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**COMMISSION REPORT TO THE ACP-EEC  
COUNCIL OF MINISTERS  
ON THE ADMINISTRATION OF FINANCIAL  
AND TECHNICAL COOPERATION IN 1978,  
UNDER THE LOME CONVENTION**

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

This is the third report to be drawn up pursuant to Article 41 of the Lomé Convention. As in preceding years, the parts of the report which concern the European Investment Bank have been drawn up in conjunction with the Bank.

The first report, which dealt with the nine months following the entry into force of the Convention, gave an account of the setting-up and launching of the activities of the different institutions and bodies responsible for the administration of financial and technical cooperation.

The 1977 report, following the guidelines given in the Resolution adopted by the Council of Ministers in Suva (Fiji) on 14 April 1977, examined the application of the various financial and technical cooperation provisions of the Convention; this examination pointed up the significance of the financing decisions taken since, at the end of the first twenty-one months of the Convention's life, nearly 40% of the funds had been committed. At its third meeting in Brussels on 13 and 14 March 1978 the Council of Ministers confirmed the mandate it had given in 1977 to the Community's and ACP States' experts responsible for the implementation of financial and technical cooperation and instructed them to examine the 1976 and 1977 reports on its administration.

Under this mandate, the experts were to produce a comprehensive stock-taking of all financial and technical cooperation schemes, carry out a thorough examination of the 1977 Commission report and, if appropriate, draft a resolution on financial and technical cooperation. The Council of Ministers had empowered the Committee of Ambassadors to adopt the final Resolution.

It was not possible to hold the meeting of experts. Nevertheless, even though day-to-day experience shows that the ongoing dialogue established by the Convention is progressing normally, it would have been useful for those responsible at the highest level to have been able to discuss and assess together what had been achieved, identify the shortcomings, correct any mistakes and produce guidelines for the future. In the same spirit, it would be desirable for the third subparagraph of Article 41(1) of the Convention to be implemented in a more systematic manner and for a report to be drawn up by the ACP States as well.

This is particularly important since there have been views expressed, on a political level, about the functioning of financial and technical cooperation. The Joint Committee of the Consultative Assembly, which met in St George's (Grenada) from 29 May to 1 June 1978, and later the Assembly itself at its meeting in Luxembourg from 25 to 29 September 1978, emphasized the delays holding back payments under financial and technical cooperation.

These delays, or rather the time-lags between the adoption of financing decisions and the making of payments, are not peculiar to the Lomé Convention. Experts at the OECD (Organization for Economic Cooperation and Development) have noted that, although the volume of commitments by members of the DAC (Development Assistance Committee) increased

considerably from 1975 to 1977, the volume of payments remained static, whereas payments made by the Commission under all EDFs increased by nearly 100% from 1975 to 1978 (401 million units of account as against 206 million). The criticism about the delays is therefore based on an assessment which the objective conclusions of the meeting of experts called by the Council of Ministers would certainly have been able to qualify. An other point noted by the DAC is also worth mentioning here: the delays are the result of a deliberate change of policy on the part of the international community - a change which was advocated first and foremost by the developing countries themselves. As a result, action is now being concentrated on the most difficult countries and sectors, where projects take longer to implement (least developed countries, basic needs and rural development projects).

In this connection, the six States that acceded to the Convention in 1978 all belong to the category of least developed States as defined in Article 48 of the Convention. They are the Republic of Djibouti, the Solomon Islands, the Democratic Republic of Sao Tome and Principe, the Republic of Cape Verde, Tuvalu and Dominica<sup>1</sup>.

Thus, the number of signatories to the Convention, which was originally 56 (46 ACP States and 9 Member States of the Community) had grown to 66 by 31 December 1978 - that is over one third of the Member States of the United Nations.

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<sup>1</sup> The instruments of accession for Tuvalu and Dominica were deposited in the first few weeks of 1979.

C H A P T E R I

FINANCING IN 1978

I.1 Breakdown by method of financing

Commitments during 1978 amounted to 673 million EUA, bringing total commitments decided upon by the Commission and the Bank up to 1 860 million EUA out of the 3 458 million EUA in Community aid provided for under Article 42 of the Convention.

I.1.A Aid administered by the Commission

This amounted to 540.3 million EUA for 1978, broken down as follows:

- 454.3 million EUA for projects included in the ACP States' indicative programmes and in the first regional projects list agreed upon by the parties;
- 25.1 million EUA in exceptional aid;
- 60.9 million EUA under the Stabex system.

The volume of commitments - notably under the indicative programmes - was a little lower than in 1977 but it should be emphasized that the fourth EDF started operating particularly rapidly because there were already some projects in hand ready to be financed. It was necessary in 1978 to finalize the appraisal of a good many projects before it was possible to finance them. At the same time a great effort was being made to implement rapidly those projects for which commitments had been made in 1976 and 1977.

During 1978 360 million EUA was committed in the form of grants (including 72% for the least developed countries under Article 48 of the Lomé Convention) and 119.4 million EUA in the form of special loans, which is close to the sum committed in 1977. It should be pointed out that the terms of these loans are particularly soft since they have an interest rate of 1%, a duration of 40 years and a grace period of ten years, which means that the grant element is very high (about 80%). Under the Lomé Convention 440.1 million EUA is earmarked for use in this form. Projects financed by special loans are appraised and administered by the ACP States and the Commission; for its part, the European Investment Bank is involved in preparing the financing contracts. As the Community's agent the Bank is responsible for recovering the loans in accordance with the duties assigned to it.

As at 31 December 1978 the Commission had drawn up the following special loan agreements and contracts:

- 61 financing agreements (268.04 million EUA), of which 52 had been signed (involving 239.2 million EUA) by the above date;
- 51 financing contracts (218.4 million EUA), of which 27 had been signed (involving 134.9 million EUA), eight of which involved drawing up eleven subsidiary contracts for two-tier loans;
- 12 guarantee contracts, of which 7 had been signed.

I.1.B Aid administered by the European Investment Bank

The total amount of finance underwritten by the EIB during 1978 was 116.2 million EUA, of which:

- 90.9 million EUA in subsidized loans;
- 25.3 million EUA in risk capital (excluding 2.3 million EUA earmarked for use under an overall authorization for studies),

which brings the total financing accorded by the EIB under the Lomé Convention to 262.1 million EUA, including 62.7 million EUA in risk capital from EDF resources.

Subsidized loans

The EIB accorded twelve subsidized loans involving a total of 90.9 million EUA for industrial and energy projects and as global loans to development banks. The projects are located in ten ACP countries and one is a regional project for the Caribbean. The financial terms of these loans are very constant; they have a duration of between ten and fifteen years with an interest rate of between 5.05% and 6.80%, taking account of the interest rate subsidies charged against the EDF's resources, which amount to a total of 14.2 million EUA at present values.

Risk capital

The fifteen operations involving aid in the form of risk capital agreed to during the year amount to 25.3 million EUA in all and bring financing accorded in this form up to 62.7 million EUA, or 65% of the maximum provided for under Article 42 of the Convention. Operations of this kind in the least developed ACP States (under Article 48 of the Convention) account for nearly two thirds of the latter amount. An initial analysis of these operations appears under II.2.A.1(e) below.

## I.2 Breakdown by sector

### I.2.A Development of production

At the end of 1978, this vital sector for the development of the ACP States accounted for the largest proportion of commitments, with 895.4 million EUA - excluding 4.8 million EUA earmarked for use on micro-projects - or nearly 61% of the overall amount provided for projects and programmes.

For 1978 alone financing decisions taken on projects for the development of production amounted to 310.3 million EUA, approximately two-thirds of which went to industry (including agri-industrial complexes) and one third to primary production in the rural sector.

#### I.2.A.1 Industrialization

Chapter III.2 gives an account of the activities of the Centre for Industrial Development and the Committee on Industrial Cooperation. More precise information on small and medium-sized firms appears in Chapter II.5, which points up the main characteristics of the implementation of financial and technical cooperation.

Financing decisions taken in 1978 on industrial projects involved a total of 205.7 million EUA, broken down as shown in Table 4 under the heading "Industrialization".

By 31 December 1978, 552.0 million EUA had been devoted to this sector, that is 37.3% of the overall amount provided for projects and programmes (including 174.9 million EUA for agri-industrial complexes and agricultural and food-based industries of direct concern to the rural community).

#### (a) Development banks

With regard to development banks<sup>1</sup>, the EIB has continued to accord global loans mainly benefiting small and medium-sized firms, and six operations involving 43 million EUA were concluded in 1978. There were three cases of holdings being acquired in the capital of development banks, financed from risk capital and totalling 1.4 million EUA.

For its part the Commission financed seven operations involving 4.7<sub>1</sub> million EUA in all for credit lines to small and medium-sized firms<sup>1</sup>.

#### (b) Manufacturing industry

Manufacturing industry in the ACP States also received several financings from the Bank, taking the form of either global loans to development banks or direct aid (8.9 million EUA), which went to two textile projects - one in Niger involving 2.4 million EUA and the other in Sudan, involving 6.5 million EUA.

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<sup>1</sup> See also Chapter II.5.A below.



The Commission accorded two large-scale financings for textile industries producing for the domestic markets of the ACP States concerned, one in Guinea to the tune of 30 million EUA and the other in Tanzania involving 6.6 million EUA.

(c) Agri-industrial complexes

These projects involve rural production in the broadest sense of the term and include food and agriculture based industries. In 1978 the Community continued to spend large sums on projects in this sector, which concerns mainly "modern" rural activities.

At the end of 1978, 174.9 million EUA had been devoted to this promising area of the ACP States' economies.

Financing for such projects in 1978 accounted for a large proportion of the aid accorded by the Bank (30.0 million EUA). The projects included two in the oils and fats sector - one in Papua New Guinea and one in Zaire - and sugar, forestry and rice-growing projects in Swaziland, Guyana and Mali.

For its part, the Commission carried on financing various operations in 1978 involving the production of sugar, tea, hevea and oilpalm plantations and a dairy (totalling 34.5 million EUA).

The Commission and the EIB contributed together with the World Bank and the Inter-American Development Bank to the financing of a large-scale forestry project in Guyana, which involved the development of an unexploited area of 200 000 hectares; the expected output is 40 000 m<sup>3</sup> of timber per year. It should be noted that this is the first large-scale Community contribution to this sector. One aspect, which is particularly interesting from the technical angle, consists in constructing a power plant fuelled by modern process based on gasified waste wood.

(d) Energy

Effective cooperation in the field of energy - which has become essential since the 1973 oil crises - is now an overriding preoccupation. Most of the ACP States import the energy they consume, which places a heavy constraint on their development because their financial resources are diminished by these imports. The result is an increased balance of payments deficit and restricted development in energy-consuming sectors.

Cooperation in the field of energy involves both carrying out standard projects using conventional energy sources - essentially hydroelectric power - and promoting research into and the exploitation of alternative sources of energy.

Total Community investment in the energy sector since the Lomé Convention entered into application has reached the appreciable figure of 171 million EUA (105 million EUA from the Commission and 66 million EUA from the Bank).

The Bank financed three operations in this sector in 1978 - in Fiji, Kenya and Liberia - for a total of 29.4 million EUA. For its part the Commission devoted nearly 8 million EUA to energy projects, including a contribution to the running of a seminar on solar energy for development (see II.6 below).

Because of the multiplier effect of cofinancing, the sum total of investment in which the Commission has participated in this field amounts to 900 million EUA.

The Community's operations can be broken down as follows:

hydroelectric energy	74%
thermal energy	8%
transportation of energy	14%
alternative sources of energy	4%

(c) The use of risk capital for industrialization

It is interesting to see that five of the thirteen risk-capital operations carried out by the Bank for industry in 1978 involved the provision of direct financing for projects which, because of their particular characteristics, it would probably not have been possible to finance solely with loans from the Bank's resources. A major proportion of the projects concerned involved agri-industrial complexes, but also the textile industry.

The remaining operations involved the creation of an appropriation for financing specific studies or the allocation of funds to development banks to finance their activities - mostly industrial - in favour of small and medium-sized firms.

Nearly half the sum involved in risk-capital operations for industry went to four countries belonging to the category of least developed ACP States under Article 48 of the Convention. The remaining half went to seven other countries to increase the own resources of firms or development banks, thus enabling them to obtain supplementary loans from the Bank's own resources.

Risk capital was used in several different ways - direct acquisition of holdings by the Bank on behalf of the Community in the capital of national institutions financing development; indirect aid towards the constitution of own resources via conditional loans to the ACP State, quasi-capital aid to a firm in the form of a conditional loan, and an overall commitment authorization for the financing of specific studies to prepare projects and assist firms during the starting-up period. Aid for the constitution of own resources, in its various legal forms, is the essential objective of risk-capital operations and accounts for over three quarters of the total amount accorded.

### I.2.A.2 Tourism

In the sphere of tourism the EIB has financed - by means of risk capital to the tune of 3.3 million EUA - an hotel in the People's Republic of the Congo, a necessary addition to the tourist accommodation of Brazzaville, its capital, and a study on the development of hotel and catering facilities in the coastal areas of Kenya.

### I.2.A.3 Rural production

The ACP States again emphasized how much store they lay by the development of the rural world - and not just agricultural production in the narrow sense - in the memorandum they presented to the Community on 15 November 1978. The Community is also aware of the major importance of the rural community for the economies of the developing countries since 70% to 80% of the population of the ACP States is directly dependent on the rural sector for its livelihood. The Commission has many years' experience in this sphere and, as will become apparent in Chapter II.9 below, it has drawn certain conclusions from its findings, which will be discussed by the relevant ACP-EEC joint institutions.

As has been frequently stressed, rural development is the key to successful industrialization of a country and, more generally, to the growth of its economic activity as a whole.

In 1978 101.0 million EUA was devoted to this important sector, which brings the amount of Community aid allocated to rural productive projects since 1976 up to 334.2 million EUA.

If we consider rural development in the broader sense of the term, i.e. as comprising any scheme financed in the "country" as opposed to in towns, the following should be added:

- 174.9 million EUA committed for agri-industrial projects and food and the agriculture based industries referred to above;
- 32.2 million EUA for village water engineering projects;
- 57.7 million EUA for social development projects directly affecting the rural community (training and health and education infrastructure).

The sum total of this financing accounts for over 40% of all monies committed for projects and programmes since the Lomé Convention came into effect.

Lastly, it should be stressed that rural development is one of the most suitable areas for microprojects (See Chapter. II.4), which cater for the basic needs of village communities.

#### (a) Agricultural production

As regards cash crops for export, financing decisions were taken only after an analysis had been made of long-term market prospects for sensitive products.

Supplementary financing was granted to consolidate and expand previously financed schemes in order to obtain a better return (processing plant and extension of the cocoa plantations at Bulu, oil-palm plantations in Gubangui and tea growing at Butuhé in Zaire, tea-growing in Burundi).

The promotion of food crops within integrated rural development projects (which alone amounted to 83.6 million EUA at 31 December 1978) and as part of hydro-agricultural development schemes is aimed not only at achieving self-sufficiency for the producers while generating additional income for them but also at encouraging marketing channels to improve the balance between regions.

Hence in 1978 such operations enabled a start to be made on the long-term development of highly disadvantaged regions. One project involving 17 million EUA is designed to improve the well-being of the particularly poor population of a vast and overpopulated (14 000 km<sup>2</sup>, pop. one million by 1982) area of Kenya, seriously affected by drought; in Upper Volta the first phase of a project has been financed to settle several thousand families in the Volta valleys where onchocerciasis has been eradicated.

It should also be emphasized that some 60% to 65% of agricultural projects under the fourth EDF (involving approximately 600 million EUA) will benefit small family farms, either already in existence or to be established on new land for allocation to peasants who have no land at all or such a small plot that they cannot gain a decent livelihood from it.

Lastly, it should be noted that studies are under way to finalize preparations for projects still to be carried out under the Lomé Convention and, in certain cases, to prepare the programme to be undertaken under a successor Convention.

#### (b) Stock-farming

The year's commitments in this sphere - 15.3 million EUA - concerned the development of stock-farming and the raising of small animals in villages as well as schemes to improve animal health, which is always at risk, especially in the Sahel.

The Commission has maintained close relations with the Permanent Inter-State Committee for Drought Control in the Sahel and the Club du Sahel; it is anxious to encourage efforts to achieve a return to normal life in Sahelian projects, which it is following closely.

#### (c) Forestry

The Community's contribution in 1978 to forestry development concerned the development of an unexploited forest area of over 200 000 hectares in Guyana (see 2.A.1(c) above).

### I.2.B Economic infrastructure

Taken as a whole, at the end of 1978 this sector, with 316.7 million EUA, accounted for 21.5% of total commitments under the indicative programmes. It therefore comes second in line after development of production, which is logical since it is essential to improve economic infrastructure if the ACP States are to achieve development, including human and cultural development and increase their domestic or regional trade.

### I.2.3.1 Roads and bridges

There is still a lot of activity in the roads and bridges sector, with over 55 million EUA committed in 1978 (the total as at 31 December was 255.8 million EUA).

The execution of projects already financed is progressing satisfactorily and a number of projects have been completed and these are now providing the services expected of them.

The ACP States have always shown a great interest in road projects and this has been made more acute by the large number of road studies programmes, notably in a regional context. These studies will enable more roads to be built, using cofinancing for the biggest projects.

### I.2.3.2 Railways

Railway projects are still few and far between but, since they are expensive, the amount actually spent on this kind of infrastructure is high. All the projects in which the Community is participating consist in upgrading old tracks which are no longer able to cope economically with the traffic, which is increasing as the country develops.

The two main projects financed in 1978 involved upgrading the Douala-Yaoundé railway in Cameroon and the Babanoussa railway in Sudan.

There is a regional project under study at the moment, however, involving the upgrading of the rail link between Addis Ababa and the port of Djibouti.

The commitments entered into in 1978 (19.5 million EUA) bring the total allocated to this sector since the Lomé Convention became applicable up to nearly 30 million EUA.

### I.2.3.3 Ports and waterways

There has been a certain resurgence of activity in the ports and waterways sector, which reflects the interest in sea and river transport on the part of most of the ACP States, whether they be islands or have a coastline or, on the contrary, are landlocked and hence economically dependent on waterways.

The projects financed in 1978 are not very spectacular but they are in line with specific priority objectives. This is the case in particular with the projects for the improvement of river transport in the Central African Empire and Guinea-Bissau and it also applies to the small-scale port projects in Fiji, Gabon and Somalia.

### I.2.3.4 Telecommunications

As at 31 December 1978 total commitments for telecommunications projects amounted to over 14 million EUA, of which 6 million EUA was actually committed during the year.

A useful project financed in Lesotho concerned the development of posts and telecommunications in rural areas. Another Commission decision concerned a project for modernizing the regional telecommunications network in three ACP countries in the South Pacific (Fiji, Tonga and Samoa) so as to bring the telegraph, telex and telephone service up to international standards and thus help improve regional cooperation.

Lastly, a feasibility study was carried out as part of the preparations for a project to develop an inter-island telecommunications network in the Solomon Islands; this project is at present being appraised.

#### I.2.C Social development

With total commitments amounting to 244.6 million EUA at 31 December 1978, including 89.5 million EUA committed in 1978, this sector now accounts in all for about 17% of total commitments made within the framework of indicative programmes. It should be pointed out that 37% of total commitments in this sector since implementation of the Convention began are for projects or schemes relating directly to rural areas.

As before, care has been taken to ensure that buildings forming part of education or health infrastructure are suited to their surroundings and to the population's requirements, are simply and robustly equipped and easy to maintain; account has also been taken of the capacity of the ACP States concerned to meet the recurrent costs of projects: it has been recommended that wherever possible materials produced or manufactured locally should be used; lastly, provision has been made for training schemes whenever these seem necessary in order to ensure that projects are satisfactorily operated and maintained.

#### I.2.C.1 Education infrastructure

Fifteen projects amounting to 28.4 million EUA were financed in 1978 (36.5 million EUA at 31 December 1978).

Efforts continued to be concentrated on the teaching of technical and practical subjects rather than on general education at secondary and university level. Moreover, even greater stress was placed on designing some of the projects in question as operations linked to other development schemes and not as separate, individual operations; for example, the construction and equipping of school buildings was taken as an opportunity to adapt teaching programmes - notably for science subjects - to the specific needs of the surrounding rural area and to provide training or advanced training for the administrative, technical and management staff of the small and medium-sized national firms carrying out the projects concerned.

Lastly, when projects were being appraised account was taken of the pupils' chances of finding employment in the public or private sectors when they leave.

I.2.C.2 Training

Multi-annual training programmes

At the end of 1978, forty-three ACP States had established multiannual training programmes, the total amount involved being nearly 78 million ECU.

These multiannual training programmes are of course the extension of the "training" component of the indicative programme signed with each ACP State; they bring together all the schemes involved, thus providing an overall view of the EDF contribution to each ACP State's national training programme. As previously, these programmes do not include projects whose scale is such that they require a special decision by the Commission or which, because they are linked to a capital project, cannot be differentiated from the main project.

The multiannual training programmes comprise three main aspects:

- (1) provision of training instructors;
- (2) supply of teaching materials;
- (3) study and training grants.

As far as specific programmes of study and training grants are concerned, by the end of June 1978 3 980 grants had been made, of which 735 in Europe and 3 245 in the ACP States.

The following table gives a breakdown by area of study:

Economics	Agriculture	Science and technology	Health	Education	Other	TOTAL
31	558	1 040	340	639	772	3 980
10 %	14 %	26 %	9 %	16 %	19 %	100 %

For various reasons (recent accession to the Convention, time required to complete the preparation of projects, etc.) some ACP States have not yet signed an indicative programme; for these States, a provisional appropriation has been made in order to provide them with the means, notably as regards study and training grants, to begin or continue urgent training schemes or participate in study sessions. The appropriation for 1978 is 3 800 000 million ECU. Amounts committed are charged against the indicative programmes of the countries concerned as soon as they have been finalized.

### Projects with a training element

The ACP-EEC joint meeting on ex-post evaluation of health projects held in Freetown (Sierra Leone) in December 1978 confirmed something that was already known about this particular sector, namely that the cost of the training element as a proportion of the total project cost is relatively small and bears no relation to its consequences for the effectiveness of the whole project. As a general rule the training element either forms an integral part of a project financed by Community aid or supplements projects financed from other sources.

### Seminars and advanced training courses

In 1978 the 690 000 EUA committed for regional schemes made it possible to continue financing not only seminars but also a number of advanced training courses for ACP officials and supervisory staff.

As in 1977, the seminars were held in Brussels, Luxembourg or London and involved 17 sessions lasting two or three days, which were attended by over 450 students. They covered fundamental aspects of the Community's development policy and notably of the Lomé Convention, each being given a particular theme corresponding to the specialization of the group concerned.

Furthermore, seminars are to be held on specific subjects in Europe and the ACP countries; one seminar is scheduled to deal with the planning of human resources and training in the context of development policy: it should enable ACP officials to compare notes in this field and, where appropriate, to take greater account of skilled labour requirements when drawing up their countries' development policies. The other regional seminars were held in 1978 for senior ACP officials and supervisory staff, one in Bangui on transport and the other in Fort of Spain on the Lomé Convention.

### I.2.C.3 Public health

Ten projects were financed for a total of 12.1 million EUA. The projects concerned mainly the construction and equipping of health units in rural areas. It should be noted that commitments were made in 1978 under the heading of educational infrastructure in respect of two establishments for training health workers (nursing and ancillary staff).



This project is of particular interest, inasmuch as it is concerned mainly with meeting the basic needs of the most disadvantaged people in rural areas: it is aimed principally at ensuring the training of village health advisers, who are recruited in rural areas and are responsible for dispensing primary health care to the population. This scheme, which is being implemented in Chad, is fully in keeping with the spirit of the Alma Ata Declaration<sup>1</sup> on primary health care for the greatest number.

Lastly, mention should be made of the meeting in late 1978 of experts from the Community and the ACP States to discuss the results and conclusions of an evaluation of EDF-financed projects in the health sector. At this meeting, a number of basic principles for use as a guide to project design were worked out by mutual agreement, the most notable being the following:

- (i) to extend health services to the most disadvantaged sections of the population,
- (ii) to include a social and health component in all development schemes wherever possible,
- (iii) to ensure that EDF-financed schemes are not limited to infrastructure and equipment and involve a combination of the means provided for in the Lomé Convention.

#### I.2.C.4 Water engineering, urban infrastructure and housing

Expenditure in this sector in 1978 amounted to 27.4 million EUA, bringing the total amount committed since implementation of the Convention began to 73.5 million EUA.

In 1978, as in the preceding years, the bulk of the financing went to the village water engineering subsector. In addition, a number of housing and urban improvement schemes were financed in spite of the difficulties besetting the design of this type of project, in which account has to be taken both of the needs of the disadvantaged sections of the population and also of the limited amount they can pay in rent.

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<sup>1</sup> Declaration made at Alma-Ata (USSR) in September 1978 at an international meeting organized jointly by WHO and UNICEF.

I.2.D Trade promotion

Implementation of the various trade promotion activities specified in Article 23 of the Lomé Convention continued vigorously in 1978. A substantial contribution was made by a working meeting held in Brussels in February 1978 between those responsible for the expansion of external trade and trade promotion in the ACP States and Commission officials. It resulted inter alia in a number of activities being launched to promote exports of products from the ACP States, thanks to better knowledge of the means available under the Lomé Convention in this connection.

Total commitments under this heading amounted at 31 December 1978 to nearly 23 million EUA (of which 11 million EUA committed in 1978) and most of the ACP States were covered. The range of activities was very wide:

Practical assistance and training in the field of external trade

Assistance for bodies with responsibility for external trade was granted in respect of ten ACP States, notably for the purpose of bolstering intra-ACP trade. Training or advanced vocational training courses for foreign trade personnel were undertaken in continuation of the practical training given to staff of the relevant official departments of the ACP States.

Participation in trade events

In 1978 a total of 138 appearances by the ACP States were organized at 22 specialized fairs and shows. The slight drop recorded by comparison with 1977 reflects the efforts made during the year under review to concentrate activities and means and also the policy of concentrating on specialized events, the results of which, in promotional terms, would appear to be more advantageous to the producer countries.

The establishment of national foreign trade promotion centres should boost the effects of contacts made at trade events.

Improvement of cooperation between economic operators in the ACP States and the Member States

Community aid is contributing to the development of two trade liaison bodies whose purpose is to provide producers with information on European markets and the situation as regards competition, to assist them in production where appropriate and, lastly, to run promotions for specific products: they are COLEACP (Liaison Committee for producers importers and distributors of tropical fruit and vegetables) and the FEDEAU (Federation for the Development of Utilitarian Artisanat). It has been proposed that similar machinery be established between timber producers in the ACP States and European importers and users; such a body would be most useful at a time when competition in this field is becoming increasingly fierce.

Production and dissemination of trade information in the Community and in the ACP States

Because of the importance of trade information in promoting trade, brochures on the economy of many ACP States and data sheets on four products from each of those countries have been drawn up in all the Community languages. This material is used mainly at the fairs and shows in which the ACP States participate. It is also used by foreign trade promotion departments and by the trade attachés in the ACP States' Embassies.

Technical data sheets have also been published concerning species of tropical wood that are little known in Europe; this information gives details of the source and availability of the various species, their technical characteristics and possible uses for each wood, i.e. everything potential buyers need to know if they are to take an interest in the species concerned.

Lastly, technical assistance has been made available to a number of national administrative departments responsible for organizing fairs (Nigeria, Sudan).

I.2.E Exceptional aid

In 1978 25.1 million EUA was committed under Article 59 of the Lomé Convention, bringing the total amount of exceptional aid granted since implementation of the Lomé Convention began to 86.4 million EUA. This meant that the amount still available at the end of 1978 was 63.6 million EUA.

Most of the aid granted was intended to alleviate the consequences of drought in the Sahel countries through the provision of the seed and fertilizers essential for the reactivation of agriculture, together with veterinary products and feed to safeguard livestock.

Moreover, major schemes (7 million EUA) were approved and put into effect through the agency of the United Nations to help refugees in various regions (Horn of Africa, repatriation of refugees from Zaire).

In addition, smaller schemes were carried out in connection with cholera epidemics in Burundi, Rwanda, Tanzania and Zaire and with an outbreak of foot-and-mouth disease in Botswana.

Lastly, a scheme carried out in cooperation with the FAO and the Desert Locust Control Organization helped to combat an invasion of locusts in East Africa.

To conclude, exceptional aid has so far been granted to twenty-six countries, eighteen of which are among the most disadvantaged. It has been supplemented in a number of cases by emergency food aid financed from the Community budget.

I.2.F

Stabex

Although the export earnings stabilization system does not come under the heading of financial and technical cooperation, the Stabex transfers for 1978 are given in Table V so as to provide an overall picture of EDF commitments and disbursements.

In addition to the annual transfers, in 1978 the Commission received for the first time requests for advances under Article 19(6) of the Convention. Advances were made to four countries (Gambia, Mauritania, Senegal and Tonga) involving a total of 27.44 million EUA.

Lastly, 1978 was also the first year in which contributions were made towards reconstitution of the resources made available under the system (by two countries, Cameroon and Fiji, for a total of 2.3 million EUA).

## C H A P T E R   I I

### MAIN ASPECTS OF FINANCIAL AND TECHNICAL COOPERATION

The Lomé Convention laid stress on a number of principles and policies as guidelines for financial and technical cooperation, such as programming, aid to the least developed countries and participation by the ACP States in the determination and management of aid. It also provided the ACP States with new instruments of cooperation such as microprojects and aid to the least developed countries, which were pursued in 1978.

It is now time to examine the situation with regard to financial and technical cooperation in the light of these guidelines and new instruments.

#### II.1 Programming

Under the Lomé Convention adjustments can be made to indicative programmes to take account of changes in the economic situation of the recipient states or shifts in their priorities.

In 1978, for instance, 22 amendments to indicative programmes proposed by ACP States (Barbados, Burundi, Central African Empire, Fiji, Ghana, Guinea, Equatorial Guinea, Guyana, Jamaica, Liberia, Madagascar, Malawi, Mali, Rwanda, Samoa, Seychelles, Sierra Leone, Somalia, Sudan, Tonga, Trinidad and Tobago, Zambia) were adopted by the Community authorities and a number of amendments were made to the regional cooperation programme for the Pacific.

In the course of the year indicative programmes were also adopted for five States which have acceded to the Lomé Convention since it came into force, namely Cape Verde, Djibouti, Papua New Guinea, Sao Tome and Principe and Surinam.

Lastly, the procedures for programming the second instalment of resources set aside for regional cooperation were in the process of completion by the end of the year.

In view of the special nature and importance of the conditions that have to be met before projects can be implemented in sectors eligible for Bank aid, the list given by the States concerned at the programming stage could only be indicative.

An overall assessment of implementation of the national indicative programmes is not feasible since the situation differs significantly from country to country. This diversity is quite natural in view of the specific natures of each of the countries concerned and their respective priorities as reflected in the national indicative programmes. However, to take an indicator which has the virtue of simplicity, viz the percentage of projects financed in relation to the total cost of the indicative programme, the ACP States can be divided into three main groups:

17 countries whose indicative programmes have been financed to the extent of between 70% and 100% (initial commitments).

22 countries: between 40% and 70%;

14 countries: under 40%.

It is therefore evident that the level of implementation differs considerably depending both on the particular country and the type of project concerned. The most common bottlenecks occur at the preparation and implementation stages rather than when projects are actually designed. Sometimes inadequate staff and back-up measures at administrative and management levels compromise effectiveness. The Community can do little in such matters since they essentially relate to the national sovereignty of the recipient country (economic policy, reforms, structural organization and operation).

The Commission tries in various ways to improve this situation:

- (i) wherever possible its responsibilities for identifying and preparing projects are decentralized and placed in the hands of its Delegations in the recipient countries;
- (ii) technical assistance, with the emphasis on quality and suitability rather than on quantity, is provided for specific operations;
- (iii) consultations take place with each ACP State for the purpose of scheduling the identification, study, preparation and implementation of projects;
- (iv) arrangements are made for exchanges of information and coordination with other financial backers so as to benefit from their experience, avoid duplication and organize cofinancing, especially in connection with major infrastructure projects.

## II.2 Measures in favour of the least developed ACP States

In accordance with Article 48 of the Convention, special attention has been given to the situation of the least developed ACP States<sup>x</sup>, especially as regards:

### Distribution of the programmable resources

These resources have been distributed in such a way as to take account of the special situation of the least developed countries, which have received over 60% of the programmed funds administered by the Commission although their population represents only 42% of the total population of the ACP States.

### Methods and terms of financing

- (a) The Convention does not place any constraints on the coverage of local costs. Commission-administered aid may therefore cover as much as the full capital costs of a project; this is particularly important in the case of the least developed ACP States, which have to contend with objective problems in securing substantial contributions.

The EIB, for its part, is also prepared to assist with the coverage of local costs.

- (b) Financial aid to the least developed ACP States is granted on the most favourable terms possible: at 31 December 1978, 88.3% of the total financial aid received by such States was in the form of grants, compared with only 62.6% in the case of the other ACP States.
- (c) 64% of financing in the form of risk capital administered by the EIB went to the least developed ACP States whereas the other ACP States received a larger share of aid from the EIB's own resources, to which less-favourable terms apply - as is only natural.

### Certain specific instruments of cooperation

- (a) The microproject programmes have proved especially suited to the specific needs of the least developed ACP States: to date operations of this type have been financed in ten ACP States in this category, to the tune of 3.2 m EUA.
- (b) Of the 29 ACP States that have so far received Stabex transfers, 21 come into the "least developed" category. In this connection it may be noted that Stabex also provides for preferential treatment for the least developed ACP States (dependence and trigger thresholds at 2.5% instead of 7.5%, non-repayment of transfers).
- (c) At a more operational level, particular interest has been taken, at the specific request of the ACP States concerned, in:

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<sup>x</sup>There are at present 30 least developed ACP States. Soon there will be 32, with the accession of Tuvalu and Dominica.

improving the administrative capacity of the least developed ACP States (training schemes, technical assistance, etc). For instance, the Community has so far provided 13 of the least developed ACP States with technical assistance so as to help their Ministries of Planning and Economic Affairs etc. to prepare projects and programmes to be presented for Community financing;

the temporary financing, on a diminishing scale, of running costs or major repairs which these countries are unable to cover from their own budgets; such arrangements are exceptional.

encouraging regional cooperation projects concerning countries in this category: approximately 60% of the funds programmed for regional cooperation under the Lomé Convention are allocated to the least developed ACP States. Special attention has been given to schemes aimed at improving transport systems and communications so as to give landlocked countries easier access to the coast.

The Community also gives particular attention to the problems of the least developed ACP States when implementing the instruments available to it for cooperation outside the framework of the Lomé Convention. For instance:

the least developed ACP States received 90% of the food aid allocated to the ACP States as a whole between 1976 and 1978;

21 least developed ACP States have received a total of 104.7 million EUA under the CIEC (Conference on International Economic Cooperation) Special Action, corresponding to nearly 70% of the total funds allocated to the ACP States.

### II.3 Regional cooperation

The financial resources managed by the Commission and set aside for regional cooperation under the Lomé Convention (Article 47) have been programmed in two instalments:

- (i) An initial programme, proposed by the Commission, was adopted in March 1977 after being examined by the Community and ACP authorities in accordance with the provisions and procedures applicable to the programming of Community aid.

At 31 December 1978, i.e. less than two years after this programme had been adopted, financing decisions taken under the first instalment of this programme totalled 129.4 million EUA, corresponding to approximately 50% of the programmed resources.

At that date 20% of the total commitment had actually been disbursed.

- (ii) A second programme was proposed by the Commission and examined by the Community authorities in September 1978. It was finally adopted early in 1979 after being examined by the ACP authorities, to which it had been transmitted in September 1978. It has now therefore reached the stage of project appraisal and preparation of the relevant financing decisions.



The EIB has allocated 23 million EUA out of the resources it manages for two regional projects, one costing 20 million EUA and concerning a clinker plant for Togo, Ivory Coast and Ghana and the other a 3 million EUA global loan to the Caribbean Development Bank.

The above figures for financial commitments, while not spectacular, may be regarded as satisfactory in view of the objective difficulties (in connection with planning, preparation and coordination) inherent in regional cooperation operations, especially in the industrial sector. It should be noted that the general trend towards cofinancing is one factor that slows down effective implementation of certain large-scale regional cooperation projects since inevitably time and effort are needed to find the necessary financial backers.

Apart from purely financial considerations and with all the reservations that must inevitably accompany this experimental aspect of the Lomé Convention, regional cooperation can be said to be a particularly effective instrument in fostering among the ACP States the political will to integrate their economies more harmoniously on a regional basis.

#### II.4 Microprojects

The ACP States and the recipient communities continue to take a keen interest in microprojects.

Under the Lomé Convention 20 million EUA is set aside for this type of operation to which 29 ACP States have already had recourse for a programmed amount of 18.6 million EUA. The actual commitment rate of 50% can be considered satisfactory when it is remembered that this aspect of the Convention only got properly under way in mid-1977.

A breakdown of the programmes presented confirms that the conditions stipulated in the Convention have been fully satisfied, namely that projects must stem from an initiative taken by the local community, meet a real priority need, especially in rural areas, and be financed on a tripartite basis. It also gives an idea of the sectors which the local communities consider to be of priority interest. For instance, 40% of the operations concern social facilities: schools, rural dispensaries, maternity hospitals, social centres for women and young people, etc.

Another major area (20% of the operations) is water engineering schemes (wells, boreholes, water supply systems).

In the light of the initial results, which are encouraging though still fragmentary, many ACP States have expressed their intention of giving microprojects greater prominence in their indicative programmes from now on.

Now that the two-year experimental phase provided for in the Lomé Convention is drawing to a close, the Commission is in a position to determine in greater detail the optimum conditions for implementing microprojects.

## II.5 Financing of small and medium-sized enterprises

To assist small and medium-sized enterprises in overcoming their financial and technical drawbacks they have to contend with and thus facilitate economic diversification and job creation, the Lomé Convention provides for a number of measures.

The aim of these measures is to combine financial assistance (credit lines granted to appropriate local financing bodies which are responsible for supplying credit to small businesses) with highly diversified forms of technical assistance to specialized bodies concerning themselves with the development and counselling of small and medium-sized enterprises, supplying them with information on technical or management aspects and organizing technical, administrative or business training for the persons who run them.

- (a) Credit lines: a number of development banks have been selected as intermediaries between the Community and small and medium-sized enterprises.

In 1978 the Commission approved seven financing proposals for a total of 4.7 million EUA relating to special loans opening credit lines for ACP States in the Pacific (Fiji, Samoa and Tonga) and Carribean (Belize, Bahamas) and for Ghana.

The same year the EIB allocated from its own resources 43 million EUA in global loans to a number of development financing bodies (Liberia, Nigeria, Tanzania, Trinidad and Tobago, Zambia and the Carribean region). It also committed 1.4 million EUA in risk capital for various types of financial aid to development financing bodies in Liberia, Seychelles and Zambia.

- (b) Other measures: Action to assist small and medium-sized enterprises also took the form of setting up specialized bodies (the OPPME - Office de promotion des petites et moyennes entreprises - in the Central African Empire), technical cooperation (industrial development centres in Nigeria to which the Community is sending two project managers), the establishment of industrial estates and training schemes.

The construction of various welfare facilities has also provided an opportunity to give basic and further training to the administrative, technical and management staff of the national small and medium-sized enterprises which are to execute the projects concerned.

## II.6 Assistance and transfer of technology

The Community actively pursued its applied research activities in 1978. Attention was focused mainly on new sources of energy as this subject is of particular interest to the ACP States.

Contributions towards such activities are still fairly modest since only 4% of the credits earmarked for cooperation in the energy sector have been used for this purpose. Nonetheless, those operations that have been undertaken are of considerable interest since their success

has borne out the validity of the four basic principles on which they were founded:

- (i) use of techniques that are new yet sufficiently developed to avoid excessive risk;
- (ii) integration into larger-scale projects, looking beyond the energy sector;
- (iii) limitation of investment;
- (iv) adjustment to the particular environment concerned.

Interest was centred on solar energy in the strict sense and on biomass and geothermal energy.

A contribution of 200 000 EUA was made for the preparation of a Commission-run seminar in Varese to discuss solar energy as an instrument of development with the result that preparatory meetings could be arranged in Nairobi and Bamako.

#### II.7 Training of supervisory and managerial staff and vocational training

Specific mention is made in Protocol No 2 to the Lomé Convention of the training of supervisory and managerial staff and the retraining of officials of the ACP States. The ACP-EEC authorities accordingly reiterated, in 1978, that particular attention must be given to operations of this type.

As in previous years, a very special effort was made in 1978 to promote training using the various instruments available, namely:

- (i) scholarships and training courses;
- (ii) advanced training sessions;
- (iii) symposia;
- (iv) provision of instructors;
- (v) specific training schemes;
- (vi) provision of training as a part of projects.

As virtually all the indicative Community aid programmes have now reached the implementation stage, priority must continue to be given to training in the ACP States themselves (national or regional establishments), especially the training of technical and middle management staff. As a general rule scholarship holders are sent to Europe only in cases where there are no specialized establishments on the spot that can provide the particular course desired.

## II.8 Participation by the ACP States in the selection of operations and the administration of financing

Community financing takes the form neither of unilateral assistance (arbitrarily granted or refused) nor of handouts. An essential feature is active cooperation at all stages and the sharing of rights and obligations between the Community and the ACP States, which are free to choose their own development model and retain full sovereignty in the matter.

The OECD Development Assistance Committee (DAC), after its most recent examination of Community aid, on 13 February 1979 in Paris, stressed the innovatory nature of EEC action in the development cooperation sector. It expressed a keen interest in the measures adopted and the institutions set up with a view to achieving a cooperation policy founded on a continuous dialogue with the representatives of the associated countries.

Such cooperation is evident at all stages, from programming - where the keynote is flexibility, as is borne out by the amendments made to certain indicative programmes - through to the implementation of projects financed by the Commission, via the intermediate stages of preparation and appraisal.

The procedures that culminate in financing decisions have been simplified and made more flexible. For example :

- (i) projects costing less than 1 million EUA are dealt with under a fast written procedure. In 1978, this procedure was used for 33 projects totalling 18 million EUA;
- (ii) there is an expedited procedure for immediate exceptional aid up to a limit of 300 000 EUA per operation. In 1978, this procedure was used for 14 operations totalling 2.9 million EUA;
- (iii) decisions on technical cooperation projects (up to a limit of 500 000 EUA per operation), trade promotion schemes (up to a limit of 100 000 EUA per operation) and microprojects have, since the end of 1977, been taken by the Chief Authorizing Officer under overall commitment authorizations. Since the Convention came into force, this procedure has been used for 324 operations totalling 39.8 million EUA;
- (iv) decisions concerning training are taken very promptly in the context of multiannual programmes : 53 such programmes have been approved for a total of 77.6 million EUA.

The national authorities remain fully responsible for the execution of projects. It is their task, for instance, in compliance with the provisions of the Lomé Convention, to issue invitations to tender, receive tenders, make proposals for the award of contracts, sign contracts or estimates and perform acceptance formalities. An essential feature of the Lomé Convention is therefore the powers and responsibility to be exercised by the recipient States.

Now that the basic principles governing selection and aid management have been outlined, the time has come to assess how they operate in practice. This assessment will inevitably be qualified as the results observed are far from uniform. This is hardly surprising in view of the very different situations of the ACP States (as regards area, population, language, climate and resources as well as legislation, administrative practices, local customs and so on, even units of measurement) and the variety of development models adopted.

Though in most cases the execution of projects has been fully satisfactory, in others difficulties and delays have arisen at various stages, thus lengthening the chain of procedures from the initial decision up to the final payment marking completion of implementation in the field. As the Community invariably applies the same procedures, the inevitable general conclusion must be that the recipient countries have not fulfilled the various responsibilities entrusted to them under the Convention at the same speed in all cases.

However, since the last months of 1978, the rate of payments, and consequently the execution of projects, has been significantly stepped up. Between 1977 and 1978 payments rose from 155 million EUA to 321 million EUA (+ 106 %). There is every indication that this trend will continue in 1979 and that the project throughput will steadily improve.

In all, 125 invitations to tender (i.e. an average of over 10 a month) involving a total of 194.5 million EUA were issued in 1978 compared with only 71 invitations to tender in 1977.

The breakdown of this total is as follows :

- (i) 17 invitations to tender for works under the normal procedure for a total of 128.7 million EUA (an average of 7.6 million EUA per contract);
- (ii) 39 invitations to tender for works under the expedited procedure for a total of 21.2 million EUA (an average of 543 598 EUA per contract);
- (iii) 69 invitations to tender for supplies involving a total of 44.6 million EUA (an average of 646 137 EUA per contract).

It is worth noting that nearly 28 % of the tenders and contracts for Commission-funded projects went to ACP State firms (compared with slightly under 23 % in the context of the second Yaounde Convention).

The number of financing agreements signed during the year also rose sharply : 214 agreements were signed in 1978 for a total of 470 907 000 EUA compared with 78 agreements the previous year.

## II.9 Evaluation of completed projects

### 1. Working methods

In 1978 it was still too early to implement Articles 50 and 57 of the Lomé Convention on the evaluation of the impact and results of the terminated projects. This can be done once the first sizable projects financed under the Lomé Convention have been completed.

However, the Commission has continued to evaluate projects financed under previous EDFs in conjunction with independent consultants and the authorities in the ACP States, especially where integrated rural development and urban and village water supplies are concerned.

General speaking, this evaluation work should be instrumental in clarifying and improving the aid policy for the sectors concerned so that similar schemes to be financed in the future will be more efficient. It puts into practice the Convention principle whereby completed development schemes are to be evaluated jointly by the Community and the ACP States.

Consultations took place in 1978 on the conclusions of an earlier sectoral evaluation on capital projects in the public health sector.

For this purpose, the Commission organized a meeting of ACP and EEC experts from 11 to 15 December 1978 in Freetown at the invitation of the Sierra Leone Government. The meeting resulted in an agreement on a joint text on basic principles and recommendations, which have been put to the appropriate joint ACP-EEC bodies (Committee of Ambassadors).

In addition to this sectoral approach, the Commission began an overall evaluation in 1978 of all Community financing in two countries which were chosen as test cases. This was in answer to a request by the European Parliament in 1977 that the Commission should look at the impact of Community financing on the economic and social development of the recipient countries.

The Niger and Rwanda Governments were the first to give approval for an overall evaluation of this nature to be carried out in their respective countries by consultants working closely with their national departments. The first results of these overall country-by-country evaluations will be available in 1979..

The EIB, for its part, given the nature of its loan financing, is responsible for monitoring projects not only during implementation but also during the operational phase until the loans are repaid. It thus makes periodical progress reports on the projects being financed.

### 2. Principal lessons to be learned from the evaluations completed

The main conclusions drawn by the Commission from the two sectoral evaluations completed in 1978 are :

(a) Integrated rural development programmes

A rural development project, in addition to its macro-economic objectives, must seek not only to increase production but also and above all to improve the living standards of village communities and integrate their various activities (crop-growing, stock-farming, crafts) more fully into the modern economy. To achieve this, the project must first and foremost enable the people concerned to increase the productivity of their resources, particularly their labour, so as to become better able to satisfy their various needs and aspirations and ultimately make progress on their own initiative.

A project of this nature is subject to numerous economic, technical, natural and psycho-sociological risks. Consequently, the levels of production, output, incomes, etc. set down as project objectives must be regarded as mere forecasts of what can be achieved after a number of years in the light of the initial technical and economic conditions.

One of the main factors that make these forecasts uncertain is the fact that the producers, who are the prime movers of rural development, adapt their behaviour according to their own limitations and aspirations. These quite frequently differ from those of the States concerned which devise "projects" and put in requests for funds, and from those of the institutions responsible for carrying out the projects.

If we are to ensure that the interests of the public authorities and the farmers involved actually coincide, the latter must be consulted as far as possible on the planning and execution of development schemes, the choices and decisions involved and evaluation of the results. Evaluation is vital to ensure that these schemes are effective. It must be carried out regularly in an objective manner throughout the life of the project so that the objectives, strategies and instruments can be geared to the fundamental goals in accordance with results already obtained and economic and technical changes that have occurred during the execution of the scheme. Flexibility in carrying out the project must go hand in hand with strict implementation. If both flexibility and strict implementation are to be achieved an accompanying evaluation of the impact of the project is absolutely necessary.

Involving the inhabitants in schemes to develop the rural economy implies that the planning of these schemes must take account of the basically integrated nature of village communities and farms. Specific schemes must therefore be based above all on a serious study of existing farming structures; they must be devised essentially to cope with the weaknesses and bottlenecks that check progress in these integrated structures. These projects must be designed and implemented in such a way as to reduce to a tolerable level the risks to the rural population's food supplies and financial resources that the innovations entail. They must therefore seek to reconcile two basic needs of the rural community, namely progress and a secure existence. The innovations must thus be introduced in a gradual and balanced manner.

The integrated nature of these farming structures does not, however, imply that they are homogeneous. The rural world can be subdivided into widely differing categories, each with its special needs. The schemes are designed to assist them to make technical and economic progress and must therefore be geared to the interests and capacities of these main categories.

The effectiveness of these schemes still hinges to a large extent on the farmers' ability to organize themselves into socio-occupational structures which enable them to take collective responsibility for their own development and act as a link with official bodies and authorities.

If these rural development schemes are to be fully effective, they should also be included in national economic and social policies that are geared consistently towards promoting the welfare of the rural population and the orderly development of the natural resources which provide the population with its livelihood.

The lesson to be drawn from the evaluation is that emphasis should be placed on the need to sustain these projects until they can be run and expanded entirely by the people and national departments concerned. Even if only modest progress is made, it should be viable and lasting. This is why any technical assistance afforded to prepare and carry out projects must above all mobilize and train the inhabitants and national management staff concerned rather than seek to manage funds or carry out schemes itself. If this approach is not adopted, even spectacular results will turn out to be of short duration and therefore disappointing.

(b) Urban and village water supplies

Urban water supplies

The main objective of urban water supply systems, which is to increase the availability of drinking water to meet increase in demand, has been generally achieved. However, the inhabitants do not always make full use of public installations. Owing to the fairly serious lack of awareness of the hygienic properties of the water supplied the people continue to use traditional sources of water. If investments are to be kept within reasonable proportions, capacity should be based on effective demand rather than on objective needs, up with requirements rather than anticipating them.

As regards the general approach, preference should be given to subterranean water which is, technically speaking, easier and less costly to make available for use than surface water.

Since losses of water are often considerable, any extension project should be preceded by an in-depth examination of the opportunities for improving the output of existing installations (repairing of leaks and improvements in management).



Whether the installations are viable depends largely on the managing body, which must try to reconcile the social objectives of water policy with the requirements of sound financial management. Management models that allow a greater degree of financial responsibility seem more likely to be efficient and economical.

A project's success also hinges on appropriately scaled charges, and the principles for this are as follows : firstly all costs must be covered; secondly, charges must be the various consumer groups and, lastly, all consumers must make a direct financial contribution.

#### Village water supplies

Evaluations have shown that the extent to which a new village water supply system is utilized varies considerably according to the availability and discharges of alternative (traditional) supply points. Such systems are particularly in demand where they satisfy a quantitative need (availability, permanence, accessibility).

Moreover, an improvement in the quality of the water supplied (e.g., concrete wells as compared with traditional sources) has little effect on the population's overall health. Although open wells are directly exposed to pollution and wells or boreholes with pumps less so, contamination (particularly human contamination) takes place between the stage of drawing the water and consumption. So if the health situation is to be improved water is not sufficient; something must also be done to improve general hygiene (disposal of excreta, health education, housing, nutrition, etc.).

The other expected effects on development turned out to be fairly insignificant : in some regions, village wells or boreholes could be used to extend other development schemes (watering of draught animals), but in the cases studied they did not lead automatically to new agricultural or craft activities, immigration into the area or a slower rate of rural depopulation.

The projects should be devised in the light of policies and strategies designed to meet the priority needs of the inhabitants concerned by combining the social objectives of water supplies with effectiveness and efficiency requirements. However, these policies and strategies may be distorted as projects pass through their various stages : (a) by local political circumstances and (b) by technical and financial influences stemming from the specific conditions for the preparation and implementation of projects (village selected, location of installations), drawn up in the light of socio-economic and hydro-geological studies, should be made as strict as possible.

Finally, there are three main lessons that can be drawn from this evaluation :

- (i) Projects or programmes should not be confined exclusively to providing water supply installations but should also include the setting up or strengthening of institutional and financial structures (management bodies, appropriate charges).
- (ii) Water supply plans and programmes should be coordinated with other sectoral and/or regional development programmes.
- (iii) The national authorities should endeavour to frame a national drinking-water policy which ties in with their general development policy, determines the principles for using and managing water and provides the framework for investment plans and programmes and the related schemes.

### CHAPTER III

#### REGULATION BODIES AND PROCEDURES

The various cooperation bodies and procedures were for the most part set up in 1976 and 1977.

Although activity was sustained throughout 1978 it did not reach the levels of the previous years.

#### III. 1 Drawing up of the general conditions

Pursuant to Article 22 of Protocol N° 2 to the Lomé Convention on the common rules applicable to contracts financed from EDF resources and endorsed by the Commission, the Community has forwarded to the ACP States draft general conditions for works contracts (9 March 1978) and draft general conditions for service contracts (5 July 1978). The final batch of rules, the draft general conditions for supply contracts, will be forwarded very soon. All of these texts are still to be negotiated with the ACP States before being finally adopted by the ACP-EEC Council.

#### III. 2 Industrial cooperation bodies

##### The Centre for Industrial Development (CID)

The budget resources placed at the disposal of the Centre were increased in 1978 so that the CID was able to widen and intensify its activities of disseminating information, developing contacts, promoting projects and specific technical cooperation in the industrial field for the benefit of the ACP States.

Through its role as an information body and an intermediary between Community and ACP firms, the CID has been able to help firms in the ACP States to obtain better information on the opportunities of finding private European partners for setting up or strengthening their productive and marketing systems and, at the request of the ACP States, actually to carry out cooperation projects with these partners.

The CID has also helped to pinpoint training, study and advisory requirements that could be met by the CID itself, Community institutions or other development cooperation bodies.

##### The Committee on Industrial Cooperation (CIC)

Having completed its study of the main problems still outstanding in the field of institutions and rules, the Committee has set out guidelines for the CID's future activities.

III.3

Coordination and harmonization of aid

In 1978, the coordination and harmonization of aid remained one of the Community's principal concerns. Measures were taken to harmonize aid within the Community and to ensure coordination with international financing aid bodies.

The coordination and harmonization of aid took place at two levels :

- (i) general meetings dealing with aid principles and objectives, sectoral guidelines and taking stock of projects requiring co-financing,
- (ii) ad hoc meetings dealing with the co-financing of specific projects, which were arranged on the initiative of the ACP State concerned.

In 1978, the Community drew up a document on the policy to be followed on co-financing in so far as the resources administered by the Commission are concerned. This document sets out the advantages of co-financing and shows that Community aid can be channelled into both co-financing and parallel financing. The desirability of standardizing project appraisal and execution procedures was stressed.

There were a number of opportunities in 1978 to put this policy into practice. Its main impact was to increase funds committed in the ACP States by specialized Arab bodies. Statistics referring to the whole of the period covered by the Lomé Convention and dealing with 35 co-financing projects show that about 18 % of the project appropriations of the European Development Fund have been used for co-financing. The Community's share of all these projects, which cost 2 800 million EUA, was 13 %, i.e., a multiplier effect in the region of 8; the contribution of Arab funds went up from 19 % in 1977 to 22 % in 1978; this figure is likely to rise in the future.

As regards operations by the Bank, co-financing is the general rule. Under its Statute, the Bank may grant only partfinancing and for each scheme in which it is involved it must therefore collaborate with other national, bilateral (including Arab funds to an increasing degree) or international bodies. The 143.4 million EUA in loans signed by the Bank under the Lomé Convention as at the end of 1978 (excluding 56 million EUA in global loans to development banks) has helped to generate an investment total of close on nine times that figure, i.e. approximately 1 275 million EUA.

III.4

Commission Delegations

Most Commission Delegations in the ACP States were opened in 1976 and 1977. The Papua New Guinea Delegation was the only one to be set up in 1978; it is responsible for a number of countries that previously came under the Fiji Delegation (Solomon Islands, Gilbert Islands and Tuvalu).

In 1978, the Commission appointed Delegates to the former overseas territories that had gained independence : Djibouti, Comoros, Seychelles, Sao Tomé and Principe, Cape Verde Islands. Responsibility for the Comoros and the Seychelles was assigned to the Commission Delegate in Mauritius and responsibility for Djibouti to the Madagascar Delegate; the Commission Delegate in Gabon was given responsibility for Sao Tomé and Principe and the Guinea-Bissau Delegate for the Cape Verde Islands.

In accordance with a recommendation by the ACP-EEC Ministerial Council in Fiji, Table n° 8 gives useful information on the cost of the Delegations in 1976-77 and 1978.

III.5

Information

III.5.A

"The Courier"

In 1978, the magazine's readership continued to grow both in the ACP countries and in Europe. This magazine, with its various items in which leading ACP and European figures can air their views, helps to provide more and more ACP nationals and the circles concerned with cooperation problems in Europe with comprehensive information on the various aspects of the Lomé Convention, in particular the activities of the European Development Fund, agreements between the Community and the developing countries, and, more generally speaking, on the European Community's cooperation policy for the economic and social development of the Third World.

At present, the magazine reaches leading figures in all the ACP countries. It is a link between the Community and the ACP States and is also becoming a link between the ACP States, all of which now recognize the usefulness and importance of the magazine. At the request of representatives of the Member States and ACP States efforts are currently being made to expand circulation progressively and selectively in Europe.

The ACP-EEC Courier still appears every two months. The number of pages has increased slightly to an average of 120; overall circulation of the French and English editions is currently 57 000 copies.

Over the past year the "Dossier" column has continued to deal with special subjects : desertification, mining activities in the ACP States, the Lomé Convention at the half-way stage, energy in the ACP States, EEC-ACP trade relations. The key theme has been the Community's operations under the Lomé Convention.

Several meetings have taken place between ACP representatives and representatives of the Member States on the general approach of the magazine and on certain specific points.

III.5.B

Further information

The Commission's information departments have continued to disseminate the information with which they have been supplying the ACP States since the Lomé Convention came into force; the emphasis has been put on a number of aspects of the Convention with a view to making it better understood.

The Bank has contributed to a better understanding of the financial aid made available under the Convention by distributing brochures setting out the areas in which it can operate and the numerous contacts it has had in Europe and the ACP States.

Meanwhile, ACP journalists (from the press, radio and TV) have continued to visit the Commission and some Member States to discuss the points of view of both the ACP States and the Community. Information has been given on various questions such as the negotiations for renewal of the Convention.

A number of specific schemes have been set up in various ACP States, usually in collaboration with the Commission delegates, e.g. travelling exhibitions (Malawi) and large-scale involvement in an international fair (Sudan). Several ACP States have undertaken important initiatives in the information field (for instance the Lomé Seminar organized by the Trinidad Government with the Commission's assistance).

In 1978, there was an increase in the volume of films and material for use on the radio sent to the ACP States (in particular the "Europe in Pictures" series in French and English). This included a number of recordings in English, which were originally available only in French.

STATISTICAL ANNEXES

Table 1 - Breakdown of commitments taken as at 31 December 1978 by country and by sector. (4th EDF and EIB Ordinary Loans)

(OOO EUA)

	DEVELOPMENT OF PRODUCTION										Total	
	Industrialization											
	General	Extractive industries	Metal-working industries	Chemical industries	Manufacturing industries	Agricultural and food-processing industries	Projects mainly involving energy	Infrastr. integr. ind. projects	Craft activities	Agro-industrial complexes		Tourism
BAHAMAS												
BARBADOS											100	100
BENIN	171											1,311
BOTSWANA	2,556								1,140		50	2,606
BURUNDI					200					16,153		16,353
CAMEROON					2,258		15,683			9,075	3,138	30,154
CAPE VERDE												
CENTRAL AFRICA	1,300											1,767
COMOROS												
CONGO												
IVORY COAST										40	3,150	3,190
DJIBOUTI							180			15,742	1,913	30,758
ETHIOPIA												
FIJI												
GABON												
GAMBIA												
GHANA												
GRENADA												
GUINEA												
GUINEA-BISSAU					30,365		10					30,375
EQUATORIAL GUINEA												
GUYANA												
UPPER VOLTA					140					9,000		9,140
JAMAICA										4,428		4,428
KENYA	8,125			7,857	3,358		40,678		215	14,401	100	74,736
LESOTHO												1,837
LIBERIA	3,133						5,794			9,100		18,027
MADAGASCAR		300										300
MALAWI	3,506											22,400
MALI	450						2,100			8,384		22,400
							3,707					23,338



MAURITIUS	4.212						2.374					6.586
MAURITANIA												
NIGER					2.622							2.622
NIGERIA	28.070								130			28.200
UGANDA					200							200
PAPUA NEW GUINEA										10.135		10.135
RWANDA			3.000				24.090			3.500		30.590
SAROA							2.620					2.620
SAO TOME & PRINCIPE										500		500
SENEGAL	590	200									9	799
SEYCHELLES	562											562
SIERRA LEONE	1.000											1.000
SOMALIA												
SUDAN					6.844							6.844
SURINAM												
SWAZILAND		250										
TANZANIA	8.241			60	24.450						15.126	15.376
CHAD									267			32.751
TOGO										15.050		15.317
TONGA										5.999		6.021
TRINIDAD & TOBAGO	5.753			168								5.921
ZAIRE					1.198					21.414		22.612
ZAMBIA	3.472				84					3.100	110	6.766
SOLOMON ISLANDS												
NON-ALLOCATED												
INTERVENTIONS												
REGIONAL PROJECTS	8.107				40.224		3.769				200	52.300
TOTAL	79.248	750	3.000	8.085	111.966	6.464	170.638	2.234	1.364	168.272	8.761	580.782
BLOCKED APPROPS.												
GRAND TOTAL	79.248	750	3.000	8.085	111.966	6.464	170.638	2.234	1.364	168.272	8.761	580.782
of which: Grants	16.975	550		1.126	14.884	2.634	60.918	2.234	1.364	51.092	1.191	152.668
Stabex												
Special loans	2.365				57.000		43.820			42.566		145.751
Risk capital	3.008	200	3.000	1.079	19.582	3.830				27.844	3.250	62.693
EIB Loans	59.030			5.880	20.500		65.000			46.770	4.320	189.379

Table 1 - Breakdown of commitments taken as at 31 December 1978 by country and by sector (4th EDF and EIB Ordinary Loans) (000 EUA)

	DEVELOPMENT OF PRODUCTION									Total
	Rural production									
	General	Plantations	Hydro-agricultural schemes.	Agriculture	Stockfarming	Fisheries	Forests	Microprojects	Mainly agric. int. projects	
BAHAMAS	690				55					745
BARBADOS	25					150				175
BENIN						714			2,985	3,679
BOTSWANA	1,810				3,111					4,921
BURUNDI					70		2,151	166		2,387
CAMEROON	353			6,200				270		8,823
CAPE VERDE	557									557
CENTRALFRICA		4,800			1,244					5,844
COMOROS				1,900	300					2,200
CONGO					1,540					1,540
IVORY COAST					1,868				3,600	5,468
DJIBOUTI				515						515
ETHIOPIA	130	12,870	14,998			1,573		320	200	30,089
FIJI	700									700
GABON		1,710								1,710
GAMBIA				682		1,365		370	90	2,607
GHANA	1,880	3,125	270					175		5,450
GRENADA								223		223
GUINEA	14,273	57								14,330
GUINEA BISSAU		6,200		162						6,362
EQUATORIAL GUINEA										
GUYANA	700							122		822
UPPER VOLTA			2,327	2,086	3,402	40		676	2,681	12,112
JAMAICA		3,057	3,709					363		7,139
KENYA			10,618		3,000			630	17,700	31,948
LESOTHO					2,188			160	3,000	5,378
LIBERIA								300		300
MADAGASCAR		5,757	4,480	6,585				2,060	240	19,122
MALAWI				2,200		17		1,000	8,200	11,417
MALI				12,500	1,820	4,828				19,228



Table 1 - Breakdown of Commitments taken as at 31 December 1978 by country and by sector (4th EDF and EIB Ordinary Loans) (000 EUA)

	ECONOMIC INFRASTRUCTURE						Total
	Transport and Communication						
	General	Roads and bridges	Railways	Ports and inland waterways	Airports	Telecommunications	
BAHAMAS							
BARBADOS							
BENIN		15.440					15.440
BOTSWANA		5.013					5.013
BURUNDI		160					160
CAMEROON			10.000	4.218			14.218
CAPE VERDE							
CENTRAFRICA		4.920		2.500	45		7.465
COMOROS						214	214
CONGO		1.800	7.692	688			10.190
IVORY COAST							
DJIBOUTI							
ETHIOPIA		80					80
FIJI		2.850		1.974			4.824
GABON		1.900		2.577			4.477
GAMBIA							
GHANA		12.840					12.840
GRENADA		1.471					1.471
GUINEA		90	14				104
GUINEA-BISSAU		1.280		3.830			5.110
EQUATORIAL GUINEA							
GUYANA		130					130
UPPER VOLTA		12.791					12.791
JAMAICA							
KENYA							
LESOTHO		1.079					1.079
LIBERIA		4.823			120	1.500	6.823
MADAGASCAR		4.620					4.620
MALAWI		8.838					8.838
MALI		13.824					13.824

MAURITIUS		5,700					5,700
MAURITANIA							
MICR		26,790					26,790
NIGERIA							
UGANDA		100					100
PAPUA NEW GUINEA							
RYANDA		23,189					23,189
SAROA							
SAO TOME & PRINCIPE		300					300
SENEGAL		11,529					11,529
SEYCHELLES	150						150
SIERRA LEONE		117					117
SOMALIA		19,652		260		408	20,320
SUDAN		300	9,000			150	16,424
SURINAM							
SWAZILAND							
TANZANIA		21,500				990	21,500
CHAD		2,901					2,901
YOGO		15,212					15,212
YORGA		1,430		150			1,580
TRINIDAD ET TOBAGO							
ZAIRE		53					53
ZAMBIA		60					60
SOLOMON ISLANDS						145	145
NON-ALLOC. INTERVENTIONS							
REGIONAL PROJECTS	300	33,220	2,500	140		4,340	40,500
TOTAL	450	255,782	29,208	18,347	723	14,103	318,871
BLOCKED APPROPS.							
GRAND TOTAL	450	255,782	29,208	18,347	723	14,103	318,871
of which: Grants	450	226,132	4,360	10,268	723	9,683	251,824
Stabex							
Special loans		29,850	24,848	6,051		4,300	64,847
Risk capital							
EIF Loans							

Table 1 - Breakdown of commitments taken as at 31 December 1978 by country and by sector (4th EDF and EIB Ordinary Loans) (000 EUA)

	SOCIAL DEVELOPMENT											Total	
	Education and training					Health		Water engin., housing and urb. infr.					
	General	Education	Special proj. vocational training	Scholarships	Training schemes	General	Infra-structure	General	Rural water supply	Urban water supply	Urban drainage		Urbanistic schemes
BAHAMAS				43									43
BARBADOS				200			402						602
BENIN				1,809									1,809
BOTSWANA				1,200						2,000			3,200
BURUNDI		3,780		3,300			2,440	862					10,382
CAMEROON				2,230									2,230
CAPE VERDE				50				1,200					1,250
CENTRAFRICA			185	1,170									1,355
COMOROS		70		30						440			540
CONGO				1,100			1,873			3,650	1,800		8,223
IVORY COAST				3,000					9,400	1,900			14,300
DJIBOUTI			20	840					650		310		1,620
ETHIOPIA		2,100	180	1,831			120		12,800			4,400	21,211
FIJI				100								900	1,000
GABON				410									410
GAMBIA		1,531		404							140		2,075
GHANA				2,250									2,250
GRENADA				80			200						280
GUINEA		4,370		50			2,000						6,420
GUINEA BISSAU		1,000		800			1,860						3,860
EQUATORIAL GUINEA				30									30
GUYANA				545									545
UPPER VOLTA		80		2,532					130		5,200		7,952
JAMAICA	930	870		2,700								930	5,530
KENYA				2,000			2,300					3,828	8,128
LESOTHO			235	820			300		700				2,055
LIBERIA	1,000	1,780		1,100			1,030						4,970
RODANESIA			1,160	1,800			2,681			500			6,241
MALAWI				3,200			4,000			2,500	800		10,500
MALI				2,132			1,785						3,917



Table 1- Breakdown of commitments taken as at 31 December 1978 by country and sector (4th EDF and EIB Ordinary Loans) (OOO EUA)

	TRADE PROMOTION				Total	Exceptional aids	Staber	Other - delegation expenditure	Blocked appropriations
	General	Trade structures	Fairs and exhibitions	Marketing					
BAHAMAS	30				30			340	
BARBADOS	100				100			1,249	
BEHIN						20	15,408	1,859	
BOTSWANA						2,670		835	
BURUNDI						80	1,488	2,180	
CAMEROON	42	40			82		4,065	3,562	
CAPE VERDE								23	
CENTRALFRICA							903	2,594	
COMOROS						2,597	1,676	577	
CONGO	87				87	250	7,362	2,190	
IVORY COAST	1,140	780			1,900		15,000	3,228	
DJIBOUTI							892	276	
ETHIOPIA	50				50	2,750	14,420	1,817	
FIJI							2,115	878	
GABON	42				42			1,477	
GAMBIA						800	1,510	869	
GIANA	1,010				1,010	2,130	5,176	1,948	
GRENADA								19	
GUINEA						3,035		1,587	
GUINEA BISSAU						467	5,216	1,016	
EQUATORIAL GUINEA								7	
GUIANA								832	
UPPER VOLTA							2,031	2,941	
JAMAICA	1,700	30		50	1,780			1,780	
KENYA	400				400	300		2,327	
LESOTHO						1,230		1,039	
LIBERIA	300				300			1,519	
MADAGASCAR	15	18			33	1,700	2,903	3,257	
MALAWI		15			15	1,500		1,520	
MALI						800	1,497	3,525	



MAURITIUS	20				20	3.000		1.165	
MAURITANIA						1.307	10.606	2.570	
NIGER						9.814	22.653	3.116	
NIGERIA			168		188			1.072	
UGANDA							5.399	1.269	
PAPUA NEW GUINEA								556	
RWANDA						4.080		1.909	
SAROA							2.057	328	
SAO TOME & PRINCIPE								59	
SENEGAL						3.885	19.000	3.825	
SEYCHELLES								13	
SIERRA LEONE							3.977	1.251	
SOMALIA						3.426	1.932	2.353	
SUDAN	50		100		150	275	1.659	3.161	
SURINAM	500				500			1.199	
SWAZILAND							3.369	556	
TANZANIA						55	15.229	2.440	
CHAD								3.040	
TOGO		45			45		2.680	1.729	
TONGA	33				33	200	1.084	225	
TRINIDAD & TOBAGO	705				705			1.357	
ZAMBIA	44				44	19.300		3.538	
ZAMBIA	7				7	16.840		2.239	
SOLOMON ISLANDS							1.274		
NON-ALLOG. INTERVENTIONS						4.300		10.617	
REGIONAL PROJECTS	166	160	14.862		14.988			4.572	
TOTAL	6.441	1.068	14.950	50	22.509	86.411	172.359	101.738	16.252 <sup>(1)</sup>
BLOCKED APPROPS.									
GRAND TOTAL	6.441	1.068	14.950	50	22.509	86.411	172.359	101.738	16.252
of which: Grants	4.741	1.068	14.950	50	20.809	86.411		101.738	13.946
Stabex							172.359		
Special loans	1.700				1.700				
Risk capital									2.306 <sup>(2)</sup>
EIB Loans									

(1) Unexpended balance of the overall appropriation made available by the Commission to the Chief Authorizing Officer of the EDF for the financing of technical cooperation, trade promotion and regional cooperation schemes by accelerated procedure.

(2) Overall commitment authorization for financing by risk capital referred to in Article 51 of the EDF Financial Regulation.

Table 1 - Breakdown of commitments taken as at 31 December 1978 by country and by sector (000 EUA)

	DEVELOPMENT OF PRODUCTION		Economic infrastructure	Social development	Trade promotion	Exceptional aid	Stabex	Other - Delegation expen.	Blocked appropriations	TOTAL
	Industrialization and tourism	Rural production								
BAHAMAS		745		43	30			340		1.158
BARBADOS	100	175		602	100			1.249		2.226
BENIN	1.311	3.879	15.440	1.809		20	15.408	1.859		39.526
BOTSWANA	2.806	4.921	5.013	3.200		2.670		935		19.345
BURUNDI	16.353	2.397	180	10.362		80	1.486	2.180		33.008
CAMEROON	30.154	8.823	14.218	2.230	82		4.055	3.562		62.134
CAPE VERDE		557		1.250				23		1.830
CENTRAFRICA	1.767	5.844	7.465	1.855				23		1.830
COMOROS		2.200	214	540		2.597	903	2.594		20.228
CONGO	3.190	1.540	10.190	8.223	87	250	1.678	577		7.804
IVORY COAST	30.758	5.468		14.300	1.900		15.000	3.228		33.032
DJIBOUTI		515		1.620			692	276		3.103
ETHIOPIA		30.089	60	21.211	50	2.750	14.420	1.817		70.397
FIJI	14.599	700	4.824	1.000			2.115	978		24.215
GABON		1.710	4.477	410	42			1.477		8.116
GAMBIA		2.807		2.075		800	1.510	888		8.061
GHANA	27.552	5.450	12.840	2.250	1.010	2.130	5.176	1.948		58.358
GRENADA		223	1.471	280				19		1.993
GUINEA	30.375	14.330	104	6.420		3.035		1.587		55.851
GUINEA BISSAU		6.362	5.110	3.840		467	5.216	1.016		22.011
EQUATORIAL GUINEA				30				7		37
GUYANA	8.140	822	130	545				932		11.569
UPPER VOLTA	4.428	12.112	12.791	7.952			2.031	2.941		42.255
JAMAICA		7.139		5.580	1.780			1.780		16.279
KENYA	74.738	31.948		8.129	400	300		2.327		117.840
LESOTHO	1.837	5.378	2.689	2.055		1.230		1.039		14.238
LIBERIA	18.027	300	4.823	4.970	300			1.519		29.939
MADAGASCAR	300	19.122	4.620	6.241	33	1.700	2.903	3.257		38.176
MALAWI	22.490	11.417	8.938	10.300	15	1.500		1.520		56.080
MALI	23.338	19.238	13.624	3.017		800	1.497	3.525		64.939

MAURITIUS	6.586	330	5.700	760	20	3.000		1.165		17.501
MAURITANIA		6.254		3.860		1.307	10.505	2.570		26.597
NIGER	2.522	14.895	26.700	7.671		9.814	22.853	3.116		87.361
NIGERIA	28.200			750	188			1.072		30.210
UGANDA	200	444	100	2.830			5.399	1.269		10.242
PAPUA NEW GUINEA	10.135	117		1.200				556		12.008
RWANDA	30.590	510	23.189	4.617		4.080		1.909		64.895
SANOA	2.620	1.275		110			2.057	328		6.390
SAO TOME & PRINCIPE	500		300	590				59		1.440
SENEGAL	799	15.641	11.529	10.848		3.685	19.000	3.925		65.327
SEYCHELLES	562		150	1.740				13		2.485
SIERRA LEONE	1.000	6.853	117	5.524			3.977	1.251		18.722
SOMALIA		1.880	20.320	2.412		3.428	1.932	2.353		32.323
SUDAN	6.844	11.948	16.424	7.435	150	275	1.659	3.161		47.894
SURINAM				2.800				1.699		4.299
SWAZILAND	15.378	2.575	990	2.000			3.369	556		24.856
TANZANIA	32.751	19.177	21.500	900		55	15.229	2.440		92.052
CHAD	15.317	22.480	2.901	4.324				3.040		48.062
TOGO	6.021	2.933	15.212	9.378	45		2.580	1.728		37.998
TONGA		130	1.580	20	33	200	1.064	225		3.252
TRINIDAD & TOBAGO	5.921	1.692		2.825	105			1.367		12.510
ZAMBIA	22.612	5.490	53	21.770	44	19.300		3.536		72.805
ZAMBIA	6.768	5.770	80	4.990	7	16.840		2.239		36.672
SOLOMON ISLANDS		550	145	760			1.274			2.729
NON-ALLOC. INTERVENTIONS						4.300		10.617		14.917
REGIONAL PROJECTS	52.300	5.281	40.500	11.750	14.988			4.572		129.391
TOTAL	530.782	334.224	316.671	244.843	22.509	86.411	172.359	101.738		1.899.337
BLOCKED APPROPS.		4.788							16.252 (1)	21.048
GRAND TOTAL	530.782	339.020	316.671	244.843	22.509	86.411	172.359	101.738	16.252	1.880.385
of which: Grants	152.968	302.004	251.624	227.503	20.809	86.411		101.738	13.948	1.457.353
Stabex							172.359			172.359
Special loans	145.751	38.958	64.847	17.050	1.700					266.304
Risk capital	82.893								2.306 (2)	84.999
EIB Loans	199.370									199.370

(1) Unexpended balance of the overall appropriation made available by the Commission to the Chief Authorizing Officer of the EDF for the financing of technical cooperation, trade promotion and regional cooperation schemes by accelerated procedure.

(2) Overall commitment authorization for financing by risk capital referred to in Article 51 of the EDF Financial Regulation.



MAURITIUS													
MAURITANIA													
NIGER				2.622									2.622
NIGERIA	28.070							130					28.200
UGANDA				150									150
PAPUA NEW GUINEA										10.135			10.135
RWANDA						50							50
SAMOA						2.353							2.353
SAO TOME & PRINCIPE										500			500
SENEGAL	590	200											790
SEYCHELLES	582												582
SIERRA LEONE													
SOMALIA													
SUDAN				6.500									6.500
SURINAM													
SWAZILAND		250											
TANZANIA	5.741			6.550						15.128			15.376
CHAD								267					267
TOGO													
TONGA													
TRINIDAD & TOBAGO	5.753												5.753
ZAIRE										8.434			8.434
ZAMBIA	3.472			84							110		3.666
SOLOMON ISLANDS													
NON-ALLOC.													
INTERVENTIONS													
REGIONAL PROJECTS	6.807						200					200	7.207
TOTAL	55.434	750		46.211	6.409	37.358	397	1.075	58.052	3.660	209.348		
BLOCKED APPROPS.													
GRAND TOTAL	55.434	750		46.211	6.409	37.358	397	1.075	58.052	3.660	209.348		
of which: Grants	10.491	550		10.677	2.578	7.958	397	1.075	12.988	410	47.105		
Stabax													
Special loans	535			28.550					18.948		46.033		
Risk capital	1.408	200		7.184	3.830				9.136	3.250	25.308		
EIB Loans	43.000			1.500		29.400			17.000		90.900		

Table II - Breakdown of commitments taken in 1978 by country and sector (4th EDF and EIB Ordinary Loans) (000 EUA)

	DEVELOPMENT OF PRODUCTION									Total
	Rural production									
	General	Plantations	Hydro- agricultural schemes	Agriculture	Stockfarming	Fisheries	Forests	Microprojects	Mainly agric. int. projects	
BAHAMAS	690									690
BARBADOS	25									25
BEHIB									2.900	2.900
BOTSWANA	1.810									1.810
BURUNDI					70			166		236
CAMEROON	225			8.200						8.425
CAPE VERDE	557									557
CENTRAFRICA					1.244					1.244
COMOROS					300					300
CONGO										
IVORY COAST										
DJIBOUTI				515						515
ETHIOPIA						1.573		320		1.893
FIJI	700									700
GABON										
GAMBIA						70				70
GUANA	1.880							175		2.055
GRANADA								223		223
GUINEA		27								27
GUINEA BISSAU										
EQUATORIAL GUINEA										
GUYANA								122		122
UPPER VOLTA			389	2.977	1.660	40		490	2.181	7.737
JAMAICA										
KENYA			10.818						17.700	28.518
LESOTHO					2.000			190		2.190
LIBERIA										
MADAGASCAR		5.757		893					240	6.890
MALAWI				2.200				580		2.780
MALI				8.730	1.820					10.550



Table II- Breakdown of commitments taken in 1978 by country and sector (4th EDF and EIB Ordinary Loans)

(000 EUA)

	ECONOMIC INFRASTRUCTURE					Total
	Transport and Communications					
	General	Roads and bridges	Railways	Ports and inland waterways	Airports	
BAHAMAS						
BARBADOS						
BENIN		55				55
BOTSWANA		4.975				4.975
BURUNDI						
CAMEROON			10.000			10.000
CAPE VERDE						
CENTRAFRICA		295		2.500	45	2.840
COMOROS						
CONGO						
IVORY COAST						
DJIBOUTI						
ETHIOPIA		80				80
FIJI		2.850		1.974		4.824
GABON				2.577		2.577
GAMBIA						
GHANA		12.840				12.840
GRENADA		1.451				1.451
GUINEA		80	14			104
GUINEA BISSAU				3.830		3.830
EQUATORIAL GUINEA						
GYANA						
UPPER VOLTA						
JAMAICA						
KENYA						
LESOTHO						
LIBERIA					1.500	1.500
MADAGASCAR						
MALAWI						
MALI		13.350				13.350



MAURITIUS							
MAURITANIA							
NIGER							
NIGERIA							
UGANDA							
PAPUA NEW GUINEA		100					100
RWANDA		85					85
SAROA							
SAO TOME & PRINCIPE		300					300
SENEGAL							
SEYCHELLES	150						150
SIERRA LEONE		117					117
SOMALIA				280	408		668
SUDAN			9,000		150		9,150
SURINAM							
SWAZILAND							
TANZANIA							
CHAD		2,901					2,901
TOGO							
TONGA		1,430					1,430
TRINIDAD & TOBAGO							
ZAIRE		53					53
ZAMBIA		80					80
SOLOMON ISLANDS						145	145
NON-ALLOC. INTERVENTIONS							
REGIONAL PROJECTS		14,220	500	140		4,340	19,200
TOTAL	150	55,212	19,514	11,281	603	5,985	92,745
BLOCKED APPROPS.							
GRAND TOTAL	150	55,212	19,514	11,281	603	5,985	92,745
of which: Grants	150	42,382	514	7,230	603	1,885	52,544
Stabex							
Special loans		12,850	19,000	4,051		4,300	40,201
Risk capital							
EIB Loans							





Table II - Breakdown of commitments taken in 1978 by country and sector

(000 EUA)

	TRADE PROMOTION				Total	Exceptional aids	Stabex	Other - Delegation expens	Blocked appropriations
	General	Trade structures	Fairs and exhibitions	Marketing					
BAHAMAS								140	
BARBADOS	100				100			791	
BENIN						20	4.762	953	
BOTSWANA						1.600		621	
BURUNDI						80		1.188	
CAMEROON								2.107	
CAPE VERDE								23	
CENTRAFRICA								1.528	
COMOROS							1.091	554	
CONGO	41				41			1.280	
IVORY COAST	1.008				1.008			1.826	
DJIBOUTI							170	145	
ETHIOPIA	50				50	2.750		991	
FIJI								731	
GABON								851	
GAMBIA						800	1.510	469	
GHANA	1.010				1.010			1.279	
GRENADA								19	
GUINEA						3.035		1.075	
GUINEA BISSAU						467	147	602	
EQUATORIAL GUINEA								7	
GUYANA								563	
UPPER VOLTA							1.170	1.624	
JAMAICA								1.171	
KENYA								1.544	
LESOTHO						230		723	
LIBERIA	300				300			1.050	
MADAGASCAR	15	18			33			1.847	
MALAWI								944	
MALI						800	848	1.889	

MAURITIUS	20			20			677	
MAURITANIA					1,307	10,605	1,460	
NIGER						9,795	1,493	
NIGERIA							864	
UGANDA							671	
PAPUA NEW GUINEA							556	
RWANDA					80		1,110	
SAMOA						99	228	
SAO TOME & PRINCIPE							59	
SENEGAL					3,885	19,000	2,252	
SEYCHELLES							13	
SIERRA LEONE							722	
SOMALIA							1,345	
SUDAN	50		50	100	275		2,277	
SURINAM	500			500			685	
SWAZILAND						3,389	367	
TANZANIA					55	8,177	1,638	
CHAD							1,690	
TOGO		45		45			883	
TONGA						160	156	
TRINIDAD & TOBAGO	705			705			897	
ZAIRE					4,300		2,202	
ZAMBIA	7			7	1,340		1,540	
SOLOMON ISLANDS								
NON-ALLOC. INTERVENTIONS					4,300		7,851	
REGIONAL PROJECTS	118	160	8,561	8,837			1,777	
TOTAL	3,922	223	8,611	10,756	25,124	60,904	62,526	16,252 <sup>(1)</sup>
BLOCKED APPROPS.								
GRAND TOTAL	3,922	223	8,611	10,756	25,124	60,904	62,526	15,252
of which: Grants	3,222	223	6,611	10,056	25,124		62,526	13,946
Stabex						60,904		
Special loans	700			700				
Risk capital								2,308 <sup>(2)</sup>
EIB Loans								

(1) Unexpended balance of the overall appropriation made available by the Commission to the Chief Authorizing Officer of the EDF for the financing of technical cooperation, trade promotion and regional cooperation schemes by accelerated procedure.

(2) Overall commitment authorization for financing by risk capital referred to in Article 5<sup>a</sup> of the EDF Financial Regulation.

Table II - Breakdown of commitments taken in 1978 by country and sector

(000 EJA)

	DEVELOPMENT OF PRODUCTION			Economic infrastructure	Social development	Trade promotion	Exceptional aid	Stabex	Other - Delegation expen.	Blocked appropriations	Total
	Industrialization & Tourism	Rural production									
BAHAMAS		690			43				140		873
BARBADOS	100	25				100			791		1,016
BERIN	1,075	2,900	55				4,762		953		9,775
BOTSWANA	6	1,810	4,975						621		9,012
BURUNDI	7,652	238					1,509		1,188		9,154
CAMEROON	2,840	8,425	10,000						2,107		23,372
CAPE VERDE		557		1,250					23		1,830
CENTRAFRICA	1,767	1,244	2,840	1,655					1,528		9,034
COMOROS		300		320				1,091			2,265
CONGO	3,150			1,673	41				1,280		6,144
IVORY COAST	5,025			9,400	1,008				1,826		17,269
DJIBOUTI		515		650				170		145	1,490
ETHIOPIA		1,893	60	2,220	50	2,750			991		7,994
FIJI	14,598	700	4,824	1,000					731		21,853
GABON			2,577						851		3,428
GAMBIA		70		1,671		800		4,510	469		4,520
SIANA	80	2,055	12,840			1,010			1,278		17,244
GRENADA		223	1,451	80					19		1,773
GUINEA	30,115	27	104	2,820			3,035		1,075		37,178
GUINEA BISSAU			3,830	1,000			457		147		6,046
EQUATORIAL GUINEA									7		7
GUYANA	8,650	122							563		9,335
UPPER VOLTA		7,737		90				1,170	1,024		10,621
JAMAICA				930					1,171		2,101
KENYA	14,439	28,318		3,719					1,544		49,020
LESOTHO		2,190	1,500	1,755			230		723		6,398
LIBERIA	8,927			1,330	300				1,050		11,607
MADAGASCAR	300	8,890		3,825	33				1,947		12,895
MALAWI	2,100	2,780		4,000					944		8,824
MALI	3,678	10,550	13,330				800	848	1,899		31,083

MAURITIUS					20			677		597
MAURITANIA		800		475		1,307	10,605	1,450		14,648
NIGER	2,622	105		4,080			9,795	1,943		18,545
NIGERIA	26,200			-750				864		29,814
UGANDA	150	308	100					671		1,229
PAPUA NEW GUINEA	10,135	117		1,200				555		12,008
RWANDA	90	350	85	1,712		60		1,110		3,397
SAO TOME & PRINCIPE	2,353	1,170		110			99	228		3,950
SENEGAL	500		300	590				59		1,449
SEYCHELLES	790			3,152		3,685	19,000	2,252		28,879
SIERRA LEONE	562		150	1,740				13		2,465
SOMALIA		640	117	1,500				722		2,979
SOMALIA		180		888				1,345		3,715
SUDAN	8,500	2,963	9,150	5,315	100	275		2,277		26,580
SURINAM				2,600	500			685		3,785
SWAZILAND	15,376			2,000			3,369	387		21,432
TANZANIA	12,291			200		55	8,177	1,839		22,361
CHAD	267	3,580	2,901	2,189				1,690		10,627
TOGO				4,270	45			983		5,298
TONGA		130	1,430	20			160	156		1,896
TRINIDAD & TOBAGO	5,753	30		745	705			897		8,130
ZAIRE	8,434	8,140	53	8,770		4,300		2,202		28,809
ZAMBIA	3,668	2,610	80	3,295	7	1,340		1,540		12,518
SOLOMON ISLANDS		550	145	760						1,455
NON-ALLOC. INTERVENTIONS						4,300		7,851		12,151
REGIONAL PROJECTS	7,207	2,051	19,200	3,090	6,837			1,777		40,172
TOTAL	209,346	100,591	82,745	89,528	10,758	25,124	60,904	62,528	16,252 (1)	651,618
BLOCKED APPROPS.		4,795								21,048
GRAND TOTAL	209,346	105,787	82,745	89,528	10,758	25,124	60,904	62,528	16,252	672,666
of which: Grants	47,105	86,851	52,544	76,228	10,056	25,124		52,526	13,948	374,176
Stabex							60,904			60,904
Special loans	48,033	19,138	40,201	13,300	700					119,370
Risk capital	25,308								2,308 (2)	27,614
EIB Loans	90,900									90,900

(1) Unexpended balance of the overall appropriation made available by the Commission to the Chief Authorizing Officer of the EDF for the financing of technical cooperation, trade promotion and regional cooperation schemes by accelerated procedure.

(2) Overall commitment authorization for financing by risk capital referred to in Article 51 of the EDF Financial Regulation.

LOME CONVENTION  
FINANCING SITUATION IN 1978, BY METHOD OF FINANCING  
AND BY ADMINISTRATIVE BODY

TABLE III

(000 EUA)

	Total volume (article 42 of the Convention)		Commitments taken in 1978				Total	
			Aid administered by the Commission		Aid administered by the E.I.B.			
	Amount	%	Amount	%	Amount	%	Amount	%
<u>EDF Resources</u>	<u>3.067.757</u>	<u>88,7</u>	<u>540.270</u>	<u>100</u>	<u>41.796</u>	<u>31,5</u>	<u>582.066</u>	<u>86,5</u>
- Grants	2.145.182	62,-	359.996	66,6	14.182	10,7	374.178	55,6
of which: micro projects	( 20.000)		( 4.361)	( 0,8)			( 4.361)	( 0,6)
interest rate subsidies	( 100.000)				(14.182)	(10,7)	( 14.182)	( 2,1)
exceptional aid	( 150.000)		( 25.124)	( 4,7)			( 25.124)	( 3,7)
- Special loans	445.585	12,9	119.370	22,1			119.370	17,7
- Risk capital	97.000	2,8			27.614*	20,8	27.614*	4,1
- Stabex	380.000	11,-	60.904	11,3			60.904	9,1
<u>EIB Resources</u>	<u>390.000</u>	<u>11,3</u>			<u>80.900</u>	<u>68,5</u>	<u>80.900</u>	<u>13,5</u>
- Loans from EIB resources	390.000	11,3			80.900	68,5	80.900	13,5
<b>TOTAL</b>	<b>3.457.767</b>	<b>100</b>	<b>540.270</b>	<b>100</b>	<b>132.696</b>	<b>100</b>	<b>672.986</b>	<b>100</b>

\* including appropriations of 2 306 million EUA pending utilization from the overall authorization for studies.



LOME CONVENTION

... TABLE III.A.

FINANCING SITUATION IN 1978, BY METHOD OF FINANCING  
AND BY ADMINISTRATIVE BODY,

(000 EUA)

	Total volume (article 42 of the Convention)		Commitments taken in 1978				Total	
	Amount	%	Aid administered by the Commission		Aid administered by the E.I.B.		Amount	%
			Amount	%	Amount	%		
<u>EDF Resources</u>	<u>3.067.767</u>	<u>88,7</u>	<u>1.564.023</u>	<u>100</u>	<u>95.992</u>	<u>32,6</u>	<u>1.661.015</u>	<u>89,3</u>
- Grants	2.145.182	62,-	1.125.360	72,-	31.993	10,8	1.157.353	62,2
of which: microprojects	( 20.000)		( 10.015)	( 0,6)			( 10.015)	( 0,5)
interest rate subsidies	( 110.000)				(31.993)	(10,8)	( 31.993)	( 1,7)
exceptional aid	( 150.000)		( 86.411)	( 5,5)			( 86.411)	( 4,7)
- Special loans	445.585	12,9	266.304	17,-			266.304	14,3
- Risk capital	97.000	2,8			64.999 *	21,8	64.999 *	3,5
- Stabex	380.000	11,-	172.359	11,-			172.359	9,3
<u>EIB Resources</u>	<u>390.000</u>	<u>11,3</u>			<u>199.370</u>	<u>67,4</u>	<u>199.370</u>	<u>10,7</u>
* Loans from EIB resources	390.000	11,3			199.370	67,4	199.370	10,7
<b>TOTAL</b>	<b>3.457.767</b>	<b>100</b>	<b>1.564.023</b>	<b>100</b>	<b>296.362</b>	<b>100</b>	<b>1.860.385</b>	<b>100</b>

\* including appropriations of 2 306 million EUA pending utilization from the overall authorization for studies.

LOME CONVENTION

FINANCING SITUATION IN 1978 BY METHOD OF FINANCING  
AND BY SECTOR

TABLE IV  
(000 EUA)

	DEVELOP. OF PRODUCTION			ECONOMIC INFRASTR.		SOCIAL DEVELOP.		TRADE PROMOTION		EXCEPTIONAL AID		STABEX		OTHER		BLOCKED APPROP.		Total		
	Industrialization	Tourism	Rural prod.	§	§	§	§	§	§	§	§	§	§	§	§	§	§	§		
<u>1. Aid administered by the Commission</u>	28.546	410	105.787	98,6	92.745	100	89.326	100	10.756	100	25.124	100	60.904	100	62.326	100	13.946	85,8	550.270	20,3
2.1. Non-repayable aid	32.513	410	86.631	37,9	32.344	36,7	76.226	85,1	10.056	93,5	25.124	100			62.326	100	13.946	85,8	359.995	14,3
Programmable grants	32.513	410	86.631	37,9	32.344	36,7	76.226	85,1	10.056	93,5					62.326	100	13.946	85,8	344.872	13,8
Exceptional aid			( 4.361)								25.124	100							( 4.361)	3,7
1.2. Special loans																			25.124	3,7
1.3. Stabex	46.033		19.156	20,7	40.201	43,3	13.300	14,9	700	6,5			60.904	100					119.370	17,7
<u>2. Aid administered by the EIB</u>	127.140	3.250		11,4													2.306	14,2	132.600	19,7
2.1. Loans from EIB resources	90.900			28,8															90.900	13,3
2.2. Int. rate subsidies	14.182			4,5															14.182	2,1
2.3. Risk capital	22.058	3.250		8,9													2.306	14,2	27.646	4,1
<u>Grand Total</u>	209.686	3.660	105.787	100	92.745	100	89.326	100	10.756	100	25.124	100	60.904	100	62.326	100	16.252	100	672.956	100
of which from EDF resources (1,2.2.,2.3.)	114.786	3.660	105.787	71,2	92.745	100	89.326	100	10.756	100	25.124	100	60.904	100	62.326	100	16.252	100	582.055	86,5
from EIB resources (2.1.)	90.900			28,8															90.900	13,5

LORE CONVENTION

TABLE IV.A

Financing situation in 1978, by method of financing and by sector

(000 EUA)

	Development of production				Economic infrastr.		Social Development		Trade promotion		Exceptional aid		Stabex		Other		Blocked Agrorops.		Total	
	Industry realization	Tourism	Rural prod.	%		%		%		%		%		%		%		%		%
1. Aid administered by the Coma.	266.266	460	339.020	67.3	316.671	100	244.643	100	22.509	100	86.411	100	172.359	100	101.738	100	13.946	89.0	1.551.373	100.0
1.1. Non-repayable aid	120.515	460	302.064	47.0	291.824	79.5	227.593	93.0	20.809	92.5	86.411	100			101.738	100	13.946	89.0	1.125.360	72.4
1.1.1. Programmable grants (of which microprojects)	120.515	460	302.064	47.0	291.824	79.5	227.593	93.0	20.809	92.5					101.738	100	13.946	89.0	1.079.840	70.2
1.1.2. Exceptional aid			(10.015)	(11.0)							86.411	100							10.015	0.6
1.2. Special loans	145.751		36.956	20.3	64.847	20.5	17.050	7.0	1.700	7.5									266.804	17.3
1.3. Stabex													172.359	100					172.359	11.4
2. Aid administered by the EIB	295.755	8.031	-	32.7													2.306	11.0	295.557	19.7
2.1. Loans from EIB resources	195.050	4.320	-	22.1															199.370	13.0
2.2. Interest rate subsidies	31.262	731	-	3.6															31.993	2.1
2.3. Risk capital	59.443	3.250	-	7.0													2.306	11.0	64.097	4.6
Grand total	552.021	8.761	339.020	100	316.671	100	244.643	100	22.509	100	86.411	100	172.359	100	101.738	100	16.252	100	1.850.385	100.0
of which from EDF resources (1.1.2., 2.1.)	356.971	4.441	339.020	77.8	316.671	100	244.643	100	22.509	100	86.411	100	172.359	100	101.738	100	16.252	100	1.651.315	89.3
(from EIB resources (2.1.))	195.050	4.320	-	22.2															199.370	10.7

TABLE V

STABEX - Results of 1978 operation (for the year of application 1977) by ACP State

(in EUA)

BENIN	Cotton	2.083.137	
	Palm oil	1.467.366	
	Palm nut and kernel oil	1.211.826	
GUINEA BISSAU	Sawn wood	146.839	
UPPER VOLTA	Groundnuts	1.169.977	
MAURITANIA	Iron ore	3.605.602	
NIGER	Groundnuts	2.412.379	
	Groundnut oil	7.383.280	
SAMOA	Bananas	99.313	
SWAZILAND	Iron ore	3.368.878	
TANZANIA	Sisal	8.176.614	
			31.125.209
COMOROS	Ylang-Ylang	170.596	
	Copra	367.784	
	Cloves	552.547	
DJIBOUTI	Raw hides, skins and leath	169.629	
			1.260.556
	(former OCT continuing to benefit from OCT appropriation)		
<u>Advances paid in 1978</u>			
GAMBIA	Groundnuts	1.510.000	
MAURITANIA	Ores	7.000.000	
SENEGAL	Groundnut oil	16.000.000	
	Groundnut oilcake	3.000.000	
TONGA	Bananas	160.000	
			27.670.000
Transfer carried out in July 1978 (1976 financial year)			
SENEGAL	Gum arabic	848.489	
			848.489
			60.904.254

Table VI - SUBSIDIZED LOANS AND RISK CAPITAL COMMITTED BY THE EIB IN 1978

Breakdown by country

(000 EUA)

	Loans from the EIB's own resources.		Risk capital from EDF resources		Total	
	Amount	%	Amount	%	Amount	%
CONGO			3,15	12,5	3,15	2,7
IVORY COAST			0,18	0,7	0,18	0,2
FIJI	12,50	13,8			12,50	10,7
GYANA			3,20	12,6	3,20	2,7
KENYA	12,00	13,2	0,10	0,4	12,10	10,4
LIBERIA	7,40	8,1	0,28	1,1	7,68	6,6
MALI			3,65	14,4	3,65	3,1
NIGER	1,50	1,7	0,90	3,6	2,40	2,1
NIGERIA	25,00	27,5			25,00	21,5
PAPUA NEW GUINEA	7,00	7,7	1,90	7,5	8,90	7,7
SENEGAL			0,20	0,8	0,20	0,2
SEYCHELLES			0,56	2,2	0,56	0,5
SUDAN			6,50	25,7	6,50	5,6
SWAZILAND	10,00	11,0			10,00	8,6
TANZANIA	5,00	5,5			5,00	4,3
TRINIDAD & TOBAGO	5,00	5,5			5,00	4,3
ZAIRE			4,03	15,9	4,03	3,5
ZAMBIA	2,50	2,7	0,65	2,6	3,15	2,7
REGIONAL (CARIBBEAN)	3,00	3,3			3,00	2,6
TOTAL	90,90	100	25,30	100	116,20	100
BLOCKED APPROPS.			2,30		2,30	
GRAND TOTAL	90,90		27,60		118,50	

Breakdown by sector

DEVELOPMENT BANKS	43,00	47,3	1,41	5,6	44,41	38,2
ENERGY	29,40	32,4			29,40	25,3
AGRO-INDUSTRIAL COMPLEXES (1)	47,00	51,7	12,96	51,2	29,96	25,8
EXTRACTIVE INDUSTRIES			0,20	0,8	0,20	0,2
MANUFACTURING INDUSTRIES	1,50	1,6	7,49	29,6	8,98	7,7
TOURISM			3,25	12,8	3,25	2,8
TOTAL	90,90	100	25,30	100	116,20	100

(1) in the wider sense of projects related to rural production.

## COST OF THE DELEGATIONS

TABLE VII

Countries	Amount in EJA		
	Cost of the Delegation		
	1976/1977	1978	TOTAL
BARBADOS	85.571	420.000	505.571
BEIN	945.300	480.000	1.425.300
BOTSWANA	326.508	220.000	546.508
LESOTHO	327.504	320.000	647.504
SWAZILAND	175.258	170.000	345.258
BURUNDI	756.680	460.000	1.216.680
CAMEROON	1.579.213	930.000	2.509.213
EQUATORIAL GUINEA	26.837	5.000	31.837
CENTRAFRICA	1.042.330	645.000	1.687.330
CONGO BRAZZAVILLE	941.730	615.000	1.556.730
IVORY COAST	1.406.240	850.000	2.256.240
ETHIOPIA	830.170	460.000	1.290.170
FIJI	131.321	420.000	551.321
SAMOA	53.629	100.000	153.629
TONGA	36.630	70.000	106.630
GABON	636.810	370.000	1.006.810
GAMBIA	403.460	300.000	703.460
GHANA	707.620	550.000	1.257.620
GUINEA BISSAU	380.430	280.000	660.430
GUINEA CONAKRY	480.330	510.000	990.330
GUYANA	433.450	300.000	733.450
UPPER VOLTA	1.255.190	650.000	1.905.190
MAURITIUS	450.094	290.000	740.094
COMOROS	111.223	125.000	236.223
SEYCHELLES	42.675	5.000	47.675
JAMAICA	682.497	500.000	1.182.497
BAHAMAS	35.700	40.000	75.700
KENYA	856.050	800.000	1.656.050
LIBERIA	471.400	370.000	841.400
MADAGASCAR	1.414.497	847.000	2.254.497
MALAWI	712.490	500.000	1.212.490
MALI	1.291.200	790.000	2.081.200
MAURITANIA	914.220	650.000	1.564.220
NIGER	1.190.960	790.000	1.980.960
NIGERIA	190.000	570.000	760.000
RWANDA	639.980	460.000	1.099.980
SENEGAL	1.534.220	1.070.000	2.604.220
SIERRA LEONE	513.200	350.000	863.200
SOMALIA	1.012.280	640.000	1.652.280
SUDAN	939.320	1.190.000	2.129.320
SURINAM	501.180	300.000	801.180
TANZANIA	786.420	730.000	1.516.420
CHAD	1.154.930	720.000	1.874.930
TOGO	782.900	410.000	1.192.900
TRINIDAD & TOSAGO	629.961	380.000	1.009.961
GRINADA	84.569	4.000	88.569
UGANDA	587.490	340.000	927.490
ZAIRE	1.373.440	990.000	2.363.440
ZAMBIA	652.490	610.000	1.262.490
CAPE VERDE	-	10.000	10.000
PAPUA NEW GUINEA	-	295.000	295.000
SAO TOME & PRINCIPE	-	25.000	25.000
AFFAIRS & ISSAS	827,54	35.000	35.827,54
ALL STATES	2.294.230	1.745.045,27	4.039.275,27
TOTALS	35.092.654,54	25.699.045,27	60.791.699,81

TABLE VIII

## Exceptional aid (Art.59) 1978

BENIN	20.000	Supply of fishing nets - disaster victims Aguegues village
BOTSWANA	1.600.000	Fight against foot-and-mouth disease
BURUNDI	80.000	Fight against cholera
ETHIOPIA	2.750.000	Purchase of lorries
GAMBIA	300.000 500.000	Purchase of seeds
GUINEA	2.735.000 300.000	
GUINEA BISSAU	300.000 167.500	Purchase of fertilizers, agricultural equipment, insecticides
LESOTHO	230.000	
MALI	300.000 500.000	Purchase of veterinary products, cattle protection
MAURITANIA	300.000 1.007.000	
RWANDA	80.000	Fight against cholera
SENEGAL	300.000 3.385.000	Purchase of oilcakes, groundnuts, salt lick ... Cattle protection
SUDAN	15.000 260.000	
TANZANIA	55.000	Purchase of medicines to fight cholera
ZAIRE	4.000.000 300.000	Repatriation and housing of Zairian refugees Purchase of medicines, foodstuffs and fuel for disaster victims of Bas Zaire and Kivu
ZAMBIA	1.340.000	
NON-ALLOC. INTERVENTIONS (Djibouti, Ethiopia, Somalia)	3.000.000	Aid for displaced persons and refugees in the Horn of Africa
(Djibouti, Ethiopia, Kenya, Somalia, Sudan)	1.300.000	Fight against locusts in East African countries
TOTAL	25.124.000	