

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(87) 531 final

Brussels, 2 November 1987

Proposal for a  
COUNCIL DECISION

determining the general guidelines for 1988 concerning  
financial and technical aid to Latin American and  
Asian developing countries

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(presented by the Commission)

COM(87) 531 final



**EXPLANATORY MEMORANDUM****1. General background to aid to Latin American and Asian developing countries**

A summary description of the main features of financial and technical assistance to non-associated developing countries can be found in the 1986 implementation report. The report outlines the origins of the programme in 1976 and its development up to the present day, the basic objectives and the main conditions of aid, the principal procedural points, including the requirement to draw up specific annual guidelines for the coming year's programme.

The Council has approved the Commission's recommendations concerning other forms of cooperation with Latin American, Asian and Southern Mediterranean countries, which put the emphasis on support for non-rural sectors and, in particular, cooperation between business undertakings in the Community and the recipient countries.

**2. Experience to date**

The 1986 implementation report also takes stock of the experience to date in the implementation of aid to non-associated developing countries. All the projects completed by 31 December 1986 are reviewed. Special attention is given to regional projects.

To sum up, as is the case every year and in accordance with the Regulation and the annual guidelines, the bulk of aid went to the poorest rural areas and the poorest sections of their populations. However, because of material difficulties, mainly the capacity of these countries to absorb aid, the least developed countries did not draw full benefit from the assistance given them. The same is true of co-financing operations, which have also declined in relative importance within the programme.

The main provisions of the annual General Guidelines concerning geographical breakdown and allocations under general items (amounts earmarked for for disasters, international agricultural research and administrative costs) were implemented.

3. Proposed guidelines for 1988

In view of the foregoing, the Commission considers that the guidelines of the two previous years should be substantially retained for 1988.

Account should also be taken of the following:

- (i) the declaration annexed to the Cooperation Agreement between the Community and Central America, signed in Luxembourg on 12 November 1985, under which the Community undertook "to ensure that the total volume of aid, in all forms, granted to the region is increased substantially during the initial period of the agreement";
- (ii) the desirability of **pursuing and intensifying** cooperation with the People's Republic of China on the same terms as in recent years;
- (iii) Parliament's suggestion that the possibility of helping the Latin American and Asian countries to prepare and implement agricultural policies similar to the food strategies applied in certain ACP countries be examined;
- (iv) the advisability (also urged by Parliament) of emphasizing the training aspects of the operations financed as part of financial and technical cooperation;
- (v) for the least developed countries, the necessary infrastructure requirements have to be met for effective development in rural areas.

The geographical breakdown should therefore remain at 75% for Asia and 25% for Latin America.

First, however, a number of reserves should be established.

- (i) 6% to cope with exceptional circumstances and disasters;
- (ii) the same level of aid as in the past for international agricultural research, via the CGRAI;
- (iii) 3% for the services of outside experts in drawing up and monitoring projects and programmes;
- (iv) 10% to allow for a certain degree of flexibility as regards appropriate operations in the various countries.

*Article 20*

This Protocol shall be annexed to the Cooperation Agreement concluded between the European Economic Community and the Republic of Lebanon.

*Article 21*

1. This Protocol shall be subject to approval in accordance with the Contracting Parties' own procedures; the Contracting Parties shall notify one another that the procedures necessary to this end have been completed.

2. This Protocol shall enter into force on the first day of the second month following the date on which the notifications provided for in paragraph 1 have been given.

*Article 22*

This Protocol is drawn up in two original copies in the Danish, Dutch, English, French, German, Greek, Italian, Portuguese, Spanish and Arabic languages, each of these texts being equally authentic.

## ANNEX

## I. Draft statements for entry in the minutes of the negotiations

1. *Joint statement re Article 5 (2)*

'It is understood that the application of Article 5 (2) is subject to the submission of mutually acceptable projects by the Lebanese Government.'

2. *Statement by the Community delegation re Article 12*

'The provisions of the Financial Protocol are without prejudice to the general question of the origin of aid eligible for financing by the Bank from its own resources or from risk capital and do not, in this connection, affect the exercise by the Bank's bodies of their powers under the Statute of the Bank.

The grants for the financing of technical cooperation may be used to finance aid originating outside the Community and the recipient State, in the event of joint co-financing and where the wisdom of using that type of co-financing has been shown.'

**Proposal for a Council Decision determining the general guidelines for 1988 concerning financial and technical aid to Latin American and Asian developing countries**

*COM(87) 531 final*

*(Submitted by the Commission to the Council on 9 November 1987)*

(87/C 323/08)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the proposal from the Commission,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the opinion of the European Parliament,

Having regard to Council Regulation (EEC) No 442/81 of 17 February 1981 on financial and technical aid to non-associated developing countries<sup>(1)</sup>, and in particular Article 9 (2) thereof,

Whereas the general guidelines should be determined for the administration by the Commission of financial and technical aid to non-associated Latin American and Asian countries in 1988,

<sup>(1)</sup> OJ No L 48, 21. 2. 1981, p. 8; since 1986 these countries have been designated Latin American and Asian countries.

HAS DECIDED AS FOLLOWS:

*Article 1*

**Objectives and priorities**

Community aid shall concentrate on helping the poorest countries and the neediest sections of the population.

Priority shall be given to the rural sector and, in particular, to measures aimed at improving the food situation, as a contribution towards the campaign to combat hunger in the world. Within the rural sector, production and support services and also operations in the sphere of social infrastructure shall receive special attention, but the need to place the emphasis, in the projects and programmes adopted, on the training of farmers and middle-level staff will also be borne in mind.

In those countries where this is a necessary essential preliminary, *ad hoc* training projects may be considered.

Wherever possible, Community aid will be used to prepare and implement general agricultural policies (food strategies), incorporating, where necessary, food aid.

In exceptional circumstances aid may be allocated for general infrastructure in the specific case of least developed countries where its lack holds back rural development.

Support for regional integration operations will be maintained and stepped up in all sectors where Community support can make a positive contribution.

*Article 2*

**Geographical allocation**

The geographical allocation of funds shall be as follows: Asia 75 %, Latin America 25 %, without prejudice to the provisions of Article 4.

*Article 3*

**Implementation of aid**

The aid may be granted for projects and programmes, including, where appropriate, integrated projects and sectoral programmes, in accordance with Regulation

(EEC) No 442/81 and all other provisions which are applicable.

Funds shall be allocated to projects and programmes, due account being taken of:

- the availability and state of readiness of specific operations, their intrinsic value to development and the degree to which they correspond to the priorities of the recipient countries and the regions and the needs of the poorest sections of the population,
- the income levels and development needs of the recipient countries, the volume of funding provided in previous years and the experience gained in implementing past aid,
- cooperation agreements concluded with certain recipient countries or groups of recipient countries.

The Commission and the Member States shall continue to make serious efforts to increase the volume of co-financing, notably between the Community and the Member States.

*Article 4*

**Special provisions**

The reserve referred to in Article 3 (3) of Regulation (EEC) No 442/81 shall be set at 6 % of the level of appropriations.

The Community shall continue to assist international agricultural research. Not excluding aid to other national, regional or international institutes, aid to institutes of the Consultative Group on International Agricultural Research (CGIAR) shall be maintained at the same level as in 1987.

With regard to the cost of administering the 1988 programme (use of outside experts, provision of specialists), the upper limit shall be set at 3 %.

A reserve of 10 % of the available appropriations following deduction from the budget headings referred to in this Article shall be constituted. This reserve may be used for appropriate operations of the same kind as those provided for under Article 3.

FICHE D'IMPACT SUR LA COMPETITIVITE ET L'EMPLOI

I. Quelle est la justification principale de la mesure ?

Octroi d'une aide communautaire à certains PVD ALA.

II. Caractéristiques des entreprises concernées  
En particulier :

- Y a-t-il un grand nombre de PME ? non

- note t'on des concentrations dans des régions :

- éligibles aux aides régionales des E.M. ? non

- éligibles au Feder ? non

III. Quelles sont les obligations imposées directement aux entreprises ?

aucune

IV. Quelles sont les obligations susceptibles d'être imposées indirectement aux entreprises via les autorités locales ?

aucune

V. Y a-t-il des mesures spéciales pour les PME ? non

- Lesquelles ?

VI. Quel est l'effet prévisible ?

- sur la compétitivité des entreprises ? aucun

- sur l'emploi ? aucun

VII. Les partenaires sociaux ont-ils été consultés ? non

- avis des partenaires sociaux

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- the availability and state of readiness of specific operations, their intrinsic value to development and the degree to which they correspond to the priorities of the recipient countries and the regions and the needs of the poorest sections of the population;
- the income levels and development needs of the recipient countries, the volume of funding provided in previous years and the experience gained in implementing past aid;
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With regard to the cost of administering the 1988 programme (use of outside experts, provision of specialists), the upper limit shall be set at 3%.

A reserve of 10% of the available appropriations following deduction from the budget headings referred to in this Article shall be constituted. This reserve may be used for appropriate operations of the same kind as those provided for under Article 3.

Done at Brussels,

For the Council  
The President