

European Communities

EUROPEAN PARLIAMENT

Working Documents

1974-1975

6 June 1974

DOCUMENT 111/74

Report

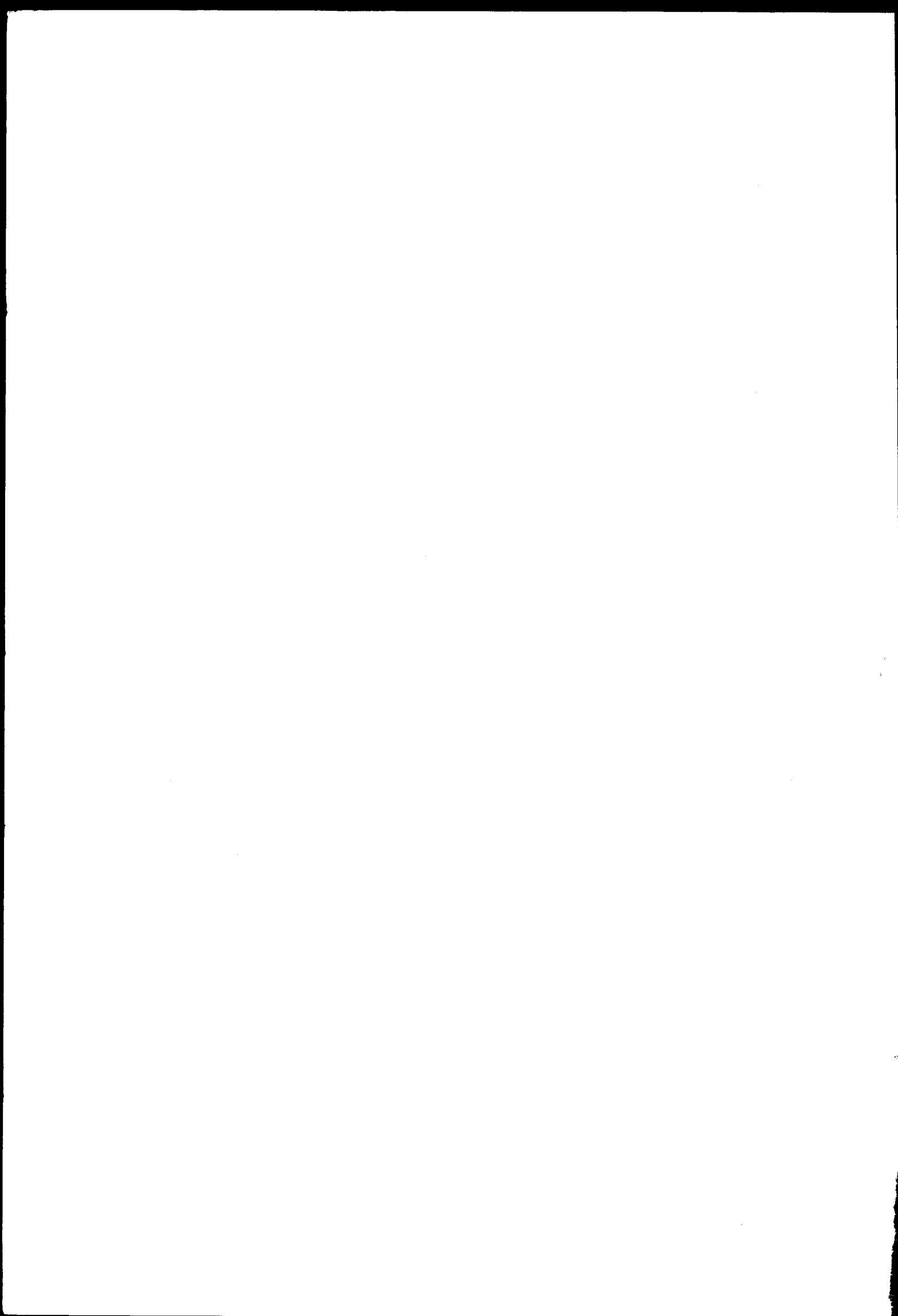
LIBRARY

drawn up on behalf of the Committee on Development and Cooperation

on the overall result of financial and technical cooperation within the framework
of the EEC-AASM Association

Rapporteur: Mr M. DEWULF

PE 32.890/fin.



By letter of 21 September 1972, the Committee on Development and Cooperation requested authorization to report on the activities of the Second Development Fund and the coordination of bilateral and Community technical and financial aid to the Associated African States and Madagascar and the overseas countries and territories.

By letter of 4 October 1972, the President of the European Parliament authorized the above committee to draw up a report. With the agreement of the President, the committee decided on 9 May 1974 to prepare a report on the overall result of financial and technical cooperation within the framework of the EEC/AASM Association.

On 17 October 1972, the Committee on Development and Cooperation appointed Mr Dewulf rapporteur.

The committee considered the draft report at its meetings of 17 October 1972, 2 May 1973, 23 May 1973, 10 January 1974, 8 March 1974, 10 April 1974 and 9 May 1974, and unanimously adopted the motion for a resolution and the explanatory statement on 24 May 1974.

The following were present: Mr Achenbach, chairman; Mr Dewulf, vice-chairman and rapporteur; Mr Knud Nielsen, vice-chairman; Mr Sandri, vice-chairman; Mr Aigner, Mr Bourdellès (deputizing for Mr Durieux), Mr Broeksz, Mr Fellermaier (deputizing for Mr Seefeld), Mr Glinne, Mr Kaspereit, Mr Laudrin, Mr Martens (deputizing for Mr Schuijt), Lord Reay and Mr Romualdi.

CONTENTS

	<u>Page</u>
A MOTION FOR A RESOLUTION	5
B EXPLANATORY STATEMENT	9
I General	9
Technical and financial aid	
I Technical and financial aid and the promotion of trade	13
1. Export earnings, a priority for development and economic growth	13
2. Technical and financial aid: temporary, limited and complementary	13
3. Technical and financial aid for promoting trade	13
II The importance of Community aid for the AASM	13
III Rural development and employment	15
IV Industrialization	16
V Marketing and sales promotion	18
VI Regionalization	19
VII Africanization through technical and financial assistance	19
VIII African management staff and the problem of consultant bureaux	21
IX The Statute, management and co-management of the EDF	22
X Evaluation	24
ANNEXES	25

The Committee on Development and Cooperation hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement :

MOTION FOR A RESOLUTION

on the overall result of financial and technical cooperation within the framework of the EEC/AASM Association

The European Parliament,

- recalling its resolutions of 23 November 1964¹ and 2 July 1968² on the overall result of technical and financial cooperation in the context of of the EEC/AASM Association;
- having regard to the report of the Committee on Development and Cooperation (Doc. 111/74);
- 1. Notes that the mechanisms of technical and financial cooperation of the Association have worked in a satisfactory way;
- 2. Underlines the importance of Community aid for the Associated States, especially the less favoured ones;
- 3. Notes with satisfaction that the Commission of the European Communities and the AASM authorities responsible are making every effort to ensure that aid from the third EDF - under which more than 260 projects have already been financed - is granted within the time limits fixed and in a flexible and continuous manner; thus within four years nearly all the funds will have been committed, despite the delay in ratifying the second Yaoundé Convention;
- 4. Recommends that the present negotiations be concluded in good time so as to avoid having to resort to transitional measures when the present convention expires;
- 5. Is pleased to note that the new orientation of the EDF, notably as regards programming, sales promotion and vocational training has on the whole met with success;
- 6. Underlines the fact that programming, by virtue of the many contacts which it necessitates, has strengthened cooperation between the EEC

¹ OJ No. 205 of 11 December 1964, p. 3484/64

² OJ No. C 72 of 19 July 1968, p. 23

and the AASM, and helped to increase the role and responsibility of the Associated States as regards the improved distribution of aid;

7. Considers that in future the development strategy of the Association, and particularly technical and financial cooperation, should be directed more than in the past towards social objectives which promote a more equitable distribution of income among all strata of the population in the Associated States;
8. Is consequently pleased with the views expressed in the Commission's Memorandum on the renewal and enlargement of the Association, particularly as regards employment, rural development, aid to small undertakings and small-scale local development projects;
9. Underlines the great importance of small projects for development and the desirability of using non-governmental and voluntary organizations in the implementation of such projects;

- with particular reference to agriculture and rural development:
10. Appreciates the growing importance of agricultural projects in the activities of the EDF in view of the present need to increase agricultural and more particularly foodstuffs production, but urges greater caution with regard to agro-industrial projects;
11. Points out that rural development and the promotion of employment should be interrelated priority aims for development cooperation;
12. Stresses that speedy rural development by means of integrated projects can contribute enormously to the development of the broad mass of the population in the Associated States, while at the same time reducing the migration of the population towards the towns;

- with particular reference to industrialization:
13. Welcomes the fact that the projects selected in the first study carried out by the Commission concerning the possibility of industrialization to provide a substitute for imports are in the process of being implemented and hopes that the Commission will continue its policy in this area;
14. Urges the Commission to make sure that each industrial project has a positive effect on employment and give priority to projects which could create new employment;
15. Stresses that greater efforts must be made to encourage small and medium-sized undertakings, in particular by training managerial staff and increasing technical and financial aid;

16. Urges the Commission to encourage, in close consultation with the African partners, the industrialization of the Associated States oriented mainly towards exports;
- with particular reference to sales promotion:
17. Recalls that sales promotion is of particular importance at a time when special preferences are liable to be reduced;
18. Notes with satisfaction that as a result of the incentive provided by the second EDF, the programme of 'fairs and trade exhibitions' has been speedily implemented and that this has been accompanied by a growing awareness on the part of economic agents in the Associated States;
- with particular reference to training:
19. Notes with satisfaction:
- the success of the 'study grants, training courses and symposia' programme, the greater part of which was carried out in Africa itself in accordance with the wishes expressed by the European Parliament;
 - the increased importance of occupational training within the framework of each individual project, particularly rural projects;
 - the work begun in training supervisory staff, of whom there is a great shortage, in the various sectors of economic life in the AASM; and encourages the Commission to continue its work in this direction;
20. Is convinced that a well-thought out financial and technical cooperation policy should concentrate on the accelerated training of staff from the Associated States themselves who could then gradually take over the task of providing technical assistance;
21. Observes that regional cooperation has not achieved the hoped for results and requests the Commission to increase its efforts in this area so that the aims of this policy meet with a more favourable response in the Associated States;
22. Believes, however, that careful programming of the different transport projects has helped to free the Associated States from overdependence on connections with their former metropolitan centres, notably by developing an inter-state road system which facilitates intra-African trade;

23. Invites the Commission to continue in the same spirit its cooperation with the Associated and associable States;
24. Emphasizes in this connection the value of systematic and constant evaluation of the effects of the aid granted on the economic and social growth of the Associated States;
25. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities and, for information, to the Presidents of the Parliaments of the Associated States and to the members of the Parliamentary Conference of the Association.

EXPLANATORY STATEMENTI. GENERAL

The main purpose of the 'Preliminary Draft Report' (PE 32.890) of 11 April 1973 was to stimulate really fundamental thinking about the external financial and technical aid that is, for the time being, indispensable for the developing countries. The European Development Fund is - alongside other important bilateral or multilateral arrangements - a reciprocally accepted and privileged instrument for achieving technical and financial cooperation for the AASM countries' benefit.

For a number of obvious reasons this seems an appropriate point at which to define and to assess the place that external technical and financial assistance plays in European development cooperation as a whole.

It must be apparent from the Association policy and its credibility as a model for a balanced, global development cooperation that the 'trierarchy' of preferential trading relations, technical and financial aid and joint institutions has in fact furthered the economic and social development of the 19 Associated countries.

The prospects for this development depend first and foremost on the countries concerned enjoying more equitable conditions in international trade, and on the worldwide or regional restructuring that this will demand. Meanwhile, inside each developing country, development - that is to say, a suitable level of internal economic growth - must contribute to the country's international position while ensuring that all population groups are involved in the development model. External technical and financial aid has to deal, selectively and qualitatively, with both dimensions of the development problem.

It must, at once, be stressed here that external technical and financial aid serves the development strategy decided upon sovereignly by each recipient country, or group of countries, together with the development plans and programmes that strategy embraces, and is aimed at promoting development based on these countries own efforts.

The Association policy that the EEC and its Member States conduct towards the AASM is, as we have already said, based on a combination of three instruments of development cooperation. The question that has to be asked is whether and, if so, to what extent, this important package is a coherent one, and whether it is in fact designed to meet objectives that have been jointly accepted or result from joint consultation: is it based on a shared theory as regards an individual, original and genuine development policy? In other words, and following naturally from this, has it - after the experience of 12 years - been subjected to a more thorough assessment and assay to determine its real development worth?

We ask this question, for the AASM, against the background of the authoritative comments made by Mr McNamara, President of the World Bank (see p.13 of PE 32.890) and of sober scientific facts such as those in the tables compiled by the University of Louvain (see p.14 of PE 32.890).

At this point a more specific question arises: what progress has been made by the developing countries associated with the EEC, as reflected in these tables? How has their share of economic growth developed? What are the average trends and the extreme values of this group, which is undoubtedly lagging behind and of which 10 members belong to the hard core of the 25 poorest developing countries? Has any concern been shown for the evolution of the distribution of incomes between social groups in these associated countries and of the disparities between urban and rural populations in these associated countries? What effect has bilateral and Community action had on these trends?

Can it be assumed that the increasing inequality in overall growth prospects heightened by a growing inequality in the distribution of income in the developing countries may be due in no small measure to the manner in which this economic growth is brought about?

What are the characteristics of economic growth in the developing countries? In a recent and pertinent analysis Professor L. Baeck of Louvain University reached the following conclusions:

1. The economic modernization of the developing countries is dominated by a few large undertakings which are mostly subsidiaries of large multi-national Western concerns. Without considering the topical question of the role of multi-national concerns it may be assumed that they organize their production on a highly capital-intensive, i.e. labour-saving basis, supported by the latest technological advances.
2. The pattern of industrialization is generally inequitable and based on import substitution behind high tariff barriers. As a result the purchasing power of the masses is reduced.
3. General priority of urban over rural areas. This dangerous polarization is increasingly complicating the already difficult development tasks.
4. Neglect of agriculture, especially of family farming, which has a cumulative effect because of the lack of rural development.
5. The structure of financial aid also aggravates this situation. Financial aid is always tied aid, i.e. tied to the supply of capital equipment by the industrialized countries; this equipment has a purpose in the industrialized countries themselves but because of its high technological content associated with a need for highly trained managers, executives and skilled workers, appears by no means so meaningful in the Third World.

Since incomes and employment are closely related, the question of the degree of unemployment and hidden unemployment must be considered in this context. Unemployment is estimated at 25% in the developing countries, but what are the figures for the AASM? What is the position in these countries in respect of the exodus from the land and urban concentration, unemployment in the towns and hidden unemployment in rural areas. We shall disregard for the time being the factor of population growth.

At first sight, and without going into details, it appears that future policy, in particular in the matter of technical and financial support, but also in the entire area of development policy must be structured more selectively around a number of fundamental and decisive options;

- large-scale action to encourage the development of rural areas with all that this may involve, and
- creation of employment (overcoming real and hidden unemployment by using more labour-intensive and less capital-intensive production techniques so as to promote the importance of the labour factor wherever possible in the production process).

But these options for the highest possible level of balanced economic growth must also achieve social effectiveness, i.e. a uniform distribution of material benefits between all social groups and regions. Geographical and social polarization is dangerously high in the developing countries, even though the industrialized countries have not escaped this trend. It may at all events be stated with certainty that the AASM will have to contend increasingly with polarization of this kind.

Although we have, in the Association, joint bodies through which we can together lay down some aspects of development policy, it is not in order for the European partners to call for a study of the internal elements or power relationships which foster these polarizations. It is, however, our duty to investigate the extent to which external elements, i.e. the instruments of our development cooperation, heighten economic and social polarization or could counteract it through joint action with the recipient countries.

These very general considerations highlight the fact that the structural review of the international division of labour and international trade, although desirable and inevitable, will not necessarily be favourable in its 'development consequences' (either in general or with reference to individual countries or groups within each country) to the developing countries, unless at the same time a thorough study is made of the social dimension of the structural improvements and the internal and external factors which stand in the way of social effectiveness are corrected. This is in large measure a task for public and private establishments which are concerned with the various forms of financial and technical assistance.

Your rapporteur therefore believes that the Committee on Development and Cooperation must give fundamental consideration to the essence and reality of development policy and of technical and financial assistance as essential elements of an authentic development policy before holding the basic debate on the activities of the EDF and the coordination of different forms of aid.

TECHNICAL AND FINANCIAL AID

I. Technical and financial aid and the promotion of trade

1. Export earnings, a priority for development and economic growth

It is now clearly realized that achieving economic development in the Associated countries, as in all developing countries, is dependent first and foremost on their share of export earnings. Development cooperation needs therefore to give priority to an international restructuring that will guarantee these countries a fairer place in international trade. Regional and worldwide agreements that will stabilize or improve export earnings should be the major subject of attention.

2. Technical and financial aid: temporary, limited and complementary

The developing countries cannot remain dependent for their development on foreign financial aid. This form of aid is, besides, usually prone to fluctuation, and does little to correct the adverse effects of unstable export receipts.

And finally, this external aid often has the drawback that it must largely be spent on investments whose economic results are felt only at a much later date.

3. Technical and financial aid for promoting trade

All this prompts the conclusion that suitable forms of technical and financial aid need, as a first priority, to serve and stimulate an improvement in the trade balance through export earnings. Depending on the actual situation in each country, various kinds of technical and financial assistance need to be given that are tailored as closely as possible to the problems of exporting and trade promotion the country faces.

II. The importance of Community aid for the AASM

4. It can be seen from Annex VI how important Community aid is for each one of the Associated States. In some instances it amounts to 20 or even 30% of external aid.

5. The relative 'value' of Community aid to the AASM thus goes far beyond 7% or so, the percentage of aid from Member States that these devote to the AASM. This proves, furthermore, that the criticism that the Member States concentrate their government aid mainly on the AASM is in fact unfounded.

One advantage of Community aid is the fact that it is not (in respect of the part given under the EDF) tied to annual budget reviews, and thus has the permanency that makes programming possible.

6. Before proceeding to examine more specific problems of technical and financial aid, two basic principles need to be emphasized once again. First, that the Associated countries themselves determine quite autonomously their own development; the lion's share of the effort must come from them, though they receive external financial and technical aid from the Community. The Community must therefore try to mesh the aid it provides more and more closely with the efforts being made by the AASM. The means, too, that the Associated countries are wholly responsible for carrying out the projects for which the Community is providing financial and technical assistance. The Community gives appropriate financial and technical support, if requested, at each stage of the project and tries together with the AASM to match this form of cooperation more effectively to the development needs of the countries concerned.

7. Thanks to the lessons of practical experience, there has, during the time of the association, been constant expansion of the sectors in which financial and technical cooperation is provided. At the same time there has come to be greater variety in the shapes it takes. While the first EDF concentrated investments predominantly in infrastructure, the Yaoundé conventions that followed also made provision for financing technical assistance. These conventions mapped out in detail a whole range of activity. Priorities that have proved to be sound need to be maintained in the future, so the emphasis can continue to be laid on strengthening the economic and social infrastructure, on developing rural areas and on education and training. Priority must continue to be given to encouraging industrialization and to promoting the marketing of the products of the AASM countries.

III. Rural development and employment

8. It is pleasing to note that the Associated States are themselves asking for attention to be focussed on the realization of social objectives whereby development efforts would be concentrated on the local population. On this basis rural development and the promotion of employment opportunities may be seen as two interrelated principal objectives of development cooperation. 'Small development projects' and the supplementary role which non-governmental and/or volunteer organizations may be expected to play in this context must not be overlooked either.
9. The Commission's Memorandum rightly points to the efforts made for rural areas since the first EDF.

'As in the past, the various means of intervention will have to be integrated even more closely into projects covering human, technical, economic and ecological aspects of rural development, so as to ensure a real improvement in the living conditions of the whole of the population affected by these projects and so forestall impediments to development which independently conceived measures might encounter.

Moreover, financial measures in this field have effects which are felt beyond the rural community. Now that the volume of exodus to the towns has become a source of various imbalances connected with the lack of urban employment, while the new industries require an enlargement of the domestic market, a rapid development of the whole of the rural sector seems to be a fundamental requirement for a satisfactory answer to these problems.

The success of the integrated measures and the promotion of rural development at which they are aimed, presuppose that the population will take an active share therein. It further requires an improvement in the economic and social infrastructure which serves the rural areas, etc....

The period required for the execution and maturing of projects in this field means that there must be sustained effort for a long time, significant enough to arouse the support of the rural workers and lasting enough to produce a structural transformation of the economy.'

10. Under the heading 'Priority for labour problems' the Commission's Memorandum puts the problem of job creation into perspective and continues along the same lines by drawing attention to 'greater aid to small firms and small development projects'. The most interesting passage comes at the end and refers to small development projects 'at the grass roots'. To quote: 'Micro-projects (small productive, sanitary, hydraulic, educational equipment, etc.) relating to a rural community cannot usually bear the

management and amortization costs of a loan. The peoples concerned cannot provide the necessary guarantees, and therefore many ideas and much good will remain untapped.

It is desirable, and possible, that the Community should encourage the implementation of these small projects and thereby encourage wider public participation in their development by making a financial contribution. This contribution, in the form of a subsidy, would be in addition to the amount provided by the beneficiary community and the State to which it belongs. In many cases the beneficiaries could also do voluntary work, with the State supplying the technical support from its supervisory staff. The decision-taking and implementing procedures for these small projects should be largely decentralized and speeded up, and it is clear that the rules concerning international competition will have to be revised and made more flexible.'

This is presumably where the specially adapted and integrated cooperation with non-governmental or volunteer organizations referred to above fits in. As these factors are so important for the ultimate social results of development they certainly warrant close study within our parliamentary committee.

IV. Industrialization

11. Industrialization comes at the other end of the chain of problems connected with development.

Whatever has been said above about the development of rural areas this naturally does not mean that development of small industry and the industrialized sectors should be neglected. But here too there should be careful investigation into the effect a project may have on employment. Priority should be given to labour-intensive branches of industry and projects which result in a substantial improvement in employment opportunities. Both infrastructural and industrial projects should be selected, primarily on the basis of the employment opportunities they create, even if this means somewhat higher investment costs.

12. The results achieved by the EDF in the field of rural development and creation of employment should be subjected to very critical scrutiny on account of their importance in the activities of the EDF as a whole. The situation must be avoided in which large-scale 'prestige' projects fail to achieve their objectives.

One of the principal advantages in Africa is that, in contrast to Latin America, national income is distributed more fairly over the various sectors of the population. The fact that massive immigration is required to make

certain major agro-industrial projects feasible is in itself a social condemnation of the project in question (e.g. Ivory Coast palm olive plantations).

13. The provisions of the Yaoundé Convention already make the promotion of industrialization possible by means of grants for general or special studies on industrialization potential. The Commission considers the establishment of a 'bridge' between the African authorities and those people who are interested in making financial investments in Africa to be an important task. This could be done by providing industrial information. There is still widespread ignorance of the possibilities and problems of financial investments in Africa especially with regard to legislation on establishment and industrial operation. In this connection your rapporteur would draw attention to the provisions of the Yaoundé Convention on the right of establishment, the provision of services and capital. These provisions do not come within the terms of reference of the present report, but it is evident that the application of the provisions in question has been left in abeyance so much so that this shortcoming is now an impediment to the promotion of industrialization in Africa.
14. A greater role in the promotion of industrialization should be played by the European Investment Bank. The EIB still acts far too much as a traditional bank rather than a development bank. The Commission proposes that industrialization should be promoted by harmonizing discussions on clearly defined sectors between the authorities responsible for the industrial policy of the Associated States and the professional associations of the Member States of the Community, individual investors, etc. Presumably the Investment Bank will have a major role to play here for the time being. It may perhaps be desirable also to call on the African and European Chambers of Commerce to take part in this.
15. It goes without saying that industrialization in Africa should be concentrated on small and medium-sized undertakings, and the training of local entrepreneurs. The Community could provide both financial and technical aid for this purpose in the form of scholarships and financial assistance for the AASM institutions responsible for promoting industrialization. The Second Yaoundé Convention provides for financial aid and technical assistance for small and medium-sized undertakings through a specialized institution in Africa. Your rapporteur would like to hear the Commission's assessment of its experience in respect of this provision. He would also like support to be given to trade union movements when the need for technical assistance with the creation and improvement of such organizations in Africa becomes apparent.

16. Small firms

'Financial aid and technical assistance to profitable small and medium-sized firms ought to be provided through local specialized institutions. The Second Yaoundé Convention outlined practical methods of enabling these institutions to play their part in this field. The new Convention should specify and extend these opportunities so that such operations may be concluded with all desirable flexibility and speed.

In addition, the financial support given by the Community should, wherever necessary, be accompanied by technical assistance to the national development banks in allocating and supervising the use of loans, and to the small undertakings in putting them to good use.

Furthermore the small firms in the associated countries could certainly benefit from a generalization of the price preference policy which will be proposed later for the local suppliers.'

(Memorandum)

17. In considering these ideas on industrialization the possibility of participation by public authorities in industrial investments and the 'two-tier loans' which have been discussed in the past (see inter alia the Report on industrialization in the AASM - January 1971) should not be forgotten.

V. Marketing and sales promotion

18. It was made quite clear in the general observations how necessary active participation is for the endeavours made by the Associated States to increase sales of their products and to gain a permanent foothold in more marketing areas. At this point your rapporteur would like to stress the fact that the problem of Africanization plays an important part in trade relations between Africa and Europe.
19. Europe is still in control of too large a proportion of African trade. Technical and financial assistance will have to be employed to help bring about a rapid change in this situation. This should take place not only through the existing marketing and sales promotion measures, but also in other fields. Would it be so unreasonable to try to encourage the transportation of Community food aid by African ships (not only to Africa but also to other parts of the world) by offering an extra premium? Is it not possible for the Community to devise ways of increasing the Africanization of the insurance business in Africa by offering, for example, a financial premium or by giving preference to African insurance companies when insuring risks connected with EEC

certain major agro-industrial projects feasible is in itself a social condemnation of the project in question (e.g. Ivory Coast palm olive plantations).

13. The provisions of the Yaoundé Convention already make the promotion of industrialization possible by means of grants for general or special studies on industrialization potential. The Commission considers the establishment of a 'bridge' between the African authorities and those people who are interested in making financial investments in Africa to be an important task. This could be done by providing industrial information. There is still widespread ignorance of the possibilities and problems of financial investments in Africa especially with regard to legislation on establishment and industrial operation. In this connection your rapporteur would draw attention to the provisions of the Yaoundé Convention on the right of establishment, the provision of services and capital. These provisions do not come within the terms of reference of the present report, but it is evident that the application of the provisions in question has been left in abeyance so much so that this shortcoming is now an impediment to the promotion of industrialization in Africa.
14. A greater role in the promotion of industrialization should be played by the European Investment Bank. The EIB still acts far too much as a traditional bank rather than a development bank. The Commission proposes that industrialization should be promoted by harmonizing discussions on clearly defined sectors between the authorities responsible for the industrial policy of the Associated States and the professional associations of the Member States of the Community, individual investors, etc. Presumably the Investment Bank will have a major role to play here for the time being. It may perhaps be desirable also to call on the African and European Chambers of Commerce to take part in this.
15. It goes without saying that industrialization in Africa should be concentrated on small and medium-sized undertakings, and the training of local entrepreneurs. The Community could provide both financial and technical aid for this purpose in the form of scholarships and financial assistance for the AASM institutions responsible for promoting industrialization. The Second Yaoundé Convention provides for financial aid and technical assistance for small and medium-sized undertakings through a specialized institution in Africa. Your rapporteur would like to hear the Commission's assessment of its experience in respect of this provision. He would also like support to be given to trade union movements when the need for technical assistance with the creation and improvement of such organizations in Africa becomes apparent.

16. Small firms

'Financial aid and technical assistance to profitable small and medium-sized firms ought to be provided through local specialized institutions. The Second Yaoundé Convention outlined practical methods of enabling these institutions to play their part in this field. The new Convention should specify and extend these opportunities so that such operations may be concluded with all desirable flexibility and speed.

In addition, the financial support given by the Community should, wherever necessary, be accompanied by technical assistance to the national development banks in allocating and supervising the use of loans, and to the small undertakings in putting them to good use.

Furthermore the small firms in the associated countries could certainly benefit from a generalization of the price preference policy which will be proposed later for the local suppliers.'

(Memorandum)

17. In considering these ideas on industrialization the possibility of participation by public authorities in industrial investments and the 'two-tier loans' which have been discussed in the past (see inter alia the Report on industrialization in the AASM - January 1971) should not be forgotten.

V. Marketing and sales promotion

18. It was made quite clear in the general observations how necessary active participation is for the endeavours made by the Associated States to increase sales of their products and to gain a permanent foothold in more marketing areas. At this point your rapporteur would like to stress the fact that the problem of Africanization plays an important part in trade relations between Africa and Europe.
19. Europe is still in control of too large a proportion of African trade. Technical and financial assistance will have to be employed to help bring about a rapid change in this situation. This should take place not only through the existing marketing and sales promotion measures, but also in other fields. Would it be so unreasonable to try to encourage the transportation of Community food aid by African ships (not only to Africa but also to other parts of the world) by offering an extra premium? Is it not possible for the Community to devise ways of increasing the Africanization of the insurance business in Africa by offering, for example, a financial premium or by giving preference to African insurance companies when insuring risks connected with EEC projects? This would open a completely new field, the exploitation of which could offset to a certain extent the reduction in AASM tariff preferences.

VI. Regionalization

20. Cooperation at regional level is an absolute necessity in view of the geographical, sociological and economic structure of most of the associated countries. All kinds of factors have contributed to the fact that progress recorded in this field in the past has not lived up to expectation. The association agreements have, however, always contained provisions on this matter. The provisions in question should in fact be maintained and where necessary expanded. For its part, the Commission is endeavouring to give substantial thought to the regionalization of development by looking into whether specific projects which it is considering might not have a better chance of success if they were organized on a regional scale.
21. The expansion which can be expected will perhaps make regional co-operation easier in theory. On the other hand there will be technical, economic and psychological disadvantages which will be more difficult to overcome than is the case at present. In view of this it would probably be a good thing to make finance for regional scale projects available to the Associated States over and above the normal quota, i.e. not deductible from the national share of the countries concerned in the EDF. Such money would have to be used solely and exclusively for regional projects. In this way it may perhaps be possible to encourage states which have after all only recently become independent to merge their understandable national awareness into a larger integrated African context.

VII. Africanization through technical and financial assistance

22. In view of the policy that EEC aid must ultimately become superfluous, the theme of 'Africanization' recurs constantly in this working document. In this chapter your rapporteur is concerned with 'on-the-spot' Africanization. The time has come for greater African participation in the most important policy decisions and elaboration of the principal objectives of the EDF. This must happen both at government level and in the fieldwork to be carried out in connection with the projects and programmes, in the implementation and supervision of such projects and programmes and in the field. These matters should not be taken lightly and their fundamental political importance makes it worthwhile spelling them out quite clearly.
23. There is one field in which the EEC is partially in control of the extent to which Africanization will be a success. In consultation with the Associated States the Community can decide how and to what extent African staff should be involved in technical and financial aid. Here there are both pitfalls and advantages. For their part the

Africans should press forward with the founding of schools to train people capable of managing and supervising projects. Such supervisors would have an important part to play along with the technical staff and resident supervisors.

24. Another possibility is that scholarships could be granted in connection with the execution of certain projects, or that an African could be employed alongside a European expert from the moment work on the project starts. In this connection it is important to note that the emphasis in the scholarship and training policy has been shifted towards training on the African continent itself. According to the reply to Written Question No. 565/72 (OJ C 34 of 26 May 1973, p. 9) some 60% of the students in receipt of Community scholarships were studying in Africa itself on 31 January 1973.
25. After the chapter on rural development the Commission's Memorandum makes a plea for the promotion of all aspects of training and social development. After recalling everything the EDF has done in the field of health services, education, housing and water management the Commission stresses that this intervention by the EDF should be attuned to priority needs and the maximum exploitation of further investments. According to the Commission this should be done in the following way in the future:

'First of all, an even closer link is required between training activities and investments at the stage when the schemes are being implemented. In this context special attention must be paid not only to the training of the personnel necessary for their operation and maintenance, but also to the training of local staff intended to replace in due course technical aid staff from outside the area.

Secondly, training activities must reinforce the constant efforts made by the Associated States to adapt their education system to local conditions and to the demands of development, and to train staff qualified to teach in these improved institutions.

Thirdly, in view of the shortage of administrative staff in the various areas of economic life, a special training effort should be made in this field. Some priority should be given to technical education and vocational training, particularly in order to meet the demands of industrialization.

Finally, the most rigorous action must be taken to cope with the increasing demands for management staff in the various areas of economic life, particularly in the sectors of agriculture, trade, tourism and crafts.'

VIII. African management staff and the problem of consultant bureaux

26. The European Commission is aware of the validity of the efforts by the Associated States to constantly reduce their dependence on a form of aid for which it is becoming more and more difficult to find management staff. This is all the more so since the money earmarked for this purpose is taken from the funds provided for the EDF projects. In its Memorandum the Commission writes:

'In order to meet the wishes of the Associated States, it will first be necessary to require the experts, consultant bureaux and assistance companies to train nationals, with a view to their taking over, by bringing them into partnership.

Secondly, the Community should concentrate on facilitating this takeover by easing - provisionally and on a digressive scale - the additional financial burden of personnel caused thereby to the beneficiary countries.

Finally, the Community should lay special emphasis on the training of national personnel who are required in order to strengthen the authorities and organs of the Associated States administering the technical assistance services and to set up national consultant bureaux.'

27. It is evident that the present system whereby the European Commission designates the consultant completely independently is too arbitrary in more than one respect. After all this means that both the Africans and the resident supervisors of the EDF are confronted by a 'fait accompli'. By choosing a particular consultant one is as it were bound in advance by their results. This also means that before the project is started there is no evaluation of the consultation itself. There is also the fact that the majority of consultants are keen to supervise the project to be carried out. A supervision contract of this kind is paid in terms of a percentage of the total cost of the project. The consultants are thus exposed to a natural temptation to inflate the costs.

28. Is it not possible that under these conditions, and after so many years of joint effort and experience, the African authorities and their consultant bureaux should be given a greater right of initiative, in order to encourage co-management and joint supervision of the execution of projects? Your rapporteur believes that, in view of the above considerations, they could perhaps be entrusted initially, by way of experiment, with a series of small projects in which the population itself would also be involved, in the field of rural development, for example.

Again by way of experiment - and without giving up international competition in tendering for EDF projects - a proportion of the Fund's resources could perhaps be paid direct to the governments of the Associated States. This could be done in the form of grants for joint ventures or projects in which an association would be formed with a view to joint elaboration and execution of projects pursuant to a mixed formula in which African citizens work alongside and together with EEC experts¹.

IX. The Statute, management and co-management of the EDF

29. The Africans want on the one hand planning of assistance based on common criteria and evaluation and on the other hand genuine, effective cooperation allowing a joint definition of development requirements and a joint contribution to their solution. The European Parliament stresses that it wishes to have a say in how the substantial financial resources allocated by the Community in the context of the EDF are to be spent, and control over how the money has been spent.

For these reasons, and by virtue of the long 'running-in' period and experience gained, and on the eve of the renewal and enlargement of the Association, we cannot avoid reconsidering the overall concept and the statute of the EDF and the problems connected with its management and - as far as our African partners are concerned - co-management.

30. In accordance with the principle of partnership on which the Association is based, the associated States have played an important part in the setting-up of financial and technical cooperation. The changes made, for example in the Second Yaounde Convention, were introduced in closed consultation with them. The Association Council also has a clear function in the matter of financial and technical cooperation, set out in the Yaounde Convention. It is regrettable that the Association Council has not entirely fulfilled the role assigned to it by Article 27 of the Convention. This is undoubtedly due in part to the fact that the Fund is, as it were, managed bilaterally - that is to say, through 19 different bilateral relations between the European Commission on the one side and the 19 associated States on the other; the situation will, of course, become worse still with the expansion of the Community. Fortunately there is a distinct trend towards regionalization, and in your rapporteur's opinion this will make it easier to arrive at a simple solution to the problem of organizing relations between the

¹ See also report by L Metzger, paras. 88-91

European Commission and the Associated States. The role of the AASM needs to be accentuated through certain refinements to the general direction and implementation of financial and technical cooperation.

31. The enlargement of the Association must be used to strengthen the role played by the Associated States, and to give them a more effective share in the carrying-out and supervising of financial and technical cooperation. In this the joint institutions, too, have an important job to do.

The Community ought, in the committee's opinion (see the Memorandum on the renewal and enlargement of the Association), to ensure that the Associated States are given a role of their own in carrying through the activities being financed. At the very least, the Association Council should concern itself more than it has in the past with the working-out of a financial and technical cooperation policy. The committee also supports the view that in order to achieve a more positive and constructive dialogue within the Association bodies, the Association's institutional practices need to be overhauled. This must go further than mere procedural adjustments: debates within the Association institutions should be lively and to-the-point.

32. The EDF is, at present, an organ or administrative department of the Commission, managed almost entirely by the latter. On the other hand 90% of the assistance provided by the Fund consists of non-repayable grants. If, following British tradition, a greater proportion were to consist of loans, an element of co-management would naturally need to be built into the EDF. If it were thought - as is usual in the UNDP - that for some projects or programmes the aid from the Community should be matched by a financial contribution from the recipient country, then again some system of co-management must inevitably be considered.
33. Political options will, obviously, be decisive in this rather technical field. Our partners in the Association would like to sit, in some suitable way, on the bodies managing the new Fund; and from the European side there is a demand for more democratic structures for the Fund, with a proper measure of parliamentary control - a problem closely tied up with the inclusion of the Fund in the Community budget from 1975 onwards.
34. All this leads to the idea that the EDF might be converted into a kind of 'Development Agency', controlled by all the partners in the Association in some suitable way, through a council of management. The EDF Committee could then expand to become a supervisory and coordinating body¹.

¹ Cf. the Metzger Report of 1968, considering whether place ought not to be made, alongside the European Investment Bank and the European Development Fund, for a kind of European IDA, modelled on the structures existing in the World Bank Group.

ANNEX I

COMPARATIVE BREAKDOWN OF COMMITMENTS FROM 1st, 2nd and 3rd
EDF BY SECTORS OF ACTIVITIES (SITUATION AS of 30 June 1973)

(in m u.a.)

	1st EDF	%	2nd EDF	%	3rd EDF	%
1. Industrialization	9	1.6	35.543	4.9	32.449	5.8
2. Tourism	-	-	0.025	-	623	0.1
3. Rural production	114	19.6	263.309	36.5	169.097	30
4. Transport and communications	204	35.2	237.201	32.9	224.985	39.9
5. Education and training	113 ¹	19.5	67.669	9.4	62.322	11.1
6. Health	50	8.6	29.905	4.2	5.215	0.9
7. Hydraulic engineering, public works, housing	65	11.2	54.278	7.5	19.690	3.5
8. Trade promotion	-	-	1.151	0.2	4.051	0.7
9. Special aid	0.275	-	2.551	0.4	29.733	5.3
10. Miscellaneous	25	4.3	28.785	4	15.494	2.7
TOTAL	580.275	100	720.417 ²	100	563.709 ²	100

¹ Education infrastructure: training (grants) is financed from Commission resources

² These figures include subsidies and special loans

Sources: Commission of the European Communities

COMMITMENTS FROM 2nd EDF BROKEN DOWN BY SECTORS OF INTERVENTION

(situation as of 30 June 1973)

1. INDUSTRIALIZATION : 35,543,000 u.a.

General

Recruitment of an industrialization expert

Mining and chemical industries

- Surveys and studies:

Burundi and Rwanda: geological and mining surveys, particularly in the Ruzizi plain (Burundi) and Kagera park (Rwanda)

Congo-Brazzaville: further surveys on the Zanaga iron ore deposit

Mali: study of industrial exploitation of Bourem phosphates

Metallurgical industries

Technical assistance in connection with the establishment of a steel foundry at Kigali (Rwanda) and study on the establishment of an iron and steel industry in Senegal

Manufacturing industries

- Studies

Textile complex in Niger and supply of water and electricity for the textile plant at Koudougou (Upper Volta)

Tobacco curing problems (Mali) and utilization of groundnut shells in Niger

- Capital investment

Textile plant at Fort-Archambault in Chad (loan)

Agricultural and food industries

- Design and construction of abattoirs

Central African Republic (Bangui), Upper Volta (Ouagadougou), Madagascar (Tananarive), Mali (Bamako), Senegal (Saint-Louis and Thiès)

- Oil mills: overhauling of palm oil mills and modernization of the Etoumbi and Kuanda (Congo-Brazzaville) oil mills; study on the production of essential oil from oranges (Mali) and cotton oil mill at Gounon-Gaya (Chad)

- Silos for millet flour mill at Zinder (Niger)

- Studies on bananas and the transport of bananas in Somalia and fish preserving in the Ivory Coast

Power generation and infrastructure

Burundi, Rwanda, Zaïre : Société d'études Electricité des Grands Lacs Burundi: Hydro-electric stations at Bugarama and Rwegura for the 'tea' projects.

Cameroon and Niger : Power station at Garoua (Cameroon) in conjunction with the construction of textile works and study of the Maradi power station (Niger)

Rwanda : Electricity supplies to tea factory : design, hydro-electric installations, electrical infrastructure and construction of power transmission lines from Mururu to Cyangugu-Shagasha and from Mukunga-Ntaruka to Ruhengeri

Zaïre : Inga hydro-electric scheme

Comoro Islands : Studies on electrification of the towns of Morondi and Mutsamudu

Infrastructures integrated with industrial projects and craft industries

- Cameroon : construction of cement works at Figuil
- Rwanda : establishment, development and equipping of the industrial estate at Kigali
- Senegal : study on the establishment of small and medium-sized industries

2. TOURISM : 25,000 u.a.

Mali : Political study of tourism

3. RURAL PRODUCTION : 263,309,000 u.a.

General and production aid

Studies:

- agro-pedological study at Loukolela (Congo-Brazzaville); study of the development of Agneby (Ivory Coast) and of Henaf production and processing in Dahomey

Technical assistance and management of work on improving cotton production (Chad) and on the development of the central region and the plateaux (Togo)

Production aid

- price support for groundnuts, coffee, pepper, rice, sugar, cotton, oil palm-trees and coconut palms

- structural improvements :

agronomic research

construction and installations : sheds, silos, storage and processing areas

purchase of agricultural machinery : disc-harrows, decorticators, etc,

staffing and dissemination of information

increasing productivity

cattle pens and protection of cattle health

Countries : Cameroon, Central African Republic, Dahomey, Madagascar, Mali, Niger, Senegal, Chad, Togo

- agricultural campaigns : Cameroon, Madagascar, Mali, Senegal, Togo

- aid for 'cotton cultivation' : Central African Republic

- rural development of the department of Zinder (Niger)

- oil-mill groundnut seeds and establishment of Scé Semancier (Senegal)

- development of Kara valley (Togo)

Plantations, agriculture and integrated projects (mainly agricultural)

Burundi :

- 1,500 hectares of tea at Rwegura, Teza

Cameroon :

- studies on the cultivation of bananas in the Mungo region, on the introduction of tea-growing and the development of perfume plants
- establishment of 4,380 hectares of selected palm-groves in West Cameroon (special loan), development of village plantations
- study on the development of an area of North Cameroon

Central African Republic :

Study of rubber tree and palm-grove plantations

Congo Brazzaville :

Establishment of 2,500 hectares of palm-groves in the Congolese basin

Ivory Coast :

- establishment of 32,000 hectares of selected palm-groves
- development of avocado cultivation (75 hectares)
- development of cotton cultivation

Dahomey :

- plantation of 2,400 hectares of cashew trees in north and central Dahomey
- studies of the Agonvy palm-groves (7,000 hectares of palm-groves)
- agro-industrial development of the Agonvy region
- palm-grove and oil mill in Mono
- agricultural development of Atakora department

Gabon :

Market-gardening at Médouneu and study of the establishment of food-crop farms

Upper Volta :

Development of the south-west region (sorghum, millet, maize, groundnuts, rice)

Madagascar :

- industrial cultivation of nuts (4,050 hectares of coconut palms)
- oil palms at Tamatave
- studies of tea cultivation and tea research station in the high plateaux

Mali :

- development of tobacco cultivation in the upper valley of the Niger (300 hectares) and cultivation of dah

- survey and initial phase of rice cultivation programme

Rwanda :

- extension of Mulindi tea plantation (further 150 hectares)
- 500 hectares of tea at Mwaga-Gisakura
- establishment of tea plantation in Cyohoha-Rukeri valley
- development of pyrethrum cultivation
- introduction of tea cultivation in a village environment (500 hectares Cyangugu prefecture)
- technical assistance for major agricultural projects

Senegal :

- development of cotton cultivation in Eastern Senegal and Basse Casamance, and intensive cultivation of cotton in Sine-Saloum (9,700 hectares)
- development of rice and banana cultivation in Casamance
- improvement of millet
- development of the production of edible groundnuts, Sine-Saloum region (further 7,300 hectares)
- market gardening

Somalia :

- temporary aid for banana production
- date palms in Migiurtinia
- vegetative propagation station

Chad :

- development of gum arabic production (training centre)
- improvement of cotton productivity (fertilizers, insecticides, sprays - 60,000 hectares)

Togo :

Establishment of 3,000 hectares of selected palm-groves and study of a new 'Oil palm' programme

Zaire :

- Reintroduction of tea cultivation in Kivu (500 hectares)
- provision of expert on 'oil palms' and study on establishment of 3,500 hectares of oil palms
- study on supply of selected cocoa-tree seeds
- agricultural redevelopment in Katanga (tobacco, maize, manioc), in East Kasai (cotton, maize, groundnuts, beans), establishment of farming communities in Gandrjika and Ubangui (3,100 hectares of oil palm trees and 2,450 hectares of cocoa trees)
- supplementary aid to INEAC (National Institute of Agronomic Studies in the Congo)

Surinam :

Study on the plantation of 2,000 hectares of coconut palms in the
Coronie district

Miscellaneous studies :

- industrial cultivation of tomato (Upper Volta and Senegal)
- development of fruit cultivation (Mali)

Agricultural water supply schemes

Burundi :

- development of the Imbo (3,500 hectares of rice, cotton)
- studies of the development of the Ruzizi and Nyamushwaga plain, and the
Buhoro plain

Central African Republic :

Regional development of Ouaka

Upper Volta :

- development of the Yatenga region
- studies of the development of the plains downstream of the rural dams and
irrigation of sugar cane plantations

Madagascar :

- agricultural water supply scheme for the plains of Madirovale and Tulear-
Fiherenana
- development of Bas-Mangoky
- further development of the Anony delta, completion of the Morondava
protective dike and study of the establishment of a lake Alaotra polder
- survey for agricultural development of the Mananjeba plain and prep-
aration of the project for development of the Andapa basin (financed by
3rd EDF)

Mali :

Agricultural water supply schemes in the Niger valley (2 new areas)

Mauritania :

Construction of 10 small rice-growing developments (350 hectares)

Niger :

Agricultural water supply studies and developments in the Niger valley
(Karma basin and Zinder canton)

Rwanda :

Development of the Mayaga - 4 new farming areas (14,000 hectares, 7,000
families) and regional development of Mayaga-Bugesera (200 more families)

Senegal :

- Nianga agricultural water supply scheme
- studies of the development of the Boghe and Nianga plains and of rice cultivation in the river valley

Chad :

Study and development of 3 experimental polders (2,157 hectares)

Surinam :

Polder development at Tawajari

Réunion :

Agricultural water supply scheme for Bras de la Plaine (3,635 hectares)

Development of co-operatives

Central African Republic

Equipping and assisting 14 agricultural co-operatives

Niger :

Developing the activities of the Niger Credit and Cooperatives Union
(construction of 50 sheds and 5 regional centres)

Stock-farming

Central African Republic :

- ranch for recruiting and providing zoo-technicians
- improvement and development of a stock-farming area in Bambar and cross-breeding ranch
- eradication of tsetse fly by sterilization of males

Congo-Brazzaville :

Establishment of 2 farms (22,000 hectares) and rearing of 2,400 beef cattle in the Niari valley

Somalia :

Improvement of health and quality of cattle

Togo :

Extension of the Baginda poultry farm

Mali, Mauritania, Senegal, Chad :

Campaign against rinderpest

Niger :

School for veterinary nurses

- asphaltting of Atakpamé - Palimé and Atakpamé - Padou roads : 180 km
- modernization of Lomé - Palimé and Tsevié - Atakpamé roads : about 200 km
- making up and asphaltting of Lama-Kara-Kandé road

Zaire :

Construction of road from Mbujimayi to Mweneditu : 126 km

Netherlands Antilles :

Construction of roads in Curaçao : 35 km

Comoro Islands :

Improvement of road network

Surinam :

- improvement of east-west coast road
- Coppename - Ingikondou road

Guadeloupe :

- Pointe-à-Pitre by-pass
- road to give access to leeward coast

Reunion :

- making up coast road (special loan)

Central African Republic :

Secondary roads in Lobaye and country stock-farming tracks in the West : about 116 km

Chad :

Development of bridges etc. over rivers on cotton tracks

Wallis and Futuna Islands :

Tracks in Futuna

Martinique :

Lamentin - Marigot departmental road 15

Supply of road equipment etc. : Congo-Brazzaville, Togo, Netherlands Antilles

- Bridges :

Surveys for bridge construction (Congo-Brazzaville, Zaire)
Bridge-building

Senegal :

Construction of two bridges in Basse Casamance, at Baiba and Diouloulou

Zaire :

Construction of two bridges on the Lubilash and Liulu rivers

Netherlands Antilles :

Bridge at Aruba

New Caledonia :

Construction of 5 bridges on the East Coast

Railways

- Studies and surveys (Cameroon, Ivory Coast, Gabon, Togo)
- Construction, modernization and fitting out

Cameroon :

Construction of railways : N'Banga-Kumba (Ediki-Kumba section) and Belabo-N'Gaoundere; purchase of rolling stock and fitting out railway workshops

Ivory Coast :

Modernization of the railway (special loan - 103 km)

Ports and waterways

Ports

- Port construction and development surveys (Congo-Brazzaville, Dahomey, Gabon, Mauritania, Togo, Surinam, Guyana)

- Construction, repairs, development

Zaire and Congo-Brazzaville :

Purchase of 3 dredgers

Cameroon :

Repairs to the 'Garoua' dredger

Central African Republic :

Construction and equipment of Nola port (Upper Sangha)

Ivory Coast :

Extension of the Abidjan fishing port

Dahomey :

Cotonou fishing port

Gabon :

Construction of Owendo port and link road

Mauritania :

Completion of Port-Etienne fishing port and development and extension of Nouakchott Wharf

Netherlands Antilles :

Improvements to Willemstad port and Bonaire wharf

New Caledonia :

Construction of a mooring berth at Noumea port (in part, with a special loan)

Surinam :

Construction of port sheds in Paramaribo

Guadeloupe :

Construction of a wharf at Marigot port

Guyana :

Development of a port on the Mahury

Réunion :

Extension of the Pointe des Galets port

Waterways

Central African Republic :

River fleets on the Upper Sangha

Congo-Brazzaville :

River transport infrastructure in the Congo Basin

Airports

Mali :

Surveys and construction of Bamako airport

Mauretania :

Development of Nouakchott airport

Netherlands Antilles :

Development of Curacao airport

Telecommunications

Somalia :

Surveys and development of micro-wave telecommunications

5. EDUCATION AND TRAINING : 67.669.000 u.a.

General

Burundi :

Surveys of Kitega Agricultural School and the Royal School of Administration

Central African Republic :

Enda survey

Gabon, Mauritania, Senegal :

Survey on functional elimination of illiteracy in the rural and industrial environment

Somalia :

Supervision of school construction

Chad :

Architectural survey for the Zootechnical and Veterinary Training Institute at Fort-Lamy

Zaire :

- surveys on the following educational establishments : school complex in Kimwenza; teacher training colleges in Elizabethville, Thysville and Leopoldville (for girls); Higher Institute of Architecture

- survey on 'construction of an industrial research centre'

Surinam :

Surveys on an 'Institute for Secondary and Para-University Education'

Education infrastructure

- Primary education

Construction and equipment of classes (Mauritania, Polynesia, Surinam) and teachers' accommodation

Supply of teaching equipment for 109 classes (Mauritania) and 90 classes (Somalia)

- Intermediate education

4 general education schools in Modenjo, Sibiti, Kingala, Boko, (Congo-Brazzaville) and boarding school in Paramaribo (Surinam)
Extension of the secondary school for girls in Cotonou (Dahomey) and the lycée and the teachers' training college for girls in Kigali (Rwanda)

Extension of the College St. Gabriel in Majunga (Madagascar), and the national schools of administration (Niger, Burundi, Central African Republic)

Construction and equipment of the school complex for girls in Kinwenzha (Zaire)

Construction and equipment of 4 school buildings and enlargement of the secondary school in Mogadishu (Somalia)

- Technical and professional education

Construction of the electricity section of Bujumbura technical school and the Agricultural Technical Institute in Burundi, Inter-African Centre for Statistical Training in Yaoundé, Cameroon
Construction of a centre for female craft training (100 girls), in Ouagadougou (Upper Volta)

Construction of boarding accommodation for the agricultural technical school in Butare (Rwanda)

Extensions of the commercial technical lycée in Fort-Lamy and the agricultural school in Ba-Illi in Chad. Zootechnical Training Institute (Chad)

- Higher education

Construction of the Higher National School of Agronomy in Ivory Coast

Construction and equipment of teacher training colleges in Thysville, Lumumbashi and Kinshasa (Zaire) and in Butare (Rwanda)

Construction of the Faculty of Human Sciences at the University
of Lovanium

Extension of the Pediatrics Institute at the University of Dakar
(Senegal)

- Project surveys for schools and institutes (Burundi, Cameroon,
Ivory Coast, Upper Volta, Madagascar, Mali, Somalia, Senegal)

Specific vocational training projects and provision of
instructors

Specific projects

Cameroon :

Development of craft trades and light industry

Central African Republic

Training of intermediate-level public works officials

Rwanda :

Training of executives for agricultural cooperatives and training
programmes for audio-visual instructors

Chad :

Vocational training of Fort-Archambault textile workers

Zaire :

Survey · training of REGIDESO personnel

Somalia :

Training of personnel at the Plant Propagation Station

Provision of instructors

Cameroon and Ivory Coast :

Provision of statistical training instructors in Yaoundé (1)
and Abidjan (2)

Grants

Approximately 13,900 grants for full-time courses were given for the
1963-1971 academic years. A further 1,690 grants were provided for
part-time training and refresher courses for artisans, office
workers and small entrepreneurs at their place of work. Finally,
some 7,680 grants were awarded for correspondence courses.

At first, nearly all recipients of grants for full-time courses were
trained in Europe, but the situation changed over the years. In
1970-71, about half the grant-holders were trained in the Member
States and half in the AASM.

A survey on 2,300 recipients of grants who had completed their training courses was conducted, with the principal aims of ascertaining how former grant-holders had been reintegrated in their country and its working life, of assessing the usefulness of training and of discovering possible further training requirements.

Training courses

Between 1964 and 1971 the Commission departments received 110 trainees from the AASM and the Overseas Territories and Departments. These courses are intended to provide civil servants and students from the Associated States with training and instruction in European affairs.

6. HEALTH : 29,905,000 u.a.

Infrastructure

- hospital surveys (Burundi, Mali, Congo-Brazzaville, Madagascar, Somalia, Chad, Zaire, Netherlands Antilles)
- construction, equipment, modernization and extension of hospitals : Madagascar (Ampefiloha, Befelatanana); Chad (Abeche, Fort-Lamy); Niger (Niamey and Zinder)
- health training and equipment, dispensaries, regional centres, construction : Cameroon, Congo-Brazzaville (Likouala), Ivory Coast, Mali (Mopti) (16 dispensaries), Niger, Comoro Islands (Foumbuni)
- Institute of Human Biology in Bamako (Mali)
- pharmaceutical services : Chad (National Office), Surinam (central store in Paramaribo), Niger (Niamey), Cameroon (Victoria)

Health campaigns and technical cooperation

Campaign against onchocerciasis (Ivory Coast, Mali, Upper Volta)

Mali :

Mobile X-Ray units

Somalia :

Aid to run the Mogadishu hospital

7. HYDRAULICS, PUBLIC WORKS, PUBLIC HOUSING: 54,278,000 u.a.

General

Upper Volta :

Survey on restructuring of water services

Central African Republic :

Supervision of civil engineering and rural engineering projects

Mali :

General development of the town of Mopti

Somalia :

Preliminary survey on the town plan for Mogadishu

Village hydraulics

Wells

1318 wells (Dahomey, Niger, Upper Volta, Chad) and completion of the village water supply project (165 wells - financed by first EDF) in Chad and wells and drilling survey in Senegal

Pumps

Surveys and installation of 70 pumps in Somalia

Dams

- 9 dams in East Mauritania
- surveys and technical assistance for storage dams in Selingué and Sansanding (Mali) and dams in the Hods (Mauritania)

Miscellaneous surveys

Supply of water to 18 centres in Upper Volta and harnessing of 'rice' waters in Madagascar

Water supply

- supply and consolidation of water supply to the following towns :
Bouar, Bambari, Bangui (Central African Republic), Ouagadougou, Bobo-Diaulasso (Upper Volta);
Timbuctu, Bamako (Mali)
Port-Etienne (Mauritania)
Tahoua, Filingue, Birni N'Konni (Niger)
Dakar (Senegal)
Saint-Martin (Netherlands Antilles)
Saint-Pierre (St Pierre and Miquelon)
- water supply surveys, drillings and reports:
Cameroon, Central Africa, Dahomey, Mali, Niger, Senegal, Chad.

- water supply: Miscellaneous

Upper Volta:

Water and electricity supplies to the town and textile factory of Koudougou

Mali:

Water supply to Bamako Airport (technical assistance)

French Territory of the Afars and Issas:

Construction of 3 water towers in Djibouti

Rwanda:

Technical assistance to the Régie des Eaux

Urban Redevelopment

- urban redevelopment of the following towns: Brazzaville (completion of the project financed by the first EDF); Cotonou (Dahomey) (second tranche); Fort-de-France and Schoelcher (Martinique)
- redevelopment surveys for Paramaribo (Surinam)
- urban development of 67 hectares in Tananarive (Madagascar) and allotment of salt mines in the French Territory of the Assars and Issas
- construction of the central market in Willemstad (Netherlands Antilles)

8. TRADE PROMOTION: 1,151,000 u.a.

- various surveys have been carried out on the possibilities of marketing and promoting AASM products (e.g. leather and hides, bananas, tapioca)
- participation by the AASM in fairs in Member States

9. SPECIAL AID - EMERGENCY RELIEF: 2,551,000 u.a.

Madagascar:

Repair of damage caused by cyclone Georgette on the Andapa-East Coast route.

Mali:

Campaign against locust invasion

Niger:

Meeting cost of transporting foodstuffs

Somalia:

- Aid to the famine-afflicted population
- temporary aid to run Mogadishu hospital
- campaign against the 1969 famine

10. MISCELLANEOUS: 28,785,000 u.a.

Information, documentation

- various fact-finding surveys have been carried out on the economic development of the AASM, the export industries, markets and organizations, the evaluation of training and teaching projects and training possibilities
- statistics on EDF activities, information, documentation, photo-library

Chad:

Socio-economic survey on the development of the Middle Chari

Mali:

Economic and financial evaluation at the Niger Office and preliminary survey for a computer and statistics centre

Seminars

From 1964-1965 to 1970, 243 seminars were organized in the Member States and associated States

Publication of the 'Association Courier' for former grant-holders, trainees and seminar participants

Programming and general technical cooperation

- Temporary provision of experts, technical assistants, advisers:

Burundi, Congo-Brazzaville (economic adviser to the Government), Upper Volta (Planning), Madagascar (experts at the Ministry of Planning and

the Industrial Development Bureau), Mali, Niger (advisers to the President of the Republic and the Office of the Commissioner General for Development), Rwanda, Somalia (to the Secretariat of State for Planning), Chad, Togo, Netherlands Antilles (Planning), to the Secretariat General of UDEAC

- Training courses for women in Niger (Niamey, Zinder, Tillabéry, Dosso, Tahoua, Marodi)
- Development plan surveys (Dahomey) and programming surveys (Guadeloupe)

General surveys

- Miscellaneous general production surveys (cocoa, textile industries, tea, tropical fruits, oilseed markets, coffee), industrialization and exports, development and cooperation, implementation and administration of EDF projects
- Geological research surveys (Rwanda)
- Mali, Niger, Togo:
 - Survey on protecting seeds and harvests
- Training and refresher courses by correspondence

Technical supervision

Technical supervision of projects (production and diversification aid and technical assistance linked to investment projects) in all the AASM, Overseas Departments and Territories, excluding the Comoro Islands, Guyana and Martinique

Various inspections and meetings are also arranged by the Resident Supervisors

Financial and administrative expenses

EDF Committee expenses, expenses incurred for printed material on the situation of the EDF, EAC, subscriptions, book-keeping equipment connected with grant-holders and exchange differences.

GRAND TOTAL : 720,417,000 u.a.

ANNEX III

PROJECTS AND SURVEYS OF 2ND EDF CONCERNING MORE THAN ONE COUNTRY

(Situation as of 30 June 1973)

Country	Description of Project	Other countries concerned	Amount in 1,000 u.a.
Ivory Coast, Dahomey, Gabon	Training and refresher courses by correspondence (INADES)	Upper Volta. Burundi, Togo, Niger	260
Ivory Coast, Upper Volta, Mali	Campaign against onchocerciasis	-	215 393 141
Burundi, Zaire, Rwanda	Study Association for the Great Lakes	-	150
Burundi, Rwanda	Seminar on the Nyabarongo	-	8
Mali, Mauritania, Senegal, Tchad	Campaign against rinderpest	-	214 545 247 508
Mauritania, Senegal	Development survey on the Boghé and Nianga plains	-	9 9
Gabon, Mauritania, Senegal	Survey on functional elimination of illiteracy in rural and industrial environments	-	15
Upper Volta, Mali, Niger, Togo	Survey: treatment of seeds and protection of harvests	-	13 50
Burundi	Technical survey on Highway A - Rwanda border	Rwanda	260
Total :			3,037

		Brought forward: 3,037	
Cameroon	Inter-African Centre for Statistical Training in Yaoundé	Central African Republic	342
Cameroon	Construction of cement works in Figuil	Chad	1,640
Cameroon	Trans-Cameroon Railway	Central African Republic	22,568
Central African Republic	Slaughter-house in Bangui	Chad, Sudan	2,167
Congo-Brazzaville	River transport infrastructure in the Congo basin	Chad, Central African Republic	1,944
Ivory Coast	Higher National School for Agronomy	Associated States West Africa	2,034
Dahomey	Cotonou-Hillakondji Road	Togo	3,890
Dahomey	Porto-Novo - Nigeria road survey	Nigeria	150
Upper Volta	Bobo-Dioulasso-Faramana Road	Mali	4,333
Upper Volta	Modernization of Ouagadougou-Po-Frontier-Ghana Road	Ghana	8,305
Mauritania	Nouakchott-Rosso Road	Senegal	2,937
Niger	Niamey-Zinder Road	Nigeria	4,014
Niger	School for Veterinary Nurses and Stockbreeding Assistants	Ivory Coast, Dahomey, Upper Volta and other countries	750
Mali	Modernization of road sections Koutiala-Faramana and Kimparana-Faramana	Upper Volta	5,174
		Total :	63,285

		Brought forward:	63,285
Senegal	Construction of two bridges in Baiba and Diouloulou, Basse-Casamance	Gambia	566
Chad	Training of workers for textile factory in Fort-Archambault	Central African Republic	65
Chad	Construction of textile factory in Fort-Archambault	Cameroon, Central African Republic	1,215
Chad	College of Zootechnical and Veterinary Studies in Fort-Lamy	Central African Republic	1,068
Togo	Lomé-Palimé and Atakpamé-Badou Roads	Ghana	2,803
Togo	Making up and asphaltting Lama - Kara - Kandé road	Dahomey Upper Volta	540
		GRAND TOTAL:	<u>69,542</u>

SPECIAL LOANS FROM 2ND EDF
(Situation as of 30 June 1973)

Beneficiary Country		Description	Amount in 1,000 u.a.	Duration of loan	Rate of Interest
I. AASM					
Cameroon	1967	Establishment of 4,380 hectares of selected palms in West Cameroon	6,482	22 years, 10 redemption-free	2%
	1968	Construction of cement-works in Figuil	1,640	17 years, 7 redemption-free	3%
	1968	Construction of Belabo-N'Gaoundéré Railway	5,000	40 years, 10 redemption-free	1%
	1969	Purchase of rolling stock and railway workshop equipment	1,400	21 years, 6 redemption-free	3%
Ivory Coast	1966	Establishment of 32,000 hectares of palm trees (diversification)	3,644	21 years, 8½ redemption-free	2%
	1968	Modernization of Agboville-Dimbokro Railway (Investments)	6,013	20 years, 4½ redemption-free	3%
	1970	Development of cotton cultivation	1,671	20 years, 3 redemption-free	2%

SPECIAL LOANS FROM 2ND EDF
(Situation as of 30 June 1973)

Beneficiary Country		Description	Amount in 1,000 u.a.	Duration of loan	Rate of Interest
	1970	Extension of Abidjan fishing port	1,080	20 years, 3 redemption-free	2%
Mauritania	1969	Extension of Nouakchott wharf	2,754	17 years, 3½ redemption-free	1%
Chad	1967	Fort Archambault textile factory (investment)	1,215	30 years, 10 redemption-free	1%
Zaire	1970	Inga hydroelectric development project	9,000	28 years, 10 redemption-free	2%
Gabon	1969	Basse-Obiga-Wagny Road	2,500	25 years, 10 redemption-free	1%
Madagascar	1970	Construction of Tananarive Slaughter-house	1,862	33 years, 6 redemption-free	2%
		<u>Total</u>	44,261		

SPECIAL LOANS FROM 2ND EDF
(Situation as of 30 June 1973)

Beneficiary Country		Description	Amount in 1,000 u.a.	Duration of loan	Rate of Interest
II. OVERSEAS TERRITORIES AND DEPARTMENTS					
New Caledonia	1968	Construction of wharf at Nouméa Port	1,000	20 years, 2½ redemption- free	2%
Surinam	1968	Construction of port sheds in Paramaribo	1,856	20 years, 6 redemption- free	2½%
Réunion	1971	Hydroagricultural develop- ment of Bras de la Plaine (2nd stage)	673	30 years, 10 redemption- free	1%
Réunion	1973	Making up coast road	327	25 years, 5 redemption- free	3%
		Total	3,856		
		Grand Total	48,117		

SPECIAL LOANS FROM 3RD EDF
(Situation as of 30 June 1973)

Beneficiary Country		Description	Amount in 1,000 u.a.	Duration of loan	Rate of Interest
Congo- Brazzaville	1971	Extension of port of Brazzaville and purchase of tug	2,052	17 years, 2 redemption- free	1%
Dahomey	1972	Construction of palm oil- mill (Sonader) in Agonvy	3,276	40 years, 10 redemption- free	1%
Gabon	1971	Moanda-Franceville micro- wave communications	756	15 years, 3 redemption- free	3%
Upper Volta	1972	Establishment of agro- industrial sugar complex in Banfora	5,040	24 years, 10 redemption- free	1%
Senegal		Construction of ginning factory in Velingara	972	20 years, 5 redemption- free	3%
Martinique		Improvement of Fort-de- France-Saint-Pierre highway	630	25 years, 5 redemption- free	3%
		<u>Total</u>	12,726		

NORMAL LOANS BY EUROPEAN INVESTMENT BANK

(Situation as of 30 April 1973)

(a) Period of application of 2nd EDF (as from 1 June 1964)

Cameroon:

1. Loan of 1,215,000 u.a. to SOCATRAL (Société Camerounnaise de Transformation de l'aluminium) to finance an aluminium rolling-mill with an annual capacity of 8,500 t, repayable from 1969 to 1976 at 6½% interest.
2. Loan of 2,025,000 u.a. to SOSUCAM (Société Sucrière du Cameroun) to finance the establishment of a sugar industry (sugar plant - refinery) in Mbandjock, with an annual capacity of 12,000 t, repayable from 1969 to 1978 at 6½% interest.
3. Loan of 4,050,000 u.a. to ENELCAM (Société d'énergie électrique du Cameroun) to extend electricity generation, repayable from 1972 to 1982 at 7% interest.
4. Loan of 1,215,000 u.a. to SICAM (SICAM I) (Société textile du Cameroun) to build a spinning-printing mill, repayable from 1968 to 1977 at 6% interest.
5. Loan of 1,013,000 u.a. to SICAM (SICAM II): extension of SICAM I, repayable from 1971 to 1977 at 6½% interest.

Total 9,518,000 u.a.

Brought forward: 9,518,000 u.a.

6. Loan of 1,800,000 u.a. to SICAM III, repayable from 1974 to 1982 at 5½% interest.

Congo-Brazzaville:

Loan of 9,000,000 u.a. to CPC (Compagnie des potasses du Congo) to finance mining operations in the Congo, repayable from 1971 to 1984 at 7% interest.

Ivory Coast:

1. Loan of 1,015,000 u.a. to SONACO to finance banana-packing factories, repayable from 1967 to 1972 at 5 7/8%.
2. Loan of 1,000,000 u.a. to SALCI to finance the extension of a pineapple canning plant, repayable from 1972 to 1978 at 6½% interest.
3. Loan of 9,100,000 u.a. to 'PALMINDUSTRIE': construction of several palm oil-mills, repayable from 1974 to 1985 at 6 7/8% interest.
4. Loan of 527,000 u.a. to the 'Consortium Côte d'Ivoire': construction of a citrus fruit and perfume plant factory, repayable from 1971 to 1977 at 7% interest.

Total 31,960,000 u.a.

Brought forward: 31,960,000 u.a.

Gabon:

1. Loan of 405,000 u.a. to SOTEGA (Société Textile du Gabon) for the construction of a textile factory, repayable from 1970 to 1977 at 6½% interest.
2. Loan of 506,000 u.a. to SMAG (Société Meunière et Avicole du Gabon) to build a new mill, repayable from 1970 to 1978 at 6½% interest.
3. Loan of 2,330,000 u.a. to build a section of the Basse-Obiga-Lastourville highway, repayable from 1975 to 1985 at 4½% interest.

Upper Volta:

Loan of 450,000 u.a. to the 'Grand Moulin Voltaïque' repayable from 1972 to 1982 at 8½% interest.

Mauritania:

Loan of 11,000,000 u.a. to SOMIMA (Société Minière de Mauretanie) to finance copper mining operations in Akjouijt, repayable from 1972 to 1979 at 6¾%.

Senegal:

Loan of 2,400,000 u.a. to SIES (Société Industrielle d'Engrais du Sénégal) repayable from 1970 to 1978 at 6½% interest.

New Caledonia:

Loan of 2,025,000 u.a. to the Société 'Le Nickel' to extend production installations, repayable from 1973 to 1981 at 6½% interest.

Grand Total: 51,076,000 u.a.

(b) Period of application of 3rd EDF (as from 1 January 1971)

Cameroon:

1. Loan of 650,000 u.a. to CIMENCAM (Cimenterie du Cameroun) to extend the clinker-crushing factory in Bonabéri (doubling of production capacity), repayable from 1975 to 1980 at 5 3/8%.
2. Loan of 3,500,000 u.a. to Enelcam II : extension of the hydro-electric complex, repayable from 1975 to 1983 at 8½% interest.

Ivory Coast:

1. Loan of 4,680,000 u.a. to improve the approaches to the port of Abidjan, to build a sand jetty and deepen the canal in Vridi, repayable from 1975 to 1987 at 3 5/8%
2. Loan of 4,500,000 u.a. to UTEXI to extend the textile complex in Dimbokro, repayable from 1976 to 1982 at 4 7/8%
3. Loan of 3,000,000 u.a. to RAN (Régie de chemin de fer Abidjan-Niger) to renovate and enlarge the rolling stock and service pool of the Authority, repayable from 1975 to 1986 at 5 3/4%

Total : 16,330,000 u.a.

Brought forward: 16,330,000 u.a.

Senegal:

Loan of 1,440,000 u.a. to build the 'Union Hotel' in
Dakar, repayable from 1975 to 1986 at 5½% interest.

Zaire:

1. Loan of 16,000,000 u.a. to 'GECOMINES': extension of
mining and industrial installations to increase copper
and cobalt production capacity, repayable from 1974 to
1979 at 8½% interest
2. Loan of 1,600,000 u.a. to 'SOFIDE' to extend a textile
factory, repayable from 1974 to 1980 at 6½% interest

Grand Total: 35,370,000 u.a.

