Decision 80/160/EEC) (ECU)
Programmable grants	65	28 137 500
Special loans	40	23 915 000
Risk capital	5	2 000 000
Reserve	20	11 012 000
Stabex	20	20 000 000
EIB (own resources)	10	10 000 000
	<hr/> 160	<hr/> 95 064 500

With regard to the French overseas departments, the preamble to the Decision stipulated that the extension of the European Agricultural Guidance and Guarantee Fund (EAGGF) to cover these departments would necessitate certain adjustments in the distribution of financial aid. In other words, the logical consequence of gradually integrating these departments within the body of the Community would be to remove them from the sphere of application of the OCT Decision. This development has now occurred since there is no mention of the overseas departments in the new Decision on the association of the OCT adopted by the Council on 16 December 1980.

CHAPTER I : FINANCIAL AID

COMMITMENTS

Total commitments

The commitments made by the Commission and the Bank during 1980 totalled 28.5 million ECU. Since 1 April 1976, the sum total of commitments has been 69.6 million ECU, which corresponds to 73% of the overall final allocation of just over 95 million ECU.

Roughly three-quarters of the financial resources were therefore committed over a period of four years and nine months. This percentage is distinctly below the corresponding figure for the ACP States (90%). It should be noted that programming occurred later in the OCT than in the ACP States<sup>1</sup> (in 1977 for the Dutch and British OCT and 1978 for the French OCT). It is therefore quite natural that commitments should have been made at a correspondingly slower rate.

Aid administered by the Commission

The sum total of commitments made in 1980 in respect of aid administered by the Commission was slightly over 19 million ECU, which represents a fairly marked increase over the figure for the previous year (16 million ECU).

The breakdown of these commitments is as follows:

	<u>'000 ECU</u>	<u>%</u>
Grants	4 108	21.5
Special loans	11 634	61.0
Stabex	3 324	17.5
	<u>19 066</u>	<u>100.0</u>

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<sup>1</sup> Commission report on the administration of financial and technical cooperation in the OCT (1976-1978) - COM(79)639 final, p. 8.

It would seem that the relative proportions of the 1980 percentages should be regarded merely as a passing phenomenon, since the ratio in 1979 was reversed (70% as grants, 28.4% as special loans and only 1.4% for Stabex).

It would appear more meaningful therefore to consider the overall breakdown of sums committed, which slightly exceeds 60 million ECU, since the entry into force of the Decision on 1 April 1976.

The breakdown is as follows:

	<u>'000 ECU</u>	<u>%</u>
Programmable grants	30.491	50.7
Special loans	18 865	31.3
Stabex	10 824	18.0
	<u>60 180</u>	<u>100.0</u>

These figures show the commitments for grants exceed the ceiling set in the final allocation (30.5 million against 28.1 million theoretically available). The difference will be made up from the reserve of 11 million ECU.

#### Aid administered by the EIB

The total volume of financial aid granted by the EIB amounted at the end of 1980 to 9.5 million ECU, almost all of which (9.4 million) was committed during that one year. Loans from the Bank's own resources totalled 7 million ECU, i.e. 70% of the maximum amount provided for under Article 30 (2) of the Decision.

#### Payments

Payments made by the Commission during financial year 1980 amounted to 13.4 million ECU (of which 3.3 million under Stabex) distributed as follows:

- 1.7 million for the Dutch OCT;
- 6.2 million for the French OCT;
- 5.5 million for the British OCT.

This figure shows a 52% increase on the volume of payments made in the previous financial year.

Total payments since the Decision entered into force are therefore 30.5 million ECU, i.e. 36% of the amount of the final allocation for the OCT under the fourth EDF and almost 51% of total commitments.

These payments are made up as follows:

3.3 million for the Dutch OCT;

10.6 million for the French OCT;

16.6 million for the British OCT.

CHAPTER II: SECTORAL BREAKDOWN OF FINANCIAL AID

1. Projects and programmes in 1980

For Commission-administered aid, the most important sector was economic infrastructure, which received 8.2 million ECU, i.e. 54% of the commitments made during the year by the Commission in respect of projects and programmes.

Most of the funding of this sector was taken up by a special loan of 7.3 million ECU for financing the Saint Martin airport in the Netherlands Antilles. This infrastructure project will have an effect on the productive sector by promoting tourism and hence the economic development of the country through the foreign currency accruing from tourism. It is also part of an overall programme to develop the Netherlands Antilles airports, for which Community aid has been provided previously.

Production development, chiefly involving rural production, was the second largest area of expenditure, accounting for over 6 million ECU. The specific subsectors involved were agricultural production (irrigated land in Guadeloupe and hydro-agricultural development in Réunion) and what has hitherto been a much less frequent subject of financing, namely forestry plantations (French Polynesia).

The commitments made in 1980 in respect of the social sector (115 000 ECU) were relatively minor.

This was not the case with industrialization (aid administered by the EIB and the Commission), for which 10 million ECU was committed, of which 550 000 ECU by the Commission. Most of the commitments for this sector were therefore made from the resources administered by the EIB. The Bank made a loan from its own resources<sup>1</sup> of 7 million ECU to finance a hydroelectrical project in New Caledonia and a global loan in the form of risk capital of 850 000 ECU to a development bank in French Polynesia.

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<sup>1</sup> With an interest rate subsidy of 1 599 000 ECU.

## 2. Aid administered by the Commission over the period 1976-80

A full assessment of the state of implementation of the Decision on the association of the OCT is not possible since a number of projects are either in progress or still being appraised.

With regard to programmable aid, the economic infrastructure sector was the chief area of expenditure, accounting for 19.5 million ECU at 31 December 1980, i.e. 42.2% of the funds set aside for projects and programmes (excluding miscellaneous costs, administrative expenditure and Stabex).

Economic infrastructure comprises everything concerning transport and communications. The fact that most of the OCT are islands makes them particularly reliant on air communications for contact with the world overseas. This accounts for the large share of resources devoted to airport projects (over 8 million ECU).

As previously mentioned in connection with financial aid for the Saint Martin airport in 1980, although projects involving air transport fall within the scope of economic infrastructure, they are very often directly productive, especially where countries with tourism potential are concerned. This is the case with the airports of the South Caicos Islands, Cayman Islands and Belize. However, airports can also facilitate internal administration and help improve economic and human relations; in this context, the Cayman Brac airport facilitates links between this island and the economically more advanced Grand Cayman.

Road infrastructure projects can also be productive, particularly when connected with tourism (e.g. Trants Road in Montserrat). Other road projects, such as the road repair project in St Kitts, are designed to assist industrial development. All such projects naturally serve to improve communications between population centres and in so doing they also improve human welfare (e.g. abolition of portage following the construction of the Poi-Tuatafa track in Futuna). Likewise, the Azareu-Coula road in New Caledonia (popularly known as the Flying Fox Pass road) will free the east coast Melanesians from their isolation and encourage them to produce foodstuffs and timber in large quantities, thereby raising their income and at the same time integrating them into the life of the country.

Lastly, mention should be made of a significant telecommunications project, since this is a field where Community aid is seldom requested. The project in question concerns Radio Belize, which will strengthen national cohesion and provide a means of forewarning the population of the arrival of the hurricanes which frequently strike this region.

The rural production sector, accounting for 13.3 million ECU, ranked second (28.9%) in the order of commitments made in respect of projects and programmes.

Rural production comprises principally agriculture (8 million ECU), but also stock-farming (4 million ECU) and forestry (1 million ECU) (totals in round figures).

Agriculture is represented in particular by two major hydro-agricultural projects carried out in Martinique (Manzo-Crève Coeur network) and Réunion (Bras de Cilaos). In both of these projects, emphasis has been placed on diversifying production. Apart from sugar cane, the products envisaged include vegetables, bananas, tobacco, etc. The same applies in the case of other projects, such as the Vieux Habitants scheme in Guadeloupe (vegetables, fruit, etc.). The aim is to improve the diet and income of the local population and reduce imports or increase exports.

The latter objective also applies to the pilot farm set up in Belize to test the possibility of producing cereals for export to the other CARICOM countries. Another experimental project involves setting up two stock-farming ventures in Guyana; if the project is successful, it will be extended to cover small farms, which will not have to bear directly the initial risks of the venture.

A common feature of two of the stock-farming projects is their integrated design. In Vanuatu (formerly the New Hebrides), the schemes involve not only the stock-farming ventures themselves but also the collection and transport of livestock, butchery equipment and marketing.

In Sainte Lucia an even more comprehensive system exists. It involves a basic unit of 300 breeding cows to provide stock, meat and milk, 10 model small-holdings, a slaughterhouse and cutting plant and a milk-processing plant. In addition, the basic unit and the small-holdings are equipped to recycle effluent as organic fertilizer, after fermentation in an anaerobic digester to produce biogas, rich in methane, which will be used as an energy source to produce steam and refrigerate the on-site slaughterhouse and dairy facilities.

A special type of project concerns Kiribati (formerly Gilbert Islands). The aim has been to provide this country with a source of income capable of replacing the phosphate extraction industry which was running down at the time of independence. The aim of the project, which began in 1979, has been to produce fishbait to catch bonito that are plentiful in the area.

The social development sector - education and training, health, water-engineering, urban infrastructure and the environment - ranks third, with 11.6 million ECU, in the classification of programmable aid administered by the Commission.

Educational infrastructure is represented by only two projects, but these are major projects (totalling almost 5 million ECU). The two projects concern respectively the Aruba hotel catering school in the Netherlands Antilles and first-stage secondary schools in Belize. The latter project involves a special effort of adaptation to local circumstances, since the teaching is oriented towards specific requirements and practical disciplines (building methods, wood- and metalworking, agriculture, etc.) and is directed towards children in rural areas who until now have had few educational opportunities.

Specific training schemes involving study awards and training grants have been fairly marginal as far as the French and the British OCT are concerned, amounting to 100 000 ECU for each of these two groups of countries, i.e. sufficient to finance about 15 awards.

A larger project involves 400 000 ECU for a training scheme in New Caledonia, as previously described in the report relating to 1979<sup>1</sup>.

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<sup>1</sup> COM(80) 521 final, p. 7.

The training programme adopted in 1976 for the Netherlands Antilles was even larger, particularly as regards the allocation of study awards and training grants (1 700 000 ECU): 203 awards were made for training in Europe and 144 for in situ training. In addition, 155 000 ECU was used under the multiannual training programme to finance a course on managing small and medium-sized enterprises that catered for a large number of students on a relatively small budget.

The water supply projects (totalling almost 3 million ECU) are in every case priority schemes because of their role in improving the living conditions of the local population by providing the volume of water required or by improving its quality. Hence, in the Loyalty Islands and Virgin Islands, the system of tanks (frequently contaminated) has been replaced by a more modern system whereby underground water is tapped and supplied via pipes (at a lower cost to the consumer). Furthermore, a number of projects such as the water distribution project in the northern parts of Antigua have paved the way for industrial or tourism development. This project is clearly in line with the recommendations from various quarters in connection with the International Drinking Water Supply and Sanitation Decade, particularly as regards the rural population.

Lastly, two health projects accounted for slightly less than 1 million ECU, one of them (rather unusually for a health project) involving an actual reduction in local expenditure. This was a small project for equipping the Falkland Islands hospital with an operating unit, thereby avoiding the need to send 300-400 miles to Argentina any patients requiring more than a purely routine operation.

Certain OCT (Netherlands Antilles, Saint Lucia and New Caledonia) also benefited from micro-project programmes for rural water engineering, rural tracks, small-scale building works in the social sector, seedling nurseries, etc. In the Netherlands Antilles, emphasis has been placed on craft industry: woodcraft (furniture and wooden articles) in St Eustache and the manufacture of printed fabrics and decorative articles in Saba; in Oranjestad (Aruba) a small ceramics factory will be built and the necessary staff trained to operate it.

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Stabex does not, strictly speaking, come under the heading of financial and technical cooperation. Nevertheless, Stabex funds are provided out of the EDF allocation and Stabex transfers represent for the OCT, as well as for the ACP States, an insurance against "the harmful effects of the instability of export earnings" and are thus a valued means of financial compensation.

From 1976 to 1980, 24 transfers totalling 10.8 million ECU were made (allowing for amounts repaid totalling 1.5 million ECU - see Table V).

These transfers concerned 12 OCT which subsequently became ACP States following their accession to the Lomé Convention; they continued to be eligible for the OCT Stabex allocation.

The transfers were made either to offset losses due to local circumstances (79%) (hurricanes, drought, etc.) or by way of compensation for products affected by adverse economic circumstances (21%). Two thirds of the sums thus transferred were provided in the form of grants, the remainder as loans of which 59% have so far been repaid under normal terms and in accordance with the provisions laid down in the Decision.

Overall, Stabex has proved an effective instrument, capable of being put into effect rapidly when a loss of earnings occurs (within three months on average) and with provision for advance payments where necessary; for certain OCT suffering a loss of export earnings, Stabex represents a large share of fourth EDF aid.

There was no case in 1980 where the conditions giving rise to the replenishment of resources via repayment of previous transfers were met; hence, when the period of application of the first OCT Decision expired, there was a residual balance of 10 million ECU. Half of this sum was set aside for the implementation of projects and programmes and half carried over to the first year of application of the new Decision on the association of the OCT.

### CHAPTER III: AID CHARACTERISTICS AND IMPLEMENTATION

It was stated previously<sup>1</sup> that the rate of commitments had been rather slow at the beginning of the period: there were virtually no funds committed in 1976 and only five or six commitments in both 1977 and 1978, at least as regards programmed aid. However, there was a notable speeding-up in 1979. The acceleration was maintained and increased further in 1980, in particular as a result of the implementation of the aid administered by the EIB.

Co-financing projects in the OCT, including those carried out in conjunction with the sovereign power, have not been very numerous. However, there were one or two cases such as Radio Belize (United Kingdom participation) and the service roads in Saint Lucia (participation by the Caribbean Development Bank). The projects financed by the Community were thus funded on an essentially individual and autonomous basis.

In some instances there was a notable degree of OCT regional integration. This was the case particularly with regard to the Caribbean, where the British OCT were frequently able to take advantage of the regional projects financed through Caricom for the benefit of the ACP States in the area; examples include the University of the West Indies, the strengthening of the Caricom Secretariat, the CARDI bodies (regional agricultural research and advisory bodies), the WISCO project (purchase of vessels for inter-island transport) and the Caricom experimental farm for cereals, in Belize, itself formerly an OCT though now independent.

The projects carried out in the OCT have frequently been "small", i.e. low-cost projects. This is due to the fact that most of the OCT are themselves small in geographical area. However, the impact of these projects on the population concerned is often out of all proportion to their cost. This was the case, for example, with the operating unit for the King Edward Memorial Hospital in the Falkland Islands (21 000 ECU) and the Fort Hill water supply project in the Virgin Islands (300 000 ECU). By comparison, large projects, particularly in terms of cost, include the Saint Martin airport in the Netherlands Antilles (7 million ECU) and the hydroelectric project in New Caledonia financed by a loan from the EIB's own resources (7 million ECU).

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<sup>1</sup> See p. 5.

Apart from the inevitable technical contingencies, the effects of world inflation and climatic upheavals (e.g. the impact on Saint Lucia of hurricane Allen), the OCT projects have been carried out under relatively satisfactory conditions and no special problems have arisen.

During 1980, 13 new financing agreements were signed in respect of projects financed in the OCT which brings to 37 the total number of agreements signed since the Decision entered into force.

In 1980, four new invitations to tender were issued. These all concerned supply contracts.

The breakdown of invitations to tender at 31 December 1980 was as follows:

- (i) 10 invitations to tender for supplies;
- (ii) 1 invitation to tender, standard procedure, for works,
- (iii) 2 invitations to tender, expedited procedure, for works.

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x

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The only permanent Commission Delegation in the OCT has been set up in the Netherlands Antilles.

The other countries and territories are served by Delegations established in ACP States in the same geographical area.

Since 1 March 1980, the operating costs of the Delegations - which were previously covered by EDF resources - have been included in the Communities' general budget.

Table I: Breakdown of financing decisions to 31 December 1980  
for OCT (FED + BEI)

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('000 ECU)

	Indus- triali- sation	Tourism	Rural produc- tion	Economic infra- structure	Social, develop- ment	Stabex	Other, incl. admin. costs	Total
Netherlands Antilles.	690	810	265	7.672	5.950		580	15.967
Bélise			455	920	1.650	281*		3.306
Brunei								
Cayman Is.				330				330
Caribbean:	1.000							1.000
- Anguilla								
- Antigua			120		495			615
- St. Kitts-Nevis	35		50	1.500				1.585
Comores						2.327		2.327
Djibouti			515		650	692		1.857
Dominica				1.960		2.893		4.853
Falkland Is.					21			21
Guadeloupe			1.700					1.700
Fr. Guiana			1.550					1.550
Kiribati			170			2.283		2.453
Martinique			1.800					1.800
Mayotte								
Montserrat				360				360
New Caledonia	8.599		500	2.100	400			11.599
Pitcairn								
Fr. Polynesia	1.020		940		60			2.020
Réunion			2.650					2.650
St. Lucia			1.173	918	212			2.303
St. Pierre and Miquelon								
Saint Vincent & Grenadines			15	1.920	915			2.850
Solomon Islands								
Fr. Southern and Antarctic Terr.			550	145	760	2.173		3.628
British Antarctic Terr.								
British Indian Ocean Terr.								
Turks and Caicos Is.				180				180
Tuvalu						175		175
Vanuatu			900	185		*		1.085
British Virgin Islands					300			300
Wallis and Futuna Is.				1.310				1.310
Not broken down					200		2.605	2.805
Risk capital cancellation	- 946							- 946
<b>TOTAL</b>	<b>10.398</b>	<b>810</b>	<b>13.353</b>	<b>19.500</b>	<b>11.613</b>	<b>10.824</b>	<b>3.185</b>	<b>69.683</b>
<b>of which:</b> grants	2.494	810	5.996	10.058	9.547		3.185	32.090
Stabex						10.824		10.824
special loans			7.357	9.442	2.066			18.865
EIB loans	7.000							7.000
risk capital	1.850							
	- 946							904

\* The aggregate amount of Stabex transfers at end 1980 has been reduced by 1.491.996 ECU (contributions to replenishment by Belise and Vanuatu).

TABLE Ia: Breakdown of financing decisions taken in 1980  
OCT (EDF + EIB)

('000 ECU)

	Indus- triali- sation	Tourism	Rural produc- tion	Economic infra- structure	Social develop- ment	Stabex	Other, incl. admin. costs	Total
Netherlands Antilles	380	10	89	7.345	70		385	8.279
Belize								
Brunei								
Cayman Is.								
Caribbean:								
- Anguilla								
- Antigua								
- St. Kitts/Nevis				90		431		90 431
Comores								
Djibouti						2.893		2.893
Dominica								
Falkland Is.			1.700					1.700
Guadeloupe								
Fr. Guiana								
Kiribati								
Martinique								
Mayotte								
Montserrat								8.599
New Caledonia	8.599							
Pitcairn				940				1.960
Fr. Polynesia	1.020		2.650					2.650
Réunion								
Saint Lucia								
St. Pierre and Miquelon			15		45			60
Saint Vincent and Grenadines								
Solomon Islands								
Fr. Southern and Antarctic Terr.								
British Antarctic Terr.								
British Indian Ocean Terr.								
Turks and Caicos Is.								
Tuvalu			900	185				1.085
Vanuatu								
British Virgin Islands				645				645
Wallis and Futuna Is.								
Not broken down							123	123
<b>TOTAL</b>	<b>9.999</b>	<b>10</b>	<b>6.294</b>	<b>8.265</b>	<b>115</b>	<b>3.324</b>	<b>508</b>	<b>28.515</b>
of which - grants	2.149	10	1.952	973	115		508	5.707
Stabex						3.324		3.324
special loans			4.342	7.292				11.634
EIB loans	7.000							7.000
Risk capital	850							850

Table II: Financing situation at 31 December 1980 broken down by method of financing and sector ('000 ECU)

	Development of production				Economic infrastr.	Social develop.	Stabex	Other	Total	%
	Ind.	Tourism	Rural prod.	%						
1. Aid administered by the Commission	<u>895</u>	<u>810</u>	<u>13.353</u>	61,3	<u>19.500</u> 100	<u>11.613</u> 100	<u>10.824</u> 100	<u>3.185</u> 100	<u>60.180</u>	86,4
Grants	895	810	5.996	31,4	10.058	9.547		3.185	30.491	43,8
(Of which microprojects)			(1.340)		51,6	82,2		100	(1.340)	(1,9)
Special loans			7.357	29,9	9.442	2.066			18.865	27,1
2. Stabex					48,4	17,8	10.824		10.824	15,5
2. Aid administered by the EIB	<u>9.503</u>			38,7					<u>9.503</u>	13,6
Loans from EIB resources	7.000			28,5					7.000	10,0
Interest rate subsidies	1.599			6,5					1.599	2,3
Risk capital cancellation	1.850 - 946*			3,7					904	1,3
Total	<u>10.398</u>	<u>810</u>	<u>13.353</u>	100	<u>19.500</u>	<u>11.613</u>	<u>10.824</u>	<u>3.185</u>	<u>69.683</u>	100

\* The initial commitment in 1978 was 1 000 000 ECU; following a partial cancellation of 946 000 ECU, the final amount of the commitment is 54 000 ECU.

Table IIa: Financing situation in 1980 broken down by method of financing and sector

( '000 ECU)

	Development of production			Economic Infrastr.	Social devel.	Stabex	Other	Total	%
	Ind.	Tourism	Rural prod.						
1. Aid administered by the Commission	<u>550</u>	<u>10</u>	<u>6.294</u>	<u>8.265</u> 100	<u>115</u> 100	<u>3.324</u> 100	<u>508</u> 100	<u>19.066</u>	66,9
Grants (of which microprojects)	550	10	1.952 (89)	973 11,8	115 100		508 100	4.108 (89)	14,4 (0,3)
Special loans			4.342	7.292 88,2				11.634	40,8
Stabex						3.324 100		3.324	11,7
2. Aid administered by the EIB	<u>9.449</u>							<u>9.449</u>	33,1
Loans from EIB resources	7.000							7.000	24,5
Interest rate subsidies	1.599							1.599	5,6
Risk capital	850							850	3,0
Total	<u>9.999</u>	<u>10</u>	<u>6.294</u>	<u>8.265</u>	<u>115</u>	<u>3.324</u>	<u>508</u>	<u>28.515</u>	100

Table III: Financing situation at 31 December 1980 broken down by method of financing and administrative body.

	(million ECU)							
	Allocations (1)		Commitments at end 1980				Total	
	Amount	z	Amount	z	Amount	z		
<u>EDF resources</u>	<u>85,0645</u>	89,5	<u>60,180</u>	100	<u>2,503</u>	26,3	<u>62,683</u>	90,0
Grants (of which microprojects) interest rate subsidies	28,1375	29,6	30,491 (1,340)	50,7 (2,2)	1,599 (1,599)	16,8 (16,8)	32,090 (1,340) (1,599)	46,1 (1,9) (2,3)
Special loans (Reserve (grants, special loans))	23,915 11,012	25,2 11,6	18,865	31,3			18,865	27,1
Risk capital & cancellation	2,000	2,1			1,850 - 0,946	9,5	0,904	1,3
Stabex								
<u>EIB resources</u>	<u>20,000</u>	21,0	<u>10,824</u>	18,0	<u>7,000</u>	73,7	<u>10,824</u>	15,5
Loans from EIB resources	10,000 10,000	10,5 10,5			7,000 7,000		<u>7,000</u>	10,0
TOTAL	<u>95,0645</u>	100	<u>60,180</u>	100	<u>9,503</u>	100	<u>69,683</u>	100

1 Article 1 of the 1975 International Agreement on the financing and administration of Community aid, as amended by the Council Decision of 5 February 1980.

Table IIIa: Financing situation in 1980 broken down by method of financing and administrative body

(million ECU)

	Allocations <sup>1</sup>		Commitments at end 1980				Total	
	Amount	%	Aid administered by the Commission		Aid administered by the EIB			
			Amount	%	Amount	%		
<u>EDF resources</u>	<u>85,0645</u>	89,5	<u>19,066</u>	100	<u>2,449</u>	25,9	<u>21,515</u>	75,5
Grants of which: microprojects interest rate subsidies	28,1375	29,6	4,108 (0,089)	21,6 (0,5)	1,599 (1,599)	16,9 (16,9)	5,707 (0,089) (1,599)	20,0 (0,3) (5,6)
Special loans (Reserve (grants, special loans))	23,915 11,012	25,2 11,6	11,634	61,0			11,634	40,8
Risk capital	2,000	2,1			0,850	9,0	0,850	3,0
Stabex	20,000	21,0	3,324	17,4			3,324	11,7
<u>EIB resources</u>	<u>10,000</u>	10,5			<u>7,000</u>	74,1	<u>7,000</u>	24,5
Loans from EIB resources	10,000	10,5						
<b>TOTAL</b>	<b>95,0645</b>	<b>100</b>	<b>19,066</b>	<b>100</b>	<b>9,449</b>	<b>100</b>	<b>28,515</b>	<b>100</b>

<sup>1</sup> Article 1 of the 1975 Internal Agreement on the financing and administration of Community aid, as amended by the Council Decision of 5 February 1980.

Table IV: Summary statement broken down by % per sector, method of financing and administrative body at end 1980 ('000-EGU)

	1			2			Total (1+2+3)
	Development of production			Infrastructure	Social development		
	Industry	Tourism	Rural production				
<b>I. Aid administered by the Commission</b>							
a. Programmable grants	895	810	5.996	10.058	9.547	(27.306)	
b. Special loans			7.357	9.442	2.066	(18.865)	
c. Stabex (- 1 492 contributions to							
d. Total 1 to 3 replenishment)	895	810	13.353	19.500	11.613	(46.171)	
e. Breakdown of 1 to 3 in %	1,9	1,8	28,9	42,2	25,2	100%	
f. Total 1 to 4	895	810	13.353	19.500	11.613		
Breakdown of 1 to 4 in %	1,8	1,6	27,1	39,5	23,5		
Sum total	895	810	13.353	19.500	11.613		
Breakdown of sum total in %	1,5	1,3	22,2	32,4	19,3		
<b>II. Aid administered by the EIB</b>							
a. Loan from own resources	7.000						
b. Interest rate subsidy	1.599						
c. Risk capital	1.850						
. cancellation	- 946 <sup>x</sup>						
d. Sum total	9.503						
<b>III. Grand total</b>	10.398	810	13.353	19.500	11.613	(55.674)	
a. Breakdown 1 to 3 in %	18,7	1,4	24,0	35,0	20,9		
b. Breakdown 1 to 4 in %	17,7	1,4	22,7	33,1	19,7		
c. Overall breakdown in %	14,9	1,2	19,1	28,0	16,7		

<sup>x</sup> The initial commitment in 1978 was 1 million ECU; following a partial cancellation of 946 000 ECU, the final amount of the commitment is 54 000 ECU.

Table IVa: Summary statement broken down by % per sector, method of financing and administrative body in 1980  
( '000 ECU)

	1			2		3	Total (1 & 3)	
	Development of production			Infrastructure				Social development
	Industry	Tourism	Rural production	Infrastructure				
<u>I. Aid administered by the Commission</u>								
a. Programmable grants	550	10	1.952	973	115	(3.600)		
b. Special loans			4.342	7.292		(11.634)		
c. Stabex								
d. Total 1 to 3	550	10	6.294	8.265	115	(15.234)		
Breakdown of 1 to 3 in %	3,6	0,06	41,3	54,3	0,7	100%		
e. Total 1 to 4	550	10	6.294	8.265	115			
Breakdown of 1 to 4 in %	3,5	0,06	40,0	52,5	0,7			
f. Sum total	550	10	6.294	8.265	115			
Breakdown of sum total in %	2,9	0,05	33,0	43,3	0,6			
<u>II. Aid administered by the EIB</u>								
a. Loan from own resources	7.000							
b. Interest rate subsidy	1.599							
c. Risk capital	850							
d. Sum total	9.449							
<u>III. Grand total</u>	9.999	10	6.294	8.265	115	(24.683)		
a. Breakdown 1 to 3 in %	40,5	0,04	25,5	33,5	0,5	100%		
b. Breakdown 1 to 4 in %	39,7	0,04	25,0	32,8	0,5			
c. Overall breakdown in %	35,0	0,03	22,1	29,0	0,4			

Table IVa (cont'd)

	4		Total (1 2 4)	5		Sum total
	Other/Administrative costs	Stabex		Stabex		
<u>I. Aid administered by the Commission</u>						
a. Programmable grants	508		(4.108)		4.108	
b. Special loans			(11.634)		11.634	
c. Stabex				3.324	3.324	
d. Total 1 to 3						
Breakdown of 1 to 3 in %						
e. Total 1 to 4	508		(15.742)			
Breakdown of 1 to 4 in %	3,2		100%			
f. <u>Sum total</u>	508			3.324	3.324	19.066
Breakdown of sum total in %	2,7			17,4		100%
<u>II. Aid administered by the EIB</u>						
a. Loan from own resources						7.000
b. Interest rate subsidy						1.599
c. Risk capital						850
d. <u>Sum total</u>						9.449
<u>III. Grand total</u>						
a. Breakdown 1 to 3 in %	508		(25.191)	3.324		28.515
b. Breakdown 1 to 4 in %	2,0		100%			100%
c. Overall breakdown in %	1,8					

Table V: Stabex: Results of operations at end 1980

(ECU)

	1977					1978		1979		1980		Total
	1975		1976		in respect of years:		1978	1979	1978	1979		
	1975	1976	1975	1976	1977	1978	1979	1978	1979			
Belize &	139.650	202.714									342.304	
	- 61.133										- 61.133	
	Sawn wood											
In addition, the following agreements have been signed with the Comores, Djibouti, Kiribati, Solomon Islands, Tuvalu and Vanuatu; these former OCT acceded to Lomé I but still come under the OCT Stabex allocation:												
Comoros	Copra	298.304	286.508	367.784	39.253						991.849	
	Cloves			552.547	180.299						1.164.001	
	Ylang-Ylang			170.596							170.596	
Djibouti	Raw hides, skins and leather	256.894	265.328	169.629							691.851	
Dominica	Bananas										2.892.944	
Kiribati	Copra	1.200.321	1.083.098								2.283.419	
Solomon Islands	Copra	138.502	1.273.640								1.412.142	
	Wood in the rough	761.245									761.245	
Tuvalu	Copra	61.541	64.417								174.729	
Vanuatu	Copra	1.103.499	327.364								1.430.863	
		- 1.103.499	- 327.364								- 1.430.863	
Grand total	(1)	2.795.324	2.972.991	1.463.270	268.323						10.824.007	

Belize : 61.133  
 Vanuatu : 1.430.863

(1) The aggregate amount of the transfers has been reduced by 1 491 996 ECU (contributions to replenishments)