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REPORT OF THE COMMISSION TO THE ASSOCIATION COUNCIL ON FINANCIAL AND TECHNICAL COOPERATION FROM 1 JANUARY TO 31 DECEMBER 1972

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INTRODUCTION

This report deals with the management of the financial and technical cooperation between the European Economic Community and the Associated African States and Madagascar (AASM) during 1972, the second year in which the second Yaounde Convention was applied.

The policy of financial and technical cooperation implemented by the Community and the AASM during the financial year 1972 is a continuation of that followed in 1971 and, more generally, throughout all the years of execution of the first Yaounde Convention.

However, the year 1972 presents four special features :

- a certain change of sectoral emphasis in the Community's action to the " benefit of directly productive activities, and in particular rural production, can be noted in relation to 1971;
- endeavours to promote inter-African regional projects have been continued, particularly as regards transport networks;
- for the first time the scholarships programme has been drawn up and implemented in a multiannual form making it possible to cover the whole period of training of each scholarship-holder;
- the choice of modes of financing from the resources of the European Development Fund has been more widely used on the occasion of the first participation taken up by the Community in the formation of risk capital.

In Chapter One the projects and programmes decided on in the course of 1972 will be briefly reviewed sector by sector.

A second Chapter will describe the concrete implementation of each of the main types of financing from the preparation of the aids to the utilisation of the finished projects.

Those parts of the report which concern the European Investment Bank were prepared by the latter's services in conformity with Article 29 of the Convention.

CHAPTER I - SYNOPSIS OF AIDS DECIDED ON IN 1972, BY SECTOR OF ECONOMIC AND SOCIAL ACTIVITY

Total commitments entered upon in 1972 from both European Development Fund credits and the European Investment Bank's own resources amounted to 213 million of u.a. This amount breaks down as follows between the different sectors of activity.

Financial Year 1972	•	'000 u.a.	
**************************************	Commitments 2nd & 3rd EDF + EIB (1)	% 1972	% cumulated 1971-1972
A. <u>Development of production</u> and trade promotion . rural production . industrialisation . tourism . trade promotion	<u>111.547</u> 88.640 22.815 62 30	<u>52,3</u> 41,7 10,6	<u>38,3</u> 27,0 10,4 0,3 0,6
 B. Economic infrastructure roads and bridges railways ports and navigable waterways airports telecommunications C. Social development education and training health water supplies, municipal administration, housing 	57.947 22.408 4.178 31.005 252 104 34.875 31.364 2.487 1.024	$\frac{27,2}{10,6}$ 2,0 14,5 0,1 - 16,3 14,6 1,2 0,5	$ \frac{40,7}{24,5} 3,6 11,4 0,8 0,4 14,6 11,5 1,1 2,0 } $
D. Emergency aids	407	0,2	3,0
E. <u>Miscellaneous</u>	<u>8.190</u>	<u>4,0</u>	3,4
TOTAL	212.966	100	100

(1) These are new commitments from which the monies made available in 1972 and relating to second EDF credits have not been deducted

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Comparing the sector by sector percentages for the financial year 1972 with those for 1971 (total amount of commitments : 253 million u.a.) it can be noted that the financing decisions taken this year have mainly concerned the development of directly productive activities (52% as against 27%), particularly rural production (42% as against 15%). The share used for industrial development has remained more or less stable (10,3%, as against 10,6%). On the other hand, a smaller part of the financing decisions related to the construction of roads and bridges (10%, as against 35%). However, no particular significance should be attached to these changes from year to year in the distribution by sectors of Community financing. Changes of direction made under the terms of the Association Convention and the directives of the Association Council must be assessed over a period of several years. The fact is that from one year to the next inevitable changes in the time-table for the study of the projects, a recasting - by one or more of the Associated States of the order of priority of the schemes proposed for Community financing, or, again, a financial decision relating to a project involving a specially large sum, can appreciably affect the composition of the financing by sectors.

The breakdown of the credits among the beneficiary States is given in detail at Tables 2 and 3 in the Annex.

We will analyse below the actions financed in 1972, sector by sector, indicating their place in the development programmes of the countries or groups of countries concerned and endeavouring to pinpoint their economic and social importance.

The modes of financing used for these projects and programmes have only been specified as regards the refundable aids or participation in the formation of risk capital. In all the other cases, where no particular indication is given, we are dealing with EDF subsidies. The detailed conditions of financing will be studied in Chapter II, Section 2.

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SECTION 1 - THE DEVELOPMENT OF PRODUCTION AND TRADE PROMOTION

Among the guidelines laid down by the Council of Association very special importance has been attached, from the very outset of the first Yaounde Convention, to the development of the directly productive sectors. More than 43% of all the credits of the second EDF have been committed in this sphere. In 1972, 52,3% of the total amount of Community commitments were devoted to developing different branches of production, as against 26% in 1971.

However, the spectacular increase in the volume of financing decisions concerning productive investments in 1972 does not reflect any new orientation of Community aid. It is simply the result of "catching up" in relation to the financial year 1971. To finalise productive projects the Associated States often need preparatory technical assistance, particularly in the matter of rural improvement. Being aware of the problem, the Commission, in 1971, financed the putting in hand of important studies in the sectors of agriculture, livestock breeding, industrialisation and tourism. It is partly on the basis of these studies, and of others previously financed by the second EDF, that the countries concerned were able to complete their dossiers and that financing decisions could be taken which, this year, have given greater weight to the Community commitments in the productive sector. These commitments have doubled in absolute value, rising from 66 million u.a. (1971) to 112 millions (1972). They concerned 17 schemes for new investments and the pursuit of about 10 investment programmes which have already benefited, under various forms, from Community aid during earlier years. Finally, a few decisions of the Community during the financial year 1972 concern measures for technical cooperation, the supply of cadres or general studies, particularly in the field of industrialisation.

§ 1 Agricultural production

The development of agricultural production had the benefit of 85.2 million u.a. in new commitments in 1972 (38.3 million in 1971). This financing concerned 19 investment projects to which must be added a few preparatory studies.

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Most of the schemes decided on are aimed, not at the isolated development of a particular crop, but at the integrated organization of vast rural complexes. Their objective is the diversification of crops, but also a better regional balance for the benefit of the less fortunate areas in the Associated States. They are generally centred around one key crop, which must ensure the financial profitability of the modernisation efforts undertaken. Except in the case of agro-industrial complexes, the stress has everywhere been laid on the development of food crops capable of better guaranteeing the livelihood of the population and raising their living standards to limit exodus from the land. Another characteristic feature of the schemes chosen is the place given to the training of farmers by various measures to provide cadres, and for the functional liquidation of illiteracy. The object is that the technical assistance linked with the projects shall form its own successors in order to provide the Associated States with the personnel necessary to continue the efforts they have undertaken to modernise their agriculture.

It should be added that rural development has also been favoured by numerous projects for transport infrastructure (detailed in Section 2) and specific measures for the training of peasants (detailed in Section 3)

a) Industrial and export crops

The industrial and export crops around which projects approved in the course of 1972 are organised, in order of importance, are, cotton, tea, groundnuts, oil palms, cashew nuts and coffee.

The countries concerned are very numerous : Chad, Central African Republic, Rwanda (two projects), Burundi, Cameroon, Madagascar (two projects), Dahomey (two projects), Senegal (two projects).

These crops often represent one of the main agricultural resources of the Associated State, if not sometimes its only notable export crop (for example groundnuts in Senegal, cotton in Chad and the Central African Republic, oil palms in Dahomey).

Although the main concern of the Associated States is to diversify their rural production, analysis of the situation has lead the Governments of these States to put in hand, parallel with the experiments in rural diversification, a certain number of programmes for reorganisation and modernisation which are necessary to make the products on which they depend, and which account for a considerable part of their national incomes - Two programmes for integrated rural development, mainly concerned with the development of cotton-growing, but also including other crops, were decided on in 1972. One had been submitted by the Government of Chad and the other by that of the Central African Republic.

In Chad, it is a matter of implementing a five-year programme (1972/73 to 1976/77) for developing the cotton-growing area in the South. The population of the region concerned numbers 1.8 million, living on nearly 300.000 individual farms.

The amount of the Community aid is 11.367.000 u.a. The farmers themselves, the Chad budget, the French fund for aid and cooperation, are also sharing in the financing of this project, in which a total of more that 38 million u.a. will be committed.

The objectives of this vast operation are to render more competitive and to extend Chad's only important export crop - cotton - and at the same time to stimulate production of food crops, to develop breeding of draught animals and then animals fattened for slaughter to be consumed on the spot or marketed within the country. The consumption of cotton in the world has remained stable for some years now and competition from man-made fibres is increasingly acute. Faced with this situation, and having to maintain both the competitiveness of its products on a difficult market and the purchasing power of the producers, the Chad Government has been led to bring its action to bear mainly on the elements of prime costs.

The programme chosen for 1972 is a follow-up to the earlier actions of the Community, which made it possible to carry out cotton productivity campaigns from 1965 to 1971 (for an amount of nearly 10 million u.a.). These resulted in a noteworthy increase in yields and production (from 86.800 tons of cottonseed in 1966 to 148.000 tons in 1968/69).

The results expected from the present projects are supplementary production of 300.000 tons of cottonseed and, in particular, a better return on this production. The Chad second Five Year Plan (1971/75) envisages a total increase of 21 million u.a. in the value of cotton exports around 1980. This programme should also result in extra production of 52.000 tons of sorghum, of 16.000 tons of groudnuts and 55.000 tons of rice.

The financing decision regarding the <u>Central African Republic</u> is for a scheme to give a new start to and to expand cotton and coffee-growing in the East-Centre and the North-West of the country. These regions have an area of 33.000 sq km and are inhabited by 66% of the country's population The farms directly concerned by this project provide a livelihood for 750.000 people. The programme is based on three schemes already being carried out with EDF support. It takes up their main objectives and merges them into an action concept which is better integrated and more diversified within a five-year programme.

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The action to increase cotton productivity should make it possible to remedy the decline in this production, above all in quantity, but also qualitatively which has been observed in recent years and to step up production of cottonseed from 72.000 to 105.000 tons. The action to promote productivity of coffee-growing will concern the restoration of 5.800 hectares of family plantations and the creation of 1.200 hectares of new plantations. The objective is to increase annual production by 2.500 tons.

The programme is divided into two phases. The first phase, which will be supported by the credits committed on the EDF in 1972 to the tune of 4.800.000 u.a., will cover the 1972/73 to 1974/75 crop years. The second will end with the 1976/77 orop year. The financing of the second phase will depend on the results obtained in the course of the first. The PNUD (1) is associated in this scheme, while the Central African State and the farmers concerned are also sharing in the financing.

- After cotton, <u>tea</u> is the second industrial crop in terms of the amount of Community financing devoted to it in the financial year 1972. The two principal beneficiary countries are Rwanda and Burundi. Two other schemes of more modest scale also concern the development of tea-growing in Cameroon and in Madagascar.

In Rwanda, the Commission has decided to finance three schemes to a total amount of more than 10.000.000 u.a. These are :

- . the pursuit and extension of the tea-growing projects at Cyangugu and Mwaga-Gisakura;
- . the extension of tea-growing on small plantations;
- the installation of the national organisation for the development of tea growing (ONDT).

The aim of these interventions is the expansion of exportable agricultural production against a background of diversification of Rwanda crops, among which coffee at present occupies the predominant position. They dovetail with the Rwanda Plan, which aims at achieving, in the course of the 1970-1980 decade, the plantation of ll.000 hectares of tea trees. The placing of Rwanda's tea production at a suitable price on external markets does not seem likely to run into any major difficulties.

The first interventions for the development of tea-growing in Rwanda have hitherto concerned the provision of industrial blocks. The tea obtained from the plantations is of very good quality and yields are high; 1.500 to 2.000 kg/ha. The aim of the first project chosen is to follow up these actions, which have been financed since 1962 by the Community to on amount of 7.400.000 u.a.

In addition to the extension of the crops and the carrying-out of infrastructure work, the project provides for an increase in the capacity of the tea factory at Shagastra, which will be stepped up from 800 tons to 1.800 tons per year, and the building of the Gisakura plant, with a capacity of 1.200 tons.

Following this effort in the field of tea-growing in high-yield industrial blocks which has made the Rwanda population receptive to tea-growing techniques, the Community has decided to finance a programme to develop this same crop on small family holdings. Yields will be slighly less and probably between 1.500 and 1.800 kg/ha of dry tea. The two types of cultivation can moreover coexist in the same area. The present programme mainly consists of the installation, over a period of six years, of 1.700 further hectares of tea plantations in the shape of small family undertakings. The peasants will be owners of their lots and responsible for production. They will be grouped together in planters'cooperatives or associations.

In Burundi, the Community has continued its aid to the development of tea-growing, which began in 1962 and represents an aggregate outlay of more than 7.000.000 u.a. The present project is part of the Burundi Development Plan, which provides for a programme of 10.000 ha of tea-growing plantations between now and 1985. This should give an annual production of around 10.000 tons. EDF aid (2.000.000 u.a.) should make it possible to extend three plantations on a total area of 500 hectares. In 1972 the Commission also decided on the finaning of a tea factory for the 580-hectare plantation at Tora, along with technical assistance to set it going. This predominantly industrial integrated project is described in greater detail in paragraph 2 (Industrialisation) of this Section.

Finally, the possibilities of further extension of tea-growing in Burundi in the future are the subject of a new study financed by EDF resources, which was also approved in 1972. This study concerns the development of tea on small family holdings, as in Rwanda.

<u>In Cameroon</u>, the Community has agreed to part-finance a programme for the selection and multiplication of the plant material necessary to establish at Djuttitsa (East Cameroon) a tea-growing block of about 700 ha. The major part of this scheme is being financed by the Cameroon Government and French bilateral aid. Production is mainly intended for domestic consumption.

In the Malagasy Republic, EDF is part-financing a station for tea-growing research to an amount of 180.000 u.a.

Two programmes of agro-industrial development for a total amount of 7.000.000 u.a. have been chosen in 1972 for <u>Dahomey</u>.

- The first of these concerns the plantation of oil-producing palm groves of selected quality in the Département of Oueme.
- The second is aimed at the extension of the plantations of anacardiums (cashew nut trees) in the Départements of Zou, Borgou and Atakora.

The aim of the first scheme is to provide, between 1973 and 1975, a plantation of 4.000 ha of selected palm trees, production from which will be treated by the oil mill on the neighbouring plantation of Agonvy (also financed by Community aid). This product fits into the framework of the national policy to develop the olive-oil industry on which the Government of Dahomey has been engaged since 1955. The Community has already contributed to these various programmes to a total amount of about 17.000.000 u.a Palm oil is mainly used by the margarine industry. This is a difficult market, whose future is fraught with many factors of uncertainty, in particular because of the ever-increasing possibilities of substitution of the different oils and fats. The consequences of a possible fall in prices can only be checked by an appreciable increase in yields and of production per planter. - 9 -

This project will make it possible to introduce into a traditional milieu improved practices of intensive cultivation. By thus establishing a basic educational, health and economic infrastructure, it will promote the social development of the region concerned.

The second project aims at the development of the less fortunate regions in the North of Dahomey which, although their fertility is low, are nevertheless suitable for the growing of the cashew tree. The scheme will provide the inhabitants of these poor regions with an appreciable extra monetary income.

The good results achieved by the first plantations (in financing which the Community already had a hand in 1967) and the favourable situation of the market for cashew nuts, the consumption of which is increasing by 5-7% yearly, have led the Dahomey authorities to extend the areas grown. The present project concerns the provision of 6.500 ha of industrial plantations of cashew trees, improvements to 1.700 ha of old plantations, the laying-out of 3.500 ha of village plantations, and the installation of a cashew nut shelling plant with an initial capacity of 1.500 tons per year.

In 1972 the Community also continued to help the groundnut programme in <u>Senegal</u>. 1.500.000 peasants grow groundnuts, and this production accounts for three-quarters of rural monetary income in Senegal. More than 33 million u.a. of Community aid has already been made available for the development of the growing of <u>oil-producing groundnuts</u> and, more recently, of <u>those</u> for eating unprocessed.

It should be stressed that within the groundnut cultures themselves there exists a possibility of <u>diversification</u> in the shape of edible groundnuts. This production is sure of very favourable market prospects. On the European market alone, average demand is at present increasing by about 20% per year.

In these fields the Community has decided to finance, to the tune of 5.000.000 u.a. :

1) The setting-up of a seed supply service to produce each year all the selected groundnut seeds necessary for Senegalese production. Thanks to the launching of the seed programme, Senegal had no problems with

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regard to seeds during the 1972/73 groundnut year, despite the severe drought of 1971/72. This programme should make a powerful contribution to the success of the Senegalese plan to give a new boost to groundnut by improving the quality of the seeds used.

- 2) The acceleration and the extension of a programme of 20.000 ha of edible groundnuts which is going on in the region of Siné-Saloum.
- As regards employment, the completion of this project will have the effect of providing nearly 900.000 days of work per year.
- In Madagascar, the Commission has decided to earmark 1.600.000 u.a. to continue the "Opération Café" on the east coast of the island, on which the Malagasy Government has been engaged since 1971. 48% of the cost of this programme has been financed by Community aid, the Malagasy Government providing 35% and French bilateral aid 17%. The operation was set on foot in order to improve the production of Malagasy coffee, particularly as regards quality. It has consisted mainly of the replacement of the old coffee shrubs, with their poor yield, by selected shrubs with very high yields. The purchasing price of coffee was increased to 135 Malagasy francs per kilo in 1971, thus encouraging the peasants to continue the development of a crop which produces a considerable monetary income. Production forecasts for the 1972/73 crop year are around 62.000 tons of coffee, of which 54.000 tons suitable for export. This programme does not infringe the rules of the World Coffee Agreement. Along with the development of coffee-growing, a further objective of the operation is to produce, multiply and diffuse selected pepper plants. On this point, it has already proved to be an indisputable technical success.

b) Food crops and multicrop associations

As in 1971, rice clearly dominates the scene among the food crops whose development has been the subject of further Community financing decisions in 1972 (7 projects).

The States concerned are Mauritania, Mali, Senegal, Upper Volta, Ivory Coast and Madagascar.

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Four projects are particularly important and each of them exceeds 6 million u.a. of Community commitments. These are :

- 1. The programme for the development of controlled swamp-land growing in the region of Ségou in Mali (11.800.000 u.a.);
- 2. The part-financing of the programme for the development of rice-growing in Ivory Coast for the period from 1972 to 1976 (10.300.000 u.a.);
- The hydro-agricultural equipment of the Nianga perimeter in Senegal (6 million u.a.);
- 4. The completion of the "Rice-Growing Productivity Operation" on the High Plateaux of Madagascar (6.100.000 u.z.).

All these rice-growing projects aim at satisfying the increasing needs of the populations concerned for this food. These are at present covered by national production and large imports, which necessitate heavy outflows of foreign currency. Only ambitious programmes to increase production by bringing to bear modern techniques are likely in the future to reduce the imbalance between production and consumption and relieve the trade balance of the Associated States of the excessive weight of foodstuffs imports. In terms of economic development this policy is justified, even if the cost price of the local product is not always strictly competitive in relation to international rates. The point is to introduce the technique of rice-growing among the peasants. In this way it will be possible to enlarge the internal market, with all its secondary and multiplier effects, and to integrate the national economic structure more closely by providing a sure economic activity for a population which is at present underemployed and marginal.

The Mali project, financed by the Community, and the completion of which will stretch over six years, should make it possible to satisfy the expected needs of the population until about 1980 (allowing for a similar project financed by the IBRD and other actions in favour of rice-growing already undertaken from EDF resources to the tune of 6.300.000 u.a.).

This project concerns 45.455 ha, broken down into 16 lots, on which controlled submersion is to be introduced on a number of plains situated near the cities of Ségou and of San which can be inundated when the river Niger is in flood. It will make it possible to increase the production of paddy in this area by 65.000 tons in 15 years (with an average yield of nearly 2 tons/ha).

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Other financing sources are associated with EDF in bearing the cost of the project, which totals 13.300.000 u.a. Studies are already planned with a view to the later extension of the areas organised.

In addition, four complementary actions, either on the technical plane or on the plane of the training and encouragement of the producers, are linked with this project. They concern :

1. The enlargement of the rice-growing specialisation centre at Dioro;

- 2. The building of five community development centres in the region of Ségou to make it possible to associate the local women in the movement of modernisation which the project will necessarily call into being;
- 3. An action for the <u>functional liquidation of illiteracy</u> among 20.000 rural rice-producers;
- 4. Finally, the creation of a centre for the production of selected seeds at Dioro jointly financed by PNUD and the Mali State.

The Mali Government expects that the whole project, which directly concerns a population of 182.000 persons, will almost quadruple the money incomes of these.

In Ivory Coast, the Commission has agreed to finance a part of the global programme for the development of rice-growing for the 1972/1976 period. The project aims at a considerable increase in national rice production, which should rise from 200.000 tons in 1970 to about 295.000 in 1977. It should make it possible to limit the volume of imports to 25.000 or 30.000 tons annually. The operations chosen include intensification of irrigated ricegrowing in the Korhogo area, the introduction of this crop in the area of Bouaké-Nord, improvement of the culture of rain-orop and swamp-land rice in the region of Odienne, and the association of this crop with cotton in the North-Central area of the country.

This project corresponds to another important objective, which is to iron out regional disparities by introducing a new agricultural activity in the least favoured regions of Ivory Coast and to procure money incomes to the poor populations living there.

A first instalment of this programme was already financed by Community aid in September 1971 for an amount of 522.000 u.a. This is the hydro-agricultural dam at Sologo.

The project is administered by Soderiz, a state corporation with financial autonomy which will also fulfil the role of an intermediary between the ricegrowers and the National Bank for Agricultural Development (BNDA) for questions of credit. The peasants will group themselves into cooperatives at village level in order to facilitate the optimum utilisation of the collective equipments, the collection and the transport of the paddy. In this they will be aided by a specialised state agency, the National Centre for the Promotion of Cooperative Enterprises.

In the Republic of <u>Senegal</u>, the imbalance between production and consumption of rice is at present around 175.000 tons of refined product annually, a deficit made good each year by imports. These are in second place among the total imports (by value) of the country and they involve an annual outflow of foreign exchange of about 4.500 million F-CFA. For about 10 years now, the Senegalese Government has been endeavouring to reduce this heavy financial burden. As part of this policy, the Commission has decided to finance a fourth Community intervention in 1972 (6 million u.a.). EDF aid to the development of rice production in Senegal will thus total nearly 11 million u.a., corresponding to the exploitation of about 16.000 ha.

The project chosen aims at the hydro-agricultural equipment of 9.000 ha in the Nianga basin, situated in the middle reaches of the valley of the Senegal River near the city of Podor and concerns the opening up of a first tranche of 2.000 ha of rice fields. The extra production of white rice (husked)

intended for marketing should be 3.200 tons once the scheme is running at cruising speed. This project is a first step : it should make it possible to work out techniques of growing, exploitation and management which can be extrapolated to much larger areas in the Senegal valley. Vast works to regularise the course of the river have been studied at the request of the Governments of Senegal and Mauritania. Their completion in a more or less close future should make it possible to practise intensive rice-growing in the valley, with two harvests per year. As in the Ivory Coast project, the region concerned by this scheme is a particularly ill-favoured one. The population directly concerned numbers 11.000.

In Madagascar, the Commission has decided to finance the completion of the "Operation Productivité Rizicole" on the High Plateaux to the South of the capital and at Ambilobé, to the Northeast, during the period 1972/75. This financing will permit the continuance of action begun in 1966 from the production aid credits of the second EDF (12.3 million u.a.) and pursued with credits from the third EDF until July 1972 for an amount of 32 million u.a. Its main objective is to increase rice output to satisfy internal consumption by improving the means of production, and particularly irrigatior In this way, Madagascar should be in a position progressively to dispense with imports. Doubtless, these represent only a small percentage of the country's total consumption of 1.700.000 tons, but they nevertheless amounted to 30.000 tons in 1970.

The peasants themselves (106.000 are concerned) and the Malagasy Government will also contribute to the financing of the operation, whose total cost amounts to 18.600.000 u.a.

Another rice-growing operation in Madagascar was approved by the Community in 1972. This is the production of high-quality rice for export. The aim is to organise a part of the vast rice-producing plains of Marovoay on the east coast, on the banks of the river Betsiboka. 2.700 ha, which could later be extended to 3.200, will be brought into production. The objective is to raise the average yield of 2.4 tons of paddy rice per heotare at present achieved to 4.3 tons/ha in the 15th year.

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The organisation of production and marketing comes under COMEMA, a regional rural intervention agency which also owns the land concerned by this scheme. After improvement, this land will be transferred back to the share farmers holding promises of sale issued by COMEMA. It should be possible to achieve owner occupation of the holdings towards the year 1974. The population concerned numbers 7.200, of whom about 1.100 are growers. Since it is a matter of the production of high-quality rice intended for export, and for which Madagascar has an assured market, the project will above all serve to improve producers' incomes. The Government expects that, after an 8-year running-in period, the incomes of the peasants will be increased by about 50% in a few years.

<u>In Mauritania</u>, the Commission has decided to take on its charge the costs of providing supervisory staff for ten small rice-growing areas being openedup or already existing, and which were financed by Community aid, French bilateral aid and the Government of Mauritania. These rice-growing perimeters, which are irrigated by pumping, cover an area of 480 ha and are situated on the banks of the Senegal River between Kaëdi and Rosso, in the very limited area of Mauritania where agriculture is possible. The project, which will take four years to complete, aims at aiding the peasants to adapt themselves to a new and highly technical form of rice-growing (irrigation by pumping and two annual crops) in which they have so far manifested great interest. The production hoped for, which is mainly intended for consumption on the spot, will amount in a year of normal working to 3.400 tons of paddy, with a heotare yield of about 7 tons. This is the first experiment with two crops in the valley of the Senegal River.

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In addition to rice, the other food products for which new financing has been granted in 1972 are associated with industrial crops in two multicrop projects.

In Niger, the first phase of an integrated rural development action is to be launched in the region of Zinder situated in the East-Central part of the country on the frontier with Nigeria. The amount involved is 1.900.000 u.a. The aim of the project is to step up the growing of groundnuts and food products (millet, sorghum and niebé) by increasing yields, regenerating exhausted land and restoring its fertility. The region concerned is particularly badly off for climatic reasons and because of vigorous growth of population (plus 2.8% annually) which is gradually leading to the exhaustion of the cultivatable areas. 570.000 persons, representing one seventh of the population of Niger, live there.

In addition to the provision of infrastructure and popular education measures, the scheme includes a general campaign for the functional liquidation of illiteracy among the peasants concerned.

This is the first agricultural project financed by EDF which does not include permanent technical assistance. The local supervisory personnel will run the whole project with the aid of technical support missions, which will be provided twice annually, at the beginning and end of each agricultural year.

In Togo, the Community is financing, for an amount of 459.000 u.a., a project for the installation of 200 peasant families from the Kabre Massifs, which are over-populated and whose soil is exhausted, to new unoccupied land in the valley of the Kara. The project is part of the Togo plan of regional development. It will make it possible to channel the emigration young people, which is in evidence in this region, towards more favourable farming areas. Initially, the scheme provides for the organisation of 600 hectares of land which will be shared among families in lots of three to six hectares and on which food (sorghum, millet, rice, beans) and industrial crops (cotton, groundnuts) will be grown.

The completion of this project, which will take three years, should enable the Togo Government to judge whether it is advisable to extend it.

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§ 2 Stockbreeding

For lack of intensive modernisation of its pastoral resources and activities, West and Central Africa will have to import increasing amounts of meat, whereas it should normally be able to become an exporter of this product. In 1971 several preparatory studies were put in hand in the stockbreeding field with EDF help. For many Associated States, and most particularly those of the Sahel zone, stockbreeding represents an important economic activity which has hitherto hardly had the benefit of modernisation programmes except in the fields of animal health and water supply. In 1972 the Commission continued its support for the preparation of investments by financing a development operation for sedentary stockbreeding in Mali.

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Generally speaking, the period of studies undertaken in recent years at the request of the Associated States, by the main sources of aid, including the Community, with a view to assembling the maximum information on the precise structure of stockbreeding as now practised and the means calculated to modernise it (ranches, fattening for local meat consumption, rehabilitation depots, improvements in health control, abbatoirs) is drawing to a close. The time has come for investments, and, in 1972, three financing decisions were taken in the stockbreeding sector in favour of Mauritania (2.5 million u.a.), the Congo (1.3 million u.a.) and Niger (252.000 u.a.).

- The first project constitutes the preliminary phase of an integrated programme for the development of stockbreeding in the Southeastern part of <u>Mauritania</u>.

Stockbreeding, which is the priority objective of Mauritania's second Plan, principally concerns the nomadic population (160.000 families) of whom 40% live in the zone of intervention considered.

In the course of the first phase of the programme pilot actions will be undertaken with a view to :

- . the health protection of the herds and the popularisation of modern operating methods,
- . the repair and improvement of existing wells,
- . the protection of pastures against bush fires.

Studies will also be carried out to define a policy for the development of stockbreeding. A similar programme has already been financed by IBRD in the South-western region of Mauritania.

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- The project chosen for <u>Congo</u> is a follow-up to an intervention financed from the second EDF. The aim of this action was to organise two stockbreeding farms, import 2.400 Ndama cows and provide the necessary infrastructure. The new project is intended to supply technical assistance for five years to the two existing farms and supplementary infrastructure, so that when running normally these farms will be able to exploit 8.400 head of cattle. The aim of the Congo Government is to reduce, by the sypply of meat for slaughter and the production of breeding heifers, the beef and veal deficit, which is at present 90% of consumption.

- <u>In Niger</u>, the Commission has decided to spend 252.000 u.a. to finance the construction at Niamey airport of a paletisation station. This will serve for the preparation and stocking on palets of chilled meat for export by cargo aircraft. The Niger Government hopes that the installation of this equipment will help to increase the volume of exports of chilled meat from the present 1.000 tons per year to 5.000 tons.

- This operation is one of the measures planned in the government programme for the rationalisation and modernisation of livestock production which should make it possible to meet the growing demand for Niger meat, particularly in the countries of West Africa, but also on the European market.
- Two other programmes for the development of the breeding of bovine animals, one in Mali and the other in Senegal, were the subject of financing decisions early in 1973, the total amount involved being 8.500.000 u.a.

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§ 3 Industrialisation

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As regards industrial investments, six new financing decisions were taken during the financial year 1972. They cover a total amount of 22.500.000 u.a. from the resources of the EDF and the EIB.

The projects in question are situated in Burundi, Cameroon, Ivory Coast, Upper Volta, Niger and Rwanda. Two of them are agro-industrial schemes in which the industrial side is predominant.

The breakdown by sectors of the financial commitments made in 1972 is the following :

• Agricultural and food industries (including the agro-industrial projects)	9.600.000 u.a.
. Manufacturing industries	6:800.000 u.a.
. Energy production and infrastructure	6.100.000 u.a.

It may be noted that, contrary to the 1971 financial year, in the course of which 63% of the industrial investments were committed in the extractive industry and non-ferrous metals, all the industrial projects financed in 1972 concern the processing and manufacturing industries and the transport of energy, which have a special effect of encouraging structural integration in the economies concerned.

In the field of <u>manufacturing industries</u>, the Community has decided to participate in the financing of a <u>UTEXI cotton spinning and weaving</u> plant in Ivory Coast.

The aim of this Ivory Coast project is to create at Dimbokro, a city of 25.000 inhabitants, 180 km to the north of Abidjan, a factory with an annual capacity of 4.500 tons of unbleached fabrics made from the cotton produced in the country. About 3.500 tons of this output is for use in Ivory Coast for dyeing and printing in the place of imported fabrics, and the remainder will in principle be exported. It is envisaged that this capacity shall later be increased to 12.500 tons.

The completion of the project, which will create 1.200 jobs, will have the effect of slowing down to some extent the exodus of the population of this exclusively agricultural area to Abidjan. The credit balance on the trade of Ivory Coast should also increase by nearly 2.8 million u.a. Community aid consisted of the grant of a loan of 4.500.000 u.a. from the EIB's own resources and an interest subsidy and a contribution of 990.000 u.a. to the risk capital of the UTEXI company from EDF funds.

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The second financing decision by the Community in the manufacturing industries sector concerns the extension of a <u>clinker crushing plant in</u> <u>Cameroon</u>. This involves a loan of 650.000 u.a. from the European Investment Bank from its own recources with a subsidy from EDF funds to the company "Cimenteries du Cameroun" with a view to extending its plant at Bonaberi in the industrial and harbour area of Duala.

The aim of the scheme is to cover the growing cement requirements of the South and Central regions of the country by doubling the capacity of the plant, which will thus attain more than 240.000 tons per year. Its completion will have favourable repercussions on the cost price of cement, and will thus make it possible gradually to reduce the selling price by about 10%. The Community has already - in 1967 - part-financed the construction by the same company of a cement works at Figuil, in the North of Cameroon.

In the field of <u>energy infrastructure</u> the Commission has decided to grant <u>Rwanda</u> financial aid of more than 6 million u.a. This action will make it possible to build the first stretch (54 km between Kigali and Kigoma) of the high-voltage power line which in future will link the power station of Mururu in Zaïre with that of Ntakura in the North of Rwanda. These two stations are 160 km distant from each other.

This financing follows the aid which the Community has already granted to Rwanda in order to help this country to provide itself with a system of energy production and distribution corresponding to its present and future needs.

The implementation of this scheme will make possible the completion of almost all of the network of medium voltage lines envisaged by Rwanda to link the Central-South region immediately to the general grid and to eliminate the many small thermal power stations whose operation is too costly. In January 1973 the Commission decided to grant a new subsidy to Rwanda to construct a power line between Shagash and Gisakura.

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<u>Two projects for agricultural industries</u> have also benefited by Community financing decisions, one in Upper Volta and the other in Burundi. In Upper Volta the project is for the creation of an industrial sugar cane plantation of 2.250 ha and of a sugar plant-cum-refinery at Banfora in the Southwest of the country. The capacity of the plant, which will be 20.000 tons of refined sugar annually, corresponds to the estimated requirements of the Upper Volta market in 1980.

Because of its numerous economic and social effects, this project is considered by the Upper Volta Government as one of the priority operations provided for in the framework of the second Economic and Social Plan (1972/77) These effects are the following :

- satisfaction of the internal requirements for a product of prime necessity on conditions as advantageous, if not more so, than recourse to imports;
- diversification of present agricultural production;
- industrial exploitation of a local raw material;
- improvement in the trade and payments balances;
 - acceleration of the regional development of the Southwest of Upper Volta;
 - creation of 1.200 permanent new jobs and induced effects on the built-up area of Banfora.

The total cost of the scheme is estimated at 21.400.000 u.a. The amount of Community aid is about 8.300.000 u.a. broken down into a nonrepayable subsidy for financing water supply infrastructure and a loan on special terms from EDF resources for the plant.

La Caisse Centrale de Coopération Economique (The Central Economic Cooperation Fund) and le Fonds français d'Aide et de Coopération (The French Aid and Cooperation Fund) are also helping to finance this project.

The second agricultural industry project benefiting from Community financing is situated in Burundi and is part of the measures to develop tea production. This agro-industrial scheme comprises the construction of a tea factory for the plantation of 500 ha of tea already financed at Tora, degressive technical aid over 10 years to build and start up the plant, and extension of the plantation from 500 to 580 ha.

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The plant should come into operation at the latest in 1974 when the plantation begins to yield crops. Its initial capacity of 600 tons of dry tea per annum can be raised in the future to 1.200 tons.

In the field of <u>agricultural</u> and food industries, the Commission has approved a supplementary financing decision to permit the completion of the extension going on to the millet mill at Zinder in Niger.

Finally, in answer to the concern expressed by the Council of Association that harmonious and diversified industrial development should be ensured for the Associated States, the Commission decided, in March 1972, to earmark a credit of 600.000 u.a. for a programme of <u>studies on the</u> <u>possibilities of creating certain export industries in the AASM.</u> An initial batch of studies will concern about a dozen sectors and homogeneous manufacturing complexes. It will be completed and circulated around the beginning of 1974.

The first stage, which is common to all these sector studies, and comprises the collation of information, factor costs and all laws and regulations concerning the industries, was completed in the middle of 1972. This information constitutes a collection of basic data on the conditions of installation and functioning of industrial enterprises in each of the AASM. This data has been collated by individual countries in a series of brochures the circulation of which will be completed in the course of 1973.

The study on the introduction of <u>a textile export industry in the AASM</u>, financed in 1971, was completed at the end of 1972. The first part, which analyses the outlets existing in the enlarged Community and examines the general conditions of supply in the Associated States, was circulated in the course of this same year. The second part, which studies more specifically the possibilities of setting up textile exporting industries in the AASM, will be diffused in early 1973.

Still in the industrial field, the Commission has placed at the disposal of the Secretariat General of the OCAM an expert to help establish a companies system to facilitate the introduction of multi-national industrial undertakings from the Member States of OCAM in the area covered by this organisation. This expert will lodge his report early in 1973.

§ 4 Tourism

The tourist industry is calculated to make a not inconsiderable contribution to the economic growth of the Associated States, many of which hope that this new possibility will take on concrete form during the present decade, in view especially of the progressive reduction of air fares and the growing demand in Europe for winter holidays in the sun. Mass tourism is doubtless destined to take over in future from luxury tourism which, it must be said, has not yet really got off the ground in West and Central Africa (cf. East Africa).

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However, in this field the Associated States hold indisputable trump cards. The development of tourist activities is, moreover, one of the new objectives incorporated in the second Yaounde Convention. In the pursuit of economic growth and diversification it is, however, indispensable to take account of the social and cultural implications of the measures to be carried out, in such a way that the development of this new sector does not lead to the loss of essential non-economic values.

The first stage of the work is necessarily concentrated on the promotion and studies prior to investments for the financing of which it should, moreover, be possible to count on private capital to a fairly large extent.

The Commission's departments provided their technical assistance for the organisation in Yaounde, from 13 to 18 March 1972, of an international colloqium on the development of tourism in Africa. The aims of this meeting were :

- to bring out the interest and the possibilities of coordinating the development of tourist activities in the AASM,
- to lead the African and European participants jointly to formulate opinions and proposals on the conditions and the means of developing tourism in the associated countries.

It is in fact indispensable, in a field like tourist development, to harmonise to the full the national projects under pain of prematurely saturating a market which is still in its infancy.

More than 130 leading personalities representing the Governments of numerous Associated States and European professional circles of the tourist industry participated in the abovementioned collogium. At the end of their discussions the participants formulated numerous recommendations to the African Governments and to the inter-State bodies with the aim of pinpointing priority actions for a tourist development policy adapted to the AASM.

In addition, a project for a special study concerning the possibilities of developing tourism in <u>Dahomey</u> was approved by the Committee.

§ 5 Marketing and trade promotion

In 1972 the Commission continued its action, which already began several years ago, with a view to promoting AASM participatin in trade fairs and similar events.

During 1972 the Commission's departments organised 106 participations in 18 international trade events. Fifteen of these were in five member countries (Germany, Belgium, France, Italy, Netherlands) and three in nonmember countries (Sweden, Algeria, Yugoslavia).

Among the main questions touched on in meetings organised with members of the relevant professions on these occasions were the promotion of sales of artisan products, the marketing of out-of-season fruit and vegetables, the promotion of sales of tropical forest woods which are little exploited or not exploited at all, and leather.

The Associated States also participated directly, without any technical aid from the Commission, but with financial assistance from EDF, in the Nairobi Pan-African Fair, in the Barcelona International Fair and in the Levant Fair in Bari.

In the course of these events the Associated States registered about 2.000 commercial contacts with potential buyers.

The results so far obtained and the growing interest among importers and the public in Europe for AASM products continue to show that the participation of the Associated States in major international commercial fairs and the like constitutes a promotion measure which is particularly valuable on the trading plane.

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SECTION 2 - ECONOMIC INFRASTRUCTURE

In 1972 important Community financing decisions were taken with a view to improving the economic infrastructure of the associated countries. It is a fact that basic communications equipment closely conditions the effectiveness of most of the other development actions. More than 58 million u.a. in new commitments were devoted to this sector in 1972. This was 27% of the total commitments during the financial year.

The Community is endeavouring to help in the modernisation of transport infrastructure in Africa along three main lines :

- improvement of the structure of the network, initially directed towards the sea coast, by creating main inter-African transversal itineraries;
- improvement of the economic situation of landlocked countries by modernising their direct connections with the coastal ports;
- modernisation of the basic national arteries of the Associated States and of connections between the chief economic centres of the countries and their capital.

During the financial year 1972, 31 million u.a. were devoted to the development of ports and waterways. Thus, the largest commitment (11.5 million u.a.) decided on from EDF resources in 1972 concerned the construction of the port of Mogadisciu in Somalia, co-financed with the International Development Association.

Twentytwo million u.a. have been contributed to road infrastructure projects. The chief aim of these investments is to open up a landlocked area or to improve regional links with associated countries. This is the case, for example, of the repair and asphalting the Porto Novo-Pobe road in Dahomey, the reconstruction of the road network in the region of Kossou-Bandama in Ivory Coast, the repair of the Akula dyke in Zaïre. Similarly, preparatory studies have been put in hand concerning the Kiffa-Nema road in Mauritania, the Goluen-Gelib and Berbera-Burao roads in Somalia, the Bongor-Lai road in Chad, and the Ouagadougou-Koudougou road in Upper Volta.

Other actions concern the improvement of <u>inter-African links</u>. These include the asphalting of the Koupela-Nianguédi stretch, in Upper Volta, of the Ouagagoudou-Lomé road axis, the reinforcement of the Bougouni-Sikasso road in Mali, and the study of the road from Moundou in Chad to Gidjiba in Cameroon. More often than not these actions dovetail with

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It must be remembered that the cost of economic infrastructure projects necessitates long-term plans for their execution and financing.

1 Roads and bridges

Whereas in 1971 the majority of the road projects approved concerned Central Africa, this year West Africa benefits by four new financing decisions.

The most important Community intervention is the financing, for 6.5 million u.a., of the asphalting of the Koupéla-Nianguédi section (92 km) of the Ouagadougou-Lomé axis, which links the capital of Upper Volta with the port of Lomé. The two towns are 991 km distant from each other. The completion of the stretch between Koupéla and Nianguédi will bring the total length asphalted on this axial road to 643 km, of which 492 km will have been financed with Community aid. About 348 km will still remain to be asphalted from 1975 onwards. Preparatory technical studies are already going on.

The Ouagadougou-Lomé road link will make it possible to increase trade between the two countries and open a window to the world for the illfavoured regions of the Southeast of Upper Volta and the North of Togo.

The financing, for 4.2 million u.a., of the Porto-Novo-Pobe road in Dahomey fits into the setting of the development of the economic infrastructure of the region of Oueme in the Southeast of the country. This region supplies Porto-Novo and Cotonou with food products. It has already received considerable finance from the EDF, particularly with a view to the creation of 12.000 ha of selected palm groves and the construction of an oil mill at Agonvy for a total amount of more than 12 million u.a. The Dahomey Government is planning later to install in this region a cement factory whose output would mainly be exported to Nigeria.

The Commission has also decided to contribute an amount of 4 million u.a. to the <u>restructuration of the road network around the artificial lake of</u> <u>Kossou in Ivory Coast</u>. "Opération Kossou" is a multi-purpose project including the creation of a powerful hydroelectric station fed by a vast artificial lake and the implementation of a rural development project and various socioeconomic investments. Beginning in 1978, the power station will cover half the electric energy requirements of Ivory Coast. The flooding of the dam began in February 1971. It is therefore urgent to continue the ancillary work begun by the Ivory Coast Government to provide a road around the lake, which, in particular, will service the area where the population has been resettled and thus link

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them with the main centres. The project approved in 1972 is part of the northern section of this road linking Zeunouela with Bouake and covers almost 100 km of roads. The Community will also participate in "Opération Kossou" by a village programme of agricultural development in this ill-favoured region of Ivory Coast, which has more than 450.000 inhabitants.

In Zaïre, the Commission has decided to finance at a cost of 2 million u.a. the improvement of the road, partially along a dyke, linking the river port of <u>Akula to Gemena</u> (14 km) in the district of Ubangui in the Northwest of the country.

This project aims at eliminating a considerable impediment to regional development and ensuring permanent access, through a marshy area, to the port of Akula, at which supplies arrive and production is embarked for the whole region. It will promote the development of an essentially agricultural area with 605.000 inhabitants. Action to give a new boost to the production of oil palms and cocca had already been undertaken with financial aid from EDF in this area in 1969. The present measures will be followed by the building of an oil mill and a factory for treating cocca.

In Mali, the Commission has approved the financing of <u>two</u> <u>bridges</u> with two traffic lanes on the <u>Bagoe</u> and the <u>Bafing</u> rivers. This investment of one million u.a. will complete the asphalted road axis from Bougouni to Sikasso, built between 1963 and 1967 from resources furnished by the first EDF to an amount of more than ten million u.a. This road is a vital artery for the South of Mali. It links the central and eastern region of the country with Ivory Coast and Upper Volta.

In Chad, the Commission decided in 1972 to finance, for an amount of 612.000 u.a., the repair and asphalting of the road (11.1 km) linking the city of Moundou to its airfield via the locality of Koutou. Moundou, which numbers 35.000 inhabitants, is the centre of the cottongrowing region of Southern Chad. It holds third place in the economy of the country through its agricultural, commercial and industrial activities. Towards 1976 it will be linked by a heavy-traffic road axis to the Cameroon railway and will thus be directly connected with the port of Duala.

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As rogards <u>studies</u>, six projects have been chosen under the heading of the 1972 financial year to aid the Associated States to define the cost and the technical and economic specifications of the road investments they are planning. These concern :

- the <u>road</u> (350 km) which will link <u>Moundou</u> in Chad and <u>Gidjiba</u> in Cameroon. As we saw above, this road should link Southern Chad with the trans-Cameroon railway at Ngaoundéré from the starting point of Moundou;
- modernisation of the road (100 km) linking <u>Ouagadougou</u>, capital of Upper Volta, to Koudougou, the third urban, commercial and industrial centre of the country;
- the <u>road</u> (190 km) from <u>Bongor to Lai</u> in Chad situated on the North-South axis from Fort-Lamy to Moundou. After the completion with EDF credits of the Fort Lamy-Guelendeng road, the Bongor-Lai stretch remains the chief bottleneck by reason of floods in the rainy season and considerable deterioration in each dry season;
- the <u>Kiffa-Nema</u> road (550 km) in Mauritania. This link is part of the Nouakchott-Néma axis (1.150 km) whose construction was included as a priority objective in the second Mauritanian Development Plan. The studies concerning the other part of the road are being financed by German and French bilateral aid;
- the <u>Goluen-Gelib road</u> (260 km) in Somalia. This scheme will establish a permanent link between the two main areas of agricultural production in the South of Somalia, and in particular between the port of Ghisimaio and Mogadiscu, the capital of the country;
- the <u>Berbera-Burao road</u> (136 km), also in Somalia. This will mainly serve for the transport of livestock from the interior of Northern Somalia to the port of Berbera through which about 92% of exports of Somali cattle to the Arab countries pass.

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These last three studies should in particular help the Governments concerned to establish priorities among the road investments they are planning.

§ 2 Railways

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In 1972 the European Investment Bank granted Ivory Coast and Upper Volta a loan of three million u.a. from its own funds. This loan is accompanied by an interest subsidy awarded by the Commission from EDF resources. It will part-finance the renewal and increase in the rolling stock of the <u>Régie du Chemin de Fer Abidjan-Niger</u> (Abidjan-Niger Railway Authority - RAN). The programme is aimed chiefly at stepping up transport capacity, particularly for travellers, but also for livestock exported from Upper Volta and Mali towards the consumption centres in Ivory Coast.

About half of this 1.173 km long railway is in Ivory Coast territory and one half in Upper Volta, and it constitutes the essential transport medium for the North of these two States. It also plays an important role for a large area of Mali situated on the right bank of the Niger River.

The African Development Bank (Banque Africaine de Développement -BAD) is also contributing to the same programme for the purchase of rolling stock by the RAN. This is the first operation in which the Community and the African Development Bank have acted jointly.

The Community has already participated in the financing of RAN investments by granting a subsidy for the purchase of rolling stock and the construction of metal bridges (2 million u.a. - First EDF) and a loan on special terms of 6 million u.a. (1967, second EDF) for the modernisation of the Abgoville-Dimbokro railway (103 km).

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§ 3 Ports and <u>Waterways</u>

The development of port and waterways infrastructure remains a vital matter in Africa, a continent which is still relatively under-equipped as regards overland links. This infrastructure must be adapted not only to the requirements of the coastal countries but also to those of the countries in the interior. Four new interventions in this field were decided on in 1972. They concern Somalia, Ivory Coast, the Central African Republic and Congo.

The most important scheme is for the construction of the first instalment of a deep-water port at Mogadisciu in Somalia. Its total cost is estimated at about 23 million u.a., and is to be financed on a 50/50 basis by an EDF subsidy and by a loan on special terms from the International Development Association.

Somalia is a country where transport is largely by sea because of the inadequacy of the road infrastructure. Four ports, Mogadisciu, Berbera, Chisimaio and Merca account for the major part of the traffic. Mogadisciu is mainly an import harbour (two-thirds of all Somali imports) with a total import/export traffic of 250.000 tons. At present the ships stand off in Mogadisciu harbour and are loaded and off-loaded by lighters. The building of the new port, which is planned to handle a total traffic of 700.000 tons, will make it possible to group the two functions of export and import in the same harbour. It will lead to a reduction in freight and handling costs, a diminution of losses of goods, and very appreciable savings in time.

<u>In Ivory Coast</u>, the European Investment Bank has granted a loan of 4.7 million u.a. from its own resources and with an interest subsidy from EDF to improve access channels to the port of Abidjan. This scheme fits into the Ivory Coast programme to improve the port and rail transport network, to part-finance which the Community has already contributed more than 12 million u.a. since 1965. Thanks to this few project, ships of 10 metres draught and 260 metres in length will be able to tie up in the port of Abidjan, which is the chief pole of economic development in Ivory Coast and handles most of the external trade of Upper Volta and a considerable part of that of Mali.

Two projects concern the improvement of the trans-equatorial waterway. The first, submitted jointly by the <u>People's Republic of Congo and the</u> <u>Central African Republic</u>, is for the <u>acquisition of the equipment necessary</u> for maintenance and repair work on the river axes of joint interest to the two countries.

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The amount of financial aid being provided by EDF is 9.3 million u.a. The river network concerned in the project is about 5.000 km in length. It links Chad, the Central African Republic and the Congo to the river port of Brazzaville and from there, via the Congo-Ocean railway, to the port of Pointe-Noire. Being aware of the importance of the role which the trans-equatorial route plays in the transport system of Central Africa, the Community, in 1971, already financed a part of the extension of Brazzaville port and the acquisition of a tugboat for the port of Pointe-Noire.

To complete this last intervention the Commission decided, in 1972, to contribute 4.7 million u.a. to financing the building of an <u>extra berth at Pointe-Noire</u>. In addition to the Community financing, the Agence Transcongolaise des Communications and the Compagnie minière de l'Ogoue are also helping to finance this scheme. The Compagnie minière will provide the installations for the loading of manganese ore from Hoanda (Gabon).

The building of the extra quay will remedy bottlenecks in the port installations, which at present are near saturation point, and will make possible considerable savings on freight charges for the export of manganese, since the quay will be able to handle mineral transporters of a tonnage much higher than that at present accepted, which is only 15 to 19.000 tons.

SECTION 3 - SOCIAL DEVELOPMENT

Training has been a constant concern in the choice and structure of the programmes financed by Community aid, almost all of which include a considerable amount of professional and technical training. The possibility of bringing nearer the time when the technical responsibilities for the projects can be transferred to nationals of the associated countries has been a primor dial factor in the choice of the solutions for carrying out these projects. Community aid is thus tending to respond to the wish of several Governments of Associated States to see their own nationals taking over more and more of the functions which have hitherto necessitated the intervention of supervisory staff from abroad.

In addition to the training actions included in the projects, more than 16% of all commitments for the 1972 financial year have been devoted to specific social development actions.

The aid to social development covers the training, health, urban water supply and housing sectors.

§-1 Education and Training

A very great majority of the aids decided on in 1972 concern the launching of a multiannual programme of scholarships from 1972 to 1975 for nationals of all the AASM.

On numerous occasions the Council of Association has stressed the need for training of cadres and technicians to round off the projects for economic and social development financed by Community aid and to enable the Associated States to draw the best profit from them. The Commission has endeavoured to follow this general orientation in the four forms of technical cooperation applied to this sector, i.e.

- the specific vocational training projects

- the seconding of instructors from teaching services

- scholarships

- in-training periods and further training sessions.

With the exception of one complementary financing operation for a project approved earlier, there were no new commitments in 1972 for educational infrastructure.

- The specific vocational training projects

Two specific vocational training projects were approved in 1972. They are being carried out concomitantly with investment projects in the agricultural field, also financed by EDF, and their aim is to ensure the exploitation of these investments by qualified personnel.

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The scheme for the training and further training of the supervisory staff of <u>SODERIZ</u> concerns about 900 persons in all and is to extend over a period of four years.

The Commission has also decided to finance a programme for the <u>functional</u> <u>liquidation of illiteracy</u>, which is part of the project for the development of rice-growing in the Ségou region of Mali.

- The seconding of instructors from teaching services

The purpose of this form of aid is to enable the Governments of certain countries to overcome the difficulties they experience in recruiting specialised teachers in certain technical and scientific branches. It is granted for a limited duration to strengthen either the training sector of the less favoured countries or the educational infrastructure provided by the EDF (school buildings) or regional cooperation (inter-State establishments).

In 1972, 13 teachers were serving in the following countries and establishments: in <u>Cameroon</u>, at the Centre International de Formation Statistique (CIFS Yaounde) a construction financed by EDF, and the Institut Panafricain pour le Développement (IPD) at Duala; in <u>Ivory Coast</u>, the Ecole Nationale Supérieure d'Agronomie (ENSA) at Abidjan, a construction financed by EDF, and the Centre Régional de l'Enseignement et de l'Apprentissage Maritimes (CREAM) in Abidjan, and, finally, in <u>Toro</u>, the University of Bénin at Lomé and the Ecole Nationale d'Agriculture at Tové, also financed by the EDF.

- Scholarships

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Up to the academic year 1971/1972 the scholarship programme was carried out on an annual basis. This system had drawbacks as regards the granting of an extension of the scholarship because of the contradiction between an annual budget and multiannual training. The Commission was therefore led to introduce a <u>multiannual programme</u>, established in agreement with each Associated State, and covering the period remaining to run of the second Yaounde Convention (1972-1975).

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The new orientation of this programme provides that :

- training will be paid for until completion, even if it is due to go on beyond January 1975;
- the budget covering the last three years of commitments of the third EDF will enable the Governments to programme their training requirements and to link this training with the sectors of activity which are at present in full development or destinated to expand in the near future.

These same Governments will also have the possibility of better modulating the allocation of their scholarship-holders to educational establishments in Europe or Africa.

The multiannual scholarship programme came into force with effect from the academic year 1972/73, which will be shown in detail below, therefore still come under the old system. As previously, they comprise full and part-time scholarships and scholarships for study by correspondence.

- 1) Full-time scholarships
 - In the year 1971/72, 2.225 scholarships were granted to AASM nationals. This was roughly the same number as in 1969/70 and 1970/71.

The proportion of scholarships granted for studies in Africa has continucd to grow and is now clearly higher than that of those granted for Europe (see Table no 7 in the annex)

,	EUROPE		AFRICA		ISRA	EL	TOTAL
	Number	0/s	Number	c1 2	Number	%	Number
1964/65	985	79,4	221	17,8	35	2,8	1.241
1969/70	1.156	51,8	1.024	45,9	51	2,3	2.231
1970/71	1.041	47,9	1.097	50,5	34	1,6	2.172
1971/72	979	44,0	1.196	53,8	50	2,2	2.225

Another important change is that the proportion of scholarship-holders studying economic subjects (see Table no 8 in the annex) has definitely grown in relation to the previous year, rising from 23.6% to 26.4%. The same is true as regards the agricultural branch, in which the proportion rises from 28.8% to 30.3%.

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2) Part-time courses on the spot

The number of artisans and heads of small enterprises having followed parttime courses in the AASM amounts to 477, broken down as follows : 203 in Congo, 190 in Zaïre, 41 in Gabon, 43 in Madagascar. By comparison with the preceding year, this figure shows an increase in the number of beneficiaries of these courses for each associated country concerned, although the total figure for the year is affected by the replacement of the scholarships in Cameroon (107) by a specific development project of the small and mediumsized enterprises.

3) Scholarships for correspondence courses (see table no 9 in the annex)

For the year 1971/72, 316 applications for correspondence training courses were accepted by the Commission, thus bringing the number of beneficiaries to 1.127 if account is taken of the 811 scholarship-holders of earlier years . who are continuing their studies.

The breakdown of these scholarship-holders by sector of training is as follows :

Economics : 620 or 55.0% Agriculture : 337 or 29.9% Technical : 170 or 15.1%

As to the breakdown by level of training, this is as follows : Occupational level : 343 or 30.4% Medium level : 644 or 57.2% Upper level : 140 or 12.4%

Results obtained

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Of the 1.127 scholarship-holders, 1.082 have finished their training year successfully. Among these, 183 have finally completed their training.

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- In-training periods and further training sessions

In 1972, six students were admitted to in-training in the Commission's departments for periods of three or five months. The break down as follows : Zaïre 1; Rwanda 1; French Polynesia 1; Congo 1; Ivory Coast 1; Senegal 1.

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In addition, fifteen senior civil servants took part in further training sessions in the Commission's departments in 1972 :

Burundi 1; Cameroon 1; Congo 1; Central African Republic 1; Dahomey 1; Gabon 1; Upper Volta 2; Madagascar 2; Mali 1; Mauritania 1; Senegal 2; Chad 1.

All these persons hold positions of responsibility or direction in their respective national administrations.

§ 2 Health

In this sector the Commission, in 1972, granted subsidies for the continuation of two projects approved earlier : extensions to the hospital of Abeché in Chad and the completion of the Regional Health Centre at Mopti in Mali.

§ 3 Water supply

In 1972 the Commission decided to finance a technical study to reinforce the water supply of the city of Nouadhibou in Mauritania. Since 1969 this city has had a rational supply system financed by the second EDF. The industrial development of Nouadhibou in the course of the last three years has led to a very appreciable increase in water consumption, which is bound to grow still further in the near future. The new study is to verify whether the power of the catchment sheet at Boulanouar can be increased to cope with the future requirements of the city.

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In 1971 a serious cholera epidemie and an exceptional drought had required recourse to numerous "emergency aids" for a total amount of more than 10 million u.a.

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In 1972 only one intervention of this kind - for an amount of 407.000 u.a. - was decided on. This was the aid granted to Mali in January 1972 to combat a sudden recrudescence of the cholera epidemic of 1971. It mainly took the form of the supply of vaccines and other drugs, of 15 vchicles and the building at Bamako of a plant to manufacture aqueous solutions. It enabled the epidemic to be wiped out in the first half of 1972.

During the wintering season (July-October) of 1972, drought conditions again prevailed on an even more intensive scale than in 1971 and exceptionally dry weather severely affected the associated countries of the Sahel and Sudanese zones. Everywhere the effects were serious for the traditional food crops : millet, sorghum, groundnuts and maize. Many herds were decimated by the lack of water and pasture. The Community has endeavoured to come to the help of the six Associated States hardest hit (Mauritania, Senegal, Mali, Upper Volta, Niger, Chad) by granting them food aid and above all by deciding, at the beginning of March 1973, to provide urgent supplies for an mount of about 19 million u.a.

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SECTION 5 - INFORMATION ACTIVITIES

Certain actions financed by EDF aim at ensuring better information for the Associated States concerning the contents of the Yaounde Convention and the functioning of the Association. They consist of the organisation of symposia and the publication every two months of the Courrier of the Association.

- Symposia organised in Europe

From January to December 1972, 12 symposia were organised in Europe. In addition, three others outside the programme, which did not involve any financial commitment by EDF, were held in Brussels for the Centre de Perfectionnement pour le Développement et la Coopération Economique et Technique (Paris), l'Entreprise de Recherches et d'Activités Pétrolières (Paris) and the Friedrich Ebert Stiftung (Bonn). These symposia reserved by priority to scholarship-holders of the European Economic Community; four hundred and eighty persons participated, among them 76 nationals of non-associated African States.

- Symposia organised in the Associated States

In the course of 1972, symposia were held at Duala and Yaounde with the help of the Cameroon Government. They brought together varied audiences : representatives of diplomatic circles, parliamentarians, senior officials, representatives of industrial and commercial interests, students and EEC scholarship-holders.

- Courrier de l'Association

In 1972 the rhythm of publication of the Courrier was kept to and it appeared at bi-monthly intervals. The size of the issue rose from 12.000 to 17.000 copies and preparations have been made to bring out an English edition from early 1973 onwards.

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CHAPTER II - IMPLEMENTATION OF COMMUNITY AID

SECTION I - PREPARATION OF THE IMPLEMENTATION OF THE AID

The effective participation of the Associated States in the orientation of financial and technical cooperation and in the supervision of its implementation is one of the main "conquests" of the Association. The programming, examination and execution of the investments financed by the Community call for a "permanent dialogue" between its authorities and those of the Associated States and a constant effort of information and concertation with the other sources from which these countries draw aid. In the same way, the stress which the Community endeavours to place on the financing of directly profitable investments, in conformity with the unanimous wish of the Associated States, leads to closer concertation between the European Development Fund and the European Investment Bank.

§ 1 <u>Cooperation between the Community departments and the responsible</u> <u>authorities of the AASH</u>

During the year 1972, high level delegations from several Associated States came to Brussels and Luxembourg to make contact with the Commission departments and the European Investment Bank for the purpose of discussing, in particular, the implementation of the projects envisaged during the programming missions of 1970 and 1971.

In addition, numerous missions by EDF or EIB agents in the Associated States examined projects under study or checked others which are already in the course of execution.

Certain technical aid missions which had been installed with the Governments of the Associated States in 1970 and 1971 in order to help the latter to constitute the dossiers for submitting projects in respect of which financial help has been asked of the Community, were extended in the course of the 1972 financial year. In most cases these experts are also entrusted with the preparation of new projects for possible financing in the future. Two of these are in Niger, and one each in the Central African Republic, Upper Volta, Mali, Congo, Chad, Somalia and Madagascar.

§ 2 Concerted action with the European Investment Bank

Concerted action between the departments of the EIB and of the EDF continued on a permanent basis in 1972. Meetings were held at regular intervals, sometimes in Luxembourg, and sometimes in Brussels, to enable the officials of the Bank and those of the EDF to discuss the appropriate method of financing projects submitted in the setting of the second Yaounde Convention, taking into account mainly the economic situation and the capacity to bear debt of the State concerned, the financial profitability of the schemes, and also the procedures for examining projects in respect of which a loan on special terms might be granted by the EDF. In addition, these departments kept each other informed of the progress of work in the examination of the projects coming within their province. They also got together on the procedure leading up to a financing decision concerning loans on special terms, acquisitions of participations or interest subsidies from EDF resources.

§ 3 Coordination between Community aid and other aids

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Coordination between Community aids and other bilateral and multilateral aids continued very regularly in 1972. Information was exchanged on financing operations envisaged or decided on and joint meetings were held. These exchanges of views led to the programmes and modes of intervention of the various aids being compared in such a way as to reduce as far as possible any duplication, lacune or divergences which could lessen the effectiveness of the aid and be prejudicial to the associated countries. In this way, practical solutions can be profitably discussed with the responsible authorities of these countries, who have the choice of the sources of financing or technical assistance and the last word as to the substance of the development operations.

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1. Hethods of coordination with the other sources of aid

a) Bilateral aids

The exchanges of information between the Community and the bilateral aid agencies continued in regular fashion in 1972.

Information and coordination meetings were also held with the French, Belgian, German, Italian and American providers of aid, and an initial contact has been established with the Canadian Government, which is helping an increasing number of projects in the AASM.

Two initial contact meetings have also taken place with the British agencies, the Overseas Development Administration, mainly for the purpose of exchanging information on the respective structures and experiences in the field of aid to the African countries, and the Commonwealth Development Corporation.

b) <u>Hultilateral aids</u>

This coordination also continued and was even stepped up in 1972. In addition to regular exchanges of information, several coordination meetings have been held with the World Bank, PNUD and UNESCO.

The Commission has also participated in several multilateral coordination meetings concerning :

- Aid to education in which French bilateral aid, the IBRD, the PNUD and UNESCO participated
- The trans-African roadway in the framework of the Economic Commission for Africa
- The methods of assessing development projects; these discussions were held within CAD.

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In addition, in December 1972, a meeting to coordinate operations for the development of livestock breeding for which the AASM are requesting finance was held in Brucsels on the initiative of the Community. The bilateral aid agencies of the six member states, the World Bank and American bilateral aid took part in this meeting.

c) Mithin Advisory Groups_

The Commission took part for the first time as a Member in the meeting of the Advisory Group on International Agronomic Research held in Washington under the aegis of the World Bank. With the agreement of the Governments of the AASM concerned, it undertook to participate in the financing of the system of regular and systematic information on agronomic research concerning the countries of West Africa which is being carried out by FAO under the auspices of this Advisory group. Germany and France are also making a contribution to this project, which constitutes the pilot phase of a system of information which should later cover all the developing countries.

d) With non-government organisations

In Upper Volta the hospital at Fada N'Gourma, which had been financed from the resources of the first EDF (1961) and had remained unoccupied for several years, has been taken over at the request of the Community by the Association "Frères des Hommes", which has supplied the competent personnel and has been running the hospital since 1972.

2. Harmonisation of interventions

Thanks to the efforts of coordination, close harmonisation exists between the interventions of Community aid and those financed by the other main sources of aid in favour of the AASM. This extends in certain cases to co-financing of certain major projects. For the projects mentioned below on which a financing decision was taken in 1972, operational coordination has been established with other sources of aid.

- Development of rice-growing under controlled submersion in the Ségou region (Mali). A similar operation carried out by the World Bank in the same region reinforces the aid supplied by EDF in this field, while PNUD is backing up this action by the establishment at Dioro of a centre for the production of selected seeds and for applied research into rice-growing. (cf. p. 11).

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- Development of cattlebreeding in Southeast Mauritania : a similar project is being carried out by IBRD in the Southwest. The practical details of these two schemes have been harmonised (cf. p. 16).
- Study of the Kiffa-Nema road : as a complement to the study financed by EDF, the German and French bilateral aid agencies are respectively examining the Nouakchott-Boutilimitt and the Boutilimitt- Aleg- Kiffa sections. Thanks to this coordination, the Mauritanian Government will have available an overall study of the national axis Nouakchott-Nema (cf. p. 27).
- Construction of the port of Mogadisciu : in view of the importance of this project, EDF and IDA are jointly financing it on a 50/50 basis (cf. p. 29).
- Participation in the capital of the UTEXI company : the participation of the Community has been effected jointly with that of the Nederlandse Financiering Maatschappij voor Ontwikkelingslanden N.V. (FMO) which has, moreover, granted a long term loan to the company. It was on the initiative of the EIB that the intervention of FMO was asked for by the promoters of the scheme (cf. p. 19).
- Banfora sugar complex in Upper Volta : the Caisse Centrale de Coopération Economique et le Fonds français d'Aide et de Coopération (FAC) have also lent their aid to the financing of this project for a total amount equivalent to that furnished by the Community (cf. p. 21).
- Renewal and increase of the rolling stock of the RAN : this project has been financed jointly and in equal shares by the EIB and the African Development Bank (BAD) (cf. p. 29).

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SECTION 2 - NEW DECISIONS

The total amount of new commitments decided on in 1972 in favour of the AASM both from EDF credits and from the Bank's own resources runs to nearly 213 million u.a. distributed between 65 financing decisions. In 1971 the amount committed was 253 million u.a. The total for the two years balances out : in the course of these first exercises in implementation of the second Yaounde Convention, extending over four years and one month, half the endowment (third EDF plus EIB) provided for in the Convention (918 million u.a.) has been committed.

Non-repayable aids or grants from EDF resources make up 90.8% of the total of the commitments decided on in 1972. The reimbursable aids and contributions to the formation of risk capital, which also come from EDF resources, together represent three per cent. Ordinary loans from the funds of the European Investment Bank have accounted for 6.2%of all Community commitments.

It will be noted that the share of financing granted in the form of reimbursable aids or contributions to the formation of risk capital from EDF resources (about 3% for the 1971 and 1972 financial years) is still below the average provided for under the Yaounde Convention, which was 8.9%. Rather few projects that could be financed in accordance with these particular procedures, which require the evaluation of financial profitability, have been submitted by the Associated States. In addition, the procedure for examining these aids is generally fairly complex, the very nature of projects which are financially profitable often making their finalising longer and more difficult.

The new commitments entered upon in 1972 will be examined from the angle of the adaptation of the modes of financing to the various sectors of economic and social activity in the associated countries. The sector breakdown used is identical to that adopted in Chapter I.

It is in the field of development of production that the types of financing have obviously been the most diversified. Subsidies have accounted for 88.5% of the total amount of aids, special loans from EDF resources for about 5%, ordinary EIB loans also for 5%; and, finally, participation in the formation of risk capital 1%. The most varied range of modes of financing has quite naturally been applied to the industrialisation operations : 42.5% subsidies, 25% special loans, 25% normal loans from the Bank, 5% contribution to the formation of risk capital, and 2.5% interest subsidies.

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This variety of types of financing tends to show that the diversification of the financial instruments, which was further accentuated in the Yaoundo II Convention, facilitates the financing of industrial projects by enabling Community intervention to be closely adapted to each particular case.

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It may thus be noted, for example, that the investments for the development of the cotton sector in Ivory Coast have used the complete range of possible forms by which Community aid can be supplied, i.e. for the development of cotton-growing, a loan on special terms and a subsidy from the resources of the second EDF and, for the UTEXI textile factory, an ordinary loan from EIB funds and an interest subsidy and participation in the capital of the company, using the resources of the third EDF. By contrast, in view of Rwanda's weak capacity to bear debt, the equipment of this country with electric power has been financed solely by grants.

The rural development projects have been completely financed by non-repayable aids.

As regards economic infrastructure, 84.5% of the aids have been granted in the form of subsidies from EDF resources, 13% in ordinary loans from the funds of the European Investment Bank, and 2.5% in interest subsidies from EDF resources.

The other sectors (social development, emergency aids, trade promotion) have received 100% of their aid in the form of subsidies.

§ 1 Non-repayable aids from EDF resources

194.4 million u.a. of non-repayable aids were granted in 1972, of which 8.3 million come from sums left over from the second EDF. These aids comprise subsidies for the direct financing of new projects and programmes, and interest subsidies for ordinary EIB loans.

a) <u>Subsidies</u>

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- Distribution by sector of activities

50% of the Community subsidies in 1972 went to the development of production, 25% to economic infrastructure, 18% to social development, and the rest to emergency and miscellaneous aids.

Breakdown of sums committed in 1972 by financing method and sector of activity

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212-966

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8.603

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	Developing production Earketing promotion	i Economic infrastruct	, Social Divelopment	Emergency Aids	Miscel- laneous	· Total
Non-refundable EDF aids		1				194.135
a) subsidies b) interest repayment	99• 7 55 662	48°777 403	34.875	407	9.302	(193 . 115) (~1 . 020)
Acfundable EDF aids		ik.				6.030
Loans on special terms ,	5.040					(5.040)
Farticipation in the formation of risk capital	9 90			-		(950)
EIB ordinary loans (a)	5,100	7.700				12,600
	111.577	56.835	34.875	407	9.302	21 2.965
Prezente Andrea	f sume committed in 19	112 by Financin	e metriod and	LYDE OF THUS		isands of u.
· · · · · · · · · · · · · · · · · · ·	Investment & Linked tech. cooperation	Emergency aids	General technical cooperation	Management costs	reasount	otal \$
Non-refundable EDF aids					194.135	5,09
a) subsidies b) interest repayments	151.249 1.020	407	32.857	8,603	(193.116) (1.020)	(90,3) (0,5)
Refundable EDF aids					6.030	3
Loans on special terms	5.040				(5.040)	(2,5)
Participation in the formation risk capital	n of 990		·		(990)	(0,5)
ITOV CICTICT		4	1)
SIB ordinary loans (a)	12.800			•	12.800	6,2

407

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32.857

171.099

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(a) Loan contracts signed in 1972

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- Modes of intervention

1) Investment and linked technical cooperation

In the course of the 1972 financial year, 151.2 million u.a. were spent in the form of subsidies on this type of intervention. The share of investments alone was 139.6 million u.a.

Investments are to be understood in the broad sense covered by article 1 of Protocol number 6 to the Yaounde Convention, including the projects for the development of the rural economy, which may include various actions for the provision of staff and applied research.

The amount represented by the technical cooperation linked with these investments is 21.6 million u.a., or 14.6% of the cost of the investments (including those financed by special loans).

It should be noted that even if these linked technical cooperation actions refer to investments financed by reimbursable aids, they are always met by subsidies.

The total amount devoted to linked technical cooperation breaks down between specific actions of such cooperation decided on separately with a view to preparing the investment projects and totalling 3.1 million u.a., or 2.1% of the cost of the investments, and technical cooperation action included in the projects for an amount of 18.5 million u.a., or 12.5% of the cost of the investments.

This last amount concerns, on the one hand, the technical preparation of the projects for 4.7 million u.a. and, on the other, linked technical cooperation action concommitment with the execution of the projects for an amount of 14.7 million u.a. (11.2 million u.a. for the temporary taking on charge of technicians, and 3.5 million for the supervision of the work on behalf of the local authority responsible for the carrying-out of the schemes).

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2) Emergency aids

The object of these aids is "to meet particular and exceptional difficulties which create an emergency situation having grave effects on the economic potential of the Associated States and due either to a fall in world prices or to disasters such as famines, floods, etc..." (art. 20 of the Convention).

The only decision taken in 1972 was in response to an application from Mali under the "disaster" heading. The amount involved was 407.000 u.a. The other applications submitted towards the end of 1972 gave rise, in March 1973, to now emergency aid decisions for an aggregate amount of about 19 million u.a.

3) General technical cooperation

General technical cooperation activities financed in 1972 totalled 32.8 million u.a. They covered the programme of scholarships and training courses (30 million u.a.), specific projects for vocational training (1.4 million u.a.), general studies (700.000 u.a.) and special studies on general technical cooperation (700.000 u.a.).

4) Administrative costs

These costs, which are charged to the EDF, mainly represent the expenditures on delegated control and technical control in Africa. Their total amount is 6.8 million u.a. The administrative costs of the EDF, directly incurred by the Commission, particularly in Brussels, are accounted for by the latter's own budget.

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b) Interest subsidies_

Three applications for interest subsidies scrutinised by the European Investment Bank in respect of loans which it grants from its own resources were the subject of decisions by the Commission in 1972. The amounts of these subsidies, fixed at the date of the signing of the loan contract by the Bank or, exceptionally, at a date mutually agreed upon between the Commission department and the Bank, are chargeable to the non-refundable aids of the Third EDF and total 1.02 million u.a.

These interest subsidies were accorded at the standard rates laid down in the second Yaounde Convention, except in the instance of the renewal of the rolling stock of the RAN, when the calculation was made in accordance with the procedure of the rate established "case by case".

The total amount of 3.3 million u.a., so far granted in the form of interest subsidies in 1971 and 1972, and corresponding to a volume of ordinary loans of 20.45 million u.a., represents 0.75% of the total of non-refundable aids approved for these two financial years.

	Loan conditions for borrower		Subsidy fi from EDF	Total investment	
	Amount ('òoo u.a.)	Subsidised interest rate	Amount (000 u.a.)	Rate	Amount (000 u.a.)
Ivory Coast	5 5 [*		· .		
UTEXI textile factory		4 7/8	612,2	3	20.700
Cameroon	:		:		
Extension to clinker crush plant	ing 650	5 3/8	49,4	2	1.900
Ivory Coast		J		-	
Upper Volta	· · · · · · · · · · · · · · · · · · ·		· •		
Renewal of RA rolling stock		5 3/4	359	2	8.800

The subsidies granted in 1972 concern the following projects :

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§ 2 Refundable aid from EDF resources

Article 18 § 1 of the second Yaounde Convention provides for the possibility of financing from the refundable EDF aids, either loans on special terms or contributions to the formation of risk capital. In 1972, for the first time, this second form of financing was used for a commitment to acquire a participation in the capital of the UTEXI textile company in Ivory Coast.

However, it must be noted that the total amount of refundable aids granted, both in 1972 and in 1971, remains low (respectively 6 and 7 million u.a.) and represents only about 3% of the aggregate commitments of Community aid for the two financial years. Hitherto, the Associated States has submitted only few schemes suitable for financing by loans on special terms. However, following interventions by the Commission departments and the EIB, the situation is changing. It is becoming possible to foresee that the means available for financing loans will be used up by the time the Convention runs out.

Only one special loan was granted during the financial year 1972. This loan, amounting to 5.040.000 u.a., is to part-finance the establishment of a sugar complex at Banfora in Upper Volta (cf. p. 21). This is an integrated agro-industrial scheme, financed by the "two floor" technique, under which the loan is granted to the State of Upper Volta and regranted by the latter to the company. The interest rate on this loan was fixed at 1% per annum for a 24-year period, during ten of which refunding is deferred as regards the Community loan to Upper Volta, and 2% for the same duration and the same period of grace as regards the loan from Upper Volta to the sugar company.

The Community also decided, in 1972, to participate for a total of 990.243 u.a. in the increase of the capital of the UTEXI textile company in Ivory Coast which, at the same time, received an ordinary EIB loan.

This contribution to the formation of risk capital was motivated by the obligation laid upon the promoters of the scheme by the lending bodies, including EIB, that they should very appreciably step up their contributions of own funds in such a way as to ensure that the company had a satisfactory financial standing. The Community's participation is of a temporary nature.

While reserving the right to sell its shares to a transferse of its choice, the Community intends to offer right of prior option to other local associates, including the State of Ivory Coast itself, or nationals or publics institutions of the country.

§ 3 Ordinary loans from the sources of the European Investment Bank

In 1972 the Bank granted four loans from the resources it collects on the capital markets for a total countervalue of 12.8 million u.a. One of these loans concerns Cameroon, two others Ivory Coast, and the fourth Ivory Coast and Upper Volta. Two of them are for industrial projects and the two others for transport.

The description of these projects may be found in Chapter I, Sections 1 and 2, of this report.

· · · ·				
	Amount in 000000 u.a.	Duration	Rate of interest	Subsidy
· *.			(after deduc-	
			tion of	
			subsidy)	
Cameroon				
Extension of the product		2 H		
capacity of the clinker		12 - 14 - 14 - 14 - 14 - 14 - 14 - 14 -		
crushing plant	0.65	7.5	5 3/8 %	2 %
Ivory Coast	,	· · ·		
Creation of a spinning/				· .
weaving plant	4.50	10	4 7/8 %	3%
Improvement of the acces channels of the port of	SS			
Abidjan	4.68	15	3 5/8 %	4.5 %
Ivory Coast and Upper Vo	olta	•		
Programme of modernisati	ion		•	
of the Abidjan-Niger				
railway Administration	3.00	14	5 3/4 %	2 %
олан (т. 1997) С	12.83	•	•	
	·	.:		
			•••/ •••	

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Main financing characteristics_

Three of these loans were granted direct to the final beneficiary, while the fourth was accorded to the Ivory Coast Republic for account of the Port Authority.

With the exception of this latter case, these loans enjoy the joint guarantee of the State on whose territory the project is being carried out. The loan to the Abidjan-Niger railway enjoys the joint and several guarantee of the Republics of Ivory Coast and Upper Volta.

These four ordinary loans were granted interest subsidies from EDF resources at the standard rates provided for by the relevant texts of 2 or 3% for the whole duration of the loan in the case of the industrial projects, and, in accordance with the procedure of the rate established "case by case", of 2% for the RAN project and of 4.5% for the Port of Abidjan infrastructure scheme (1).

Of the 35.37 million u.a. committed by the Bank for the eight loans signed in 1971 and 1972, the sums paid out totalled 14.39 million u.a. at the end of 1972, or nearly 41%. None of these loans has yet been completely paid out.

Main economic characteristics

The whole body of projects which the Bank has part-financed from its own resources since the second Yaounde Convention came into force has made possible the investment of a total of 171 million u.a., of which 128 million in the industrial sector and directy provided 6.300 new jobs, supplementary added value of the order of 97 million u.a., and extra foreign exchange receipts in the neighbourhood of 73 million u.a.

(1) This latter subsidy of 4.5% was granted by the Commission at the end of 1971

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SECTION 3 - EXECUTION OF AIDS FINANCED FROM EDF RESOURCES

The rythm of execution of the projects can be assessed by taking into consideration in turn the three stages of the launching of calls for tender, the conclusion of the contracts and, finally, the payments.

§ 1 Calls for tender and contracts

a) Present state of calls for tender

During the year 1972, 82 calls for international tender were launched for an aggregate amount of about 108 million u.a. In volume this was an increase of more than 11% in relation to 1971, a year already marked by a considerable increase in the volume of calls for tenders. This situation may be explained by the rapid implementation in situ of the operations financed under the heading of the Third EDF, in respect of which 49 calls for tender were launched, representing an estimated global sum of about 101 million u.a.

Of the 82 new calls for tender, 31 concern the execution of work for a total amount of 95.2 million u.a., while a sum of about 22.4 million u.a. represents 51 calls for tender relating to supplies.

In this respect, the positive results registered during the preceeding financial years in the matter of standardisation of texts in the supplies field were largely confirmed in 1972. Of the 51 calls for tendor in this category, 45 were published in conformity with the standardised text prepared by the Commission.

It should be pointed out that, for the third Fund, the statistics of calls for tender mentioned above cover only calls on international competition. However, thanks to the adjustments made in this field by the second Yaounde Convention, and to the derogations authorised, particularly for agricultural projects, the new procedure for "accelerated" tenders and the work carried out under the "régie" system in the setting of estimates or contracts concluded amicably, must be added to this.

In this way, in particular in the course of the 1972 financial year, the Commission authorised the launching of 14 calls for tender under the accelerated procedure for a total amount of 5.2 million u.a.

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b) Doals, specifications and contracts (1)

The total of deals, specifications and contracts concluded in 1972 for the implementation of the three funds amounted to 160 million u.a., a considerable increase in relation to the 1971 financial year (110 million u.a.).

The origin of this situation is the speedier pace of execution of the third EDF (99 million u.a. of commitments, as against 37 million the previous year) which offsets, as is normal, the slower pace of implementation of the second EDF (44 million u.a., as against 111 million in 1970 and 70 million in 1971).

At the end of the year under review, the aggregate of deals, contracts and specifications concluded represented 88% of the total credits available under the second Fund and 15% of those of the third.

The improvement noted in the pace of final commitments of the EDF credits is reflected in this latter percentage. The rate of 15% of definitive commitments attained for the third Fund after two years of activities had only been attained in the fifth year for the first Fund and in the fourth for the second.

This is a sign that the execution of the third EDF on the ground follows much more closely on the financing decisions than was the case in the past.

§ 2 Speed-up in the execution of projects

The time elapsing between the lodging of the application for financing and the execution of the relevant project is to be explained by the course of certain procedures which are imposed by the management of funds of public origin, whose utilization is reflected in the conclusion, execution and supervision of contracts entered upon by the Administrations of the beneficiary States.

As any delay at the different stages of these procedures can have the effect of upsetting the economic basis of the schemes, care should be taken to keep to a minimum the time which elapses between the assessment of the projects,

(1) The figures quoted in this chapter cover the projects financed by EDF not only for the AASM but also for the Overseas Countries and Territories and the Overseas Departments

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the conclusion of the contracts and their execution. In this way, with the passing of the years, the Commission has endeavoured to find practical solutions for the problems which can arise in the scrutiny and execution of the projects. In particular since the implementation of the operations of the third EDF, certain specific measures have been agreed upon in order to reduce the gap between the financing decision on a project and its execution.

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Thus, as a part of its deconcentration policy, the Commission has conferred a wider role and powers to the Contrôleurs Délégués (Resident Supervisors) as regards the preparation of the dossiers of calls for tender and the approval of the designation of the tenderers, in such a way as to speed up the procedures and reduce the delays.

The framing and implementation of the Standard Specifications for contracts financed by the EDF has a similar aim : European firms now have available in their own language all the "rules of the game" and the day is approaching when it will be possible to reduce from four to three months the time-limit for offers of work. Because of the basis reform they introduce by substituting a letter of contract for the contract, these General Specifications make it possible to gain a further two or three months on the period which elapses between the choice of the tenderer and the notification of the contract.

In the same way, the framing of the general clauses for contracts for the supervision of work, for technical assistance and studies, and also the reform introduced regarding the conditions for the signature of these contracts, constitute one of the most concrete solutions to the problem of the length of procedures as regards contracts for services.

In addition, the Commission has made further efforts as regards the programming of calls for tender in space (regions) and in time (planning).

Finally, the reduction of the time-limits actually noted is also a result of the measures taken by the Commission to define, not only the technical conditions but also the administrative, legal and financial procedures in accordance with which each project will be executed and supervised. This policy, which already constitutes the general rule for projects which are co-financed, does much to spare the national Administrations how are tions and difficulties in the application of the terms imposed by the providers of funds. It thus makes it possible to avoid the delays which are often

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the corollary of these. It goes without saying that the adoption of this policy in no way deprives the national authorities of their tasks as awarders of contracts and their responsibilities in the execution of the projects.

§ 3 Increases in payments made

The total volume of payments made in 1972 under the head of the three EDF was 145 million u.a. For five years, from 1965 to 1969, total payments remained around an annual ceiling of 110 million u.a. 1970 saw an increase of the order of 26% in relation to the previous year, and this increase was confirmed in 1971 and 1972. The aggregate expenditures of the three Funds during these recent years have been around 145/150 million u.a. annually.

Three reasons explain this growth in EDF payments after five years of stability :

- the speed-up in the pace of launching calls for tender with effect from 1967 did not influence payments immediately, in view of the time taken for the lodging of tenders, their study and the conclusion of the contracts.
- the adjustments made under the second Yaounde Convention (new procedure for "accelerated" calls for tender) and the many easier conditions decided on in concrete cases (expenditures under the "régie" system, in the framework of estimates or by amicable contracts) have helped to speed the pace at which payments are being made.
- Finally, certain operations of the third EDF emergency aids and interest subsidies are, by their very nature, liable to be executed more rapidly than those of the first and solved EDF.

At the close of the financial year 1972, the percentages of payments in relation to commitments was :

94% for the first EDF, as against 92% in 1971 81,3% for the second EDF, as against 70,5% in 1971 15% for the third EDF, as against 10% in 1971.

SECTION 4 - USE MADE OF THE COMPLETED PROJECTS

During 1972 the Commission began the examination of a certain number of agricultural development projects as part of a programme of evaluation which is continuing. This is a particularly important sector, but also a complex and tricky one, in the development of the associated countries. The results of this examination will be communicated to the Association Council in the next report on the administration of financial and technical cooperation.

Simultaneously, the Commission has continued to keep itself informed of the way the projects which have benefited by finance from Community aid, in the various sectors of intervention, are being utilised. Among the information assembled the greater part, and that of most significance, this year, concerns certain road infrastructure projects and the investments concerning education and training.

§ 1 Road infrastructure

The three road projects whose utilisation was examined in the course of 1972 present the particular feature that all are aimed at opening up regions which difficulties of access have hitherto maintained outside the trade flows formed within the countries concerned. These are the Ankaizina roads and the road from Andapa to the east coast in Madagascar and the Tignere-Kontcha road in Cameroon.

Comparative analysis of these three projects and their results leads to certain conclusions which it may be useful to take into account when planning operations of the same kind.

a) At the origin of each of these projects we find a determination to break down the isolation of the populations living in the regions concerned : the plains of Ankaizina and the Andapa basin in Madagascar, and the Koutine plain near the frontier between Nigeria and Cameroon. The aim of these projects was to stimulate in this way the economic animation and the exploitation of the agricultural potentialities of the areas, considered as richly endowed by nature, but still mainly confined to a system of closed economy because of the absence of any permanent link with the neighbouring regions already connected to the national network. The interest attaching to these projects derives from the two circumstances that they aim at reducing, in its most physical expression, the disjointed nature of the economics concerned, and that their achievement

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thus appears as a powerful factor of national integration. This political aspect of the objectives is seen more clearly in the case of peripheral or frontier regions like the Koutine plain in Cameroon.

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b) The concept of the projects varies appreciably from case to case.

- For Ankaizina, the activities planned break down into three aspects :
 - The purchase of equipment and road-building machinery for the local Public Works Authorities
 - The building of a stretch of 15 km of earth road and 22 engineering works on the Bealanana-Antsohihy route linking Ankaizina to the west coast of Madagascar (134 km)
 - . The laying down of 522 km of secondary and tertiary tracks within the enclosed zone.
- As regards the Tignere-Kontcha road in Cameroon, the financing by Community aid should concern the laying down and improvement of the first 21 kilometer of the existing track (119 km) as well as the construction of a new earth road for the following 11 km.
- Finally, the opening up of the Andapa basin should be achieved by providing a surfaced road linking Andapa to Sambava on the eastern coast of Madagascar (97 km).

The three schemes provides for participation by the States concerned under various forms : services by the rural engineering department for the building under the "régie" system of the 15 km road section and of the internal tracks as regards Ankaizina; repairs to other defective parts of the Tignere-Kontcha route : establishment by the Administration of the definitive project for the Andapa-Sambava route.

If we accept the special case, justified by the existance of very compartmented topography, constituted by the tracks planned for internal service in Ankaizina, it would seem that the concept of the project concerning the Koutine plain (Tignere-Kontcha) and Ankaizina contrast, because of the local and discontinuous character of the interventions decided on, with the more radical one adopted in working out the Andapa-Sambava project. It is interesting to note in this respect that the first two projects were elaborated in 1961, whereas the financing of the Andapa road took place a year and a half later. This points to a rapid evolution of the concepts applied by the Commission in the field of economic infrastructure investments. As we will see, this evolution has proved beneficial.

c) In the course of execution the general arrangement of the projects has been somewhat modified. In Ankaizina, the Malagasy Government has substitued for the network of internal services initially planned the first 166 kilometers of a track from Bealanana towards Andapa. It has also financed the construction under "régie" arrangements of 25 km of earth road on the Antsohiby-Bealanana route.

The total cost of the Community aid was 270 million Malagasy francs, to which must be added 143 million financed from the country's own budget.

On the Tignere-Kontcha route certain tasks were underestimated (excavations, rock masses) and the Community financing proved sufficient to complete only the first 25 km of the road, instead of 32. The Cameroon Government has taken over payment for the following 29 km, thus extending the length of road completed to 55 km out of a total of 119 km. The cost of the work was 382,4 million Frs CFA, of which 175,4 on charge to the Fund.

As regards the Andapa-Sambava road, the course of the work was perturbed in particular by three cyclones, which caused much damage and several corrections to the itinerary which have added to the cost of the scheme. Finally, this amounted to 3.833 million Malagasy francs, of which 2.775,2 million were covered by Community aid and 1.057,8 million by the Malagasy budget.

d) When the effects of these three projects are analysed it can be seen that the difference noted in the investments made is reflected by an even more radical difference in the results obtained, as regards both transport and the economy of the regions concerned.

The work carried out on the Tignere-Kontcha road has made it possible to render praticable throughout the year the first 54 km starting from Tignere, but beyond this point all the difficulties remain and the axis can only be used by light vehicles when the dry season is advanced.

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The cost of the investments necessary to prolong the road as far as Kontcha (about 65 km) is such that it has yet been possible for the Cameroon Government to devote the necessary resources to this task.

When the conditions of utilisation of the Ankaizina project were first examinated, an appreciable reduction in the ton-kilometer tariffs was noted between Antschihy and Bealanana - of the order of 17% on the upward, and more than 56% on the downward, journey but this result apparently had no effects on the economic animation of the region. Among the reasons which explained this situation there was above all the fact that, despite the improvements carried out, the Antsohihy-Bealanana road was still not a permanent axis. However, it would seem that this result will shortly be achieved : the first 63 km of this road (including the 15-km section financed by Community aid) have been asphalted, with Malagasy financing. The work of surfacing the second part (71 km), to which numerous improvements have already been made by the Malagasy Government, is to be undertaken in 1973 with financing by Italian bilateral aid. Finally, it is consoling for the Community to note that the financing it granted to the first scheme to open up Ankaizina has triggered off the provision of intrastructure which should shortly make it possible to develop about 70.000 hectares still lying fallow.

The conditions of utilisation of the <u>Andapa-Sambava road</u>, the third of the projects examined, are at present still more satisfactory. As the project was taken into service only recently (early 1970), no adequate information is yet available for a complete assessment of the extent of its economic repercussions. However, the initial results look very promising.

- Between 1964 and 1970 the number of vehicles available in the Andapa basin is said to have risen from 17 to 91 an increase by 5.4 times, largely attributable to the project;
- The consumption of petrol is reported to have gone up by 66% between 1968 and 1971 and that of fuel oil by 102% during the same period;
- Counting operations in October 1971 revealed an average daily traffic of 167 vehicles. This result, achieved during a harvest period, should correspond to a traffic of the order of 120 vehicles per day on the annual avorage. This is a clear indication of the interest of users in the investment.

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This interest appears all the more justified since, until the road was opened, transport between Andapa and the east coast was mainly by air. Comparison of the freight rates applied by air and road shows that the latter makes possible savings of nearly 7 Malagasy francs per kg on transport between Andapa and Sambava for basic products such as sugar, salt and rice, and of the order of 15 francs for coffee and 29 for vanilla, which corresponds to gains of 75 to 90% in relation to the air rates (1). It is interesting to observe here that, contrary to what has very often been noted in the utilisation of projects of modernisation of road axes already in use (2), the gains procured by the investment seem to be widely and immediately passed on at the level of producers and consumers.

The effects of the scheme on the economy of the Andapa basin cannot yet be assessed because we are still too close to the event. However, an undoubted trend towards the monetarisation of activities is making itself felt, and this is a sign of the new dynamism of trade. The operations being carried out with Community financing (hydro-agricultural equipment of the Andapa basin, completion of the Sambava-Vohemar road) should normally provide this region with the bases for deep-seated development by promoting the exploitation of its agricultural potentialities and extending the area of its trade with the coastal zone.

e) The care being taken with the maintenance of the infrastructure established bears witness, after the financial efforts made to achieve them, to the importance attached by Cameroon and Mafagascar to these projects to open up land-locked areas.

As the Andapa-Sambava road is of too recent construction to be examined from this point of view, this remark applies mainly to the section completed of the Tignere-Kontcha road and the Ankaizina roads, where "improving maintenance work" has in many places transformed the conditions of viability between Antschihy and Bealanana. These results are all the more remarkable as the two roads pass through areas where the topography and the climate make maintenance operations particularly difficult.

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⁽¹⁾ The regular airlinks have moreover been abolished since the opening of the Andapa-Sambava road

⁽²⁾ See in particular "Report of the Commission to the Association Council on Financial and Technical Cooperation for the year 1971" (pages 68 and 69)

Among the lessons which may be learned from an analysis of the conditions of utilisation of these projects, the first is doubtless that isolated and discontinuous improvements to infrastructure can, in general, not provide any solution to the problems of land-locked regions.

The provision of a sure and practicable itinerary which can be used in all seasons in fact constitutes a threeshold short of which the utility of any investment can only be hazardous. It is true that the cost of such a project, taking into account the generally difficult lie of the land, is in most cases clearly higher than that of the traditional operations to modernise an existing road network, but the fact is that the economic and social objectives of opening up such areas are also of another magnitude. This is why it would seem advisable not to plan such projects unless the framework of future development of the area considered has first been studied from all angles, and then defined with due regard to those aspects where it is complementary to the neighbouring regions and to the requirements of the populations concerned. The road then appears no longer as the very objective of the project but as its basic element. It is in terms of this concept of integrated operation that the different activities financed by Community aid in the Andapa region have pragmatically and progressively fallen into place in relation to each other.

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§ 2 Tonohing and training

In this sector the information gathered by the Commission in 1972 concerns the utilisation of the schools built under an important programme for primary education in Cameroon, projects relating to secondary education in the same country and in Rwanda, and several technical education establishments financed by Community aid in other Associated States.

a) As regards <u>primary education</u>, the school building programme financed from EDF resources in Cameroon was aimed at underpinning the efforts of the Government to provide schooling by constructing and equipping 172 schools in 46 Communes in the eastern part of the country. Between 1963 and 1967, 767 classrooms, 480 teachers' dwellings and 14 health centres have thus been built.

In 1972 the conditions of utilisation of 82 of these schools (48% of the total) were examined.

- Functionally, the concept of the buildings seems to be well adapted to the objective of the project, particularly as regards qualitative improvement in the teaching. However, the architecture of the buildings constructed on a standard plan in 12 Departments of North and South Cameroon does not favour the integration of the various schools into their physical and social environment and reveals difficulties of maintenance as regards certain building elements. In addition, the teachers' dwellings in the small villages do not correspond to local habits; their architectural conception is too sophisticated for these African villagers.
- The Cameroon Governments' project provided that the local population would itself carry out certain complementary work, such as the covering and painting of facades and the clearing, layout and fencing of the concession of each school. In fact, in the majority of cases, the schools have remained in the state in which they were when building was completed. It has, however, been possible to note a few improvements in some cases. These are due to the personality and tenacity of the headmaster, or sometimes to the actions of the local authorities.

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- In 70% of the schools visited the buildings and dwellings are in a good state of repair. Current maintenance, which is ensured by the teachers, the pupils and the parents, is seen to be satisfactory in most cases. This effort on the part of the direct users of the investment should be stressed, since it partially offsets the absence of the <u>communal credits</u> envisaged by the Ministry of the National Plan for current upkeep. These credits are only really granted in 18% of cases (in the Departments of Benoue and Biamara).

But it is above all the major repairs connected with the technical concept of the buildings which pose problems because of their excessive cost. The <u>inadequacy of the budget</u> appropriations for National Education has so far precluded the necessary repairs.

As regards the school furnishings supplied under the project, these were only brought into service in 1970 and in most cases are in a good state of repair. It will, however, be noted that in one-third of the establishments visited the equipment supplied under Community aid is today seen to be insufficient. This is a consequence of the success of the project from the angle of the utilisation of the buildings.

- The 764 classrooms provided under the project represent a theoretical capacity of 41.000 places, which has permitted schooling to be greatly developed, particularly in the rural areas. In certain cases the infrastructure provided by the resources of the Fund has replaced buildings which were very old and too primitive, but it is striking to note that the <u>number of pupils</u> per class generally exceeds the already high norm of 54 chosen when the project was drawn up. In the establishments visited there is an average of 61 pupils per class, with maxima, according to the schools, as high as between 76 and 155. The overcrowding of the schools is more marked in the built-up areas than in the countryside.

It is the infant and preparatory courses which have by far the largest number of pupils. This is a situation which perhaps does not provide the best conditions for awakening the intelligence of the youngest pupils.

- <u>School attendance</u> is satisfactory in general, being in excess of 90% in three schools out of four. The periods of irregular attendance correspond either to harvests, or hunting and fishing seasons or, again, to religous holidays.
- Speaking generally, teaching personnel are too few in numbers. In twothirds of the schools there are more than 50 pupils per teacher. <u>The level of qualification of this personnel is furthermore still fairly</u> low : in 1971, only 2% of the primary school teachers had attained the baccalauréat level and 15% that of the brevet (secondary school certificate). The remaining 83%, representing more than 12.000 teachers, had been recruited at the level of the primary school certificate. Since July 1971 the Government has stopped recruiting at this level. Promotions of qualified teachers at present represent about 400 per year, but the situation should be more speedily redressed thanks to a scheme financed by the IBRD, which provides for the opening in 1974 of three new Normal Schools for assistant teachers with a capacity of 210 places each.
- Despite these difficulties, the <u>quality of the teaching</u> can be considered fairly good in 30% of the schools, where the headmasters are capable of making up by their drive for the inadequate training of a part of the personnel. These results could, moreover, be rapidly improved if the teachers had the necessary pedagogical resources (exercise books, manuals, etc...).
- The problems of the quality of the teaching inevitably have their repercussions on the <u>examination results</u>. Among the schools visited, only 59% get at least half of their pupils through the primary school certificate exam. For the examination to enter the sixth class (secondary education) this percentage is somewhat lower.
- According to the information obtained, it would seem that about 20% of the pupils continue their studies beyond the primary cycle. For the others the <u>outlets</u> are inadequate. They mainly consist of jobs available in too small number in local industry (tobacco, cotton) and in the public or private services sector.

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In conclusion, the project has made a big contribution to the efforts of the Cameroon Government to provide schooling by stepping up the capacity of the scholastic infrastructure to receive pupils and by improving the material conditions in education. But its efficacity is limited by the inadequacy of the budget resources which the State is able to devote to upkeep and operation and also to the training of teachers. Above all, questions need to be put concerning the aims of the primary education imparted. Those responsible on the Cameroon side consider that its substance is ill-adapted to the socio-economic and cultural context of the country. A reform in the direction of ruralisation of education is going on with the help of aid bodies.

b) Secondary education

Three projects concerning secondary education were examined in the course of the year just passed. These are the buildings for Mazenod College at Ngaoundéré and Libermann College at Duala (Cameroon) and for the girls' lycée at Kigali (Rwanda).

- 1. <u>In Cameroon</u>, Community aid has financed the extension and fitting out of the two establishments mentioned, which have been in existance for a long time. Since the completion of the buildings, certain further fittings have been progressively installed by the Government, in particular at Ngaoundéré (sports field and workshop). In addition to the equipment financed by EDF, the two establishments have been provided with laboratory equipment by the FAC and by private donors.
 - The <u>conception and carrying-out</u> of these two projects, which went into service as far back as 1967/68, have given complete satisfaction. The architectural concept of the buildings (robust, simple and well accorded aesthetically with the existing buildings) must be considered as one of the main factors of the success noted. The solutions chosen have taken perfect account of the requirements expressed by the utilisors.
 - From the technical angle, the use of the buildings has hardly posed any problem so far. As regards the equipment, this is satisfactory in general.

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- The upkeep of the buildings can be considered as very satisfactory, both as regards current operations and major repairs. The latter are generally carried out as soon as they are seen to be necessary.

In a general way, the operation of the two establishments has not hitherto been perturbed by financial problems, although it leaves a debit balance at the end of the financial years (about 8 - 10% of the amount of the expenditures). This is only covered thanks to external aid of private or public origin.

- From the angle of the occupation of the premises, the two establishments are used to maximum capacity : 360-380 pupils in the Mazenod College, 295 of them boarders, and 580 at Libermann College, including 200 boarders. Attendance, which is very regular, is around 98%.
- The ratio of teachers to pupils is favourable. At "Mazenod" there is one teacher for 17 pupils and at "Libermann" one for 19.

The qualifications of the teachers are high in relation to what may be noted in the public establishments of the same order in Cameroon. Teachers in possession of a licence (bachelor's degree), or a diploma of higher studies at least equivalent thereto, make up 81% of the teaching staff at Mazenod College and 75% at Libermann. The other teachers have their baccalauréat. Most of them have practical teaching experience extending over at least five or six years.

- The <u>results</u> obtained in examinations in the course of the last three years bear witness to the quality of the teaching imparted. The percentages of success vary for Mazenod College from 75-90% at the level of the elementary certificate of the first and probationary cycle, and from 54-55% for the baccalauréat. For the Libermann College these figures are 70-94% for the elementary certificate and the probationary and 58-89% for the baccalauréat.
- Although information concerning vocational guidance and outlets is not very complete, it would seem that all those reaching baccalauréat level at Mazenod, and 45% of these at Libermann go on to higher studies. The other pupils who have reached the brevet or baccalauréat level become candidates to the extent that places are available for employment in education, the army or the

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administrative services. The searcity of the jobs offered to holders of brevet or baccalauréat by the productive sector is clearly felt. This situation again brings up the problem of better correspondence between the system of general education and development requirements which is one of the subjects of concern of the Governments of the Associated States.

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- 2. In Rwanda, the Community has financed a complex grouping of the lycée and the Junior Normal School for girls at Kigali.
 - The <u>concept and achievement</u> of the project are at present giving complete satisfaction. <u>Maintenance</u> is ensured in very adequate fashion. Since the premises were brought into service in 1971 the 13 classes and the boarding school, which are occupied to capacity, have been providing accomodation for 375 pupils. The pupils, all boarders, are mainly of rural origin (93%).
 - The teaching staff number 31, which means that there is one teacher for 12 pupils.
 - The education given, which is spread over six years, begins by three years of orientation and ends with three years of economic and pedagogic teaching. The orientation cycle consists of general education with an African programme (history, geography, sciences, etc...). The pedagogical section trains women teachers for primary schools. The economic section turns out medium-level supervisory staff for government service and prepares students who wish to continue higher studies.
 - Attendance and results may be considered good at present.

The aim of the projects is to make an effective contribution to improving the quality of primary education by the replacement of rapidly-trained monitors by qualified teachers. Outlets are also available in the services of the public Administration.

On the whole this project offers Rwanda girls good possibilities of advancement and may therefore be considered a success.

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c) Higher Education

The aim of the Higher Normal School at Abidjan (Ivory Coast), financed by Community aid, was the training of secondary teachers, primary education inspectors, educational advisers and supervisory staff for teacher training centres (directors and professors of pedagogics).

The project included the construction and equipment of buildings for the administration of the School and for teaching, and also a research and documentation centre and boarding accommodation. The directing body of the School is on the whole satisfied with what has been achieved.

- The establishment was planned for 250 students, including 180 boarders, but this capacity has turned out to be insufficient in all fields. The School, which went into service in 1970, was obliged, in the course of the 1971/72 university year, to take 497 students. For 1972/73, registrations amounted to more than 700. This gap is due to the expansion of the rate of school attendance in the country, which has been more rapid than expected.

In order to cope with the increase in the numbers to be admitted, Ivory Coast financed, in 1971 already, the building of 12 further classrooms. Despite this supplementary investment, the <u>occupation</u> of the premises is still very much in excess of their normal capacity.

- <u>Attendance</u> is good, but we must however note, at the end of the university year, certain defections due to the refusal of some students to subscribe to the commitment to serve in public education for 10 years. These do not exceed 5-6% of the number of students registered at the beginning of the year.
- The <u>teaching staff</u> seem to be sufficient in number. The figure has risen from 44 in 1971 to 59 in 1972. Most of them are of French origin, but the relative importance of these is nevertheless tending to decline to the advantage of Ivory Coast teachers, who accounted for about 25% of the staff in 1972. The teachers' qualifications seem to be satisfactory, since they range from the higher education certificate to the Agrégation. Nevertheless, the proportion of teachers who are only of "certified" level is still considerable (50-55% of the total).

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- The still recent entry into service of the establishment and its absence of genuine financial autonomy mean that, for the time being, it is difficult to assess whether the credits allotted to it are sufficient to ensure its functioning under good conditions and the proper upkeep of the investments. However, on the basis of the budget commitments known, it must be noted that the amount of appropriations in 1972 clearly declined despite the higher number of students.
- The results of the teaching may be considered as satisfactory. On the average, 75% of the candidates obtain the certificate of pedagogical aptitude for teaching in general education colleges and 90% the primary inspectors certificate.

Beginning with this year, the School is also empowered to deliver the certificate of pedagogical aptitude for secondary education required to exercise teaching functions in lycées which hitherto was awarded in France after preparation in the School.

- There are no problems as regards <u>outlets</u> for students who have been awarded a diplome when they leave the School. They are automatically appointed, in the light of the certificate obtained, either to a general educational college of to a position as primary schools inspector.

This situation will certainly continue for some years. In 1971/72, mediumlevel public education was employing 2.345 teachers, of whom 352 were nationals of the Ivory Coast. For the country to be in a position to satisfy its requirements for teaching personnel single-handed it will be necessary to wait at least until 1984, on condition that the Higher Normal School itself can train about 200 teachers annually from 1975 onwards. (In 1972, 53 nationals obtained the certificate of pedagogical aptitude for teachers).

- In conclusion, although it may be regretted that over-cautions forecasts prevented the investments being on the proper scale, it must be noted that the latter nevertheless constitute a particularly useful intervention in favour of the improvement of education and the training of national cadres in Ivory Coast.

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d) Technical education and vocational training

This sector is one of those to which Community aid has gradually accorded an increasingly important position because of the practical aims of the training imparted and its direct repercussions on economic activity. In 1972, four projects in this sector -generally of recent implementationwere examined from the point of view of their conditions of utilisation.

- Three of them concern <u>agricultural teaching and training</u>, and this is a concrete illustration of the Community's interest in the development of the sector of activity which employs most people in the associated countries.
 - The Agricultural Higher Technical School at Butare (Rwanda) trains technicians to cover the requirements of the agricultural and stockbreeding services and the large-scale operations to organise peasant farming. The conception and achievement of the buildings brought into operation in 1967 is satisfactory on the whole, and the equipment has proved to be well adapted to the requirements of the establishment. The maintenance and functioning of the school, whose director is supplied by the French cooperation authorities, do not entail any major problems. The taking into service of the boarding accommodation, in the course of the year 1972/73, should make it possible fully to utilise the establishment, which is at present running at only 70% capacity because of the difficulties of lodging the students.
 - The qualifications of the supervisory staff (engineers, university teachers, higher technicians) and their density (one teacher for 10 pupils) appear very satisfactory.

Requirements for the services of agricultural and veterinary technicians are such that there will be no problem of outlets for the students graduating during the 10 or 15 years to come. The project can therefore be considered as a success from all points of view.

. <u>In Madagascar</u>, Community aid has financed the construction and equipment of <u>seven agricultural teaching establishments</u> intended to spread and regionalise this type of training throughout the whole country. Six of these establishments have so far been definitively accepted for service.

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The utilisation of these establishments is handicaped by a certain material inadaptation of the investments to local conditions : a questionable choice of certain sitings, ill-adapted dwellings, quality of materials unsuited to the climate, high operational costs of certain equipments resulting in their non-utilisation, etc... Despite these technical difficulties the objectives are almost all achieved or on the way to being so. The regionalisation of agricultural education, which was hitherto centralised in Tananarive, is now fact. It will, however, be noted that students from the High Plateaux still greatly predominate in most of the establishments. The second objective - to supply the agricultural cadres required by the Malagasy administration - is also close to attainment.

The reform of the agricultural education programmes adopted in January 1972, which placed the stress on the training of heads of farms, has been postponed. How this project will be applied in the future is thus not yet very clear.

• The Practical Agriculture School at Binguela (Cameroon) constitutes as interesting experience in the training of young farmers in modern procedures and media for working the land. The establishment is run by the Cameroon Chamber of Agriculture and is reserved for young farmers (between 18 and 35) chosen in the same region for each year's entry.

The school buildings, which were taken into service in March 1971, are fully occupied. They accomodate 60 students, whereas the initial capacity was 40. The number of applicants very clearly exceeds what the establishment can cope with, and this is an obvious sign of the interest manifested by the population in the project.

Despite a difficult take-off by the School consequent upon financial problems, and although it is not yet possible completely to judge the effectiveness of the teaching imparted, it would seem that the objectives will be attained, as the School's activities are focused on food crops and on the breeding of small cattle and farmyard animals. The production of its former pupils would not seem likely to encounter any problems of outlets, for it comes into the framework of the "Green Belt" operation which the Government has launched in order to reduce the food crops deficit of Yaounde.

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- 73 -

- 74 -
- Outside the agricultural sector another project was examined in Burundi. This is the <u>Technical School at Bujumbura (Electricity Section</u>).

The creation of the Electricity Section, financed by the EDF, in this School has been a complete success. According to the users, the project does not pose any problems either on the technical or the functional plane.

The 106 students are divided between a first cycle (medium technique) of four years and a higher cycle (secondary technique) also of four years, and an "electronic" cycle of three years. Half those leaving the first cycle enter the higher one.

The teachers number 13 (one for 8 pupils). Ten of them are supplied by the technical assistance agencies of the Community countries (7 Belgian and 3 French).

In this establishment there were 33 EDF scholarship-holders, including the 20 students of the electronics cycle, in 1972.

According to the Burundi Government there is no problem in finding jobs for these students.

Analysis of the conditions of utilisation of all the educational and training projects just reviewed leads to certain conclusions which are worth sketching out, in that they may make it possible to improve the effectiveness of technical and financial cooperation in the setting of the Association.

It would first of all appear that, on the technical and functional level, the projects financed by the Fund indeed correspond to the objectives assigned to them by the Associate^A States : extension of the provision of schooling, training of teachers, development of occupational and technical training. The main difficulties which it has been possible to note in the utilisation of these projects concern the adaptation of their conception to the local condition and problems of outlets and the lack, in certain cases, of adequate dovetailing into a medium-term programme for the development of education in the light of the general economic and social evolution of the countries concerned.

.../...

- On the first point the Governments of the Associated States and the Commission will need to carry on more energetic action to oblige the architectural offices to study the environment of each project completely and in detail in order that account may be taken, in the planning of the buildings and equipment, of all the factors, both physical and socio-economic, which govern local life. An initial step, and already an important one, could be taken if the conception of each project were preceded by a systematic enquiry with the utilisors to specify the nature of the requirements to be satisfied and the practical conditions of work.
- The problem of outlets once again emerges very clearly when the possibilities of jobs open to young holders of certificates of primary and secondary education are examined. Such outlets are generally limited to the public service and the administration of the private sector. This promotes the thought that the effort to provide schooling only acquires genuine effectiveness if it is undertaken in the framework of a system of education determined in the light of the requirements of the country. This work of adaptation of the substance and methods of education is complex and very delicate. It must be taken in hand again after a certain time, but it is the necessary condition if the considerable sacrifices made by the Associated States for the training of their young people are to produce effects, in development terms, compatible with the sacrifices.

The Commission, for its part, attentively examines, when preparing each project, the system of education into which it fits in order to assess its efficacity in the light of the objectives laid down by the Yaounde Convention, that is to say the socio-economic aims of the development of the country considered.

ANNEXES

I. Advances to stabilisation funds - situation in 1972

Article 17 of the first Yaounde Convention laid down in paragraph 4 that part of the supplementary effort by the Community could be brought to bear on the stabilisation of prices by means of advances to help palliate the consequences of temporary fluctuations on world markets.

In 1972, the state of refunding of advances granted was modified by the reimbursement of the amounts mobilised under the heading of the advance granted in respect of coffee to the Office des Cultures Industrielles du Burundi (OCIBU - Burundi Office for Industrial Crops) for an amount of 853.447 u.a., and by the part repayment (248.000 u.a.) of the amounts provided under the head of the advance to the Chad cotton prices stabilisation fund (1.452.716 u.a.), of which the balance was to be liquidated in two years.

As regards the advance made to the Equalisation Fund of the sugar agreement of the Organisation Commune Africaine et Malgache, the director of the Fund has announced that, for lack of normal functioning of the equalisation provided for in the agreement, his agency lacked liquidity at the present time and would therefore be unable to refund the amount mobilised (1.085.034 u.a.) on the due date.

II. Community Food Aid - Decisions taken in 1972

1) Coreals aids

Apart from the aids provided for under the Yaounde Conventions, the Associated States benefitted in 1972 from the Community's general food aid programme (agreed upon in the setting of the second Food Aid Convention, which came into force on 1 July 1971).

Of the 414.000 tons of cereals which the Community decided, in 1972, to distribute to 21 developing countries, 66.555 tons went to seven Associated States. This was 32% of all the Community aid.

A distinction should be made between the normal aids decided on in May 1972 (the products being supplied c.a.f. or free-at-frontier) and a special emergency aid programme agreed upon in December 1972 to combat the effects of the catastrophic drought in the African countries of the Sahel and Sudanese zone in 1971/72. In this latter case, the Community has undertaken to bear a part of the costs of internal transport for the products delivered.

The AASM which have benefitted from Community food aid are the following :

	Normal aid	Emergency aid	Total (a)
Dahomey	7.000 t		
Upper Volta	5.000 t		
Mali	10.000 t	7.000 t	
Niger	. ,	7.000 t	
Senegal		8.555 t	
Somalia	15.000 t		
Chad		7.000 t	
	37.000 t	29.555 t	66.555 t

(a) The Community's participation in the WFP and ICRC is not included in these figures. A small part of these world programmes benefited the AASM

2) Aids in the form of non-cereal products

On 19 December 1972 the Community decided to grant a delivery of 750 tons of skimmed milk powder to Rwanda.

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The Community has also supplied a certain amount of butteroil, egg powder and powdered milk to multilateral food aid agencies : the World Food Programme (WFP), the International Committee of the Red Cross (ICRC). These aids benefited some AASM to a certain extent.

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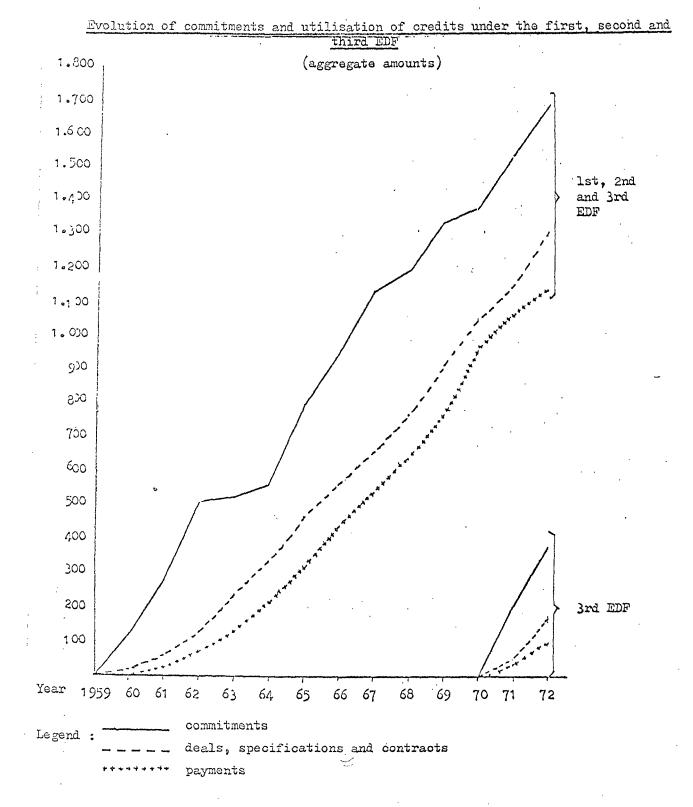


Table 1

Execution of aid financed under the third EDF and from the EIB's own

resources as of 31 December 1972

		000 u.a.					
	Commitments (net)	Contracts placed	Payments				
3rd EDF			· ·				
Grants		· · ·					
- Investments	315+528	80.099	35-165				
Linked technical assistance	26.911	12.762	8.259				
- Trade promotion	3.310	2.117	1.095				
- Emergency aid	. 10.460	10.254	9•727				
- General technical cooperation	430090	18.658	6.046				
Administrative expenses	42	. 42	17				
5-1 -	399-341	123-932	60.304				
- Interest subsidies	3.297	3.297	3-297				
Total subsidies	402 。 638	1 27. 229	63.606				
Repayable aid							
- Special loans	12.096	7.056	7198				
- Participation in the formation of risk capital	990		· · ·				
TOTAL 3rd EDF	415.724	1 34 • 285	64.104				
EIB							
Ordinary EIB loans	35.370		14.394				
Grand Total	451.094		78.498				

(Second Yaounde Convention)

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	Tab]		-																		
	Sum	s co Y	ommi aour	.tte ido	d i Con	n 19 vent)72 ;io	fro n II	m tł]	ne 3 Dist	rd rib	EDF uti	and on t	EI Y S	B's	OW1	n re and	esou 1 co	rce unt	s un ries	<u>der</u>
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I. PTREATINGT DALLA PROPERTIES		_7(1	4,798	1.199	16.41	1.012		10,189	2.265	12.090	لتقدد	592	14.020	0.210	11	มเวย		<u> </u>	<u>.</u>	167-165	1819
 Industrialization Industrias attrentives Indust, enclostaritre Indust, erris, a alie, Indust, erris, a alie, Indust, erris, batteris, batteris, Product, A infra dascrit, Product, a lateris, batteris, basteris, 	1,060	630			ó.102			6. 281				407	4.364	"						Zi LL2 66 5.757 407 4.561 9.341	
2. Tourisme 3. Production rurate 3. GAARTAL 3. Flawswittons 3. Autors, hydromsgridolee 3. Jierrage 3. Zierrage 3. Zierrage 3. Zierrage 3. Zierrage 3. Zierrage	3.07j	7ر ۱	:.79 ^a	1+30A	10,335	12 7+02)	1)'	1.908	, 76 180 1.764 7.745	11.68j 20 193	700 2.485	65 10	600 ور ممر ۲۰	6.017 2.165	55	11.)67			30	£2 631.601 12, 146 20, 374 40, 975 3, 979 4, 799	
II. INCUSTIONAL ROOFINGUE	142	1.156	4.681	2.003	11.80	_1.371		6,896		1140	11160		.		12.691	1.124		20124		_11.152	- 20.2
4. Transports & computionitors 11. Hontes et posts 2. Charling de fer 21. Honte & voige fluviales 44. Jéroports 45. Téléonerunications	142	442 714	4.681	9.884	3.961 3.179 4.700	4+177		6.716 180		1.140	1.000 80	253			1.040 11.550 104	1.394		7.174		22.161 4.118 30.035 252 103	
III. DEVELOPITICIT ACCIAL	_1.621	2.167	1.991	561	1.052	_1.911	247		1.812	. 1.212	_ 959	1.357		1.977	21112	2,992	فكذمل	4.762	2.242	.N. 873.	17.0
5. Enseignesent et formation 51. Infrestruct, d'enseignement 52. Frojsta spösifiques de form, professiongé enreis d'instre 51. Dourses 54. Stagre	1.62)	2.1 20	739 611	56)	70 1.707	1.043	21	1.374	12 1.607	6 1.368	526	63 1.792	1.644	1+377	203 2.274	110 1.049	1-334	4.536	1 36 2.722 64	21.+ 1/4 1.060 253 29.937 14	
6. Canté 60. Cénéral 61. Infrastructure 62. Causagnus sanitaires A 900p. technique		47								367 4	190					1.672		\$07		2:401 207 2.776	
7. Hydroulique, fililifé, habisas 71. Hydroulique villageoise 72. Adduction d'eau urbaise			é 11								232					56 105				1±024 56 968	
IV. PROMINIC COMPRESSION																-				10	
V. AILTI AUGUSTIONALIZI										407			_			_ _				197_	9.2
a. <u>217293</u>	172	-438	12)	273	116	_178	172	408	482	313	122		162	112	191		_144	152	2.412	_ <u>.</u>	<u>ور ا</u>
01. Collegues 02. Occjór, technique gindrale 03. Etuies gindrales 06. Contrôle 09. Frais Adala, à fipancier	172	824	90 413	239 239	356	178	172	403	402	£18	173	711	גנ <i>ו</i> נר	330	در هر،	617 513	144	359	145 204 600 1.506 22	145 4 j0 600 6.678 22	
<u>70741.</u>	5.022	4.5:2	11.262		10.12		419	19.007	12.064		51512	3.432	16.701	Calls-		16.107	1.498	1.226		27: 636	100
dont 77D subventions 77D prôte spioleux DZI prôte normaux Costrib, formation	5.022	600 7- 348	11,963	12.027	17. 90	12.543	419	14-057 3.040	12.066	15.908	3.512	2.422	16.70)	10,175	15.421	16.107	1.498	7+296	5.469	185.456 5.040 12.000	90.6 2.5 6.2
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Table 3

	- , , 			(Fii	est Yac	ounde Con	vention)				(000 u	.a.)	¢
		C.A.R.	People's Republic of Congo	Dahomey	Upper- Volta	Niger	Rwanda	Senegal	Somalia	1 To go .	Zaïre	'AIL AASM	TOTAL
Development of production • Industrialisation • Tourism	-						1.600		85				<u>7.718</u> 1.635
. Rural production				72		1.876	104	3.205		459	316		6 .03 3
Economic infrastructure • Roads • Ports	-	216	6		25		•	-					<u>247</u> 247
Social development • Education and training • Public health													
 Water supplies, municipation administration, housing 	2 1					4.			-				
Miscellaneous												315	315
Total		215	ó	72	25	1.876	1.704	3.205	Ę3	459	316	315	8.280
	i		1					i .		1	• .		

Situation of sums committed in 1972 from the remainder of the second EDF by sector and by country

No account is taken in this Table of the credits made available in the course of the 1972 financial year from finished projects

Table 4

Net amount of commitments and sums made available in 1972 under the first	Net	amount a	٦f.	commitments	and	ຮະເທຣ	made	available	in	1972	under	the	firat
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Yaounde	Convention	and	cumulative	figures
1000000000000	Married States of States o			

	June	

AASM + OVERALL OPERATIONS

000 u.a.

Source	Type of aid	1 Jan 31/12/72 (1)	1.1.64 - 31.12.72
2nd EDF	Investments	5.224	325-937
·	. Technical assistance . Aids to production	692 3.200	43+149 89-506
	. Aids to production . Aids to diversification	- 1.801	110.329
	• General technical cooperation	- 584	39.187
	· Emergency aids		2.5.51
	· Financial charges	. 315	2.316
	Total grants	7.046	61 2.975
Special leans	• Investments • Aids to diversification	-	20+099 24=163
	Total special loans		44.202
Advances	Advances to stabilization funds	~~	(3.391
	Grand Total (2)	7.046	657.267
EIB	• Participation in the financing of investments	1 	49.081
	GRAND TOTAL	7.046	706.348

(1) The negative figures result from unused amounts remaining from completed projects

(2) Advances to stabilization funds not included

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Table 5

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Net commitments under the first Yaounde Convention by countries

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Recapitulation 1 June 1964 - 30 December 1972

· · · · · · · · · · · · · · · · · · ·		,		
		•	(000 u.a.)
	2nd	EDF	EIB	methe 3
AASM	Grants	special loans	Ordinary loans	Total
Burundi	20.718	-	-	20. 73.8
Cameroon	39.304	14-523	11.318	65.195
Central African Rep.	26.074	· -	-	26.074
'Congo	20.490	-	9.000	29+490
Ivory Coast	46.497	12.408	11.642	70-447
Dahomey	23.190	-	-	23.190
Gabon	18.060	2,500	3.241	23.801
Upper Volta	30.807		450	31.257
Madagascar	68.761	1.862	-	70.623
Mali	31.793		-	31.793
Mauritania	15.845	2.754	11.000	25.845
Niger	30:035	-	-	30.035
Rwanda	21.349		· - ·	21.349
Senegal	60-499		2.430	62.939
Somalia	27.136	-		27.136
Chad	35.329	1.215	-	33.544
Togo	19.860	-	-	19.860
	65.981	9.000	-	74.981
* sums not broken down by country (1)	14.325		-	14.325
TOTAL	61 3.005	44.262	49.081	706.348

(1) General surveys, symposia, general information, administrative and financial costs

Table 6

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Execution of 2nd EDF project

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(First Yaounde Convention)

	(000 u.a.)											
		t 31 December 1	1972	At 31 De	cember 1971	{						
	Commitments (net)	Deals specifi- cations, south		Commitments	Deals, speci- fications, contracts	Payments						
MATS FOR : Iversheed's Iversheed assistance linked with Iverships and supervision do to production :	325,937 ¹ 43,149 39,505	2897.653 427.003 80,738	254,574 140,323 17,032	320,713 42,457 86,305	267,918 41,509 78,083	222,011 33,229 74,603						
the support dulcal improvement and technical pervision de to diversification recal technical cooperation : perts, general surveys and trade omotion, general information holdscrips, symposia and inservice	25,150 64,356 (10,329 39,187 11,745 27,435	- 10,000	23,930 53,052 86,170 37,403. 10,321 27,032		24, 548 53, 435 86, 290 38, 107 10, 572	24.022 49.985 72.743 35.517 9.572 25.945						
uining organy nid vancas to stabilization funds nancial and administrative costs	2,551 3,391 2,315	2,351	2,455 3,391(1) 2,299	2,551 (10,175) 2,001	2,551 1. 1.991	2,465 (3,391)(1) 1,991						
TOTAL GRAMES	61.2,975.	554.018	510.753	605,929 -	516,449	447.953						
ANS ON SPECIAL TERMS FOR : vostments versification TAL LOANS ON SPECIAL TERMS	20.099 24.153 24.262	20.099 21.163	20.034 13.219 37.253	20.099 24.163 44.252	20.099 24.163 44.262	15+437 9+693 25-130						
TAL WROM 2nd ED7	57.237	553,250	5.14.021	550,191	550,711	473+095						

(1) Balance outstanding

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Table 7 Scholarship-holders from the AASM 1971/72 by home country and country of study

Country of stu Home country	udy:		Germany	France		Burnadi	Cameroon	C.A.R.	Congo-Braz.	Zaīre	Ivory Coast	Dahomey	Gabon	Upper-Volta			Mali 	Mauritania	Niger	Rwanda	Senegal	Somalia	Chad	Togo		Israël	Total (by home country)
Burundi	:	45	: : 46	:	: 15	80	: :		: :	:		_	:	:	:	:	:	_	: :	_	:	: :		:]:	:	190
Cameroor	, :	40	• 40 • 13	; - ; 1]	+ 12	: _ :	4 : • 144 :	_	:_:	_:	- i 1 i	_	: _	: _	: _	:	_ :	_	:_:	_	• -	:_:		_ :		_ :	196
C.A.R.	: :	8	: 2	;	: .		: ^{•44} : • 12 :	49	1 1	- :		_	: 1	: _	: _	:	2 :	~	1 1 1 - 1	_	: - : -	: :	: - :	: - :	1:	: 1 :	63
Congo (Br	.):	5	: 2	• •	:		6	-	i_:	_ :	4	-	: _		•	:	_ :	-	:_;	-	-	1_1		-,*	1:	4:	26
Zaïre	• • •	57	: 24	: 4	: 23	: - : : :	: : : 1 :	-	: : :-:	:	1 1	-	: : -	: : -	1. 1. –	:	- :	-	1 I 1 - 1	_	: : 1	1 - 1 1 - 1	· - ·	<u></u>		- 1	1 11
: Ivory Co	ast	6	: 1	25	2	• _ ·	6	_	:_:	_:	108	-	• –		1 -	:	- :	-	:_:	-	:	:-:		_:	1:	6	154
Dahomey	:	6	; : 3	: 54	: 5	: :-	1. I 1. 51	-	1 1 1-1	-:	5 :	8 8	: :	; ; -	: : -	i I	- 1	-	1 - 1 1 - 1	-	: 4	:-:	• • •	- :		4.1	174
• Gabon	· 1	10	• _	-	· _	- 1	6	-		-:	- 3		¹ 15		<u> </u>	:	- :	-	: - :	-	۰ -	:				4 :	35
Upper-Vo	ltą	• 6	: : 7	: ; 21	: 1	: -	1, 1 1 1	-	1 - 1	- 1	21	- 1	1 1 —	: 64	• •	ĩ	-2:	· _	. – :	-	. 7	:-:		8:	:	8 :	145
'Hadagasc	ar	6	: 1	37	: 10		: _ `i		` <u>1_</u> I	- ;	7	-	; _	; ;	i 13	3 1	- :	-	i _ :	-	: :	1-1	-	- 1 - 1		5;	79
Mali	:	9	: 13	: 31	: 3	• • - :	: 2 :	-	1 - :	- 1	- 1	-	• •	: -	i –	:	67 :	·	1 - 1	-	: -	1 - 1		- :	1:	2:	134
Mauritan	ia'	-		1	2		: - :	-	:_;	- :	- 1	-	:	· _	:	1 1	- :	3D	1 _ 1	-	r	1_1			I		33
Niger	:	1	. 1	• • 8	· -	s — 1	12 1	-	: -:	- 1	15	-	: -	3	1 -	Ŧ	60 :	-	171	-	i 6	2 —3 •	: 5	. 71		51	130 147
Rwanda	:	26	51	: _	40	. – :	10	-	:-:	-11	2	. –	: : -	: : -	: -	:	- :	-	:-:	15	; -	:-			-	3	141 129
Senegal	:	10	: 9	: 24	: 15	: -		-	:-:	-:	12	- :	: -	:	: -	:	- :	-	::	: -	: 59	:	: — : :	: : : : :		- :	204
Somalia		-	22	2	180	1 –	:	-	1 - 1		-		: -	· -	1 -	÷ 1	- :	-	:	-		:-	:	1 1	1		74
Chad	:	5	: 3	1 -	: 3	: -	: 4	: -	:-:	- :	2	- 1	: -	: -	ı –	:	- :	-	1 1 -	:	: 2	:-	: 51	1 - 1 1		4 -	184
Togo	. :	6	; 8	13	; 5	: -	20	-		-	8	: :	:	; -	· -	:	1	-	:-		: 16	-	: -	: 103		4	204
TOTAL	:		;	:	-:	: 80	: 232	:	-::	::	180	88	: 16	: 67	-: : 1	:- 3 :	132	30	·: : 7	: : 15	: 97	;	: 56	:118		50	2.225
: 101AL	:	208	: 206 :	:	: 307 :	: 80 :	• «)«	• 47	:::			:	:	:	:	:			:	:	:	:			: :	50	2.225
country study)	of		5	44,0	ę,	: : :								1	,196 53,8	4 P								1.140.000 (B			· · · · · · · · · · · · · · · · · · ·

- Table 8 Scholarship holders from the AASM - 1971/72

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Home country	Economios	Agriculture	Technical	occupations for women	Potal
Burundi	: 83	19	: 85	3	190
Cameroon	: : 63	: 39	: : 72	22	196
Contr.Afr.Rep.	: : 15	: 50	: 14		80
Congo (Brazza)	: : 14	: 8	: '4	5 mil 4	26
Zaīre	: 33	: : 29	: : 45	4	ננו
Ivory Coast	: : 38	: : 38	: 71	7	154
Dahomey	: : 23	: : 68	: 38	45	174
Gabon	:; 12	: : 18	: 5	· · · ·	35
Upper Volta	: : 50	: 13	: 14	: 68 :	145
Madagascar	: 26	: : 16	: 37	-	79
Mali	: : 36	: : 59	s 39		134
Mauritania	: : 1	: 2	: 30		33
Niger	: : 30	: : 44	: : 53	: 3 :	130
Rwanda	: : 24	: : 66	: 54	: 3 :	147
Senegal	: : 36	: : 35	₽ ₽ 45.	13	129
Somalia	: : 43	: : 38	: 122	: : ` 1 :	204
Chad	: 10	: 22	: : 41	: :	74
Togo	: : 50 :	: : 110 :	: : 22 :	: 2 :	184
<u>"Potal</u>	: : 587 :	: : : 674 :	: : : 791 :	: 173 : : 173 :	2.225
Percentages 1971/1972	: : 26,4 :	: : : 30,3 :	: : 35,5 :	: ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ;	100,0
·· ,	•	9 19 7	8 9 9	: :	

by home country and type of training

AASM	: Economics	Agriculture :	Technical :	Total
Burundi	2.)	16	4	4.3
Cameroon	: 102	157	39 :	298
Centr. Afr. Rep.	12	9		21
Congo-Brazzaville	: 19		5	24
Zaïre	. 79	1,1	26	106
Ivory Coast	: 18	: 6	35	59
Dahomey	4	15	1	20
Gabon	• • — ·	. 40	: 1 :	41
Upper Volta	6.1	: 1	10	75
Madagascar	182	. 1	7	190
Mali	: 2	: 10	. l	: 13
Mauritania	б	2	. 1	9
Niger	: 4	: 25	; -	29
Rwanda	: 18	: •	10	28
Senegal	• • 34	: 17	: 23	74
Somalia		:	-	·
Chad	: 5 5	: 21	: -	: 26
Togo	48	: 16	7	בק
· ·	:	I	:	÷
Total	620	337	170	1.127
Percentage	: 55,0 %	: 29,9 %	: 15,1 %	: 100,0

-~ -1-1---held for training by correspondence courses

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	: Vocational	: Intermediate :	Higher	Total
	343	644	; 140	: 1.127
Percentage	30,4 %	57,2 %	12,4 %	: : 100,0 %

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