

ACP-EEC CONVENTION OF LOME

**ANNUAL REPORT
OF THE
ACP-EEC COUNCIL OF MINISTERS
(1983)**

Brussels, 26 JUL. 1984

0097

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Mr J.T. KOLANE

Co-Chairmen of the ACP-EEC Consultative
Assembly,

European Parliament

LUXEMBOURG

(Grand Duchy of Luxembourg)

Sirs,

At its meeting in Suva on 2 May 1984 the ACP-EEC Council of Ministers approved in principle the text of the Annual Report which it is required to publish in accordance with Article 168(2) of the second ACP-EEC Convention, and mandated the Committee of Ambassadors, in conjunction with the Co-Secretaries, to finalise the text.


We now have the honour of sending this text to the Consultative Assembly, in order that it may be examined by that body in accordance with Article 175(6) of the Convention.


We also enclose the Commission Report to the ACP-EEC Council of Ministers on the administration of financial and technical co-operation in 1983, which should be considered as an annex to the Annual Report mentioned above.

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The necessary copies of this text will be made available to your services as soon as possible.

Yours sincerely,


OKELO-ODONGO


Daniel VIGNES

Enc.

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I. INTRODUCTION

This Report covers the activities which have taken place in the context of implementing the existing ACP-EEC Convention during 1983. It also outlines arrangements for the start of negotiations for a successor Convention.

It should be recalled that the Annual Report of the ACP-EEC Council of Ministers for 1982 spoke of the difficulties besetting the dialogue between industrialized and developing countries worldwide - difficulties connected with the world economic crisis. In the face of the growing tendency for some countries to tackle the recession by turning in upon themselves, it appeared then all the more important to maintain and improve the instruments assembled within the system of relations between the Community and the ACP, the originality and qualities of which are recognized worldwide. That realisation has been as important during 1983 as during 1982.

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II. OVERVIEW OF THE ACP-EEC COUNCIL'S WORK ⁽¹⁾

1. THE ACP-EEC COUNCIL OF MINISTERS

Special session on STABEX

The ACP-EEC Council of Ministers held its first special session, devoted to STABEX, in Brussels on 19 May 1983 under the chairmanship of Mr Mosese QIONIBARAVI, Minister for Foreign Affairs and Tourism of Fiji, President-in-Office of the ACP Council of Ministers. The Community spokesman was Mr Hans-Dietrich GENSCHER, Federal Minister for Foreign Affairs of the Federal Republic of Germany, and, later in the proceedings, Mr Aloys MERTES, Minister of State. The Commission of the European Communities was represented by Mr Edgard PISANI, Member of the Commission responsible for Development.

Discussions centred on an analysis of the causes of the difficulties faced by the STABEX system in 1980 and 1981 years of application, estimates for 1982, and prospects for 1983 and 1984. The Council also discussed at length the question of overstepping available resources in the system, certain technical aspects concerning non-disbursed transfers and the method of calculating transfers, the operation of the STABEX system and its impact on the ACP economies, in particular in the light of reports on the use of transfers.

⁽¹⁾ In this Section of the Report general reference is made to a number of specific issues concerning implementation of the ACP-EEC Convention which were considered by the Council during the period under review. A detailed analysis of these issues, however, is to be found in Section III.

While the special session of the Council on STABEX did not draw specific conclusions on the various points on its agenda, it did afford both the ACP States and the Community an opportunity to explore in depth each other's position on this complex issue, and to better understand each other's expectations and disappointments. During the debate the Community expressed concern at what it considered the ACP States' loss of competitiveness in international markets, and pointed out that STABEX alone could not control trends in the raw materials markets. The ACP States, on the other hand, pointed to some of the factors affecting their competitiveness such as the surplus situation on world markets for many of their exports and their consequently limited investment capacity for alternative production. They appealed to the spirit of the Convention and what they saw as the need to take political action to deal with a critical situation.

Eighth regular session of the Council

Immediately following its special session on STABEX, the ACP-EEC Council of Ministers held its 8th regular meeting in Brussels on 19 and 20 May 1983 under the chairmanship of Mr Mosese QIONIBARAVI, Minister for Foreign Affairs and Tourism of Fiji, President-in-Office of the Council of ACP Ministers. The Community spokesman was Mr Aloys MERTES, Minister of State at the Ministry for Foreign Affairs of the Federal Republic of Germany and President-in-Office of the Council of the European Communities. The Commission was represented by Mr Edgard PISANI, Member responsible for Development.

Much of the discussion at the Council's eighth regular meeting centred on trade matters, in particular in the light of an interim report from the ACP-EEC Working Party on the evolution of ACP-EEC trade, which both parties acknowledged gave grounds for disappointment.

The Council examined a number of specific trade problems where ACP exporters had experienced difficulties on the EEC market - wheat bran and residues, strawberries, yams, day-old chicks.

The Council approved a joint declaration on the implementation of Article 13 of the Lomé Convention relating to safeguard measures. (For text see Annex I.)

The Community spokesman made a statement on progress to date in the negotiations for the enlargement of the Community, as promised in earlier meetings with the ACP. (For text see Annex II.)

The Council noted with satisfaction the way in which the information and consultation procedures on the 1983 system of generalized Preferences (GSP) had operated. It further noted the wish that these procedures should be improved as far as possible for the 1984 GSP, and to this end the Council agreed there should be a joint examination of the impact of the 1983 GSP on the ACP States' exports.

The Council also discussed problems relating to the Protocol on Sugar, where the ACP raised several points concerning its implementation. In particular, they requested early conclusion of the negotiations on the guaranteed price for 1983/1984, as EEC domestic prices had already been fixed in this sector. In addition, they requested the EEC to announce its position on Zimbabwe's request for an increase in its quota as soon as possible, and on the accession of the Ivory Coast to the Protocol. In the light of the forthcoming enlargement of the Community, the ACP States - some of whom export sugar to Portugal - also felt that the overall quantity of sugar under the Protocol should be increased by an appropriate amount when Portugal joined the Community.

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In the case of the guaranteed prices for 1983/1984, the Community indicated that, following proposals just submitted to the Council of the European Communities concerning both the negotiation of these prices and the particular problem of maritime freight costs, a Community position would shortly be adopted, enabling the negotiations to be resumed. On the other hand, the Community had not yet finished examining the Ivory Coast's request for accession, and could not therefore give any reaction at that stage. In the case of Zimbabwe's request, the Community indicated that it had not so far received any official request for an increase in the export quota. As soon as it had received such a request, it would give it all due attention.

The Council turned its attention to the implementation of the joint declaration on the origin of fishery products (Annex XXI to the Final Act of the Convention) and noted that the Working Party on the Origin of Fishery Products had completed its technical examination of the file.

The Council also noted that the Community was favourably disposed towards the ACP States' request for a derogation from the rules of origin for Kenya and Malawi in the case of artificial flies for fishing, a request which was subsequently granted.

The Council considered the question of ACP States' access to the Community's available agricultural products, in the light of the report by an ACP-EEC Working Party. The ACP expressed disappointment at the lack of progress in this area seven years after raising the issue, and appealed urgently to the Community to agree to arrangements allowing for access by the ACP to the Communities' supplies of agricultural products on preferential conditions. They stressed that the essence of the ACP States' request was a medium-term programme, the scope of which could diminish as production in the ACP States themselves increased.

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While the Community could not go beyond the statement made in the Working Party's report at this stage, it declared that it was nonetheless fully aware of the seriousness of the food situation in certain ACP States, and would continue to give this question the serious attention it deserved.

Having discussed in depth general issues relating to STABEX at the special session on 19 May, the ACP-EEC Council dealt at its regular session with a number of specific questions, in particular requests from the ACP States for the inclusion of new products, the inadmissibility of requests for transfers in the case where the ACP States concerned registered excess earnings from exports to all destinations, the interpretation of the articles of the Convention regarding the examination of requests for transfers, and the replenishment of resources in the fund.

In addition the Council agreed to delegate authority to the Committee of Ambassadors to take a number of decisions relating to the application of the STABEX system.

Winding up the debate on STABEX, the spokesman for the ACP States referred again to the Council's debate at its extraordinary meeting the previous day. He stressed that, by virtue of the very concept of the system, its implementation should not be confined purely and simply to applying it to the letter, but should also take into account its political dimension. In the ACP States' view, the Community and the ACP States should openly demonstrate the determination of both parties to defend the system under all circumstances and to ensure its proper application.

The Community spokesman confirmed the Community's commitment to the system and its determination to see that it was applied in the best possible way.

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The Council turned its attention briefly to the implementation of the provisions relating to SYSMIN and the development of the mining and energy potential of the ACP States. The Commission made a statement regarding mining investment in the ACP States.

The Council also discussed the application of the provisions of the Convention relating to industrial co-operation, with particular reference to the choice of an industrial co-operation topic for debate in the Committee on Industrial Co-operation, and a study concerning additional financing for industrial co-operation.

With regard to the first item, the President recalled the importance which the ACP States attached to dynamic, complementary relations in the industrial sector, while the Community stressed that it was important that the discussion should lead to conclusions which were as practicable as possible.

On the second item, the Council noted the ACP States' view concerning the inadequacy of Community financing in the industrial sector and the importance they attached to developing the capacities of the Centre for Industrial Development (CID).

On the basis of a report from the Chairman of the ACP-EEC Committee on Industrial Co-operation, the Council also noted progress in drawing up the joint report provided for in Annex X to the Convention, to be submitted to the Council of Ministers at its next meeting, and agreed to pursue examination of the issue.

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Regarding agricultural co-operation the Council took a number of decisions concerning the Technical Centre for Agricultural and Rural Co-operation. The Council invited the ACP-EEC Committee of Ambassadors, which received delegated responsibility for this matter, to appoint Mr ASSOUMOU MBA, the ACP States' candidate, as Director of the Centre, and the ACP States agreed that a candidate proposed by the Community as Advisor and deputy to the Director at the Centre would be appointed without delay.

As to the provisions on financial and technical co-operation, the Council heard a statement by the Chairman of the Article 108 Committee (Ministerial level) on the Committee's discussions which had taken place in Brussels on 18 May 1983, and noted in particular that the Committee would in future deal systematically with all questions relating to ex-post evaluation.

The Council noted the Committee's report and adopted the Resolution which it had drawn up. (For the text of this Resolution see Annex V.)

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The Council also addressed a number of institutional questions, taking note of the report by its Co-Presidents on the outcome of the last meeting of the ACP-EEC Consultative Assembly and the latest meetings of the ACP-EEC Joint Committee (1) and adopting the Annual Report of the Council for 1982.

In addition the Council agreed that negotiations for the new ACP-EEC Convention to succeed the present arrangements which expire at the end of February 1985 would open in September or early October 1983 in Luxembourg. (See Chapter IV of this report for further details.)

At the 7th meeting of the ACP-EEC Council of Ministers in Libreville on 13 and 14 May 1982, the ACP States had suggested that a Working Party be instructed to examine the situation of ACP students and nationals in EEC Member States. The Community then considered that this matter gave rise to problems of competence and should therefore be referred to the two Chairmen of the ACP-EEC Committee of Ambassadors.

The Council of ACP Ministers, meeting subsequently in December 1982, adopted a Resolution on this problem, highlighting the ACP States' concern over what they considered discriminatory measures taken by certain Community Member States against students and other foreign residents. The ACP States requested once again at the meeting of the ACP-EEC Council that a joint working party be set up with the task of reporting to the next meeting of the ACP-EEC Council of Ministers.

(1) Cf. Annual Report of the ACP-EEC Council of Ministers (1982), pp. 115/116 and later in this report p. 15.

While appreciating the importance of this matter for the ACP States, the Community confirmed the position which, after careful consideration, it had submitted in the ACP-EEC Committee of Ambassadors on 1 February 1983, namely that the matter was one solely for the Member States concerned. (For text see Annex III.)

The ACP States in a series of statements also addressed the issue of the situation in Southern Africa. Annex IV provides a synoptic summary of the main thrust of those statements. The position taken by the Community on this subject can also be found in the same annex.

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2. Article 108 Committee

The second Ministerial meeting of the Article 108 Committee, the joint body set up to study suitable measures to improve the implementation of financial and technical co-operation, took place in Brussels on 18 May 1983, shortly before the meeting of the ACP-EEC Council of Ministers.

The Committee met under the Chairmanship of Dr. Obed ASAMOAH, Minister of Foreign Affairs of the Republic of Ghana; the Community delegation was led by Mr Volkmar KOEHLER, State Secretary at the Ministry of Economic Co-operation of the Federal Republic of Germany, and the Commission of the European Communities was represented by Mr Edgard PISANI, Member of the Commission responsible for Development.

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The Committee held an exchange of views on the application of the provisions of the ACP-EEC Convention relating to financial and technical co-operation, and examined in particular the Commission's report on the administration of financial and technical co-operation in 1981. The Ministers were especially concerned to prepare a draft Council Resolution on financial and technical co-operation, containing guidelines for future co-operation and an outline of future work in this area. This draft was subsequently adopted by the Council meeting on 20 May. (For the text of the Resolution, see Annex V.)

The proceedings of the Article 108 Committee at Ministerial level had been prepared by the Committee meeting at the level of authorized representatives on 27 April and 6 May 1983.

3. ACP-EEC Committee of Ambassadors

The Committee of Ambassadors held three meetings during the period under review; its fourteenth meeting was held in Brussels on 1 February, the fifteenth meeting on 4 May, and the sixteenth meeting on 16 December.

The Committee of Ambassadors prepared the meetings of the ACP-EEC Council of Ministers, and executed certain formal decisions on behalf of the Council on questions concerning which it had received delegated powers from the Council. On 8 June 1983 it adopted four decisions relating to the Technical Centre for Agricultural and Rural Co-operation. They concerned the appointment of the Director, the rules of operation of the Centre, its financial regulation and the conditions of employment of the staff.

4. Committees, Subcommittees and Joint Expert Groups

The Committee of Ambassadors was assisted during the year by the following committees, subcommittees and working groups dealing with a variety of questions under discussion. For details of their activities, see the following chapter of this report.

- (a) The Customs Co-operation Committee held its 12th meeting on 15 April 1983;
- (b) The Industrial Co-operation Committee held its 29th meeting on 22 July at expert level, its 30th meeting on 4 November, and its 31st meeting on 20 December 1983;
- (c) The Subcommittee on Trade Co-operation held its 25th meeting on 29 March, its 26th meeting on 27 April and its 27th meeting on 3 May 1983;
- (d) The Subcommittee on STABEX held its 7th meeting on 11 April and its 8th meeting on 27 April 1983;
- (e) The Subcommittee on Sugar held its 13th meeting on 29 April, its 14th meeting on 16 June and its 15th meeting on 14 December 1983;
- (f) The Subcommittee on Agricultural and Rural Development held its 3rd meeting on 9 December 1983;
- (g) The ACP-EEC Working Party on the Evolution of ACP-EEC Trade held its 3rd meeting on 23 March 1983;
- (h) The ACP-EEC Working Party on Available Agricultural Products held its 3rd meeting on 23 March and its 4th meeting on 22 April 1983;
- (i) The Subcommittee responsible for the special problems of the least-developed, landlocked and island ACP States and the Working Party on Rum were not called upon to meet during the year under review.

5. The ACP-EEC Consultative Assembly

The Council of Ministers, meeting on 19 and 20 May 1983 in Brussels was informed of the results of the meeting of the Consultative Assembly in Rome from 3 to 6 November 1982 and of the results of the meetings of the ACP-EEC Joint Committee, held likewise in Rome, from 1 to 3 November 1982 and in Kingston (Jamaica) from 21 to 24 February 1983. The Council noted the Resolutions adopted at those meetings.

The annual meeting of the Consultative Assembly was held in Berlin from 21 to 23 September 1983. Preparations for it had been made at meetings of the Joint Committee in February in Kingston and in September in Berlin.

The opening ceremony of the annual meeting of the Consultative Assembly was held in the Reichstag building in Berlin in the presence of Mr BARZEL, President of the Bundestag of the Federal Republic of Germany, Mr von WEIZSACKER, the Mayor of Berlin, and Mr MERTES, Minister of State at the Foreign Affairs Ministry of the Federal Republic of Germany, all of whom addressed the meeting.

During the debate on the report by Mr CAVALEVU, Ambassador of Fiji and Rapporteur-General on the seventh annual report of the ACP-EEC Council of Ministers, there were interventions by the President of the ACP-EEC Council of Ministers, Mr MOGWE, the President of the Council of the European Communities, Mr PAPOULIAS, and Commissioner, Mr PISANI.

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During the debates of the Consultative Assembly, much attention was paid to the situation in Southern Africa.

A central concern of numerous speakers was also the need to step up food production in the ACP States and to make full use of the instruments of industrial co-operation.

Several speakers spoke on the question of food security and on human rights, ACP representatives commenting in particular that the developing countries had different traditions from those of the Western industrialized countries, and that it was not possible simply to apply to them concepts which had evolved in the West over hundreds of years. In the view of developing countries, respect for human rights had to begin with the basic right to social and economic security.

Other speakers were concerned with the lessons to be learnt from the application of certain chapters of the present Convention (including, in particular, STABEX, sugar and industrial co-operation) and the questions to which the negotiators of the new Convention would have to pay special attention. In the light of preparatory work on cultural co-operation, several speakers emphasised the need for development in the ACP States to be especially focussed on man and his environment.

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Concerning specific areas of the new Convention to be negotiated between the ACP and EEC, various interventions from the ACP side suggested that the following problems in particular would have to be addressed:

- trade: improved access, especially for processed products; relaxation of rules of origin;
- STABEX: increased resources, inclusion of new products especially processed products, lowering of thresholds;
- industrial co-operation: increased resources, private investment, setting up of an ACP-EEC development bank, extension of the New Community Instrument to the ACP States;
- financial and technical co-operation: increased resources, indebtedness, co-management;
- institutions: replacement of the Consultative Assembly and the Joint Committee by a single body, the Joint Assembly with one representative per ACP State and an equal number of European members, the powers of this body, which should have its own budget, to be negotiated by the Bureau of the Assembly.

Numerous resolutions were approved by the Consultative Assembly at its meeting in Berlin, among them several concerned in particular with the successor Convention for which negotiations were shortly to start:

- Resolution taking account of the Annual Report of the ACP-EEC Council of Ministers for 1982, and looking towards the imminent negotiations for a successor Convention to Lome II (for text, see Annex VI);
- Resolution on the parliamentary institutional system to be established under the new ACP-EEC Convention;

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- Resolution on hunger in the world and the next ACP-EEC Convention;
- Resolution on the preparations for the forthcoming ACP-EEC negotiations.

• The ACP-EEC economic and social partners

The annual meeting between representatives of the ACP-EEC economic and social partners and a delegation from the ACP-EEC Joint Committee took place in Geneva on 4 June 1983 under the co-chairmanship of Mr BUTAGYRA and Mr BERSANI.

The two topics discussed at this meeting were the promotion of vocational training in the ACP-EEC Convention, and migrant workers from the ACP States and their families residing in the EEC.

In conclusion, the need to expand the social aspect of ACP-EEC relations was underlined, and the suggestion made that, at the next Joint Committee meeting, a Working Party might be set up in which the ACP-EEC trade union organisations would participate to consider what content to propose for the social section of the future ACP-EEC Convention.

A summary of the meeting of the ACP-EEC economic and social partners was subsequently submitted to the Joint Committee meeting in Berlin on 19-21 September 1983.

7. New accession to the Convention

In October, the Caribbean island state of St. Christopher and Nevis - a former British dependency which became independent on 19 September 1983 - applied to join the Second ACP-EEC Convention and to sign the Protocol on Sugar (Protocol n° 7).

8. Annual Report of the ACP-EEC Council of Ministers for 1982

The ACP-EEC Council of Ministers, meeting in Brussels on 19 and 20 May 1983, adopted the annual report for 1982.

Immediately after adoption, the report was forwarded, pursuant to Article 175(6) of the Convention, to the Consultative Assembly for examination and it has been published in accordance with Article 168(5).

The Commission-report on the administration of financial and technical aid co-operation in 1982, which should have been appended to the Council's annual report, was forwarded to the Consultative Assembly separately on 16 September, some minor revisions being sent subsequently on 12 December 1983.

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At its annual session in Berlin on 21-23 September, the Consultative Assembly adopted a Resolution, on the basis of a report by Ambassador CAVALEVU of Fiji, presented in the name of the Joint Committee, which took account of the annual report of the Council in the perspective of the imminent negotiations for the successor Convention to Lomé II.

While welcoming the fact that the annual report had been presented earlier than in previous years, the resolution suggested that a more analytical report would have been of greater interest. (For text, see Annex VI.)

III. SPECIFIC AREAS OF THE ACP-EEC COUNCIL'S ACTIVITIES

1. Trade and Customs co-operation

Evolution of ACP-EEC trade

Mr PISANI, the Commissioner responsible for Development, recalled at the meeting of the ACP-EEC Council of Ministers on 19/20 May 1983 that the ACP States' exports to the EEC over the period 1970 to 1980 had risen considerably, but that, despite the virtually complete and non-reciprocal opening up of the Community market, they had grown at a lower rate (19,7% on average) than either EEC exports to the ACP States (21%) or than exports from developing countries as a whole to the Community (21,3%).

Discussions at the Council revealed that both parties shared the same concern over this phenomenon. The Council took note of the interim report drawn up by the ACP-EEC Working Party on the evolution of ACP-EEC trade, and, in conclusion, asked the Working Party to press ahead with its discussions with a view to identifying the causes of this state of affairs, and to submit a final report in time to enable the Council to carry out a substantive examination of the question at its next meeting. All concerned agreed that in this regard it was important for the Working Party to obtain statistics on production trends in the ACP States.

On 16 December 1983 the ACP-EEC Committee of Ambassadors noted that a very detailed study on the evolution of ACP-EEC trade had recently been issued by the Statistical Office of the Community.

Arrangements for the importation of certain ACP agricultural products into the Community

The ACP-EEC Council on 20 May 1983 took note of developments concerning a number of products since its 7th meeting in Libreville in May 1982 :

(a) Wheat bran and wheat residues

The Community indicated that the EEC Council had adopted a regulation (No 414/83) in February 1983 providing for an abatement of 6 ECU per tonne on the levy in respect of these products imported from the ACP States. This regulation modified an earlier Council regulation (No 1459/82) and conferred on the ACP States real preferential terms for these products for the first time.

The ACP States expressed their displeasure at the fact that the Community had not consulted them before adopting Regulation No 1459/82, which in their view abolished their preferential treatment for wheat bran and residues from 1 August 1982. They also considered that Regulation No 414/83 had not re-established the preferential situation which they had enjoyed before August 1982.

The Council took note of these statements, and decided that discussions to clarify this matter should be continued at technical level between the Commission departments and ACP experts in order to dispel any misunderstandings.

At the meeting of the ACP-EEC Committee of Ambassadors on 16 December 1983 the ACP States maintained that the latest statistics available showed that their interests had been adversely affected and their share of the Community market reduced.

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(b) Strawberries

The ACP States deplored the fact that the Community had not yet taken a decision on their request that it should adopt preferential arrangements for imports of strawberries during the off season in Europe. They stressed at the meeting of the ACP-EEC Council of Ministers on 20 May the importance of this question for several ACP States, both from the point of view of diversifying their economy and from that of creating new jobs.

The Community spokesman said that the Community was actively examining the ACP request and that it intended to inform the ACP States as soon as possible of the outcome of its discussions.

At the meeting of the ACP-EEC Committee of Ambassadors on 16 December 1983 the Community stated that the Commission had recently made a proposal which the Council had yet to examine. The Community confirmed that the views of the ACP States would be considered and that consultations would take place with them as soon as possible.

(c) Yams

The Council noted that in March 1983 the Community had adopted a Regulation on the description of yams (No 693/83) which had solved some of the problems which the ACP States had encountered in exporting this product to the EEC.

(d) Day-old-chicks

In reply to the representative of Mauritius, who stated that there were still difficulties over the export of day-old chicks to one of the neighbouring French overseas departments, Commissioner PISANI confirmed that he was ready to convene a fresh meeting with the ACP representatives to settle this problem.

Generalized Preference Scheme

The ACP-EEC Council of Ministers took note of the fact that the information and consultation procedures on the Generalized Preferences Scheme (GSP) for 1983 had operated satisfactorily, and recorded the wish that these procedures should be further improved in as far as possible for the 1984 GSP.

It agreed that there should be a joint examination of the impact of the 1983 GSP on exports by the ACP States, and to this end the Council asked the appropriate ACP-EEC Working Party to resume its work as soon as possible.

At the meeting of the ACP-EEC Committee of Ambassadors on 16 December 1983 the Committee noted that the very heavy volume of work in the negotiations for the renewal of the ACP-EEC Convention had prevented consultations taking place in good time on the 1984 GSP. The Committee took note, however, of a detailed statement by the Community on the changes introduced into the 1984 GSP, and invited the ACP-EEC Sub-Committee on Trade to examine the question.

Access by the ACP States to the Community's available agricultural products

The Council took note of a report by the ACP-EEC Working Party on the supply of available agricultural products.

The ACP States expressed their disappointment at what they considered a lack of progress in this area. They regretted that the Community had confined itself in the Working Party to explaining the existing openings afforded by the Common Agricultural Policy and that it had not given any positive reply to the arguments put forward by the ACP States.

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The ACP States appealed urgently to the Community to review its position on their request for a supply of agricultural products on favourable conditions. They stressed that their request was for a medium-term programme, the scope of which could diminish as the production of the ACP States increased.

At the meeting of the ACP-EEC Committee of Ambassadors on 16 December 1983, the ACP States urged the community to show fresh political will in its attempts to solve this question, and the Community stated that it was continuing to study this important question.

The impact on trade of the enlargement of the Community

During the year under review, the Community made three detailed statements on the progress of negotiations on the enlargement of the Community to include Spain and Portugal; on 20 May 1983 at the ACP-EEC Council of Ministers, and on 1 February and 16 December 1983 at the ACP-EEC Committee of Ambassadors. (For texts see Annex II.)

Arrangements applicable to trade between Greece and the ACP States

Pending the entry into force of the two protocols to the second ACP-EEC Convention consequent on the accession of Greece to the Community, the Community autonomously extended until 28 February 1985 at the latest the provisional arrangements applicable to trade between Greece and the ACP States (1). This is the date on which the existing ACP-EEC Convention expires.

(1) See Regulation (EEC) No 2695/83 and the Decision of the Representatives of the Governments of the Member States of the European Coal and Steel Community, meeting within the Council of 26 September 1983, OJ No L 267, pages 5 and 25 (29.9.1983).

Protocol No 5 on rum

On 18 June 1983 the EEC Council adopted the Regulation opening, allocating and providing for the administration of a Community tariff quota for ACP rum (¹). The purpose of that Regulation is to implement Protocol No 5 on rum in the context of the second ACP-EEC Convention. Essentially it provides that, until the entry into force of a common organization of the market in spirits, rum is to be allowed into the Community free of customs duties within the limits of a Community quota and under conditions such as to permit the development of traditional trade flows between the ACP States and the Community on the one hand and among the Member States on the other.

This Regulation opened a Community tariff quota of 189.077 hl for imports of ACP rum into the Community. The quota was calculated in accordance with the provisions of the Protocol on rum, which stipulates that the level of the quota shall be that of the best of the three previous years plus an annual increase of 18% on the markets of 9 Member States and 40% on the United Kingdom market.

(¹) See Regulation (EEC) No 1624/83, OJ No L 160, 18.6.1983, p. 1.

Implementation of the joint declaration on the origin of fishery products (Annex XXI to the Final Act)

Annex XXI to the Final Act of the ACP-EEC Convention provided for an examination of the problems concerning the origin of fishery products to be undertaken after the signing of the Convention.

The ACP-EEC Council of Ministers in Libreville in May 1982 decided to postpone until the end of that year the deadline by which the results of the examination by the competent ACP-EEC Working Party of the rules of origin concerning fishery products were to be submitted.

The ACP-EEC Council on 20 May 1983 noted that:

- the Working Party on the Origin of Fishery Products had completed its technical examination of the file;
- in April 1983 the Customs Co-operation Committee had held an initial discussion on a request from the ACP States for an amendment to be made, pursuant to Article 27 of Protocol No 1 to the Convention, to the criteria relating to the ownership of "their vessels" as set out in Explanatory Note No 6 to the said Protocol;
- the Community was ready to examine any specific proposal which the ACP States might subsequently submit on this.

At the meeting of the ACP-EEC Committee of Ambassadors on 16 December 1983 the Community confirmed its readiness to examine specific proposals, and the Committee invited the ACP-EEC Committee on Customs Co-operation to pursue its examination of this question as quickly as possible.

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Derogations from the rules of origin

The ACP-EEC Customs Co-operation Committee approved two decisions on derogations from the rules of origin. Such derogations are provided for under Article 30 of Protocol No 1 (Origin) to the ACP-EEC Convention, which stipulates that the Customs Co-operation Committee may grant such derogations to assist the development of existing industries.

During the year under review the Committee agreed to derogations in respect of artificial fishing flies from Malawi and Kenya (¹), and of fishing tackle from Mauritius (²).

Other decisions

The ACP-EEC Council of Ministers on 20 May 1983 adopted a decision replacing the European Unit of Account by the ECU in Protocol No 1 (Origin) concerning the definition of the concept of "Originating Products" and methods of administrative co-operation annexed to the 2nd ACP-EEC Convention.

The EEC Council on 4 November 1983 adopted a decision revising upwards the limits for the documentary requirements in Protocol No 1 (Origin) (i.e. amounts for determining when forms EUR 2 may be used instead of movement certificate EUR 1 or when no documentary evidence on origin is required). (³)

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- ¹) This decision was implemented by Commission Regulation (EEC) No 2213/83 (OJ No L 213, 4.8.1983, p. 11).
 - ²) This decision was implemented by Commission Regulation (EEC) No 153/84 (OJ No L 18, 21.1.1984, p. 25)
 - ³) See Regulation (EEC) No 3150/83 (OJ No L 309, 10.11.1983, p. 4.)

2. EXPORT EARNINGS FROM COMMODITIES

(a) STABEX

Following the difficulties encountered by the STABEX system in the 1980 and 1981 years of application, the ACP-EEC Council of Ministers held a special session entirely devoted to STABEX in Brussels on 19 May 1983.

These difficulties were due to the overstepping of available resources by transfer demands. The ACP States questioned the actual concept of the STABEX system by pointing out that the deficit accumulated over the two years 1980 and 1981 seemed to provide clear evidence of the shortcomings of the system; in the light of these shortcomings, the Council ought to take some political decisions to guarantee the efficient operation of this vital part of the Convention.

The Community considered, that in general, the STABEX system had operated in a satisfactory way since its inception, when the world economy was going through a grave crisis which was particularly affecting developing countries. As far as the 1980/1981 difficulties were concerned the Community did not share the view that these were due to the operation of the STABEX system. Changes made to the system under the second Convention and problems which had appeared in European outlets had only had a limited impact. Instead, the difficulties experienced were due to factors not related to the system; firstly, the sharp upturn in prices, particularly for coffee and cocoa, during the four years moving reference period (especially 1977/1978), and the subsequent considerable fall in 1980/1981; and secondly, the drop in the share of ACP exports to world markets, particularly in comparison to their competitors in Asia and Latin America. The Community

.../...

also declared that, by its nature, the STABEX system was not able to cover all losses of earnings due to price or quantity fluctuations; rather it was an instrument to back up international product agreements. Sweeping judgments on the system, based only on those years which had revealed difficulties, should be avoided. Instead its operation should be viewed at the end of the Convention, based on its overall performance throughout the period.

Although the discussions were centred on an analysis of the causes of the difficulties faced by the STABEX system for 1980/1981 and on future prospects, certain technical aspects such as non-disbursed transfers, the method of calculating transfers, the operation of the system and its impact on the ACP economies were also discussed. Although divergences of opinion were noted at the close of this special session on the central problem of the operation of the STABEX system, discussion had cast considerable light on the substance of the problems raised and thrown up a large number of ideas which would prove useful for the preparatory work on the new Convention.

At the 8th meeting of the ACP-EEC Council of Ministers held in Brussels on 19 and 20 May 1983, the debate on STABEX was centred on requests from ACP States for the inclusion of new products (tobacco, citrus fruits, sisal products, plywood and woodpulp) in the system, on derogations from certain dispositions of the system, and on various technical problems.

.../...

On the subject of new products, the Community indicated that it did not seem very likely that between then and the expiry of the Convention, the above mentioned products could be included in the system under Article 26. On the other hand, the Community questioned whether it was in the well-understood interest of the two parties to increase the number of risks to be covered by the inclusion of new products which do not appear to be fundamental for the external equilibrium of the countries concerned.

As to the other problems, the Council of Ministers was informed that study was continuing at expert level concerning the interpretation of the articles of the Convention relating to the admissibility and examination of requests for transfers. In relation to certain problems posed by the replenishment of resources and the decision that had to be taken for the year of application 1982, the Council delegated authority to the Committee of Ambassadors to take the necessary decisions. As to requests by Niger that Article 27 of the Convention apply to niebe, and by Fiji, that it should be covered by the arrangements laid down in Article 46(3) of the Convention, the Council did not reach a decision, but delegated authority to the Committee of Ambassadors to follow the further examination of these questions and take the appropriate decisions.

At its 16th session on 16 December 1983, this Committee was informed on the progress of the examination of these different subjects, but was not yet in a position to reach a decision. The Committee of Ambassadors was also informed that by the end of 1983 demands and resources for the year of application 1982 would be more or less balanced.

.../...

Since the examination of certain demands had not been finalized by the end of 1983, the Commission proceeded as a first step to advance payments (27 093 558 ECU). At a second stage, the Commission transferred a sum of 26 734 792 ECU for those cases for which examination had already been completed by the end of the year in question.

.../...

(b) Questions concerning the Sugar Protocol

The fixing of the guaranteed prices for the period of delivery 1983/1984 was considerably delayed by the fact that the proposal made by the Community - a 4 % increase in prices compared to the previous year 1982/1983 - was initially rejected by the ACP States members of the Protocol. The latter estimated that the Community, by limiting its offer to the level of the intervention price for Community sugar, was not conforming with the provisions of the Sugar Protocol, which provides that the guaranteed price is negotiated "within the price range obtaining in the Community". The ACP States declared that in this way they were deprived of their right to effectively negotiate the guaranteed price.

The ACP States considered that, according to the Protocol, "important economic factors" such as the maritime freight element should be taken into account in determining the price which they should receive for their sugar. They also objected that the level of inflation exceeded the rate of increase in their guaranteed prices.

The Community, on the other hand, responded by declaring that, if the price for the ACP sugar was fixed at a higher level than that of the intervention price, this sugar would not be marketable within the Community. As regards the maritime freight element, the Protocol itself provides for deliveries C.I.F. at European ports of the Community's Member States.

.../...

The negotiations were finally concluded on 14 December, resulting in an agreement on prices as proposed by the Community, which were set at 44.34 ECU/100 kg for raw sugar and 54.68 ECU/100 kg for white sugar.

A review of the conditions of application of the guarantee of the Sugar Protocol - provided for in Article 2 - was undertaken during 1983 on the basis of a draft joint declaration of the Contracting Parties. It was still being examined at the end of the year in the ACP-EEC Subcommittee on Sugar.

Two requests for accession to the Protocol were made in 1982 and 1983 respectively by the Ivory Coast and St Christopher and Nevis - which also requested accession to the ACP-EEC Convention (see section 7 of Chapter II of this Report) - and were supported by the ACP States. The Community agreed in principle to both requests, namely to St Christopher and Nevis being included in the Protocol with the same quantity which it enjoyed as a British dependency (14 800 tonnes) and to the Ivory Coast being included in the Protocol with effect from 1 July 1983 with an immediate agreed quantity of 2 000 tonnes (white value).

The request of Zimbabwe for an increased preferential sugar quota was still under examination by the Community at the end of the year.

.../...

3. MINERAL PRODUCTS AND SYSMIN

During its session the ACP-EEC Council of Ministers on 19 and 20 May 1983 reviewed the implementation of the Convention's provisions relating to SYSMIN.

The Council noted that the two measures decided by the Commission in 1982 for Zaire (40 MECU) and Zambia (55 MECU) were in the process of being implemented, that requests from Rwanda for tin, Guyana for white bauxite and Zambia for copper and cobalt were being examined, and that Zaire had once again displayed interest in obtaining SYSMIN aid for copper and cobalt.

The President drew the Council's attention to the declaration by the ACP States set out in Annex XLII to the Final Act of the Convention. There the ACP States asked the Community to re-examine the entire SYSMIN scheme early in the implementation period with a view to improving it and widening its provisions to take account of the economic effects on the producing States of instability in export earnings from mineral products.

The Council also noted that the Commission would shortly submit a specific communication to the Council of the European Communities concerning in particular the conditions under which mining investment could be carried out in the ACP States, what contribution the Community might make, and what security the Community might obtain in return.

.../...

4. INDUSTRIAL CO-OPERATION

During 1983, the joint institutions of the ACP-EEC Convention continued to oversee and guide the implementation of Title V of the Convention, to further the aim of industrial development in the ACP countries. Their work covered both general policy and the more concrete, operational activities of the bodies set up by the Convention.

Two subjects in particular attracted the attention of the ACP-EEC Council of Ministers at its meeting in Brussels on 19 and 20 May 1983:

The choice of an industrial co-operation topic to be discussed in the ACP-EEC Committee on Industrial Co-operation

On this question the Council noted that it should shortly be possible to arrive at agreement on the choice of a topic - "Light industries and agro-industries - opportunities for ACP-EEC industrial co-operation". It would subsequently be necessary to define clearly what was meant by the concept of light industries. The ACP States expressed the wish that the discussion should take place in the light of the industrial restructuring and redeployment which they seek. On its side, the Community expressed the hope that the discussion should be sufficiently specific to lead to conclusions which were as practicable as possible.

.../...

As foreshadowed by the discussion in the ACP-EEC Council of Ministers in May 1983, the Committee on Industrial Co-operation, meeting at expert level on 22 July 1983, agreed on the topic "Light industries and agro-industries: possibilities for ACP-EEC co-operation". The CIC further agreed that the ACP side would provide information on its view of the definition of light industries and the difficulties which they encountered as regards the market, technology, financing, training, etc. In the course of the meeting, the ACP States made it clear that they wished the discussion to take place in the light of their request for an examination of industrial restructuring and redeployment, which implied the transfer of industrial production from the Community to them. The Community stressed its view that any transfer should be the result of market forces rather than of direction on the part of the authorities.

Study on additional financing for industrial co-operation

Here the Council of Ministers took note of the fact that joint discussions, taking the study of the expert working party chaired by Professor ONITIRI as a starting point, had revealed that the views of the Community and the ACP States coincided on some points and differed on others. It requested that the matter be further studied in the ACP-EEC Committee on Industrial Co-operation and its working party.

At its meeting on 4 November 1983, the CIC subsequently instructed the co-Secretariat to draw up, on the basis of the report by the ONITIRI group and of a subsequent exchange of documents, a comparative table of current positions on the question of complementary financing of industrial co-operation, so that the Committee could, at its next meeting, have a common basis for continuing its work.

.../...

The Committee on Industrial Co-operation, which met twice in 1983 - on 22 July at expert level and on 4 November at Ambassador level - considered a number of further questions, including in particular issues concerning the Centre for Industrial Development.

Annual report of the CID for 1982

The Committee welcomed this report and agreed that there had been a significant improvement in its presentation compared with the previous year, particularly concerning the new information it contained detailing activities in each ACP country. In the course of the discussion on the report a number of observations were made, of which the principal were:

- the administrative expenses of the Centre seemed to be high in relation to the proportion of total expenses devoted to operational activities. In this regard the Centre pointed out that a number of its permanent staff spent a significant proportion of their time engaged in the promotion of operational activities.
- the 228 "interventions" mentioned in the report covered a wide variety of situations, of differing importance and magnitude; it would be desirable therefore to have some further clarification of them.
- the ratio of the Centre's expenditure to the jobs created showed a fairly high average cost per job created.
- the results were still limited and should be improved in 1983 and subsequent years.

.../...

1984 work programme and budget of the CID

The Committee, meeting on 4 November 1983, adopted the draft budget of the Centre for 1984, in accordance with Article 81(5) of the Convention and Article 6 of the Financial Regulation of the Centre (Decision N° 3/81/CIC of 2 September 1981). The Committee agreed to forward it to the Commission, so that the latter could implement the Community procedures in force with regard to the required contribution from the European Development Fund. The budget was definitely adopted on the day of the Commission's decision, namely 12 December 1983. It should be recalled that the contribution from the Fund comes under a separate allocation with a ceiling of 25 million ECU for the duration of the Convention (Article 81).

The Centre's 1984 budget, as adopted by the Committee, following examination of a preliminary draft submitted by the Director and accompanied by the opinion of the Advisory Council, amounts to 6 209 908 ECU. In addition to appropriations for administration expenditure amounting to 3 182 908 ECU, the budget provides for appropriations for programme expenditure amounting to 3 048 500 ECU, covering the following areas:

- Industrial promotion - 632 500 ECU,
- New investments in productive undertakings, studies, assistance, public relations - 940 000 ECU,
- Technical operations and services - 1 011 000 ECU,
- Common expenses directly related to interventions - 383 500 ECU.

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Questions concerning the operation of the Centre for Industrial Development

Article 78(1)(d) of the Convention lays down that the CIC shall guide, supervise and control the activities of the Centre. In this role it took a number of decisions during 1983 including:

- approval of amendments to the 1983 budget as requested by the Director,
- adjustment of salaries of the staff of the Centre to take account, to a certain extent, of the cost of living increase,
- appointment of the Members of the Centre's Advisory Council. In this regard, the Committee agreed, at its meeting on 4 November 1983, to examine the possibility of increasing the number of members of the Council from sixteen to twenty, to take account of the increasing number of ACP States and the accession of Greece to the European Community,
- agreement to examine carefully the reports by the CID auditors for the years 1981 and 1982, along with the Centre's comments on them, with a view to discussing them at the next meeting.

Activities of the Centre for Industrial Development (*)

1983 - THE FIRST YEAR OF FULL OPERATION UNDER LOME II

Having completed its first year of full operation, CID is now in a better position to evaluate its mode of operation and also, to a lesser extent, its impact on industrial development in ACP countries.

Economic environment

The slowly improving economic conditions in the EEC countries, along with CID's promotion and public relations activities, have created a greater interest among European industrialists. It has been possible to initiate more joint venture contacts and many more projects are reaching the implementation phase.

On the ACP side, interest in joint ventures is also increasing; however, the number of new ventures reaching production through feasibility studies has not increased as much as expected, although it has generally been possible to increase the number of units going into production or to improve operations through implementation and rehabilitation assistance and through training.

Institutional liaison

The number of projects in process with the European Investment Bank (EIB) is still limited and CID is only now beginning to feel a slight impact of the new credit lines that have been recently established with the Development Finance Companies (DFCs) in ACP countries.

.../...

(*) The text of this section was supplied by the CID.

Evaluation of CID's performance by the external auditors

CID only received auditors' reports for 1981 and 1982 in mid-1983. These put forward useful propositions for improving CID's accounting procedures and financial control, including the suggestion to begin a system of internal auditing; this was initiated by the end of the year.

Advisory Council

The Advisory Council as usual held three sessions during 1983, dealing in particular with the 1982 Annual Report and the 1984 Budget.

The Council also commented on the external auditors' reports for 1981 and 1982 and expressed the view that a compromise should be found between the necessity of abiding by strict financial rules imposed on CID and the fact that the latter has to work in a business environment which requires quick reactions and operational flexibility. The Council expressed concern about the risk of CID becoming too bureaucratic.

It further expressed the view that CID should be allowed greater flexibility in utilizing its yearly budget appropriations, in order for it to be in a better position to meet the actual needs of ACP countries as and when practical considerations make it desirable.

.../...

INTEREST OF ACP AND EEC ORGANIZATIONS IN CID

ACP response and interests

From its mission findings, reports from antennae, letters from correspondent organizations, etc., it is obvious that CID's services are beginning to have an impact; greater interest is now shown by most parties in increasing the use of these services by their countries.

There is considerable appreciation of the fact that CID is able to provide its services at very short notice, without government intervention. No other organization providing a free service would be able to offer such direct and fast assistance for the creation of joint ventures in ACP countries with small and medium sized private EEC industrialists.

Interest of EEC industry in CID

Most industrial circles that have already shown an interest in developing countries today know CID and the services it can provide. Through its promotional meetings, circulars to professional organizations, publications and press releases, CID is gaining considerable publicity in the specialized trade press, thus reaching industry in all EEC countries.

There is, however, evidence that those EEC countries which have organizations taking a more direct "project by project" interest in CID, are also developing most joint venture projects via the latter.

.../...

Constraints on CID

CID is proving it can fully utilize the budget made available within the Convention. In fact, a substantially larger budget could now be used, especially for training in industry and for expertise to reduce development costs in starting up industries.

At the same time, CID is also feeling the constraints within its present organization. In fact, there are too few staff members to cope with the many requests within the administrative framework imposed upon them.

FULL UTILIZATION OF THE 1983 BUDGET

In 1983 CID has come as close to 100% commitment of the Budget as is possible in practice (97%).

At the same time, the disbursements have again improved compared to 1982.

For 1982, final expenditures reached 74% of the Budget. 64% of Title III (Programmes) was disbursed, which compares well with a commitment of 70% of the Budget, as foreseen by the Directorate when presenting the 1982 Budget.

.../...

EVALUATION OF CID'S WORK IN 1983

CID's activities are directed towards three main areas:

- project promotion, including feasibility studies, with long-term effect; up to 5-6 years before production can be reported;
- technical assistance and training for existing industries, with a more immediate effect; however, this effect is often difficult to measure directly;
- dissemination of information on specific projects/technologies and of general industrial and country data. This work area may be as important as the two others. It is, however, impossible to measure its effect.

Although the two last groups of activities definitely have had the greatest impact in the ACP countries, CID has often been evaluated on the basis of the first group of activities only - forgetting that the increased funding under Lomé II would not be likely to show significant results in this group before 1984/1985

.../...

CID INTERVENTIONS AND
DISTRIBUTION BY SECTOR - 1983

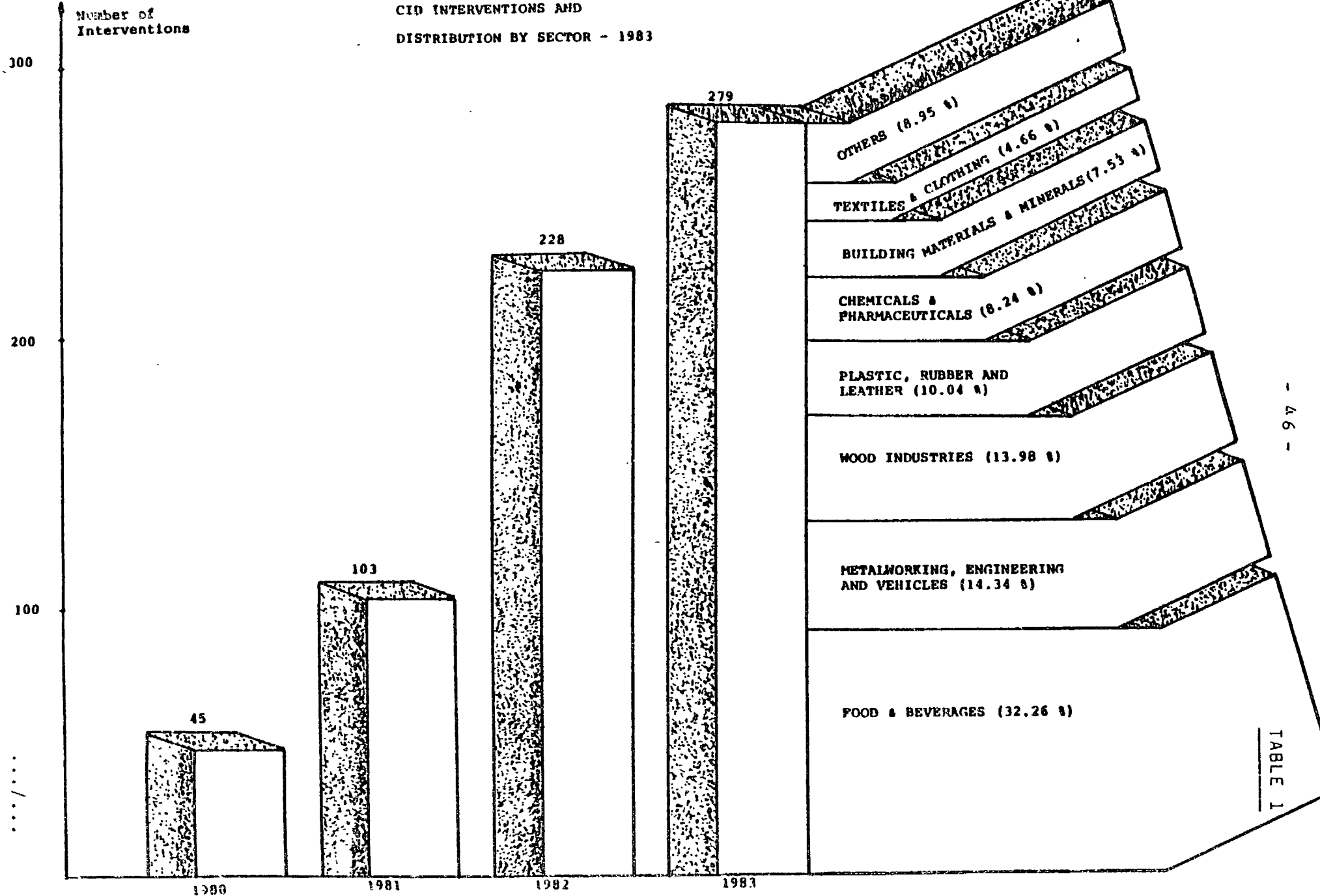


TABLE 1

The volume of CID's contribution to ACP countries

Table 1 (see page 46) shows how the volume of CID's technical assistance projects has increased year by year since 1980, reaching 279 individually assisted projects in 1983. These are projects where CID has provided both a financial input as well as a contribution/evaluation by its own staff.

The number of interventions has increased more than 100% every year from 1980 to 1982. With a smaller increase of 22% this year it is obvious that CID is now close to reaching its maximum number of possible interventions with the existing staff.

General development effect analysis

Whereas the former analysis relates to the number of interventions undertaken by CID, the following one relates to the number of projects that have been promoted and assisted during the year and, where possible, indicates the effect of this assistance.

<u>New industries/expansions</u>	<u>1982</u>	<u>1983</u>	<u>Change</u>
Projects retained for negotiations/studies	51	60	+ 18%
<u>Projects entered implementation stage during year*</u>	6	17	+183%
<u>Projects in production</u>	6	8	+ 33%

* "Entered implementation" : projects under construction/machinery installation, and projects with investors committed to invest and all financing secured. Accumulated No of projects now under implementation is 25 as is the total number of industries in production.

.../...

<u>Existing industries</u>				
Training projects initiated	23		32	+ 39%
<u>Training projects showing physical results</u>		19		+ 37%
Rehabilitation projects initiated	19		34	+ 79%
<u>Industries now improved from these</u>		12		+ 58%
<hr/>				
<u>Smaller projects</u>				
Adapted technologies under implementation	1		9	-
<u>Adapted technologies in production</u>		3		+ 33%
<hr/>				
TOTAL NUMBER OF PROJECTS WHERE CID'S IMPACT CAN BE DIRECTLY OBSERVED		46		74 + .61%

As will be seen from the results of the first Group (new industries), an increasingly larger number of projects have been retained for negotiations/studies. It is most important to note in this group that it is the greatly increased number of projects reaching implementation stage that shows progress (183%), although the projects reaching production stage have also increased from six in 1982 to eight in 1983, giving now a total of 25 industries in production.

.../...

Coming to existing industries, the number of training projects has been significantly increased, as has, to an even greater extent, the number of rehabilitation projects. For the first time, CID is in a better position to evaluate these projects, in the sense that it is convinced that at least 26 of the 32 training projects and 19 of the 34 rehabilitation projects have resulted in improvement of the specific industrial companies where the assistance has been provided, either in the form of increased production or improved products, etc.

On smaller projects, adapted technologies are usually applied to small industries where joint ventures are not justified, but which may have received significant technical assistance for their implementation, if they are projects of a pilot nature. Out of 9 of these projects under implementation, 4 have actually gone into production.

Although information projects are normally executed with little or no financial expenditure for CID (e.g. computer terminal costs), they are large in number (625) and often require special in-house efforts; this was true in more than 200 cases.

.../...

SUMMARY EVALUATION OF DEVELOPMENT EFFECT

If, for a summary evaluation, one includes:

- new industries having entered implementation stage,
- projects having reached production,
- training projects showing physical results,
- rehabilitation projects improved by CID expertise,
- adapted technologies in production,

this would amount to a total number of 74 projects, where the impact of CID's intervention could be directly observed in 1983

It would, however, be misleading to claim for CID that it has been the cause of a certain sum of money being invested or of so much creation of new employment, in the same way as it is often misleading for financial institutions in general to claim such figures. Although CID's input to such projects will be far smaller in financial terms than that of the financial institutions, the latter in general are never alone in creating these employment figures, usually receiving support from other development finance institutions and sometimes from CID.

.../...

European Investment Bank activities in the industrial sphere (1)

In 1983 the EIB concentrated its activities on financing investment in the industrial, mining and energy sectors and in infrastructures.

The following tables show:

- the breakdown by sector of EIB operations in 1983 (table 1)
- the breakdown by sector of the allocations on global loans in 1983 (table 2).

One of the most notable characteristics of operations in ACP countries in 1983 was the further increase in the dominance, already noted in 1982, of aid to development banks to finance small and medium-sized undertakings.

The total cost of investments, on the basis of provisional estimates, was some 270 MECU for individual financing to which the Bank contributed, and 70 MECU for sub-projects for which allocations were made on global loans. Projects financed individually and from global loans in industry and tourism will directly create some 7 200 jobs at an average cost of approximately 13 000 ECU each.

Intervention in the energy sector amounted to 28 MECU. The two projects involved will save some 220 000 tonnes of petroleum products per annum when fully operational.

The breakdown of industrial projects (apart from energy) according to objectives shows that 30% of direct financing and allocations on global loans went to projects essentially designed to exploit local resources. Projects based mainly on import substitution using imported input accounted for 70% of total financing in the industrial sector; the vast majority were financed from allocations on global loans.

... ..

(1) The information for this section was supplied by the EIB.

TABLE 2

Breakdown by sector of EIB operations in 1983
under the Lomé Conventions

(million ECU)

	Loans from own resources	Risk capital	Total	SECTORS			
				Industry Total Including aid to development banks	Energy	Infra- struc- ture	
<u>AFRICA</u>	<u>88,00</u>	<u>42,26</u>	<u>130,26</u>	<u>77,26</u>	<u>54,25</u>	<u>28,00</u>	<u>25,00</u>
Botswana	4,00		4,00	4,00	4,00		
Cameroon	25,00	0,40	25,40	0,40		25,00	
Central African Republic		5,10	5,10	5,10			
Congo	4,00	0,48	4,48	4,48	4,00		
Ivory Coast		2,43	2,43	2,43			
Djibouti		0,05	0,05	0,05	0,05		
Gabon		2,50	2,50	2,50			
Ghana		6,00	6,00	6,00*			
Madagascar		5,00	5,00	5,00			
Malawi		3,40	3,40	0,40		3,00	
Nigeria	40,00		40,00	40,00	40,00		
Rwanda		0,70	0,70	0,70	0,70		
Senegal		0,50	0,50	0,50			
Sudan		0,20	0,20	0,20			
Zimbabwe	15,00	5,00	20,00	5,00	5,00		15,00
Regions (West Africa) ...		10,00	10,00	0,50	0,50		10,00
(East Africa) ...		0,50	0,50				
<u>CARIBBEAN</u>	<u>2,00</u>	<u>0,60</u>	<u>2,60</u>	<u>2,60</u>	<u>2,60</u>	-	-
Belize	2,00	0,60	2,60	2,60	2,60		
<u>PACIFIC</u>		<u>2,00</u>	<u>2,00</u>	-	-	-	<u>2,00</u>
Kiribati		0,20	0,20				0,20
Papua New Guinea		1,80	1,80				1,80
ACP TOTAL	90,00	44,86	134,86	79,86	56,85	28,00	27,00

(*) Mining project

Breakdown by sector of allocations on global loans in 1983

Sector	Country	Project	Amount allocated (MECU)	Investment (MECU)	New jobs	Cost per job (ECU)
Agro-indust.	Barbados	Superior Foods Ltd	0.06	0.08	6	
		Hojeg meat Processing Ltd	0.18	0.57	4	
	Botswana	Sugar Packaging (BDC Ltd)	1.26	3.54	84	
	Malawi	Naming' Omba Tea	0.14	0.29	22	
	Mauritius	Sté CANARADEN	0.15	0.25	-	
		Tea Manufactures Ltd	0.12	0.17	-	
	Uganda	Busoga growers Cooperative	1.00	5.60	146	
		Century Bottling Cy. Ltd	1.50	8.90	100	
		Toro-Mityana Tea Cy. Ltd	1.50	10.50	5.000	
	Trinidad and Tobago	Henriques	0.47	0.64	8	
		Henriques	0.38	0.50	7	
	Zambia	Neagaa Fisheries Ltd	0.29	0.65	26	(1)
	<u>12</u>	<u>7.05</u>	<u>31.69</u>	<u>5.403</u>	<u>5.900</u>	
Timber industry	Uganda	AMA-PLY Ltd	1.50	8.50	171	
	Vanuatu	Bizot et Thébault	0.06	0.11	20	
	Zaire	Société des Scieries du Kasai	0.84	1.18	82	
		<u>3</u>	<u>2.40</u>	<u>9.79</u>	<u>273</u>	<u>3.590</u>
Chemical industry	Trinidad and Tobago	Antilles Chemical Manuf. Co. Ltd	1.00	2.03	23	
	African regions	Extension of COSMIVOIRE factory	1.00	3.93	44	
		<u>2</u>	<u>2.00</u>	<u>5.96</u>	<u>67</u>	<u>88.900</u>
Textiles and leather	Barbados	Gypsy International	0.11	0.51	128	
		Continental Textiles	0.39	0.74	21	
	Lesotho	Maluti Skinproducts	0.10	0.18	70	
		LNDC (Maluti skinpits)	0.06	0.11	-	
	African regions	SONITEXTIL	1.00	3.68	50	
	<u>5</u>	<u>1.66</u>	<u>5.22</u>	<u>259</u>	<u>19.400</u>	

.../...

Sector	Country	Project	Amount allocated (MECUS)	Investment (MECUS)	New jobs	Cost per job (ECUS)
Metal production, metal working and mechanical industries	Barbados	Solar Dunamics Ltd	0.15	0.31	8	
	Lesotho	Gemic Steel products Ltd	0.38	0.71	72	
	Tonga	Steel expansion	0.14	0.23	20	
	Trinidad and Tobago	Universal Metal Company Ltd	0.83	1.45	7	
			<u>4</u>	<u>1.50</u>	<u>2.70</u>	<u>107</u>
Extractive industries	Trinidad and Tobago	Mahogany Grave Ltd	1.00	3.70	25	
		<u>1</u>	<u>1.00</u>	<u>3.70</u>	<u>25</u>	<u>148.000</u>
Other manufacturing industries	Barbados	National Tile Cy.Ltd	0.07	0.13	20	
		Letchworth Press	0.37	0.85	20	
	Botswana	Button Manufactures	0.20	0.54	31	
	Burundi	SOTRALAC	0.26	0.54	20	
	Lesotho	Maseru Tyre Company	0.18	0.45	45	
	Malawi	Entreprise Containers Ltd	0.23	0.47	20	
	Uganda	African Ceramic Cy.Ltd	0.65	2.00	53	
	Seychelles	Rose Schooner	0.07	0.13	2	
	Trinidad and Tobago	Jeson Engineering Ltd	0.35	0.72	25	
	Vanuatu	Vanuatu Cement Ind Ltd	0.05	1.00	41	
	Zaire	SODIMCA	0.02	-	-	
		<u>11</u>	<u>2.45</u>	<u>6.83</u>	<u>277</u>	<u>24.500</u>
Energy	Vanuatu	Unelco Vanuatu	0.23	0.81	-	
		<u>1</u>	<u>0.23</u>	<u>0.81</u>	<u>-</u>	<u>-</u>
Tourism	Barbados	Sea Grape Ltd	0.25	0.50	-	
	Mauritius	Auberge de la riviere noire	0.47	0.93	40	
	Seychelles	La Réserve M.Pomeroy	0.09	0.35	8	
	Tonga	Friendly Islander Hotel	0.06	0.45	10	
	Vanuatu	Numake Bungalows	0.02	0.02	2	
		Sehs Expansion	0.07	0.10	2	
		Ambrym	0.06	0.11	6	
		<u>7</u>	<u>1.02</u>	<u>2.47</u>	<u>68</u>	<u>36.300</u>
Studies and Services	Ethiopia	Ethiopian Pulp and Paper J.C.	0.13	0.13	-	
		National Fibre Works Corp.	0.08	0.08	-	
	Swaziland	Ferrochrome Project in MPKA	0.25	0.39	-	
	African regions	Power Transmission line	0.05	0.05	-	
		<u>4</u>	<u>0.51</u>	<u>0.65</u>	<u>-</u>	<u>-</u>
TOTAL		50	19.82	69.82	6.489	10.800 (2)

(1) The cost amounts to 52 600 ECU leaving aside an integrated project with plantation.
(2) The cost amounts to 39 900 ECU leaving aside an integrated project with plantation.

5. AGRICULTURAL CO-OPERATION

The basic objectives of agricultural co-operation between the Community and the ACP States are to assist the ACP States in their efforts to resolve problems relating to rural development and the improvement and expansion of agricultural production for domestic consumption and export, and to strengthen the security of food supplies for their populations. The specific aspects of agricultural co-operation are detailed in Title VI of the ACP-EEC Convention, and include inter alia the establishment, in accordance with Article 88, of the Technical Centre for Agricultural and Rural Co-operation, the central issue of work during the year under review.

The ACP-EEC Committee of Ambassadors, at its meeting of 8 June 1983, formally adopted the rules of operation of the Technical Centre of Agricultural and Rural Co-operation (TCA) ⁽¹⁾, and its financial regulation ⁽²⁾, and laid down the conditions of employment of its staff ⁽³⁾. At the same time, the Committee appointed M. ASSOUMOU MBA (Cameroon) as Director and M. TREITZ (Federal Republic of Germany) as Advisor and deputy to the Director of the Centre.

Furthermore, the Centre's 1984 work programme ⁽⁴⁾ and budget, as well as supplementary arrangements concerning the remuneration ⁽⁵⁾ and taxation of the Centre's staff, were agreed upon at the ACP-EEC Ambassadors' Committee meeting of 16 December 1983.

The Centre's budget for 1984 amounts to 1 281 000 ECU. In addition to appropriations for starting-up and administrative costs amounting to 732 000 ECU, the budget foresees appropriations for programme expenditure - studies, consultancies, seminars, publications, etc. amounting to 449 000 ECU in its first year of operation.

¹ Decision 1/83, cf. ACP-CEE 2193/83 - ACP/84/019/83
² Decision 2/83, cf. ACP-CEE 2194/83 - ACP/84/020/83
³ Decision 3/84, cf. ACP-CEE 2195/83 - ACP/84/021/83
⁴ cf. ACP-CEE 2280/83 - ACP/84/055/83
⁵ cf. ACP-CEE 2286/83 - ACP/84/056/83

In adopting the 1984 budget of the Centre, the Committee of Ambassadors expressed its willingness to consider favourably any supplementary budget, if, during 1984, it were proven that additional resources were required for the implementation of the work programme of the Centre.

The Committee expressed the view that priority should be given, among the main activities of the Centre, to the dissemination of specialized information, through seminars or in response to requests to the Centre. At the same meeting, the Committee also took note of the practical measures taken to facilitate the setting up of the TCA in Wageningen and of its branch office in Brussels.

Apart from dealing with matters relating to the TCA, the ACP-EEC Subcommittee on Co-operation in Agricultural and Rural Development at its third meeting on 9 December 1983 also reviewed the work done as regards the evaluation of integrated rural development projects.

A resolution concerning integrated rural development, which was formally adopted by the Committee of Ambassadors on 1 February 1983 ⁽¹⁾, aimed to apply to integrated rural development projects a number of "basic principles" elaborated at the meeting of ACP and EEC experts, held in Lomé in February 1981, concerned with ex-post evaluation of integrated rural development projects carried out with the aid of the first three EDFs. In particular, it recommended that "the relevant departments of the ACP-EEC partners take account, firstly, of these "basic principles" and, secondly, of the particular and specific conditions obtaining in the region where projects for integrated rural development are envisaged".

⁽¹⁾ cf. Annual Report of the ACP-EEC Council of Ministers (1982), Annex IV.

The Subcommittee took note of the fact that a further evaluation study of rural projects financed by the EDF was under way, as requested by the Council's Resolution, and that the whole evaluation procedure would probably be completed by the middle of 1985. If necessary, an interim report on this issue could be submitted to the ACP-EEC Council of Ministers in 1984.

Although strictly speaking outside the context of the Lomé Convention, it is worth mentioning that, in the year under review, the Community made a start with the implementation of its "plan of action" to combat hunger in the world. It adopted a Regulation ⁽¹⁾ concerning a special programme for which 50 MECU was budgeted in 1983, partly aimed at helping the efforts of beneficiary countries towards greater food self-sufficiency. These measures include operations of support at different levels of agricultural production such as marketing, stocking and transport. Other components of the plan concern, among others, the safeguard of natural resources and the fight against drought and live-stock diseases.

It should also be noted that the Community continued its support for food strategies in several African countries. This programme is now being reviewed in the hope that the results may lead to a new method of co-operation for promoting greater self-reliance in the search for food security in developing countries.

⁽¹⁾ OJ No L 196, 20.7.1983.

6. FINANCIAL AND TECHNICAL CO-OPERATION

1983 represented a year of consolidation as regards the implementation of ACP-EEC financial and technical co-operation, now fully within the new institutional framework set up by the second Convention.

1. The major event in this sector was the adoption by the ACP-EEC Council of Ministers on 20 May 1983 in Brussels, on the basis of work done by the Article 108 Committee, of a second Resolution covering specific aspects of financial and technical co-operation (1).

The Brussels Resolution - the full text will be found in Annex V to this report - concerns certain specific provisions of the Convention (least developed, landlocked and island ACP States, regional co-operation, cofinancing, micro-projects), identifies a series of points regarding acceleration and improvement of the implementation of financial and technical co-operation, focuses on individual sectors of intervention (energy, industrialization, rural development, training, transport, water supply and sanitation, education and health, technical co-operation and trade promotion) and outlines additional aspects of the Article 108 Committee's future work programme.

(1) For details of the first Resolution, adopted at Libreville on 14 May 1982, see Annual Report of the ACP-EEC Council of Ministers (1982), page 62 and Annex V.

2. Article 108(6) of the Second Lomé Convention set up an ACP-EEC Committee - the Article 108 Committee - within the Council of Ministers "to study, in general terms and on the basis of specific examples, suitable measures to improve the implementation of financial and technical co-operation, notably by accelerating and streamlining procedures". The Committee is composed of 11 representatives of the ACP States and of 11 representatives of the Community (10 Member States plus the Commission).

By decision of 1 February 1983, the ACP-EEC Committee of Ambassadors, acting under powers delegated by the ACP-EEC Council, extended the terms of office of the Ministerial Members appointed to the Article 108 Committee when it was originally set up in 1981.

During the year under review the Article 108 Committee met twice at the level of Authorized Representatives, on 27 April and 6 May, and once at Ministerial level, on 18 May 1983.

The Committee examined the application of the provisions of the second ACP-EEC Convention relating to financial and technical co-operation, and in particular the Commission's report on the administration of financial and technical co-operation in 1981. It also had before it a document from the Community on specific examples of typical difficulties encountered during the implementation of financial and technical co-operation.

.../...

The Committee noted that no systematic procedure had yet been organized for vetting and monitoring completed evaluation reports and resolutions arising from them and agreed to deal consistently in the future with all questions relating to (ex-post) evaluation.

The Committee took stock of the situation as regards draft Decisions on contracts financed by the EDF (draft general conditions for "works", "supplies" and "services" contracts).

On the basis of texts submitted by the Authorized Representatives, the Committee (Ministerial level) drew up a report and prepared a draft Resolution on financial and technical co-operation, which the ACP-EEC Council of Ministers approved on 20 May 1983. (For text see Annex V.)

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3. The Commission submitted its annual report on the administration of financial and technical co-operation in 1982, drawn up in accordance with Article 119 of the Convention to the ACP-EEC Council of Ministers on 29 July 1983 ⁽¹⁾.

The report falls into six main sections: the changing policy approach; sectoral breakdown of financing; financial and technical co-operation by geographical area; implementation of the specific provisions of the Convention; broad qualitative assessment of the implementation of financial and technical co-operation; financial implementation in 1982. In this report, in distinction to that for 1981, a greater effort has been made to look at financial and technical co-operation activities on a geographical basis.

4. The following pages contain statistical information concerning the administration of financial and technical cooperation in 1983,

Table 3 below shows the situation of commitments and payments under the 4th EDF at the end of the year covered by this report.

Table 4, which follows it, shows the situation of commitments and payments under the 5th EDF at the same date.

These tables are followed by details of financing granted by the European Investment Bank in ACP countries in 1983.

¹ The parts of the report which relate to the European Investment Bank were drawn up in conjunction with the Bank. The report was forwarded to the Consultative Assembly on 16.9.1983: a corrigendum was transmitted on 12.12.1983.

Situation of commitments and payments (4th EDF) as at 25 December 1983 (million ECU)

TABLE 4

	G R A N T S								
	Investments	Micro-Projects	Tied Technical Cooperation	General Technical Cooperation	Trade Promotion	Industrial Cooperation	Overheads	Special Loans	
BAHAMAS	-	-	45	352	238	-	-	811	1.136
BARBADOS	375	-	130	396	100	-	-	246	950
BENIN	28.105	-	4.187	2.540	-	-	-	1.805	350
BOTSWANA	13.944	-	105	1.430	513	1.900	-	1.061	650
BURUNDI	40.902	1.173	2.072	4.086	-	-	-	1.837	4.960
CAMEROON	25.512	410	4.737	2.230	383	-	-	3.610	22.029
CAPE-VERDE	3.450	84	300	100	-	-	-	33	-
CENTRAL AFRICAN REPUBLIC	31.846	130	2.431	1.911	89	227	-	2.319	-
COMOROS	5.422	-	669	120	70	-	-	389	-
CONGO	22.020	-	57	1.100	107	-	-	2.148	6.766
IVORY COAST	9.274	300	1.412	3.525	2.353	-	-	3.350	22.804
DJIBOUTI	463	-	855	947	-	-	-	49	-
DOMINICA	460	-	-	80	-	-	-	180	-
ETHIOPIA	111.825	858	978	4.025	500	-	-	1.809	-
FIJI	1.500	996	500	230	-	-	-	433	6.674
GABON	111	-	580	1.221	124	-	-	1.606	7.412
GAMBIA	9.922	44	330	988	-	-	-	752	-
GHANA	23.121	857	851	2.588	1.010	-	-	1.984	19.570
GRENADA	1.639	243	38	80	-	-	-	131	-
GUINEA	26.023	830	1.099	100	-	10.000	-	1.673	25.400
GUINEA-BISSAU	16.628	-	609	1.401	100	-	-	1.186	-
EQUATORIAL GUINEA	6.772	-	86	143	-	-	-	25	-
GUYANA	4.212	166	767	631	-	126	-	974	6.422
UPPER VOLTA	51.424	1.151	4.446	3.227	100	-	-	2.725	7.000
JAMAICA	3.790	300	7	3.290	1.790	-	-	1.405	8.627
KENYA	26.880	2.422	1.025	3.300	400	215	-	2.391	37.750

	G R A N T S								
	Investments	Micro-Projects	Tied Technical Cooperation	General Technical Cooperation	Trade Promotion	Industrial Cooperation	Overheads	Special Loans	
KIRIBATI	3.227	-	-	-	-	-	-	-	-
LESOTHO	14.326	280	484	3.826	-	-	-	1.004	-
LIBERIA	16.122	300	795	3.265	300	-	-	1.217	-
MADAGASCAR	48.307	2.060	2.861	6.795	1.465	-	-	3.072	6.000
MALAWI	46.907	1.000	1.061	3.275	679	2.860	-	1.458	11.705
MALI	66.980	-	1.876	2.392	-	322	-	2.871	1.376
MAURITIUS	2.960	-	330	700	-	700	-	865	7.640
MAURITANIA	31.523	-	1.189	761	-	-	-	2.528	-
NIGER	62.086	-	1.288	2.789	111	-	-	3.108	-
NIGERIA	2.320	-	1.264	4.880	288	-	-	1.038	-
UGANDA	54.475	-	578	3.502	-	230	-	1.385	9.715
PAPUA NEW GUINEA	3.251	515	381	1.436	-	-	-	589	3.501
RWANDA	52.866	-	1.809	1.392	-	-	-	1.839	2.504
SAINT LUCIA	860	-	-	-	-	-	-	223	-
SAINT VINCENT	-	-	-	-	-	-	-	-	-
SOLOMON	719	-	40	50	32	-	-	-	6.700
WESTERN SAMOA	2.353	668	467	127	-	-	-	166	890
SAO TOME AND PRINCIPE	1.202	-	508	90	-	-	-	116	-
SENEGAL	30.526	340	2.966	4.324	725	590	-	3.730	19.354
SEYCHELLES	1.889	380	-	14	-	-	-	106	-
SIERRA LEONE	23.463	740	771	2.300	-	-	-	1.214	3.770
SOMALIA	44.262	-	8.539	3.737	-	-	-	2.187	-
SUDAN	61.593	440	7.038	5.064	400	381	-	2.988	15.000
SURINAME	1.350	452	200	1.060	500	-	-	1.169	4.000
SWAZILAND	6.259	75	-	2.000	70	-	-	566	3.477
TANZANIA	60.420	-	1.504	575	40	529	-	2.227	52.450

	G R A N T S								
	Investments	Micro-Projects	Tied Technical Cooperation	General Technical Cooperation	Trade Promotion	Industrial Cooperation	Overheads	Special Loans	
CHAD	30.724	380	521	4.650	-	-	-	2.507	7.550
TOGO	27.049	377	298	5.530	19	-	-	2.100	2.278
TONGA	2.376	-	196	60	33	-	-	116	130
TRINIDAD AND TOBAGO	-	-	514	2.280	-	146	-	917	2.840
TUVALU	400	205	-	-	-	-	-	-	-
ZAIRE	76.700	-	2.936	8.073	133	-	-	3.341	8.033
ZAMBIA	18.522	300	2.755	4.970	507	-	-	1.957	17.595
SUB-TOTAL	1,275,632	18,475	71,484	119,947	13,178	18,224	-	80,890	345,925
REGIONAL PROJECTS	157,425	-	14,437	25,490	17,759	9,737	-	-	72,064
SUB-TOTAL	157,425	-	14,437	25,490	17,759	9,737	-	-	72,064

	G R A N T S								Special Loans
	Investments	Micro- Projects	Tied Technical Cooperation	General Technical Cooperation	Trade Promotion	Industrial Cooperation	Overheads		
ALL ACP	-	-	-	-	-	-	-	5.790	-
ALL FRENCH OCT	-	-	-	100	-	-	-	-	-
ALL TERRITORIES (UNITED KINGDOM)	300	-	-	100	-	-	-	-	-
ALL COUNTRIES AND TERRITORIES	9.861	-	-	-	-	-	-	6.675	-
SUB-TOTAL	10.161	-	-	200	-	-	-	12.465	-
BLOCKED APPROPRIATIONS	-	2.061	-	966	-	-	-	-	-
TOTAL	1,465,219	22,271	84,370	152,204	30,997	28,016	-	97,378	438,177

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	G R A N T S							Grand Total	Payments
	TOTAL	STABEX	Exceptional aid	Interest Rate Subsidies (£1B)	Risk Capital (£1B)	Grand Total	Payments		
BAHAMAS	1.851	-	-	-	-	-	1.851	796	
BARBADOS	2.197	-	-	50	1.215	-	3.462	3.407	
BENIN	36.987	20.367	-	19	-	350	57.723	50.777	
BOTSWANA	19.602	-	-	2.670	1.253	1.750	25.275	20.940	
BURUNDI	55.030	1.486	-	2.055	-	497	59.069	46.526	
CAMEROON	58.911	4.065	-	2.300	4.207	4.600	74.082	56.481	
CAPE-VERDE	3.967	1.207	-	1.341	-	3.580	10.095	9.725	
CENTRAL AFRICAN REPUBLIC	38.953	7.830	-	1.100	-	-	47.882	43.243	
COMOROS	6.670	-	-	2.869	-	12	9.551	7.343	
CONGO	32.138	7.362	-	250	-	3.083	42.833	37.718	
IVORY COAST	43.017	15.000	-	125	7.097	925	66.163	53.078	
DJIBOUTI	2.314	-	-	1.310	-	1.000	4.624	4.307	
DOMINICA	720	-	-	3.900	-	-	4.620	4.517	
ETHIOPIA	119.996	14.420	-	4.651	-	-	139.068	104.637	
FIJI	10.333	2.115	-	3.589	3.864	119	20.019	18.686	
GABON	11.054	6.703	-	-	-	-	17.757	16.481	
GAMBIA	12.036	7.515	-	749	-	2.358	22.658	19.050	
GHANA	49.981	5.176	-	2.730	1.864	222	59.973	53.629	
GRENADA	2.131	-	-	451	-	-	2.582	2.454	
GUINEA	65.125	-	-	3.035	442	300	68.902	42.722	
GUINEA-BISSAU	19.924	11.288	-	452	-	-	31.664	30.122	
EQUATORIAL GUINEA	7.026	-	-	300	-	-	7.326	6.455	
GUYANA	13.695	-	-	-	-	3.200	16.895	16.673	
UPPER VOLTA	70.073	7.262	-	-	1.636	7.608	86.579	71.054	
JAMAICA	19.210	-	-	1.175	-	-	20.385	14.057	
KENYA	74.391	-	-	1.340	8.363	1.241	85.336	81.402	

GRANTS

	TOTAL	SIABEX	Exceptional aid	Interest Rate Subsidies (EIB)	Risk Capital (EIB)	Grand Total	Payments
KIRIBATI	3.227	-	-	-	-	3.227	699
LESOTHO	19.920	-	1.146	-	98	21.164	17.380
LIBERIA	21.999	7.567	-	1.235	365	31.165	26.644
MADAGASCAR	70.561	5.748	1.518	-	2.286	80.112	68.272
MALAWI	68.944	-	2.575	2.259	1.552	75.330	63.165
MALI	75.817	9.781	1.020	-	6.360	92.978	82.991
MAURITIUS	13.195	-	4.537	2.225	35	19.992	17.360
MAURITANIA	36.001	37.000	1.657	3.637	-	78.295	72.781
NIGER	69.381	22.654	9.614	1.045	860	103.554	93.203
NIGERIA	9.791	-	-	9.023	-	18.814	14.059
UGANDA	69.885	20.595	3.309	-	350	94.140	63.487
PAPUA NEW GUINEA	9.673	-	-	1.124	1.600	12.397	8.199
RWANDA	60.460	609	5.926	-	3.000	69.995	67.041
SAINTE LUCIA	1.063	-	1.000	-	180	2.263	2.169
SAINTE VINCENT	-	-	-	-	-	-	-
SOLOMON	7.601	-	-	-	-	7.601	5.353
WESTERN SAROA	4.670	2.837	-	-	-	7.508	7.256
SAO TOME AND PRINCIPE	1.916	-	300	-	-	2.216	2.158
SENEGAL	62.534	65.106	4.685	1.766	7.440	141.532	132.150
SEYCHELLES	2.389	-	-	-	580	2.969	2.907
SIERRA LEONE	32.250	3.977	-	-	-	36.235	29.570
SOMALIA	58.726	1.932	13.346	-	212	74.216	61.678
SUDAN	92.903	41.776	4.916	-	6.500	146.096	123.210
SURINAME	8.731	-	-	-	-	8.731	6.677
SWAZILAND	12.467	13.225	29	2.025	1.106	28.851	26.775
TANZANIA	104.144	20.702	314	741	7.750	133.651	109.506

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		G R A N T S							
		TOTAL	STABEX		Exceptional aid	Interest Rate Subsidies (EIB)	Risk Capital (EIB)	Grand Total	Payments
CHAD		54.411	7.336	-	300	-	7.500	69.547	58.123
TOGO		37.651	3.627	-	-	356	3.043	44.677	39.211
TONGA		2.910	1.208	-	165	-	-	4.283	4.208
TRINIDAD AND TOBAGO		6.746	-	-	-	1.537	-	8.283	5.075
TUVALU		605	-	-	-	-	-	605	558
ZAIRE		99.217	-	-	19.300	-	5.636	124.153	91.672
ZAMBIA		46.607	-	-	16.384	1.512	3.253	67.756	60.610
	SUB-TOTAL	1,943.755	377.496	-	128.502	58.425	90.549	2,598.728	2,201.825
REGIONAL PROJECTS		296.912	-	-	-	2.572	6.133	305.617	201.155
	SUB-TOTAL	296.912	-	-	-	2.572	6.133	305.617	201.155

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	G R A N T S							Grand Total	Payments
	TOTAL	STABEX		Exceptional aid	Interest Rate Subsidies (EIB)	Risk Capital (EIB)			
ALL ACP	5.790	-	-	11.258	-	-	17.048	13.474	
ALL FRENCH OCT	100	-	-	-	-	-	100	100	
ALL TERRITORIES (UNITED KINGDOM)	400	-	-	-	-	-	400	100	
ALL COUNTRIES AND TERRITORIES	16.536	-	-	-	-	-	16.536	11.041	
SUB-TOTAL	22.826	-	-	11.258	-	-	34.084	24.715	
BLOCKED APPROPRIATIONS	3.027	-	-	-	-	3.134	6.161	-	
TOTAL	2.323.232	389.812	-	140.260	62.512	100.920	3.016.737	2.482.189	

Situation of commitments and payments (5th EDF) as at 25 December 1983 (million ECU)

	G R A N T S								Special loans
	Investments	Micro- Projects	Tied Technical Cooperation	General Technical Cooperation	Trade Promotion	Industrial Cooperation	Agri- cultural Cooperation	T.A. SMU	
ANTIGUA-BARBUDA	-	-	-	100	-	-	-	-	-
BAHAMAS	1.321	-	15	30	-	-	-	-	-
BARBADOS	1.418	-	145	350	175	-	-	-	-
BELIZE	-	-	-	100	-	-	-	-	-
BENIN	14.480	1.300	100	3.310	235	-	-	-	-
BOTSWANA	3.950	-	219	3.640	1.100	-	-	-	-
BURUNDI	18.325	547	697	5.150	15	-	-	-	11.650
CAMEROON	12.880	457	1.400	409	1.010	-	-	-	17.928
CAPE-VERDE	310	96	79	750	-	-	-	-	-
CENTRAL AFRICAN REPUBLIC	34.710	406	223	1.915	-	-	-	-	4.700
COMOROS	700	-	299	440	-	-	-	-	-
CONGO	16.700	-	213	1.188	69	400	-	-	9.300
IVORY COAST	8.500	3.000	140	163	2.325	-	-	-	18.306
DJIBOUTI	2.796	-	-	100	-	-	-	-	-
DOMINICA	2.234	149	134	222	-	-	-	-	-
ETHIOPIA	104.150	-	500	5.055	-	-	-	-	21.000
FIJI	4.000	1.650	580	1.230	496	-	-	-	-
GABON	3.715	-	3.347	600	10	-	-	-	1.415
GAMBIA	5.600	713	-	2.308	35	-	-	-	-
GHANA	11.080	500	1.008	2.190	63	-	-	-	1.202
GRENADA	477	-	-	306	10	-	-	-	-
GUINEA	10.650	670	1.453	716	-	855	-	-	4.145
GUINEA-BISSAU	10.400	116	480	870	-	-	-	-	-
EQUATORIAL GUINEA	-	-	250	37	-	-	-	-	-
GUYANA	9.363	-	215	1.200	69	-	-	-	-
UPPER VOLTA	51.878	2.085	4.157	1.800	-	-	-	-	7.000

	G R A N T S								
	Investments	Micro-Projects	Tied Technical Cooperation	General Technical Cooperation	Trade Promotion	Industrial Cooperation	Agri-cultural Cooperation	T.A. SMU	Special Loans
JAMAICA	1,100	-	3,510	4,800	-	-	-	-	2,600
KENYA	15,277	4,738	1,494	2,498	1,032	-	-	-	9,000
KIRIBATI	-	173	100	350	-	-	-	-	-
LESOTHO	-	-	5,760	2,541	826	-	-	-	-
LIBERIA	2,065	-	600	1,100	-	-	-	-	-
MADAGASCAR	27,085	3,013	495	3,857	113	-	-	-	-
MALAWI	24,700	736	728	3,800	171	-	-	-	10,000
MALI	37,357	-	892	3,598	436	-	-	-	13,400
MAURITIUS	6,150	1,454	80	-	1,695	-	-	-	850
MAURITANIA	21,700	-	158	100	48	-	-	-	6,300
NIGER	31,345	-	1,386	1,687	22	-	-	-	-
NIGERIA	-	-	677	18,030	-	-	-	-	-
UGANDA	33,820	-	1,678	4,470	-	-	-	-	-
PAPUA NEW GUINEA	1,530	-	181	3,300	217	-	-	-	4,440
RWANDA	34,450	1,800	315	4,675	25	-	-	120	11,900
SAINT LUCIA	1,265	55	410	245	18	-	-	-	-
SAINT VINCENT	3,015	-	-	245	15	-	-	-	-
SOLOMON	2,370	-	225	1,840	-	-	-	-	-
WESTERN SAMOA	5,132	-	-	100	-	-	-	-	-
SAO TOME AND PRINCIPE	3,403	-	100	30	-	-	-	-	-
SENEGAL	21,834	1,050	932	5,376	1,083	-	-	-	10,300
SEYCHELLES	2,400	327	-	96	25	-	-	-	-
SIERRA LEONE	10,293	2,210	638	4,000	11	-	-	-	2,400
SOMALIA	24,316	-	169	1,050	680	-	-	-	-
SUDAN	63,740	1,400	727	3,315	75	1,200	-	-	-
SURINAME	2,634	-	140	-	55	-	-	-	2,700

	G R A N T S								
	Investments	Micro-Projects	Tied Technical Cooperation	General Technical Cooperation	Trade Promotion	Industrial Cooperation	Agri-cultural Cooperation	T.A. SMU	Special Loans
SWAZILAND	6,656	164	237	2,707	27	-	-	-	3,200
TANZANIA	48,825	734	170	1,330	608	-	-	-	7,500
CHAD	16,315	1,000	430	690	-	-	-	-	-
TOGO	18,658	1,790	1,399	3,870	360	-	-	-	5,850
TONGA	-	-	-	100	-	-	-	-	-
TRINIDAD AND TOBAGO	-	150	500	4,113	-	-	-	-	-
TUVALU	185	148	13	24	-	-	-	-	-
VANUATU	2,750	420	50	180	-	-	-	750	-
ZAIRE	41,410	-	2,655	3,230	-	-	-	-	16,655
ZAMBIA	17,750	2,120	705	4,010	795	540	-	-	2,000
ZIMBABWE	15,450	3,555	483	1,325	137	-	-	-	-
SUB-TOTAL	875,015	38,766	43,688	126,860	14,086	2,995	-	870	206,111
REGIONAL PROJECTS	121,524	-	7,235	23,209	23,547	24,108	-	-	49,288
SUB-TOTAL	121,524	-	7,235	23,209	23,547	24,108	-	-	49,288

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	G R A N T S								
	Investments	Micro-Projects	Tied Technical Cooperation	General Technical Cooperation	Trade Promotion	Industrial Cooperation	Agri-cultural Cooperation	I.A. SMU	Special Loans
ALL ACP	-	-	-	-	-	-	-	-	-
ALL FRENCH OCT	-	-	-	100	-	-	-	-	-
ALL TERRITORIES (UNITED KINGDOM)	-	-	-	100	-	-	-	-	-
ALL COUNTRIES AND TERRITORIES	-	-	-	-	-	-	-	-	-
REGIONAL PROJECTS	-	-	60	-	1,514	-	-	-	-
SUB-TOTAL	-	-	60	200	1,514	-	-	-	-
BLOCKED APPROPRIATIONS	-	-	-	-	-	-	-	-	-
TOTAL	1,000,079	39,596	51,828	153,315	19,501	27,686	-	870	256,560

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	G R A N T S							Grand Total	Payments
	TOTAL	STABEX	Mineral Products	Exceptional aid	Interest Rate Subsidies (EIB)	Risk Capital (EIB)			
ANTIGUA-BARBUDA	100	-	-	-	-	-	100	-	
BAHAMAS	1,366	-	-	-	-	-	1,366	16	
BARBADOS	2,088	-	-	-	920	-	3,007	1,220	
BELIZE	100	-	-	-	-	600	700	20	
BENIN	19,425	3,637	-	820	-	-	23,882	6,396	
BOTSWANA	8,909	-	-	215	4,759	-	13,883	6,170	
BURUNDI	36,384	11,024	-	200	-	6,500	54,108	22,454	
CAMEROON	34,084	14,624	-	-	11,122	-	59,830	23,311	
CAPE-VERDE	1,235	215	-	1,000	-	6,800	9,250	2,940	
CENTRAL AFRICAN REPUBLIC	41,954	2,505	-	500	-	5,100	50,059	11,643	
COMOROS	1,439	1,392	-	344	-	161	3,336	2,607	
CONGO	27,870	-	-	-	487	480	28,837	6,096	
IVORY COAST	32,434	46,797	-	793	4,688	-	84,712	58,837	
DJIBOUTI	2,896	-	-	92	-	2,250	5,238	2,203	
DOMINICA	2,779	3,030	-	500	-	1,000	7,309	4,577	
ETHIOPIA	130,705	969	-	4,250	-	500	136,424	26,766	
FIJI	7,956	2,141	-	2,829	3,960	1,800	18,686	11,855	
GABON	9,487	-	-	-	7,159	-	16,646	10,597	
GAMBIA	8,656	12,313	-	60	-	1,600	22,629	13,690	
GHANA	16,043	25,607	-	1,410	-	6,000	49,059	27,966	
GRENADA	1,193	1,752	-	-	-	2,400	5,344	2,364	
GUINEA	18,489	-	-	600	-	-	19,089	7,154	
GUINEA-BISSAU	11,866	1,983	-	-	-	3,800	17,649	3,973	
EQUATORIAL GUINEA	287	-	-	-	-	-	287	75	
GUYANA	10,847	-	-	-	-	-	10,847	2,170	
UPPER VOLTA	66,920	1,047	-	25	-	-	67,991	15,327	

	G R A N T S							Grand Total	Payments
	TOTAL	STABEX	Mineral Products	Exceptional aid	Interest Rate Subsidies (EIB)	Risk Capital (EIB)			
JAMAICA	12.010	3.239	-	-	-	5.000	20.248	6.058	
KENYA	34.038	31.086	-	700	5.131	1.550	72.506	46.596	
KIRIBATI	623	1.534	-	-	-	200	2.357	1.730	
LESOTHO	9.127	1.291	-	75	-	3.000	13.493	3.036	
LIBERIA	3.765	-	-	-	507	700	4.972	1.524	
MADAGASCAR	34.563	4.652	-	1.300	-	7.170	47.685	19.024	
MALAWI	40.135	1.984	-	424	-	3.000	45.543	4.218	
MALI	55.683	6.754	-	900	-	-	63.337	20.967	
MAURITIUS	10.229	-	-	78	750	500	11.557	2.787	
MAURITANIA	28.306	-	-	360	-	-	28.666	9.995	
NIGER	34.440	-	-	1.100	3.564	-	39.103	14.359	
NIGERIA	18.707	-	-	250	5.121	-	24.078	5.668	
UGANDA	39.968	-	-	4.150	-	10.000	54.118	8.763	
PAPUA NEW GUINEA	9.658	37.982	-	-	1.363	13.800	62.803	48.706	
RWANDA	53.285	7.065	-	2.000	-	700	63.050	21.141	
SAINT LUCIA	1.993	1.350	-	220	-	-	3.562	2.855	
SAINT VINCENT	3.275	-	-	200	-	-	3.475	2.353	
SOLOMON	4.435	2.292	-	-	-	425	7.152	2.753	
WESTERN SAMOA	5.232	4.868	-	200	-	3.325	13.626	7.468	
SAO TOME AND PRINCIPE	3.533	3.674	-	-	-	-	7.207	4.682	
SENEGAL	40.575	62.783	-	200	5.608	4.189	113.355	75.396	
SEYCHELLES	2.848	-	-	240	-	1.000	4.088	875	
SIERRA LEONE	19.552	8.362	-	-	-	10.000	37.914	10.779	
SOMALIA	26.215	2.581	-	15.950	-	2.560	47.306	38.628	
SUDAN	70.457	24.295	-	2.000	-	-	96.752	62.329	
SURINAME	5.529	-	-	-	-	-	5.529	552	

	G R A N T S							
	TOTAL	STABEX	Mineral Products	Exceptional aid	Interest Rate Subsidies (EIB)	Risk Capital (EIB)	Grand Total	Payments
SWAZILAND	12,991	3,104	-	30	2,117	-	18,241	5,555
TANZANIA	59,167	6,949	-	504	-	7,500	74,120	27,204
CHAD	18,435	6,133	-	3,740	-	-	28,308	12,698
TOGO	31,907	7,115	-	50	1,521	3,000	43,594	18,313
TONGA	100	3,268	-	1,400	-	1,325	6,093	5,666
TRINIDAD AND TOBAGO	4,763	-	-	-	1,163	-	5,926	1,796
TUVALU	370	122	-	-	-	125	616	425
VANUATU	4,150	-	-	-	-	1,000	5,150	711
ZAIRE	63,950	-	40,000	2,765	-	6,000	112,715	37,367
ZAMBIA	27,920	-	55,000	1,050	8,540	1,500	94,010	36,522
ZIMBABWE	20,950	-	-	2,500	6,666	5,400	35,516	10,095
SUB-TOTAL	1,308,390	361,518	95,000	56,023	75,146	131,959	2,028,036	851,305
REGIONAL PROJECTS	248,910	-	-	-	1,335	9,414	259,659	66,614
SUB-TOTAL	248,910	-	-	-	1,335	9,414	259,659	66,614

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	G R A N T S							
	TOTAL	STABEX	Mineral Products	Exceptional aid	Interest Rate Subsidies (EIB)	Risk Capital (EIB)	Grand Total	Payments
ALL ACP	-	-	-	-	-	-	-	-
ALL FRENCH OCT	100	-	-	-	-	-	100	5
ALL TERRITORIES (UNITED KINGDOM)	100	-	-	-	-	-	100	38
ALL COUNTRIES AND TERRITORIES	-	-	-	-	-	-	-	-
REGIONAL PROJECTS	1,574	-	-	-	-	-	1,574	144
SUB-TOTAL	1,774	-	-	-	-	-	1,774	187
BLOCKED APPROPRIATIONS	-	-	-	-	-	-	-	-
TOTAL	1,569,434	366,959	95,000	56,578	77,298	144,214	2,319,483	927,452

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Financing granted by the EIB in ACP countries in 1983 amounted to 134,86 MECU, comprising 134,06 MECU under Lomé II and 0,80 MECU under Lomé I. (1)

The breakdown between the various methods of intervention was as follows:

- 90,0 MECU in subsidized loans to 6 countries from the EIB's own resources;
- 44,06 MECU for seventeen risk-capital contributions in fifteen countries and two regional operations;
- 0,8 MECU under Lomé I global authorization to finance two pre-investment studies.

(i) Table 5 below gives the breakdown by country and type of intervention for financing granted by the EIB in 1983 under Lomé II.

(1) The information in this section was provided by the EIB.

Geographical breakdown of EIB finance in ACP States in 1983
on the basis of Lomé II

COUNTRY	Loans from own resources		Risk capital		Overall	
	MECU	%	MECU	%	MECU	%
<u>AFRICA</u>	<u>88,0</u>	<u>97,8</u>	<u>41,46</u>	<u>94,1</u>	<u>129,46</u>	<u>96,6</u>
Botswana	4,0	4,4			4,00	3,0
Cameroon	25,0	27,8			25,00	18,7
Central African Rep.			5,10	11,6	5,10	3,8
Congo	4,0	4,4	0,48	1,1	4,48	3,3
Ivory Coast			2,43	5,5	2,43	1,8
Djibouti			0,05	0,1	0,05	-
Gabon			2,50	5,7	2,50	1,9
Ghana			6,00	13,6	6,00	4,5
Madagascar			5,00	11,4	5,00	3,7
Malawi			3,00	6,8	3,00	2,2
Nigeria	40,0	44,5			40,00	29,8
Rwanda			0,70	1,6	0,70	0,5
Senegal			0,50	1,1	0,50	0,4
Sudan			0,20	0,4	0,20	0,2
Zimbabwe	15,0	16,7	5,00	11,4	20,00	14,9
West Africa			10,00	22,7	10,00	7,5
East Africa			0,50	1,1	0,50	0,4
<u>CARIBBEAN</u>	<u>2,0</u>	<u>2,2</u>	<u>0,60</u>	<u>1,4</u>	<u>2,60</u>	<u>1,9</u>
Belize	2,0	2,2	0,60	1,4	2,60	1,9
<u>PACIFIC</u>	<u>-</u>	<u>-</u>	<u>2,00</u>	<u>4,5</u>	<u>2,00</u>	<u>1,5</u>
Kiribati			0,20	0,4	0,20	0,2
Papua New Guinea			1,80	4,1	1,80	1,3
TOTAL	90,0	100,0	44,06	100,0	134,06	100,0

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(ii) Financing in 1983 was divided among the following: industry and mining (59%), including aid to development banks (42%); industrial projects financed directly (12,5%) and one mining project (4,5%); energy (21%) and telecommunications and shipping infrastructure (20%).

For details of the sectoral breakdown of finance see final pages of the section of this Report relating to Industrial Co-operation (Chapter III, section 4).

(iii) The breakdown of financing granted in 1983 depending on whether the countries appear on the list of least developed ACP States or not (Article 155(3) of the Lomé II Convention) (Table 6) shows that 27% of aid in the form of risk capital went to the least favoured ACP States while other countries received 96% of the loans from the EIB's own resources.

All the loans from own resources went to countries in the middle income bracket (¹) and more than 60% of aid in the form of risk capital went to the poorest ACP States (²).

(iv) Since the entry into force of the first ACP-EEC Convention the Bank has provided aid in 54 of the 63 countries party to the Lomé Convention.

(¹) GDP between \$ 410 and \$ 1100 per annum
(²) GDP below \$ 410 per annum

Table 7

Geographical breakdown of EIB finance in ACP States ⁽¹⁾ in 1983
according to the classification in Article 155

COUNTRY	Loans from own resources		Risk capital	
	MECU	%	MECU	%
<u>I. Least developed ACP States</u> (Art. 155)	<u>4,00</u>	<u>4,4</u>	<u>9,05</u>	<u>27,0</u>
Botswana	4,00	4,4	-	-
Central African Rep.	-	-	5,10	15,2
Djibouti	-	-	0,05	0,1
Malawi	-	-	3,00	9,0
Rwanda	-	-	0,70	2,1
Sudan	-	-	0,20	0,6
<u>II. Other ACP States</u>	<u>86,00</u>	<u>95,6</u>	<u>24,51</u>	<u>73,0</u>
Belize	2,00	2,2	0,60	1,8
Cameroon	25,00	27,8	-	-
Congo	4,00	4,4	0,48	1,4
Ivory Coast			2,43	7,2
Gabon			2,50	7,5
Ghana			6,00	17,9
Kiribati			0,20	0,6
Madagascar			5,00	14,9
Nigeria	40,00	44,5	-	-
Papua New Guinea			1,80	5,4
Senegal			0,50	1,4
Zimbabwe	15,00	16,7	5,00	14,9
T O T A L	90,00	100,0	33,56	100,0

⁽¹⁾ not including 2 regional operations.

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EIB financing in 1983 went to 18 countries (15 in Africa, 2 in the Pacific, 1 in the Caribbean). Aid was also provided for two regional projects, one in West Africa and the other in East Africa. The Bank provided aid for the first time ever in the Central African Republic, Belize and Kiribati.

In Africa aid from the Bank under Lomé II went to 15 countries and two regions:

- a global loan of 40 millions went to the Nigeria Industrial Development Bank to finance small and medium-sized investment in industry, agro-industry, mining and tourism;
- in Cameroon a loan of 25 millions was granted to finance the installation of two 48 MW turbo-alternators at the Song-Loulou power station;
- three transactions amounting to a total of 20 millions were carried out in Zimbabwe:
 - . a loan of 15 millions to help finance the extension of the telephone and telex networks, mainly for inter-city and international services;
 - . two contributions to the creation of a development bank - the Zimbabwe Development Bank (ZDB). One took the form of EIB participation, on behalf of the European Community, in the ZDB's capital and the other was a conditional loan to the State for its share contributions to the ZDB's initial capital.

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- aid amounting to 6 millions was granted for restructuring and modernizing a manganese mine in south-western Ghana;
- the Central African Republic received 5,1 millions to finance renovation work and resumption of production in the country's only textile plant, UCATEX, which has not been in operation since 1980;
- Madagascar received 5 millions to extend industrial shrimp fishing by acquiring four trawlers, modernizing six other vessels and extending workshops and refrigerated warehouses;
- the Congo received a total of 4,48 millions in the form of
 - . a global loan to the Congo National Development Bank to finance small and medium-sized investments in industry, agro-industry, mining and tourism;
 - . aid for a feasibility study on the exploitation of asphalt sandstone,
- the development bank in Botswana received a global loan of 4 millions to finance medium-sized investments in industry, agro-industry, transport and tourism;
- aid of 3 millions to Malawi will finance the installation of a fourth 20 MW generator and related work at the Nkula Falls hydro-electric station;

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- Gabon received a conditional loan of 2,5 millions to finance feasibility studies on the exploitation of iron ore deposits in the Haut Ivindo region on the border between Gabon and the Congo;
- Ivory Coast received 2,43 millions to finance its allocation of shares in the CIMAO company;
- the Rwandese Development Bank received 0,7 millions to finance feasibility studies relating to projects or participation in the capital of small and medium-sized undertakings in industry, agro-industry, mining and tourism;
- Senegal received 0,5 million for a feasibility study as the final stage before investment in exploitation of the Sabodala gold mine;
- 0,2 million ECU granted to Sudan will finance a study designed to identify new chromite deposits and the utilization of low-grade ore;
- the Djibouti Development Bank received overall assistance to help finance feasibility studies.

Two regional grants were made in the form of risk capital totalling 10,5 millions to finance:

the development of inter-regional wireless beam telecommunications between ECOWAS Member States and upgrading of a number of local communications centres;

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- . an overall allocation of 0,5 million to the East Africa Development Bank to finance pre-investment studies.

Finally, finance totalling 0,80 million was granted under a Lomé I global authorization to finance two studies: a prefeasibility study on the exploitation of the Les Mamelles iron ore deposits near Kribi and a study on the development of cement production in Malawi.

The Bank granted two loans to Belize in the Caribbean. This is the EIB's first intervention in the former British overseas territory:

- . a global loan of 2 million to the Belize Development Finance Corporation to help finance jointly selected small and medium-sized projects;
- . 0,6 million ECU as part-financing of the State's contribution to increasing the BDFC's capital.

The Bank allocated funds to two countries in the Pacific, Papua New Guinea (1,8 million) and Kiribati (0,2 million) to help them increase the own resources of a regional shipping line, the Pacific Forum Line. This increase in capital will be used to part-finance the purchase of containers.

In 1983 ACP development banks made 50 allocations amounting to almost 20 million from global loans. These allocations went to small and medium-sized investments in agro-industry (36%), the timber industry (12%), the chemical industry (10%), leather and textiles (8%), extractive industry (5%) and tourism (5%).

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5. A Joint Technical Working Party met in July, November and December 1983 to further the work of the Article 108 Committee, in particular in the field of sectoral evaluation (ex-post). On 25 November 1983 it examined a draft report on the application of basic principles relating to investments in the sectors of health and drinking water supply, the draft resolutions and a number of basic principles resulting from evaluation in the sectors of education and training, and of road infrastructures. This draft report and the two draft resolutions, together with the related basic principles, are to be submitted through the Article 108 Committee to a subsequent meeting of the ACP-EEC Council of Ministers. The draft report represents the follow-up to the Council Resolution on this subject adopted in Nairobi on 9 May 1980. The basic principles on education and training and on road infrastructures represent the result of work undertaken by ACP and EEC experts called upon by the Commission to evaluate projects in these sectors.

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7. LEAST DEVELOPED, LANDLOCKED AND ISLAND COUNTRIES

Recognizing the particular political importance in the international context of the UNCTAD VI Conference, held in Belgrade in June 1983 - the major event of the North/South dialogue ⁽¹⁾ in the year under review - the EEC Council issued a declaration on 25 January reiterating the Community's attachment to the principle of global North/South negotiations. The Community took the initiative of presenting to the ACP States at the ACP-EEC Council of Ministers on 20 May 1983 the broad lines of the Community approach to UNCTAD VI, and of encouraging informal contacts between the Community and the ACP in Belgrade during the Conference itself, with a view to furthering mutual comprehension.

⁽¹⁾ Cf. Annual Report of the ACP-EEC Council of Ministers (1982), pages 97-99.

In the ACP-EEC context, and more particularly in the framework of the work programme of the ACP-EEC Subcommittee responsible for studying the specific problems of the least developed, landlocked and island countries, the Community finished its examination of the various special provisions in the Convention and gave the last of its series of comments to the ACP in Spring 1983. In point II. 1 of its Resolution of 20 May 1983 on financial and technical co-operation, the ACP-EEC Council called on the ACP-EEC bodies specifically concerned with the problems of least developed, landlocked and island States to examine as soon as possible the real impact of measures already taken in regard to these countries. At the end of 1983, the ACP States had not yet concluded their examination of the implementation of these special provisions and of the Community's comments.

The Community's proposal for Belize and Antigua-and-Barbuda to be included in the relevant lists of least developed and island ACP States under Article 155 (3) of the Convention was still under examination at the end of 1983.

IV. NEGOTIATIONS FOR THE NEW ACP-EEC CONVENTION

The formal opening meeting

Negotiations between the Contracting Parties to the second ACP-EEC Convention - pursuant to Article 188 of the present Convention - to examine what provisions are to govern future relations between the Community and the Member States on the one hand and the ACP States on the other, formally opened at a Ministerial meeting held on 6 and 7 October 1983 in Luxembourg.

In addition to the 63 members of the ACP Group of States and the 10 Member States of the Community, the meeting was also attended by the newly independent State of St Christopher and Nevis, which had expressed its desire to accede to the second ACP-EEC Convention, as well as by representatives of Angola and Mozambique, which had decided to take part in the negotiations for the future Convention.

Proceedings began on 6 October 1983 with three opening speeches delivered by :

- Mr Archibald MOGWE, Minister for Foreign Affairs of Botswana, President-in-Office of the ACP Council of Ministers ;

- Mr Yannis HARALAMBOPOULOS, Minister for Foreign Affairs of the Hellenic Republic, President-in-Office of the Council of the European Communities, and

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- Mr Edgard PISANI, Member of the Commission with responsibility for development matters.

In his opening statement Mr MOGWE stressed the interdependent nature of relations linking the ACP States and the Community, and called for Community aid to complement the ACP States' own efforts towards self-reliant, autonomous development. Underlining the contractual nature of the agreement between sovereign partners, he pleaded for increased participation by the ACP States in decision-making and in management of the Convention. The ACP States and the EEC chose cooperation, not confrontation, as the basis of their relations, he said, but he feared the ACP States special relationship with the EEC had deteriorated both absolutely and relatively over recent years. For the ACP, for a new Convention to be worthwhile and of lasting effect, it would have to contribute significantly towards their economic and socio-cultural development and advance substantially mutual understanding between the Governments and peoples of the EEC and the ACP. By thus significantly improving on the preceding arrangements, the new Convention should also make a much greater contribution towards the achievement of a more just and more balanced international economic order. These historic negotiations, he said, also offered the opportunity of easing tensions and contributing to world peace.

In reply, Mr HARALAMBOPOULOS stressed the joint responsibility resting on all participants in the negotiations. The ACP-EEC Convention represented an unprecedented effort to establish a new type of relationship between North and South.

.../...

From small beginnings, successive Conventions - Yaoundé, Lomé I and Lomé II - had grown to encompass almost half the international community, including most of the poorest nations. He spoke of development as a duty dictated by solidarity as well as being mutually beneficial for the partners in the Convention, the unique nature of which stemmed from special, jointly inherited, historical and geographical responsibilities. The Community also considered it essential for the peace and stability of the world that the Third World should play its own independent role in international affairs, and this role would best be played through economic development.

Mr PISANI spoke of the Convention as an element of stability and security in a world situation more difficult today than it had ever been, in the midst of one of the most severe economic crises of modern history. Interests which could be put into figures were important, he said, but they were not everything : the ACP-EEC Convention's very existence was more important than its content, its very nature more influential than the means it could make available. The negotiations, he concluded, would be difficult and contradictory, because they were between free and equal partners, and were the opportunity for a fundamental debate on the nature of future ACP-EEC relations.

The progress of negotiations .

At the opening Ministerial Conference in Luxembourg the ACP States and the Community agreed on the need for the negotiation proceedings to get under way as soon as possible. A Plenary Negotiating Group was therefore set up and held its first meeting on 19 October 1983 in Brussels.

In this Group the Community is represented by its negotiator, the Commission, the representatives of the Member States taking part as observers. On the ACP side, the negotiations are conducted by the ACP Committee of Ambassadors.

The Plenary Negotiating Group meeting on 19 October was chaired jointly by Mr D. FRISCH, Director-General for Development at the Commission, and by H.E. Ambassador J. CAVELEVU, Ambassador of Fiji, Chairman of the ACP Committee of Ambassadors. A structure for the negotiations was agreed at this meeting. According to this, the Plenary Negotiating Group would reserve for itself discussion of the aims, purpose and methods of the future Convention, and would act as a co-ordinating and supervisory group for the negotiations in the specific sectors. It would also bring together the work of the specific sector groups with a view to subsequent consideration at Ministerial level.

The specific areas of negotiation were divided into two zones:

Zone A: issues relating to trade, commodities and STABEX; customs co-operation and rules of origin; the development of mineral resources, energy and SYSMIN; industrial development; the development of fisheries resources, technology and tourism and the promotion of investments.

.../...

Zone B: financial and technical co-operation; less developed, island and landlocked ACP countries, transport and communications; - agricultural co-operation, integrated rural development, self-sufficiency in food and security of food supplies; social and cultural matters, research, ACP-EEC training, intra-ACP co-operation and regional co-operation.

On the EEC side, two Deputy Directors-General at the Commission, Mr M. FOLEY and Mr M. HAUSWIRTH, were designated to negotiate on behalf of the Community in these two groups. A small third group was instructed to deal with institutional, general and legal matters, headed by Director-General Mr D. FRISCH.

The ACP side designated the following as their spokesman for various sectoral issues:

- for Agricultural Co-operation, Integrated Rural Development, Food Self-Sufficiency and Food Security, Ambassador C. MBONIMPA of Burundi;
- for Trade, Commodities and STABEX, Ambassador Y. ADODO of Togo;
- for Development of Mineral Resources, Energy and SYSMIN, Ambassador S. KAZUNGA of Zambia;
- for Industrial Development, Fisheries Resources Development, Technology and Tourism, Ambassador O. JACKMAN of Barbados;

.../...

- for Financial and Technical Co-operation, Ambassador G. BERHANE of Ethiopia;
- for Customs Co-operation, Rules of Origin, Ambassador Chief P. AFOLABI of Nigeria;
- for Least Developed, Landlocked and Island ACP Countries, Transport and Communications, Ambassador P. PEIPUL of Papua New Guinea;
- for Social Conditions, Research, Training, ACP-EEC Cultural Co-operation Intra-ACP and Regional Co-operation, Ambassador R. CHASLE of Mauritius;
- for Institutional and Legal Matters, Ambassador S.O. SY of Senegal.

The second session of the Plenary Negotiating Group was held in ACP House in Brussels on 9 November, and was chaired jointly by H.E. Mr J. CAVALEVU, Ambassador of Fiji, Chairman of the ACP Committee of Ambassadors, and by Mr D. FRISCH, Director General for Development at the Commission.

Further meetings of the Plenary Negotiating Group took place in Brussels on 18 November, 5 December and 21 December 1983, and negotiations on sectoral issues got under way in the groups concerned with agricultural co-operation and aspects of socio-cultural co-operation on 21 and 22 December respectively.

The negotiating parties agreed to fix a date for the next Ministerial Meeting, to be held early in 1984, in the light of progress made in the negotiations. The Ministerial Meeting subsequently took place on 9 and 10 February 1984, in Brussels.

.../...

CONCLUSIONS

The year in question has seen further implementation of the existing Convention and the start of negotiations for its successor. Both are evidence of the sense of interdependence which links the developed and the developing world in general, and the Community and the ACP States in particular.

The specific ACP-EEC relationship is underpinned by a sense both of interdependence and of mutual advantage. On the one hand Europe is heavily dependent on raw material imports and on overseas markets for its manufactured products; on the other hand the ACP States are keen to benefit from the Community market and from European manufactures, expertise, technology, investment and development aid.

The year's work in the ACP-EEC Council of Ministers reflects that sense of interdependence in the present. The opening of negotiations for the new Convention signalled the desire of the participants to project that awareness even more firmly and effectively into the future.

.../...

LIST OF ANNEXES

- Annex I Joint declaration on the implementation of Article 13 of the Lomé Convention relating to safeguard measures, issued by the ACP-EEC Council of Ministers at its 8th session on 19 and 20 May 1983.
- Annex II Statements made by the Community in the ACP-EEC Council of Ministers on 20 May and in the 14th and 16th Meetings of the ACP-EEC Committee of Ambassadors on 1 February and 16 December 1983 respectively, on the progress of the negotiation for the accession of Spain and Portugal to the Community.
- Annex III Statements by the ACP and Community spokesmen on item 3 (Report by the Co-Presidents on the progress of the mandate given under item 11 by the 7th Meeting of the ACP-EEC Council of Ministers at Libreville on 13 and 14 May 1982) on the agenda of the 14th Meeting of the ACP-EEC Committee of Ambassadors on 1 February 1983.
- Annex IV The ACP and Community positions as at the ACP-EEC Council of Ministers Meeting on 19-20 May 1983 on the situation in Southern Africa.
- Annex V Resolution by the ACP-EEC Council of Ministers of 19 and 20 May 1983 on financial and technical co-operation (Brussels Resolution).
- Annex VI Resolution of the ACP-EEC Consultative Assembly taking account of the Annual Report of the ACP-EEC Council of Ministers for 1982, and looking towards the imminent negotiations for a Successor Convention to Lomé II.
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JOINT DECLARATION
OF THE ACP-EEC COUNCIL OF MINISTERS
OF 19 AND 20 MAY 1983
ON THE IMPLEMENTATION OF ARTICLE 13 OF THE LOME CONVENTION
RELATING TO SAFEGUARD MEASURES

1. The Contracting Parties to the Lomé Convention agree that every endeavour should be made to avoid recourse being had to the safeguard measures provided for under Article 12.
2. Both parties are guided by the conviction that the implementation of Article 13(4) and (5) would enable them to recognize, at an early stage, problems which could arise and, taking account of all relevant factors, avoid as far as possible recourse to measures which the Community would prefer not to adopt vis-à-vis its preferential trading partners.
3. Both parties acknowledge the need for implementation of the mechanism of advance information provided for under Article 13(4), whose objective is to limit, in the case of sensitive products (*), the risks of sudden unforeseen recourse to safeguard measures. These arrangements will enable the maintenance of a regular flow of trade information and the simultaneous implementation of regular consultation procedures. Thus the two parties will be in a position to follow closely the evolutionary trends in the sensitive sectors and detect problems which could arise.
4. The following two procedures result from this:

(a) The Statistical Surveillance Mechanism

Without prejudice to internal arrangements that the Community may apply to control its imports, Article 13(4) of the second Lomé Convention provides for the institution of a mechanism intended to ensure statistical surveillance of certain ACP exports to the Community and thus facilitate the examination of occurrences such as to cause market disturbances.

(*) See p. 3, 1st paragraph.

This mechanism, whose sole objective is to facilitate the exchange of information between the parties, should apply solely to products which the Community considers, insofar as it is concerned, as sensitive.

The implementation of this mechanism will be the object of a joint agreement on the basis of data to be furnished by the Community and with the help of statistical information to be communicated by the ACP States to the Commission at the latter's request.

For the effective implementation of this mechanism it is necessary that the ACP States concerned provide the Commission, as far as possible on a monthly basis, with statistics relating to their exports to the Community and to each of its Member States of products considered by the Community as sensitive.

(b) A procedure for regular consultation

The Statistical Surveillance Mechanism mentioned above will enable the two parties better to follow the trends in trade likely to cause concern. On the basis of this information, and in accordance with Article 13(5), the Community and the ACP States will have the possibility of holding periodical consultations in order to ensure that the objectives of this Article are fulfilled. These consultations will take place at the request of either party.

5. Paragraphs 1, 2 and 3 of Article 13 relating to safeguard measures have already been, insofar as the Community is concerned, the object of a Council implementing Regulation (Regulation (EEC) No 1470/80) following the request of the ACP States for the advance implementation of the provisions of the second Lomé Convention relating to the safeguard clause. If the conditions of application of safeguard measures (Article 12) are fulfilled, it would be the responsibility of the Community, in accordance with Article 13(1) relating to prior consultations concerning the application of safeguard measures, to enter immediately into consultations with the ACP States concerned by providing them with all the information necessary for those consultations,
(ANNEX I) .../...

especially the necessary data from which to determine to what extent imports from an ACP State or ACP States of a specific product have caused serious disturbances in a sector of the economy of the Community or of one or more of its Member States.

6. If no other arrangement has been concluded in the meanwhile with the ACP State(s) concerned, the competent authorities of the Community may, at the end of the twenty-one day period provided for in respect of those consultations, take the appropriate measures for the implementation of Article 12 of the Convention. These measures shall be communicated immediately to the ACP States and become immediately applicable.
7. This procedure would apply without prejudice to measures which could be taken in the event of special factors within the meaning of Article 13(3) of the Convention. In this case all relevant information will be supplied promptly to the ACP States.
8. In any case, the interests of the least-developed, landlocked and island ACP States will receive particular attention, in accordance with Article 15 of the Lomé Convention.
9. The ACP States and the Community are convinced that the implementation of the provisions of the Lomé Convention as well as those of the present declaration, are likely to promote while taking into account the mutual interests of the partners, the attainment of the objectives of the Convention in respect of trade co-operation.

Statement by the Community in the ACP-EEC Committee
of Ambassadors on the progress of the negotiations
for the accession of Spain and Portugal to the Community
(1 February 1983)

At the 13th meeting of the ACP-EEC Committee of Ambassadors on 20 April 1982, the Community stressed that it "is aware that enlargement to include Spain and Portugal may well arouse misgivings on the part of the ACP States". It therefore renewed its assurance that it was prepared "to exchange views with the ACP States ... when solutions are reached in the accession negotiations".

This remains the Community's attitude at the present time.

The process of enlargement to include Spain and Portugal remains a Community priority, as the Heads of State and Government confirmed at their meeting within the European Council on 29 and 30 June 1982.

At present, four chapters have been concluded with both Spain and Portugal: capital movements, transport, regional policy and financial and economic questions.

Negotiations with Portugal have also been concluded, in the main, on questions relating to Euratom, the Industrial Customs Union, the ECSC, taxation, the right of establishment and external

relations, and with Spain on questions relating to the right of establishment and the approximation of laws. Negotiations with Spain have also made progress on tax questions, the industrial customs union, the ECSC and external relations.

Negotiations on the accession of Spain and Portugal have therefore made significant progress during the last nine months. However, it is important to bear in mind that whole or partial agreement on a chapter cannot be considered final until the close of the accession negotiations with each of the candidate countries. Although the agreements which have been reached are important and significant, they can only be regarded as provisional at this stage of negotiations.

With this reservation, the Community is now in a position to provide some information of interest to the ACP countries on the content of the agreements reached with Portugal, since it is these negotiations which have made the most progress since the last Community statement at the ACP-EEC Council in Libreville in May 1982.

At the ministerial meetings in June and September it was possible to reach agreement with Portugal on the basic points of the industrial chapters of negotiations, on the following terms:

CUSTOMS UNION FOR INDUSTRIAL PRODUCTS (Portugal)

An application period of 7 years has been fixed for the transitional tariff measures. It has been established that the rhythm of tariff movements will be the same for the intra-Community elimination of duties and Portugal's acceptance of the obligations vis-à-vis third countries which accession will impose on it.

Concerning textiles, it has been agreed that for three years following accession, with the possibility of adding a fourth year, Portuguese textile exports to the Community will be admitted at a fixed level.

Lastly, on accession, Portugal will abolish measures having an effect equivalent to quantitative restrictions. However, Portugal will be able to keep an import licensing system for industrial products for 3 years after accession, for purely statistical purposes.

External relations (Portugal)

In the External relations chapter for industrial peroducts (excluding agricultural products, therefore), as in the Customs Union and ECSC Chapters, it is proposed to allow transitional measures (for a period of 7 years) in favour of Portugal in certain areas (with the exception of textile products, however, for which arrangements vis-à-vis third countries will be fixed as soon as the results of the Community's new agreements or arrangements in the sector are known).

With regard to Portugal's relations with third countries, as a new Member State, within the framework of the Community's preferential agreements, the general principle applies, which means that Portugal will assume the Community's commitments to preferential countries on accession, subject to the transitional measures of both a tariff and non-tariff nature, and bearing in mind that it cannot grant these countries more favourable treatment than it grants the Community, nor less favourable treatment than it grants third countries.

Under these circumstances, Protocols of adaptation must be concluded with the preferential countries between the date of signature of the act of accession and Portugal's accession. As soon as the contents of the accession negotiations are known, the Commission will commence exploratory talks with the countries concerned. The basis for negotiation of the transitional measures will be agreed in the accession negotiations on the External relations chapter, and then confirmed with the preferential countries.

Regarding tariffs, Portugal will gradually dismantle its customs duties (over a period of 7 years) against preferential partners on all products considered sensitive in respect of the Community and on the industrial products in Chapters 1 to 24. A second category of products which Portugal considers sensitive in respect of preferential partners might also undergo a gradual dismantling of tariffs, subject, however, to economic justification for each product and each country. For both categories of

products, the tariff dismantling process will start from the level of customs duties which Portugal actually applies to third countries on the date agreed for basic duties in the Customs union chapter.

In respect of quantitative restrictions, transitional measures (also lasting 7 years) are proposed for twelve products with regard to preferential countries. Here too, economic justification is required for each product and each country. Tariff quotas or even ceilings may be laid down instead of quantitative restrictions.

Statement by the Community in the
ACP-EEC Council of Ministers on the
progress of the negotiations for the accession
of Spain and Portugal to the Community
(20 May 1983)

"The Community refers to its statement at the meeting of the ACP-EEC Committee of Ambassadors on 1 February 1983, in which it reaffirmed its determination to keep its ACP partners informed of the progress of these negotiations; it would like to use this meeting as an opportunity for adding to this information.

- Spain

Chapters fully completed cover capital movements, transports, regional policy, the approximation of laws, right of establishment and the chapter on economic and financial questions.

As for other chapters on which negotiations are at quite an advanced stage, particular mention should be made of the industrial sector (customs union, ECSC, external relations) and taxation.

- Portugal

At the last meeting of the ACP-EEC Committee of Ambassadors, the Community had already taken note of the progress achieved in the negotiations with Portugal. Since negotiations were at a more advanced stage than with Spain, the Community had also provided a good amount of relevant information.

Of the chapters on which negotiations are at quite an advanced stage, mention should be made of:

- right of establishment and freedom to provide services,
and
- taxation.

Substantial progress has also been achieved in the areas of the approximation of laws, the environment and consumer protection.

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The European Council intends to take stock of how these negotiations now stand at its forthcoming meeting in Stuttgart on 6 and 7 June 1983."

STATEMENT BY THE COMMUNITY

in the ACP-EEC Committee of Ambassadors
on the progress of the negotiations for the accession
of Spain and Portugal to the Community
(16 December 1983)

The Community recalls its previous statements on enlargement and reiterates its intention of keeping its ACP partners informed.

The Community wishes to make it clear, however, that:

- the state of the negotiations described in such statements is provisional and will, by its very nature, necessarily change from one meeting of the negotiations to the next;
- it must also be remembered in the case of the "chapters concluded" that the agreements reached can, in principle, only be seen as final within the context of the global agreement reached at the end of the negotiations.

Negotiations with the two applicant countries made significant progress following the Community's last statement on 20 May 1983. In this connection it has to be emphasized that the solutions arrived at by the EEC Council of Ministers for Agriculture in October 1983 in the case of certain more specifically Mediterranean agricultural products removed the last difficulties being experienced by the Community in starting discussions on the important agriculture chapter in its appropriate bodies, with the result that the Community is now commencing substantive negotiations with the applicant countries on this fundamental chapter.

Spain

Environment (forming part of the "approximation of laws" chapter) and taxation should be added to the chapters concluded in full already referred to in the statement of 20 May.

Among the chapters concluded apart from a few special points should be mentioned right of establishment and customs union (industrial products); the only major point still outstanding in the case of the latter chapter concerns the duration and details of transitional tariff measures.

Chapters still under negotiation as a whole are the ECSC, Euratom and external relations, including "Ceuta and Melilla". Partial agreements have already been reached in respect of the latter chapter.

Spain has not yet clarified its position regarding the Canaries.

Portugal

The Community has already informed the ACP in its earlier statements of the major progress achieved, indicating the Chapters concluded and/or almost concluded in relation, in particular, to the problems of more especial interest to the preferential countries. Among the chapters of particular importance still under negotiation should be mentioned agriculture, a Community statement in respect of which was recently made at the Ministerial meeting of 29 November 1983 (concerning, in particular, the possibility of introducing a system of transition by stages depending on the products), the right of establishment and taxation (application of VAT to the autonomous regions of the Azores and Madeira and other special Portuguese requests).

Spain and Portugal

The chapters under negotiation as a whole concern, in particular, own resources, patents, social affairs and fisheries. The negotiations on the latter chapter began with an exchange of general policy statements, followed in particular by meetings on "secondary legislation" to enable these negotiations to be adequately prepared for. In the case of Portugal continuation of the negotiations will depend to a large extent on these discussions.

On 18 October 1983 Spain replied to the Community's initial statement of June 1983 on the fisheries chapter.

Chapters not yet tackled include the EIB (adaptation of the EIB Statutes to the two applicant countries), processed agricultural products (the Commission will table proposals on this chapter once the details of the integration of Spanish and Portuguese agriculture and transitional customs union measures in the case of Spain, have been decided), institutional questions, relations between Spain and Portugal and relations between Greece and Spain and Greece and Portugal.

REPORT BY THE CO-PRESIDENTS ON THE PROGRESS
OF THE MANDATE GIVEN UNDER ITEM 11 BY
THE 7TH MEETING OF THE ACP-EEC COUNCIL
OF MINISTERS AT LIBREVILLE ON 13 AND 14 MAY 1982

Statement by the Spokesman for the ACP States
on item 3 on the agenda for the 14th meeting of the ACP-EEC
Committee of Ambassadors on 1 February 1983

Having already raised the question at the ACP-EEC Council in Libreville, everyone must now be fully aware of the vital importance which we, the ACP, attach to this question, conveying as it does, the continuing deteriorating of the situation of ACP students and migrant workers in the EEC Member States due to the administrative social and financial measures applied by the EEC Member States.

We see this issue as a very important barometer of the import which the Community attaches to the Lomé Convention and to the problems faced by the ACP. It is fundamental to the quality of our relationship.

First of all, the Convention purports to be the instrument through which the ACP and, not only the individual Member States of the Community, but also the Community as an entity, resolve to:

.../...

"Intensify their efforts together for the economic development and social progress of the ACP States, and to ensure the greater well-being of their populations" ... and "to continue and intensify their efforts to establish a model for relations between developed and developing countries which is compatible with the aspirations of the international community towards the establishment of a new more just and more balanced international economic order."

Secondly, the Convention, to which all the parties have solemnly subscribed clearly commits the partners, for example, to take "all measures necessary to bring about effective industrial co-operation" (Article 65) including "training in industrial skills at all levels" (Article 66, paragraph (e)). Indeed, in the Convention the Community has gone as far as to agree that it "shall provide all the means available under financial and technical co-operation, necessary assistance in the field of industrial training, including that related to industrial investment in particular of the Community and its Member States with a view to enabling ACP States to acquire, develop and adapt technological skills that are essential to their industrial growth and to the improvement of the quality of life of their peoples" - a most necessary and laudable commitment!

Moreover, aware of the difficulties faced by many ACP workers in EEC Member States, the contracting parties to the Convention provided by way of Annex XV to remove on a reciprocal basis discrimination against each other's nationals, workers legally resident in each other's states as regards working conditions. Some of these workers are also students, let us not forget.

And to avoid any matters having direct bearing on the subject of the Convention, which, as we have seen above, involves the problem of training and the treatment of ACP workers, being excluded from consideration, the Convention provides that "at the request of one of the Contracting Parties, exchanges of view may take place on questions having direct bearing on the matters covered by this Convention (Article 168(10)).

Against this background, faced with a serious problems of discriminatory treatment in relation, particularly, to ACP students in institutions of learning in many EEC Member States, the ACP Council of Ministers drew this matter to the attention of the ACP-EEC Council, which by the terms of the Convention, is committed, under Article 168(2) "to periodically review the results of the arrangements under this Convention and to take such measures as may be necessary for the attainment of the objectives of the Convention".

Seized of this urgent problem, two other representative bodies concerned with the process of ACP-EEC Co-operation - the Consultative Assembly and the Social and Economic Circles - found the matter of sufficient importance not only to be discussed, but also to warrant the adoption and transmission of appropriate resolutions and recommendations to the Council of Ministers for consideration, aware that the Convention provided for Council to take into consideration any resolution or recommendation made by the Consultative Assembly to help attain the objectives of the Convention.

It was in the face of the request of the ACP and the resolutions and recommendations of the Consultative Assembly that the ACP-EEC Council deliberated on this matter and remitted the subject to the Co-Chairmen of the Committee of Ambassadors.

In our view, when the Council gave a mandate to the two Co-Chairmen it followed that they must constitutionally report to the Committee of Ambassadors - whatever the content of their report. And to do so, they must act openly and not clandestinely, that is to say, they must insert the item fully and clearly on the agenda and give their report.

Having now done so, the ACP considers it necessary that the goodwill which underlies our co-operation must take us, the ACP-EEC to a point of some practical solution.

Mr President, this is not for us an exercise in constitutional or juridicial argumentation - it is a matter fundamentally prejudicing our national development and directly imposing severe hardship daily on our nationals. It is for these urgent reasons that we are imploring our partners not to treat this matter as just another bureaucratic question posed by the functioning of our Convention.

Our hopes rest firmly on the belief that our partners would approach this matter with the genuine concern warranted by this serious developmental and human problem, and by that approach, arrive at a satisfactory solution. We have been discussing this question intensively within the ACP and arising from our deliberations, we would wish to propose for your consideration, the setting up of a small ACP/EEC Working Group to examine the information collected by the EEC and the ACP on this question and to suggest some approach to the pursuit of this matter.

The composition of the Working Group, the duration of its work, etc. could be the subject of a later exchange between us.

Mr President, that is the main substance of our appeal to you today and we really hope that we can receive your fullest co-operation.

Statement by the Community spokesman
on item 3 on the agenda
for the 14th meeting of the ACP-EEC Committee
of Ambassadors on 1 February 1983

The Community has listened with great attention to the statement by the ACP co-President. It points out that when this question was raised at Libreville the Community spokesman said that it gave rise to problems of competence, and it was in those circumstances that the question was referred to the two co-Presidents.

The Community has carefully re-examined this question. It is fully aware of the concern of the ACP States with regard to the problems facing their students and nationals in certain Member States and of the importance they attach to them.

It must, however, point out that the question of students is solely a matter for the Member States concerned.

It does not, in the Community's view, fall within the scope of the Lomé Convention. In particular, the declaration in Annex XV to the Final Act is not relevant as it refers only to workers, and not students, and concerns freedom from discrimination on the grounds of nationality as regards working conditions, pay and social security.

Nor does it fall within the scope of the Treaty of Rome, which does not make provision for any Community competence with regard to the position of students, even in the case of students who are nationals of the Member States.

Accordingly, the Community can only note that these questions should be dealt with on a bilateral basis between the ACP States and the Member States concerned, and it is convinced that such talks will be held in a spirit of mutual understanding.

In adopting this stance with regard to procedure, the Community repeats that it is not its intention to underestimate the importance of this question for the ACP, but it considers that it is important, and in the mutual interest of both parties, to adhere to the rule of including in the agenda only problems falling within the competence of the Convention.

Statements on the situation in Southern Africa made by the ACP
at the ACP-EEC Council of Ministers meeting on 19/20 May 1983

The statements by the ACP covered in particular:

- condemnation of the policy of apartheid followed by the Government of the Republic of South Africa, and more particularly the institutionalization of that policy by the artificial creation of "Bantustans" and the destabilizing activities of South Africa in neighbouring countries;
- the situation in Namibia and the problems which prevented that country from gaining independence;
- encouragement for the ANC and SWAPO and all the other groups and individuals who were working to abolish apartheid and to set up a democratic, non-racial society in South Africa;
- the Resolution adopted by the Consultative Assembly in Rome in November 1982 and the work of the fact-finding mission dispatched by the Assembly to the countries affected by the consequences of South Africa's acts of aggression;
- the desire of the ACP States that the Community Member States should apply greater pressure to the Republic of South Africa, particularly by means of economic sanctions.

Statement on the situation in Southern Africa made by the Community spokesman at the ACP-EEC Council of Ministers meeting on 19/20 May 1983

In view of the Ten, the situation in Southern Africa has not become any less dangerous. In spite of an increasing number of bilateral contacts in the region, the unresolved Namibian conflict, the apartheid system practised in South Africa and military trans-border activities are creating tensions that cannot leave us indifferent.

The independence of Namibia is long overdue. The settlement plan adopted by the Security Council in its resolution 435, which provides for free and fair elections under UN supervision and control, has been accepted in principle by all parties concerned. This settlement plan constitutes the only realistic basis for Namibia's way towards an internationally accepted independence. In the interest of the population of that territory, which has already suffered for too long, and in the interest of peace and stability in the whole region, we therefore call upon the South African Government to agree to the implementation of resolution 435.

The efforts of the western contact group of Five to overcome obstacles to that aim have met with encouragement and co-operation, in particular from the African Frontline States, and the countries of the European Community continue to support those efforts.

South Africa must face the fact that it cannot gain any advantage by prolonging its unlawful rule over Namibia.

We think that, in the interest of peace and also of economic and social progress in the region, the relations between South Africa and her neighbours should be put on a new basis. So-called "hot-pursuit" or "pre-emptive" military and subversive actions, apart from their human and legal aspects, cannot solve the problems and will definitely not bring peace and stability to the area.

South Africa must know that the greatest source of tensions lies in the system of racial segregation and discrimination. The governments of the Ten strongly condemn, in particular, the attempt to deprive blacks of their South African citizenship, and the brutal system of forced resettlement. The pursuit of such a policy cannot, in the view of the Ten, achieve peace and well-being in South Africa, and it is, at the same time, a serious obstacle to normal and mutually beneficial relations between South Africa and her neighbours.

The countries of the European Community are trying to bring to bear their collective weight in favour of rapid, fundamental and peaceful change in South Africa.

The independence and the economic stability and development of the neighbouring States are, in our view, important conditions for any improvement in the general situation in Southern Africa.

The Community is therefore supporting efforts of those countries in the framework of the Lomé Convention and by various other means. The Southern African Development Co-ordination Conference (SADCC) has received, since its foundation, substantial support from the Community and from Member States. Under the Second Lomé Convention an amount of approximately 700 MECU has been made available to the ACP States which are members of SADCC; it has been planned to allocate 70 MECU of this amount to regional co-operation projects.

In view of the special difficulties of the region: closure of frontiers, destruction of means of transport, refugee movements, the Community has on several occasions provided emergency aid for the ACP States of Southern Africa under Lomé II. If the Community's aid to Lesotho after South Africa's offensive last December is included, emergency aid supplied to date totals approximately 30 MECU.

Outside the Lomé II arrangements, further Community assistance is available to SADCC countries under other aid programmes. Firstly some 20 MECU has been assigned to Angola and Mozambique from the Community's general programme for 1981-1982 for assistance to developing countries, and will be used for rural development, fisheries and training projects.

Significant food aid provisions have also been made by the Community for SADCC countries, which currently run at more than 15 MECU per annum. Community cofinancing schemes with non-governmental organizations in SADCC States provide a further 2 MECU annually for the promotion of smaller-scale social and rural development projects, special assistance is extended by the Community to refugees and displaced persons, notably in Angola and Lesotho, and at the request of ACP States significant assistance has been provided for Namibian training programmes in preparation for that country's independence.

The European Community and its Member States will continue to attach the greatest importance to developments in Southern Africa, and they will work jointly for an end to colonialism and to racial discrimination, and in favour of peaceful co-operation between sovereign nations.

RESOLUTION BY THE ACP-EEC COUNCIL OF MINISTERS
of 20 May 1983
on financial and technical co-operation
(Brussels Resolution)

THE ACP-EEC COUNCIL OF MINISTERS,

Having regard to the Second ACP-EEC Convention, signed at Lomé on 31 October 1979 (hereinafter referred to as the "Convention"), and in particular Article 108(6) and Article 119 thereof,

Having regard to the Report and the Draft Resolution submitted by the Article 108 Committee,

Aware of the need to implement the entirety of the Resolution on financial and technical co-operation, adopted by the ACP-EEC Council of Ministers at Libreville on 14 May 1982,

HEREBY ADOPTS THE FOLLOWING RESOLUTION:

I. GENERAL

Council takes note of the report submitted by the Commission according to Article 119 of the Convention and appreciates the quality of the information provided.

However, in order to facilitate the work of the Article 108 Committee, Council invites the Commission for the future:

- (a) to accelerate the submission of its reports, and submit them in any case not later than the end of July following the year under review,
- (b) to cover more fully the points to which special attention was paid during the discussions of the Article 108 Committee and, the resolutions passed,
- (c) to provide statistical data on disbursements related to the various types of financing and the sectorial aspects of the co-operation

In addition, Council invites both parties to illustrate the discussions of the Article 108 Committee by including in separate papers or reports concrete examples of difficulties encountered in the implementation of financial and technical co-operation.

II. APPLICATION OF CERTAIN SPECIFIC PROVISIONS OF THE CONVENTION

1. Least developed, landlocked and island ACP States

Council reaffirms the need for special treatment to be accorded to the least developed ACP States, and for special measures in favour of the landlocked and island ACP States.

Council recalls that in order to help these countries overcome the specific difficulties with which they are faced, special provisions, inspired by this spirit, exist in the Convention.

Council notes the efforts already made in this regard by the Community and invites the relevant ACP-EEC Institutions to examine as soon as possible the real impact of these measures and to submit to Council proposals regarding these measures in order to ensure the effective implementation of the most flexible and efficient ways and means by the Convention.

2. Regional co-operation

Council refers to point II.2 of its Resolution of 14 May 1982 on financial and technical co-operation and reiterates its support of the desire of the ACP States to strengthen regional co-operation, given that this is basic to their development.

Council further notes that in order to achieve the objective laid down in the Convention, the increase in resources should be matched by a closer co-operation between the ACP States and the Community in the practical implementation of regional projects.

Council therefore calls on both parties to identify and implement projects which make a real contribution towards solving development problems common to a number of ACP countries.

3. Cofinancing

Council welcomes the emphasis put in the Convention on the use of cofinancing which makes it possible to mobilize the additional financial flows needed to carry out some large scale projects.

Council recommends that preference be given to joint financing as far as possible, especially where resources from various donors are put together in a single fund, and further recommends the simplification of the administrative procedures for the implementation of the projects concerned.

Council welcomes the initiative of the Commission in harmonizing its cofinancing procedures with the World Bank and the Arab Funds, and invites it to extend its efforts in the same direction as regards other donors.

4. Micro-projects

Council refers to point II.3 of its Resolution of 14 May 1982 on financial and technical co-operation to the effect that both parties attach great importance to micro-projects.

Council draws attention to the improved procedure introduced in this respect, whereby the Commission's approval is based on annual programmes setting out the types of projects to be carried out, leaving approval of the actual projects to the Commission Delegate as and when these projects are ripe for implementation.

Council hopes that this procedure will certainly increase the effectiveness of the system and hopes that micro-projects may be prepared, carried out and followed through under the best possible conditions.

III. ACCELERATION AND IMPROVEMENT OF THE IMPLEMENTATION OF FINANCIAL AND TECHNICAL CO-OPERATION

1. Programming

Council notes that the principle of Article 110 of the Convention was not achieved, the projected average rate of commitment being 14,8% while the actual overall commitment rate amounted to 12,1% of the funds available.

Council therefore mandates the Article 108 Committee to look at the reasons for the gap between projections and actual performance, and, where appropriate, propose to the competent authorities the necessary measures to remedy the situation.

2. Identification and preparation of projects or action programmes

Council agrees on the need for increased assistance to help the ACP States, particularly the least developed countries, to define and prepare projects or action programmes for submission for Community financing.

3. Drafting and signature of financing agreements

Council calls on both parties to take the necessary measures so that financing agreements, the conclusion of which influences the actual implementation of the projects or action programmes, are drafted and signed as soon as possible.

4. Preparation of tender dossiers: awarding and signing of contracts

Council recommends that the ACP States ensure that the tender dossiers are prepared within the time-limits laid down, and calls on both parties to ensure that the procedures for awarding and signing contracts do not result in unnecessary delays.

5. Payment and accounting procedures

Council notes that as regards disbursements the rate in the first year of the Convention constitutes apparently an improvement over the rate of disbursement in the first year of the First Lomé Convention (191 MECU or 4,1% of the overall 5th EDF appropriations as compared to 97 MECU or 3,5% of the overall 4th EDF appropriations).

Council, however, mandates the Article 108 Committee to further analyse the situation in order to appreciate whether these figures necessarily signify, in real terms, an improved performance in implementation of projects and action programmes, since the first year of the First Lomé Convention covered only nine months whereas that of the Convention was for a period of twelve months.

Council recommends that both parties take measures designed to ensure a speedy payment system by seeing to it that formalities and administrative procedures are reduced to the minimum compatible with the sound financial management of the projects or action programmes.

Council also urges the ACP States to endeavour, when administering advance payments, to provide, within the time-limits laid down, the supporting payment documents needed to renew advance funds set up to cater for the projects concerned.

Council further draws the attention of the ACP States to the new favourable provisions adopted by the Community which allow contractors from ACP States to obtain, subject to the provision of proof of the external use of the funds, payment in the Member States' currencies required to carry out those contracts which they are performing.

6. Follow-up, completion and start-up

Council recommends that the ACP States take all useful measures, if necessary with the support of the Community, to set up within the time-limits laid down the administrative, technical or financial structures essential for the starting up of the projects or action programmes.

7. Operation and maintenance of projects

Recognizing that many ACP States have difficulties in undertaking immediately the financial responsibility for projects operation and maintenance, Council strongly recommends that more attention be given to maintenance possibilities as from the design phase, in terms of finance, import requirements, necessary expertise, and of institutional limitations.

8. Appropriate technology and adjustment of projects and action programmes to local circumstances

In noting that most investments have a high import component and are foreign-firm oriented, thus limiting the benefits for the local economy in terms of local value added, Council therefore recommends that the EDF should take fully into consideration the benefits for the local economy which would result from increasing the local content and from involving local design and construction companies and the need for adjusting the imported techniques to the environmental and cultural milieu of the ACP countries.

IV. SECTORS OF INTERVENTION

1. Energy

Council recalls the Resolution of the ACP Council of July 1980 calling for the comprehensive collation of data on the energy potential and requirements of the ACP States with a view to providing guidelines for furthering intra-ACP co-operation in this field.

In noting that this work has not yet been done due to a lack of funds, Council welcomes the possibility of the Community financing such studies (preferably at a regional level) in accordance with Article 76 of the Convention.

2. Industrialization

Council underlines the importance of Title V of the Convention and of the common declarations in Annexes X and XI to the Final Act.

Recalling point III.1 of its Resolution of 14 May 1982 on financial and technical co-operation, Council looks forward with great interest to the outcome of the work of the Committee on Industrial Co-operation.

3. Rural development

Council draws attention to the problems of stock-farming, particularly those relating to deficiencies in price-fixing measures for meat and their effects on animal care and nutrition.

Council, therefore, in referring to point III.2 of its Resolution of 14 May 1982 on financial and technical co-operation, again stresses that prices for agricultural products paid to producers are one of the factors for the success of projects aimed at increasing production capacities and therefore further stresses that it is desirable that the ACP States benefit from all necessary support from the Community.

To ensure the viability of integrated rural development schemes, and to improve their performance under the Convention, Council strongly recommends that:

- the projects must be framed on the basis of a precise evaluation of the resources and constraints at the traditional farm level;
- technical solutions chosen must be simple and consistent; special attention must be given to the problem of maintaining the means of production;

- the project must involve the local population in the work or indeed in the expense, where possible, and must offer a guarantee of benefit to the local population.

4. Training

Taking account of the importance of training in all aspects of development, Council stresses the increasing necessity to offer a wider variety of EDF instruments as a package, and that infrastructure, equipment, technical assistance, recurrent costs, fellowships and training programmes should be offered for financing and should be managed in an integrated way.

For this reason, Council recommends that a great effort be made, supported by institutional and administrative measures within the Community and the recipient ACP Governments, to ensure the explicit inclusion of training projects in EDF investment schemes.

Finally, Council recognizes that the issue of training calls for a real dialogue between the Community and the ACP States in order to evolve a coherent and overall policy which will enable the ACP States to work out criteria for action.

5. Transport projects

In recognizing that the regular and satisfactory maintenance of transport infrastructures must remain a matter of constant concern to both parties, in order to ensure a balance between the building of new infrastructures and the maintenance of existing ones, Council recommends that special efforts be made, if necessary with Community support, to improve the administrative and material capacity of the national maintenance services, in particular by taking measures to provide training and suitable equipment.

6. Water supply and sanitation

Council notes with satisfaction the considerable improvements in the planning and realization of water supply and sanitation projects since the basic principles drawn from the assessment work in this sector were adopted, and therefore requests the parties to continue to take the maximum account of the basic principles, which constitute an invaluable guide for action.

7. Education and health

Council refers to point II.4 of its Resolution of 14 May 1982 on financial and technical co-operation, in particular subparagraphs (a) and (c) concerning the choice of projects and the technologies to be applied.

Council therefore requests the parties to ensure that the architectural design of hospital and educational centres is fully adapted to meet local conditions and that attention be given to the need to match technical installations in the management and maintenance capacities of the staff involved, and in particular, to the social and cultural development of the rural communities.

Council wishes further to draw attention to the need for integrated programmes in order to promote the social and cultural development of the rural community in accordance with Article 83(2)(e) of the Convention.

8. Technical co-operation

Council recalls its Resolution of 9 May 1980 on financial and technical co-operation and the three broad aspects of quantity, quality and cost, under which technical assistance must be reviewed.

Council mandates the Article 108 Committee to undertake an in-depth review of this important question, taking into consideration the study being carried out by the Commission relating to the evaluation of technical assistance.

9. Trade promotion

Council draws attention to the fact that, despite the wider provisions of the Convention covering the possibility of assistance from the production stage up to the final stage of distribution, many ACP States still limit their trade promotion activities to participation in trade fairs, though trade fairs clearly represent the final stage in the marketing process.

Council therefore urges ACP States to evolve more innovative methods of trade promotion based on a clearly determined trade policy and also on a competitive production capacity, and urges the Community to support such measures.

V. FUTURE PROGRAMME OF WORK FOR ARTICLE 108 COMMITTEE

In addition to its normal programme, defined by Article 108 of the Convention, Council mandates the Article 108 Committee to undertake an in-depth review of:

1. Issues of procedure

- (a) Programming: reasons for the gap between target and actual commitment, including statistical analysis of projects presented, rejected or modified, in order to ensure improved implementation of Article 110 of the Convention;
- (b) Disbursements: analysis of the breakdown of statistical data, with a view to ensuring an improved presentation of these data in the annual Commission report in accordance with Article 119 of the Convention.

2. Sectoral issues

- (a) Rural projects: identification of the sociological and cultural difficulties resulting from the implementation of rural projects, and in particular the resettlement and land ownership problems;

- (b) Training: development of a coherent and overall training policy, based on an examination of ACP States' development needs;
- (c) Technical co-operation: in-depth review of the cost and quality of technical assistance, taking into consideration among other assessments the Commission's study on evaluation of such assistance, in order to improve the implementation of the relevant sections of the Convention.

Done at Brussels, 20 May 1983
For the ACP-EEC Council of Ministers
The President

(s.) M. Qionibaravi

RESOLUTION
OF THE ACP-EEC CONSULTATIVE ASSEMBLY

taking account of the Annual Report of the ACP-EEC Council of Ministers for 1982, and looking towards the imminent negotiations for a Successor Convention to Lomé II.

The ACP-EEC Consultative Assembly,

- meeting in Berlin from 21 to 23 September 1983,
 - having regard to the Annual Report of the ACP-EEC Council of Ministers for 1982,
 - having regard to the report submitted by Ambassador Cavalevu on behalf of the Joint Committee (ACP-EEC 57/83).
1. Welcomes the fact that the Seventh Annual Report of the ACP-EEC Council of Ministers has been published earlier than in previous years, but reiterates the criticism that a more analytical report would be of greater value;
 2. Believes that, at this juncture, half-way through the Convention of Lomé II and just as negotiations for its successor are beginning, the time is opportune to review the implementation of the Convention and its effects on the some 600 million people living in the signatory states;
 3. Notes the serious nature of the current world economic, political and security crisis; calls consequently on the EEC and ACP leaders to take positive action for the mutual benefit of their peoples;
 4. Is convinced that the historical relationship between Europe and the ACP countries can further evolve in such

a way as to transform North/South relations from domination and exploitation into relations of real interdependence based on mutual benefit, equality and solidarity;

5. Notes that the evolution of trade between the ACP States and the Community is far from satisfactory, and that despite the greatly increased number of ACP States the ACP group is now relatively less important to the EEC both as a supplier and as a market than it was in 1975; insists, therefore, that imaginative steps be taken to remedy this;
6. Notes with concern that the number of ACP States classified as least developed has increased since Lomé I, and draws attention to the desperate situation of most of these countries;
7. Calls on the Community to translate its support for the outcome of the Paris Conference and the priority it has decided to accord to the least-advanced countries into considerable financial aid;
8. Reaffirms the strong belief that there is a need to pay special attention to the ACP Island Developing Countries, whose economic, transport, communication, etc., problems are unique and pressing;
9. Recognizes the potential value of STABEX, while being fully aware of its limitations due mainly to the small number and ineffectiveness of agreements to regulate the price of commodities and its weaknesses, due among other things to inadequate funding; calls for an integrated approach to be adopted which includes the introduction of procedures to ensure productive use of the funds transferred and the provision of realistic financial resources;

10. Expresses concern over issues relating to sugar and STABEX unresolved at the eve of the formal opening of the negotiations of the successor agreement;
11. Insists that on that solemn occasion the Community should pronounce itself positively on these matters, thus giving a measure of the spirit in which it intends to embark on the negotiations;
12. Acknowledges the overwhelming importance of agriculture and integrated rural development in the ACP States and emphasizes the need to give the highest level of priority to the development of the rural areas;
13. Deplores that the problem of hunger in the world has worsened and regrets that no really drastic or efficient step has been taken in this regard;
14. Proposes that special attention be granted to drought-stricken ACP countries together with increased assistance to combat deforestation and the encroachment of the desert;
15. Believes that it is necessary to review the sector of ACP-EEC co-operation dealing with industry in the light of the report drawn up by the joint working group chaired by H.E. Chief Afolabi with Mr Fuchs as rapporteur;
16. Regrets that, in real terms, the financial resources per capita per annum provided under Lomé II are some 20% less than under Lomé I, at a time when many ACP economies are experiencing crushing financial difficulties which seriously endanger development;

17. Believes it is essential to strengthen the aspect of parity in the ACP-EEC Convention and calls, therefore, on those negotiating the new Lomé Convention to seek to ensure better ACP participation in the implementation of co-operation;
18. Hopes that the next Convention will tackle the urgent problem of relieving the debts of the ACP countries which now amount to some US \$50 000 million, and that the EEC and the ACP States will be consulted on the international negotiations to reform the world monetary system and reduce the level of indebtedness that upsets the balance of the system;
19. Reiterates the view that the Joint Committee and Consultative Assembly duplicate effort and that they could be replaced in the new Convention by a single parliamentary organ with adequate independent budgetary resources;
20. Recognizes the need to strengthen the ACP's administrative institutions so as to enable them to assist the ACP States more effectively;
21. Firmly believes that man himself must be the subject of development and that all development activities must be centred around his welfare and fundamental rights;
22. Feels that it is necessary for the future Convention to take full account of the social and cultural values, preferences and priorities of the people for whom that Convention was designed; pays tribute to the several documents emanating from the Working Group chaired by Mr Turner with H.E. Mr Chasle as rapporteur;

23. Feels that the next Convention should link the ACP States' own objectives of self-reliant development and South-South Co-operation with the specific policies chosen by the ACP States in such a way as to avoid the instruments of co-operation operating in isolation from each other or becoming ends in themselves;
24. Emphasizes the need for the Successor Convention realistically to provide adequate means for the attainment of the objectives mutually agreed upon;
25. Encourages both the ACP and the EEC to initiate, at this stage, a process of consultation at all levels so as to identify clearly the priority areas for the next Convention and reach political agreement on key issues; calls on the appropriate authorities to engage in serious discussions at the opening of negotiations with the aim of reaching consensus on as many aspects as possible;
26. Agrees that the main objective of development should be the achievement of self-reliant, autonomous and self-sustaining development at national and regional level, and acknowledges the valuable contribution of the European Parliament in furthering this concept;
27. Supports all efforts aimed at achieving a more just and balanced economic order and the cultivation of mutual understanding between the peoples of the ACP States and of the European Community;
28. Emphasizes that the Convention must fully respect the sovereignty of each signatory state, while recognizing the reality and desirability of interdependence;

29. Is convinced that with goodwill, political courage and respect for human rights and dignity, co-operation between the ACP and the EEC can fulfil the high aspirations of the signatories of the First Lomé Convention; in this context underlines the importance of the Resolutions 48/83 and 43/83 adopted with widespread consensus in Kingston;
30. Instructs its co-Presidents to forward this resolution and the report drawn up by H.E. Mr Cavalevu to the ACP-EEC Council of Ministers, the ACP-EEC Committee of Ambassadors and the Council and Commission of the European Communities.

H.-J. OPITZ and OKELO-ODONGO
Secretaries-General

J.T. KOLANE
President