

EUROPEAN ECONOMIC COMMUNITY

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PRESS RELEASE

EUROPEAN DEVELOPMENT FUND: THIRTEEN MORE SCHEMES FINANCED TALLING
MORE THAN 24 MILLION UNITS OF ACCOUNT

Thirteen schemes or programmes endorsed by the EDF Committee at its tenth meeting, held on 20 July 1965, were approved on 28 July 1965 by the EEC Commission. These schemes, for which the second EDF will make grants totalling 24 154 000 units of account⁽¹⁾, are as follows:

1. First annual instalment of aid to production in Madagascar: 2411000000 Malagasy francs, or some 8 552 000 u.a. When authorizing this instalment (which covers coffee, pepper, rice and cotton) the Commission took formal note of the five-year programme of aid to production and diversification submitted by Madagascar in accordance with Article 28 of Protocol No. 5 to the Yaoundé Convention.
2. First annual instalment of aid to production in Togo: 244 540 000 Frs. CFA, or some 991 000 u.a. When authorizing this instalment (which covers groundnuts, cotton, coffee and coco-nut palms) the Commission took formal note of the five-year programme of aid to production and diversification submitted by Togo in accordance with Article 28 of Protocol No. 5 to the Association Agreement.
3. Development of cotton growing in Eastern Senegal and Haute Casamance: 253 000 000 Frs. CFA, or some 1 025 000 u.a. This diversification project aims at providing for industrial use a crop other than groundnuts and at progressively meeting the needs of Senegalese textile industries for fibres. These industries are at present entirely dependent on foreign supplies for their raw materials.
4. Construction of a new wharf in the fishing port of Abidjan (Ivory Coast): 494 000 000 Frs. CFA, or some 2 001 000 u.a. The extension of the specialized sub-structure of the port has been necessitated by the spectacular boom in fishing in the Ivory Coast, where the catch - almost entirely locally consumed - reached 53 000 metric tons in 1964, and might well double within the next ten years.

(1) 1 u.a. = \$1.

5. Creation of two stock-raising farms in the Niari Valley, in Congo (Brazzaville): 345 187 000 Frs. CFA, or some 1 398 000 u.a. This too is a diversification project, based on the import of trypano-resistant cattle. Breeding of these cattle on two specialized ranches will gradually make it possible to cover the country's need for fresh meat and to supply breeding cattle for the rural development programmes, combining crop improvement with stock-rearing.
6. Creation of a cattle-fattening ranch in the Central African Republic: 150 000 000 Frs. CFA, or some 608 000 u.a. The aim will be to improve both the quality and the quantity of fresh meat and also to assure a regular supply to the capital, Bangui, with a market at stable prices. The project should lead to an improvement in the country's balance of trade.
7. Construction of the Institute for Human Biology at Bamako, the capital of Mali: 189 000 000 Mali francs, or some 766 000 u.a. This will be a modern block of buildings to replace the existing laboratory, built in 1906, which, because of its out-of-date premises and its equipment, can no longer meet Mali's needs for biological research and vaccine production.
8. Completion of the fishing port at Port-Etienne, Mauritania: 280 000 000 Frs. CFA, or approximately 1 134 000 u.a. Extra sums are to be made available for a project already approved by the first EDF for the construction of a fishing wharf 265 metres long equipped with a tidal dock, cold store and the appropriate plant for handling fish and refrigeration, lighting and water supply.
9. Completion of the ANDAPA-EAST COAST route and the breakwater at MORONDAVA in Madagascar: 430 000 000 Malagasy francs, or some 1 742 000 u.a. In this case extra finance is provided for two projects aided by the first EDF, where construction costs have exceeded the funds which had been made available. In the case of the road, which crosses difficult mountainous terrain, the poor quality of the ground and the high rainfall have made a bituminous surface necessary.
10. Water supply for the Island of St. Maarten (Netherlands Antilles): 3 629 000 NA florins or approximately 1 925 000 u.a. This project, which is intended to provide plant for the distillation of sea-water, will permanently solve the problem of fresh-water supplies, which, on an island undergoing intensive development as a tourist centre, is at present only dealt with on an ad hoc basis.
11. Allocation of a total sum of 3 810 000 u.a. for the financing of the programme of scholarships for the academic year 1965-66. This programme makes available 1 000 scholarships in the main fields of training defined as being of high priority for the associated countries: economic, agricultural and technical

training, and studies connected with occupations for women. The programme financed by the ordinary budget of the Commission (over 400 scholarships in the year 1964-65) will be added to the programme financed by the EDF.

12. Allocation of a total sum of 54 000 u.a. for the financing of periods of in-service training in the various Commission departments. The financial commitment authorized for the year 1965-66 will allow 20 government employees from the associated countries to spend an average of 5 months in Brussels.
13. Allocation of a total amount of 148 000 u.a. for the financing of a programme of seminars. This will provide, in 1965-66, for approximately 1 500 participants grouped in 30 separate seminars. The authorized financial commitment will also meet the publication costs of the "Courrier de l'Association", a liaison publication maintaining contact with former scholarship-holders, in-service trainees and those who have participated in seminars organized by the EEC.

These decisions bring the commitments authorized under the new EDF, since its inception in July 1964, to a total of 161 485 000 u.a., covering 74 schemes.

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Annexes : 13

Annexe : IFIVE-YEAR PROGRAMME OF AID TO PRODUCTION AND DIVERSIFICATION
IN MADAGASCAR

On 28 July 1965 the EEC Commission took formal note of the five-year programme of aid to production and diversification submitted by Madagascar. The programme had been endorsed by the European Development Fund Committee at its tenth meeting.

Madagascar's five-year programme, which will cost 31 600 000 u.a. (= US dollars), falls into two sections: aid to production of 21 527 000 u.a. (68%), and aid to diversification of 10 073 000 u.a. (32%).

Aid to production, which in its turn is divided into price support (49%) and structural improvement (51%), concerns four products: coffee, pepper, rice and cotton.

Degressive price support is planned for coffee, pepper and rice, in order to make it possible to market them at world prices.

The structural improvements will affect all four products. An endeavour will be made to raise the quantity and quality of coffee by renovating and reorganizing the plantations. For pepper, fertilizers will be employed and the use of selected seeds promoted. Insecticides, mineral fertilizers and animal-drawn equipment will be used to increase the yield of cotton. For rice, improved farming techniques will be taught and encouraged, and irrigation schemes will be carried out.

At the same time, the Commission approved the financing, by non-repayable grants from the second European Development Fund, of the first annual instalment of aid to production under the programme. This amounts to 2 111 000 000 Malagasy francs, or about 8 552 000 u.a.

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Annexe : II

Five-year programme of aid to production
and diversification in Togo

On 28 July 1965, the EEC Commission took note of the five-year programme of aid to production and diversification submitted by Togo and approved by the EDF Committee at its 10th meeting.

The programme, which will cost 5 700 000 units of account (= US dollars) falls into two sections: aid to production - 3 465 000 u.a. (61%) and aid to diversification - 2 235 000 u.a. (39%).

Aid to production, which in its turn is divided into price support (25%) and structural improvement (75 %), covers five products: groundnuts, cotton, coffee, coconuts and palm-oil.

There is to be price support only for groundnuts, cotton and palm-oil. A decreasing scale of support will be provided to enable these three commodities to be marketed at world prices.

Structural improvements will apply to groundnuts, cotton, coffee and coconuts. Groundnuts: the technique of cultivation will be improved and the use of phosphate fertilizers and animal-drawn ploughs will be encouraged. Cotton: the traditional cultivation of the Mono variety will be intensified in the centre of the country and the Allen variety will be promoted in the north-east and south. Coffee: yield and quality will be improved by the modernization of long-established plantations, by the application of artificial fertilizers and measures to combat plant disease. Coconuts: action will be concentrated on a number of urgent measures to protect the crop against Kainoape disease.

At the same time the EEC Commission approved the financing by non-repayable grants from the second EDF of the first annual instalment of aid to production under this programme. This will cost 244 540 000 Frs. CFA, or some 961 000 u.a.

Annexe : IIIDEVELOPMENT OF COTTON CULTIVATION IN EAST SENEGAL AND
HAUTE CASAMANACE

On 28 July 1965, the EEC Commission decided to finance the first diversification project in Senegal by non-repayable grants from the second European Development Fund. This project had been endorsed by the EDF Committee at its tenth meeting.

Its purpose is to promote cotton-growing in Tambacounda, East Senegal and Velingara, Haute Casamance, in order to provide in part, and later wholly, for the needs of the Senegalese spinning mills, which at present import 3 000 to 3 500 metric tons of cotton fibre a year.

The scheme will have the added advantage of encouraging industrial-scale cultivation other than that of ground-nuts, and will increase the income of the farmers, who, by adapting themselves to the more skilled methods required by cotton, may eventually be able to switch from extensive to intensive agriculture.

The four-year programme aims at planting 4 000 hectares of cotton by 1968, to be cultivated intensively. In 1969 this will yield a harvest of 3 600 tons of cotton seed, corresponding to 1 300 tons of fibre or nearly one-third of present national consumption.

In 1967 a gin plant with a capacity of 5 000 tons will be constructed in Tambacounda. A second gin of the same capacity can be added to this.

The total cost of the project, including the gin plant, is estimated at 253 million Frs. CFA or some 1 025 000 units of account (= US dollars).

For Senegal, with its single-crop agriculture (ground-nuts), cotton represents an attractive avenue of diversification. On the basis of a harvest of 1 000 kilogrammes to the hectare, a day's work is worth 317 Frs. CFA for cultivating cotton as against 286 Frs. CFA for ground-nuts.

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Annexe : IVA new wharf in the fishing port of Abidjan,
Ivory Coast

On 28 July 1965 the EEC Commission approved the financing of an economic diversification project to build a new wharf in the fishing port of Abidjan, the capital of Ivory Coast. The project will be financed by non-repayable grants from the second European Development Fund, and had been endorsed by the EDF Committee at its tenth meeting.

The new wharf and installations should cost 494 million Frs. CFA or some 2 001 000 units of account (=US dollars). It will be 430 metres long and will supplement the present 400-metre wharf, which was financed by the first EDF.

This wharf has become indispensable because of the great strides made by the fishing industry at Abidjan. In addition to the traditional form of fishing, which has even grown in importance, there is now a modern fishing industry which, starting with a small number of ships based elsewhere, has developed rapidly and in 1964 had 70 ships based at Abidjan itself. Total landings for that year were 53 000 metric tons: 15 000 by traditional and 38 000 by modern methods. It is estimated that the figure may well double in the next ten years.

At present nine-tenths of the fish caught is for local consumption; in view of the rapid expansion of the Ivory Coast economy and the consequent improvement of living standards, it should not be difficult to market these larger catches on the spot. The people of Ivory Coast eat fish to supplement their diet because it represents a cheap source of proteins and has always been to their taste.

From the economic angle this project should be profitable, since the EDF aid of 2 million u.a. will be backed by investments on the part of Ivory Coast itself worth over 9 million u.a., four-fifths of which will be provided by private capital. These investments are for modernization and development of the fishing fleet and construction of a refrigeration store, a canning factory, a plant for by-products and a slipway.

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Annexe : VTWO STOCK-RAISING FARMS IN THE NIARI VALLEY, CONGO

On 28 July 1965 the EEC Commission decided to finance a further economic diversification project in Congo (Brazzaville) by non-repayable grants from the second European Development Fund. The project had been endorsed by the EDF Committee at its tenth meeting and will cost 345 187 000 Frs. CFA or some 1 398 000 units of account (= US dollars).

Under this scheme, 2 400 cows of the trypano-resistant Ndama breed will be imported and two cattle-raising farms opened in the most suitable area of the Niari Valley: the Louila and Lhoma farms, covering 16 000 and 6 000 hectares respectively.

The scheme's first objective is progressively to satisfy the meat requirements of Congo (Brazzaville), which at present obtains its supplies from Chad, Cameroon and even France. Cattle-raising was started in 1948 by various public and private undertakings, and the Niari Valley was found suitable for this purpose; by 1964 there were over 25 000 head of cattle. This activity will therefore be continued and meat production will be concentrated on the Louila farm, which the government plans to contribute to a semi-public company set up with SIAN (Société Industrielle et Agricole du Niari) in order to develop semi-intensive stock-raising by using the by-products of SIAN's sugar refinery, oil works and flour mill.

The second objective is to provide breeding-cattle for rural development programmes combining stock-raising with crop improvement. This will be done on the Lhoma farm, which will supply cattle to rural co-operatives and provide instruction in stock-raising techniques in order to encourage the use of animals in ploughing.

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Annexe : VICATTLE-FATTENING RANCH IN THE CENTRAL AFRICAN REPUBLIC

On 28 July 1965 the EEC Commission decided to finance an economic investment project in the Central African Republic by non-repayable grants from the second European Development Fund. The scheme had been endorsed by the EDF Committee at its tenth meeting and should cost 150 million Frs. CFA or some 608 000 units of account (= US dollars).

A cattle-fattening ranch will be set up, equipped, and developed about 45 kilometres from Bangui, the capital of the Central African Republic. The ranch will cover some 14 000 hectares and will be used for three main economic and technical purposes.

First, it will insert in the present cattle and meat marketing cycle a transit stage in pasture land near the Bangui slaughterhouse. Here the cattle, tired and thin after the long journey from the main herd, will be able to make up for lost weight and quality.

Secondly, local output can be increased and high-quality meat produced by fattening young animals. Since this high-quality meat is at present imported, the reduction in purchases abroad will improve the country's trade balance.

Finally, a considerable reserve of beef cattle will be kept permanently within reach of the capital to ensure regular supplies and sales at stable prices.

The economic benefit for the population as a whole should amount to 40 million Frs. CFA per year; this figure must be compared with that of the investments required (150 million Frs. CFA), which cannot be said to be very high.

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Annexe : VIIInstitute of Human Biology at Bamako

On 28 July 1965 the EEC Commission decided to finance, by non-repayable grants from the second European Development Fund, a social investment project to set up an Institute of Human Biology at Bamako, the capital of Mali. The project, which had been endorsed by the EDF Committee at its tenth meeting, should cost 189 million Mali francs or some 766 000 units of account (=US dollars).

A modern complex will be constructed and equipped to replace the present biological laboratory, which was built in 1906, as the premises and equipment are out of date and no longer suited to the objectives of Mali health policy, namely, protection of public health and prevention of the main endemic diseases.

The new institute will cover nearly 2 600 square metres and will contain five departments, viz. for bacteriology and parasitology; haematology and serology; biochemistry; production of vaccines (against smallpox and rabies) and vaccination; and training of laboratory assistants.

The institute is an answer to the greatly increased demand for biological tests and for skilled native staff; as Mali's economy develops, it will also help in applying research to spheres such as the principal endemic diseases, the nascent food industries, clinical biology, the national pharmacopoeia and the basic sciences.

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Annexe : VIII

Completion of the fishing port of Port-Etienne,
Mauritania

On 28 July 1965 the EEC Commission decided to finance an economic infrastructure project in Mauritania, by non-repayable grants from the Second European Development Fund. The project had been endorsed by the EDF Committee at its tenth meeting and should cost 280 million Frs. CFA or some 1 134 000 units of account (= US dollars).

This decision will provide additional funds for the construction and equipment of the fishing port of Port-Etienne, which is being financed by the first EDF. The survey relating to the execution of the original project and the results of the international call for tenders showed that the undertaking could not be completed at the price that had been estimated at the time of the decision to finance it.

Work to be covered by the two Funds includes:

- (i) Construction of a 265-metre wharf for fishing boats, earth levelling, dredging, building of a road and other improvements;
- (ii) Building a fish market 108 m. long and 22 m. wide;
- (iii) Construction of a refrigeration store 85 m. long and 64 m. wide;
- (iv) Provision and installation of fish-handling equipment, refrigeration, lighting, insulation of cold stores, water supply and drainage.

The overall cost, including technical surveys, supervision of works and price fluctuations, should be 1 270 million Frs. CFA or some 5 144 000 u.a.

Annexe : IXCompletion of the Andapa-East coast road and
the Morondava breakwater, Madagascar

On 28 July 1965 the EEC Commission decided to finance an economic infrastructure project in Madagascar, by non-repayable grants from the Second European Development Fund. The EDF Committee had endorsed this project at its tenth meeting. It should cost 430 million Malagasy francs or some 1 742 000 units of account (=US dollars).

Actually two infrastructure schemes are involved, both financed by the first EDF. As the original ceilings have been exceeded, the second EDF is making a supplementary grant of 1 499 000 u.s. for the Andapa-East coast road and one of 243 000 u.s. for the Morondava breakwater.

The 104-kilometre-long Andapa-East coast road will provide a link with the Andapa basin in north-east Madagascar, which at present can be reached only by air or by footpath. Lack of communications has slowed down development of the region, which has undeniable economic potentialities. The extra money will pay for the excess expenditure caused by the very difficult natural conditions in this mountainous area covered by virgin forest. It will also pay for the road to be asphalted, a necessary measure on account of the unsatisfactory terrain and the heavy rainfall.

The Morondava breakwater will protect the port against the strong seas which eat away the coastline and threaten to silt up the harbour. The hinterland is agriculturally rich, but its only outlet is the port of Morondava. Since the call for tenders had shown the cost estimates to be too low, the breakwater, consisting of 14 groynes and if necessary a sea-wall, will be completed with the supplementary funds.

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Annexe : XDRINKING-WATER SUPPLY FOR THE ISLAND OF ST. MAARTEN

On 28 July 1965 the EEC Commission decided to finance, by non-repayable grants from the second European Development Fund, an economic and social infrastructure project in the Netherlands Antilles. The EDF Committee had endorsed this project at its tenth meeting. The cost is estimated at 3 629 000 NA fl. or some 1 925 000 units of account (= US dollars).

This is the first time aid has been granted by the second EDF to the Netherlands Antilles, which have been associated with the EEC since 1 October 1964. Previous development projects there have been financed by the first Fund.

A salt-water distillation plant with storage reservoirs will be set up and a drinking-water supply system provided in the part of the island of St. Maarten that belongs to the Netherlands Antilles.

This area of the island, with a population of nearly 4 000 inhabitants which will probably grow to 6 000 by 1971, is today enjoying a revival of activity as the tourist wave, after sweeping through Florida, Cuba, Puerto Rico and the Virgin Islands, gradually penetrates all the Caribbean islands. Because of their beauty, climate and picturesqueness, they may well become the Balearics of the American continent.

In St. Maarten, exploitation of these possibilities, already evident in the number of new hotels, is in danger of being held up by the difficulty of supplying drinking water. At present, on account of the irregular rainfall, arrangements for obtaining water are of an ad hoc nature: from rainwater tanks and by boat from Puerto Rico at a high price.

Construction of a salt-water distillation plant, with a capacity of 1 000 cubic metres per day, is the answer to a problem on which the economic development of the entire island largely depends, and which affects both the population generally and the hotels and industries being set up or enlarged.

Annexe : XIPROGRAMME OF SCHOLARSHIPS FOR 1965/1966

On 28 July 1965 the EEC Commission decided to finance, by non-repayable grants from the second European Development Fund, a programme of general technical co-operation under which scholarships are to be given to nationals of overseas States and countries associated with the Community.

The scheme was endorsed by the EDF Committee at its tenth meeting and should cost 3 810 000 units of account (= US dollars).

This programme follows on that for the academic year 1964/65, under which 920 scholarships were financed from the EDF, plus 421 from the Commission's ordinary budget. The total for that year was therefore 1 341 scholarships, of which 1 241 were awarded to nationals of the Associated States party to the Yaoundé Convention and 100 to nationals of the overseas countries, territories and departments.

The 1965/66 programme provides for 1 000 scholarships from EDF funds, to which will be added those financed out of the Commission's ordinary budget. The programme will still concentrate on the three main branches which have been given priority in view of the needs of the associated countries: economics (332 scholarships in 1964/65); agricultural training (225); technical studies (592); plus studies connected with occupations for women (192 scholarships in 1964/65).

It is interesting to note that over half the scholarship holders are now undergoing training lasting several years, so that out of the 1 000 scholarships for 1965/66 some 550 will be extensions and 450 new awards.

Lastly, the Commission has decided to make even greater use of on-the-spot training possibilities by taking advantage of the African universities. Considerable progress was already made in this direction in 1964/65, since the proportion of scholarship holders taking courses in Africa - in their own or a neighbouring country - rose to 16.5% (221 awards) as against 8.7% in the previous year.

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Annexe : XII

PROGRAMME OF IN-SERVICE TRAINING FOR 1965/66

On 28 July 1965 the EEC Commission decided to finance, by non-repayable grants from the second European Development Fund, a programme of general technical co-operation under which in-service training will be arranged for functionaries from overseas States and countries associated with the Community.

The programme was endorsed by the EDF Committee at its tenth meeting and should cost 54 000 units of account (= US dollars).

The training will take place at the Commission's headquarters along the lines chosen by the governments sending the officials. It will include individual work, seminars for the discussion of matters of general interest, and study visits in the Member States.

In 1965/66, twenty officials from the associated countries will be trained in Brussels for a period of five months. The previous programme, which ended on 15 July, catered for fourteen in-service trainees.

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Annexe : XIIIPROGRAMME OF SEMINARS FOR 1965/66

On 28 July 1965, the EEC Commission decided to finance, by non-repayable grants from the second European Development Fund, a programme for general technical co-operation under which seminars will be arranged and a review, the "Courrier de l'Association", will be published.

The programme was endorsed by the EDF Committee at its tenth meeting and should cost 148 000 units of account (= US dollars). Its aims are twofold: (1) to inform African and Malagasy nationals residing in Europe or Africa, and English-speaking Africans, about the Association with the EEC by means of seminars; (2) to maintain contact with former scholarship holders, in-service trainees and those that have attended seminars, through the "Courrier de l'Association".

Between July 1965 and July 1966, 30 seminars are to be arranged, 5 in Africa, with some 1 500 persons attending; the average length will be 4 days. This programme is comparable to last year's, when 1 300 persons attended 34 seminars in Brussels, Bruges, Berlin, Freiburg, Heidelberg, The Hague, Amsterdam, Rome, Turin, Bologna, Naples, Luxembourg, Nancy, Libreville and Casablanca.

Five issues will be published of the "Courrier de l'Association", with an initial circulation of between 4 000 and 5 000. This will obviously increase as the number of participants in the various Community training programmes increases.

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