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REPORT OF THE COMMISSION
TO THE ASSOCIATION COUNCIL
ON
FINANCIAL AND TECHNICAL COOPERATION
FROM 1 JANUARY TO 31 DECEMBER 1970

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INTRODUCTION

This, the sixth report on financial and technical cooperation between the European Economic Community and the Associated African States and Madagascar (AASM), is the last that will be drawn up by the Commission in pursuance of Article 27 of the first Yaoundé Convention. It deals with commitments undertaken and schemes implemented in 1970, whether financed by the second European Development Fund (EDF) or from the resources of the European Investment Bank (EIB). The sections concerning the EIB's activities were prepared by the Bank itself.

This report, like the earlier ones, shows in particular the way in which the Commission, in administering technical and financial cooperation, has paid careful attention to the general pattern for the economic and social development of the AASM as formulated by the Association Council in its Resolutions 1/66, 2/67 and 3/68.

This report differs from the previous ones in that it deals with a transitional year and not a normal period of activities. It shows therefore a considerable reduction in new commitments in aid of the AASM and at the same time an acceleration in the execution of projects decided on during the life of the Convention. It also covers the extensive work done in 1970 in the shape of transitional measures in preparation for financing decisions to be taken on the entry into force of the second Yaoundé Convention. The report draws attention in particular to the work undertaken jointly by the Associated States and the Commission on the programming of aid to be provided under the second Convention; this programming is an innovation by comparison with the earlier methods of financial and technical cooperation.

Like the report for 1969, this one deals briefly in an Annex with the food aid given to the AASM by the Community in the year under review.

Chapter 1 - GENERAL1.1 NEW COMMITMENTS1.1.1 Expansion of total commitments (see Table 1)

The main feature of 1970 was the commitment of practically all the funds still available under the second European Development Fund (EDF); this was done with a view to effecting the best possible linkage between the periods of implementation of Yaoundé Conventions I and II, on the basis of the transitional measures decided on by the Council of Association and extended until 31 December 1970.

In this exceptional year the only resources available for financial and technical cooperation were some residual sums for the Commission had endeavoured to commit almost the whole of the second EDF before the end of 1969, as was required of it by Yaoundé Convention I. Maximum recovery of amounts committed or in reserve but not yet utilized enabled the Commission in 1970 to maintain such a level of activity as would keep in being a number of priority operations under the second EDF and ensure the financing of studies needed for the preparation of schemes and programmes to be financed by the third EDF.

Total gross commitments decided on in 1970 by the Commission for the AASM out of the small balance of second EDF moneys amounted to 13 million u.a. (not including costs of supervising the execution of projects, nor administrative but financial expenses). This includes funds previously committed and not utilized, and now re-allocated. The amount is not to be compared with preceding years' levels of commitments, which reached 106 million u.a. in 1969 and 133 million in 1968.

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After allowance for adjustments to and reductions in previous commitments, the net cumulative total of second EDF commitments for the AASM at the end of 1970 was 651 million u.a., which takes into account the cost of technical supervision and other expenses relating to the projects.

In 1970 and at the beginning of 1971, 21 financing proposals (on the second EDF) were forwarded by the Commission to the EDF Committee. They were all endorsed by the Committee and the Commission agreed to finance them.

The EDF Committee had also in 1970 endorsed some 30 schemes for financing under the third EDF, conditional on the new Convention coming into force. These proposals received the Commission's approval shortly after the entry into force of Yaoundé Convention II.

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In 1970 the European Investment Bank provided 2.25 million u.a. towards the cost of financing two industrial schemes; this brings the Bank's total aid, from funds obtained on the capital market, to 49.1 million u.a.

These operations formed part of the transitional measures extending the period of implementation of Yaoundé Convention I.

1.1.2 Breakdown by sector of activity (see Tables 2 and 4)

The share-out by sector of new EDF aid decided on in 1970 presents, for the reasons given above, a very different picture from what is seen in normal times. The main determining factor was the need to

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concentrate on highest-priority schemes which, if they were broken off, would cause the greatest harm to development in the associated countries. This explains why the social sector got the bulk of the funds in 1970, it being necessary not to interrupt training programmes in the middle of the school year (see Chapter 4.3). The Commission went so far as to agree in principle to using some of its own resource to finance a part of the 1970/71 scholarship programme; in the event, with the coming into force of Yaoundé Convention II, funds became available from the EDF.

As in previous years, rural production bulked large in the commitments for 1970, but it is worthy of note that more than 80% of funds for this sector has been allocated to prepare projects for second EDF financing (see Chapter 2.2).

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The table below compares the share-out by sector of commitments under the first and second EDFs and brings out in particular the greater effort made by the second EDF to assist directly productive investment.

	1st EDF	2nd EDF ¹
Agricultural and industrial production (incl. energy)	25.5%	43.1%
Transport and communications	44.0%	33.1%
Social development	28.7%	20.4%
Miscellaneous	1.8%	3.4%

¹provisional figures

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1.1.3 Methods of financing

1.1.3.1 In 1970 commitments in the form of grants amounted to 4.9 million u.a.; this brought the cumulative total to 606 million u.a., which is almost the whole amount set aside in Yaoundé Convention I (620 million u.a.) for this method of financing.

1.1.3.2 Only one loan on special terms was made in 1970. This was 1.08 million u.a. for the Ivory Coast for enlarging the fishing port at Abidjan. The loan was granted for 20 years, with a three-year grace period, at 2% interest.

This commitment brings the cumulative total of special loans to 44.5 million u.a., which is about 96% of the amount originally earmarked for loans of this type.

1.1.3.3 The two ordinary loans of the European Investment Bank were granted for 12 years at 8.5%. Interest rebates at a flat rate of 3% have been requested in accordance with the transitional measures adopted by the Association Council and the Council of the European Communities on 28 and 29 May 1969 respectively, and extended by a decision of 15 May 1970.

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1.1.3.4 A backward look at the 14 loans on special terms granted out of second EDF funds shows that transport infrastructure was the recipient of the bulk (42%) of these loans, which went to finance three railway projects, two harbour schemes and a road.

Industrial projects came in second place, with 31% of the funds, covering a big energy scheme, a cement-works, a textile mill and a slaughterhouse.

Agro-industrial undertakings took 27% of the total sum, mainly for oil-palm plantations.

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Cameroon, Ivory Coast and the Congo (Kingshasa) were the main countries to receive loans on special terms, for it was laid down in Yaoundé Convention I that such loans were to be granted in consideration, first, of the direct profitability of schemes, and also of the debt-servicing capacity of the applicant State.

The following table shows how grants and loans on special terms were divided among the various sectors covered by second EDF aid:

Sectors	Grants		Loans	
	'000 000 u.a.	%	'000 000 u.a.	%
Rural production (incl. agro-industrial schemes)	292.4	45.9	12.0	27.2
Industry (including energy)	22.3	3.5	13.7	31.1
Transport and communications infrastructure	171.4	26.9	18.7	41.7
Other (education, health, water)	144.0	22.6	-	-
Miscellaneous	7.3	0.1		
Total ¹	637.4	100.0	44.4	100.0

¹Gross commitments (see Table 2)

During Yaoundé Convention I, European Investment Bank loans went to the financing of immediately productive investments, mainly in industry and mining, and secondarily in infrastructure, broken down as follows:

- (i) 13 loans, accounting for 46% of the total sum, to aid the setting up of industrial plants: processing of farm products, foodstuffs, textiles, chemicals and metal industry;
- (ii) 2 loans (41% of the total) for developing extractive industries;

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- (iii) one loan (8%) for the extension and improvement of a hydroelectric plant;
- (iv) one loan (5%) to build a road to service a forestry area.

1.1.4 Breakdown by country (see Table 3)

The approval of new schemes in 1970 by the Commission depended primarily on the possibility of mobilizing the residue of credits decided on earlier for certain Associated States, and next on the stage reached by schemes and programmes submitted for implementation under the third EDF.

The biggest recipients of new financing were in the main States still entitled to funds allocated for production and diversification -- Cameroon, Ivory Coast, Mali and Senegal.

The Commission decided to make bigger efforts in the realm of pre-investment assistance for Associated States meeting difficulties in preparing their new schemes and in drawing up dossiers for submission; this meant extending the term of service of experts already on the spot, as well as despatching new experts (see Chapter 2.2).

Lastly, being fully aware that any hiatus in the execution of the structural improvement programme to boost cotton productivity in Chad would not only have put paid to any extension of the scheme but even imperilled what had already been done in the past, the Commission approved pre-financing by the Chad Government for the 1971/72 crop-year, part of the cost to be refunded out of the third EDF (see Chapter 2.2).

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The two projects financed in 1970 by the European Investment Bank were for Cameroon and Upper Volta.

At the end of 1970 the breakdown of loans granted by the Bank was as follows:

	<u>'000 000 u.a.</u>	<u>% of total</u>
Ivory Coast	11.7	24
Cameroon	11.3	23
Mauritania	11.0	22
Congo (Brazzaville)	9.0	18
Gabon	3.2	7
Senegal	2.4	5
Upper Volta	0.5	1

1.2 PROGRESS OF OPERATIONS

1.2.1 Invitations to tender: situation

As already set out in last year's report, the Commission's departments pay particular attention to seeing that all invitations to tender are published as soon as the documents making up the dossier are finalized by the AASM authorities.

They also make every effort at all times to speed up the work on the document so that the pre-publication period may be reduced to a minimum.

At 31 December 1970 there were very few dossiers showing a need of further information or adaptation on technical, administrative or financial points and still awaiting the final agreement of the governments concerned - such agreement being possible very speedily.

In 1970, 63 international invitations to tender were published, involving a total of about 42 million u.a. This amount is lower than the 1969 total, and this is explained by the fact that 1970 saw the

end of the second EDF's activities so far as publication of invitations to tender is concerned, whereas invitations to tender in respect of third EDF schemes could not yet be put out.

Out of the total of 63 invitations to tender 22 were for works projects with a total value of 32.2 million u.a., while a sum of 9.5 million u.a. was for 41 supply contracts.

With supply contracts it is of particular importance that equipment should be in the possession of the recipient country with the maximum possible speed, and it is for such contracts that a rather large number of invitations to tender have to be published. The Commission has therefore continued to give help to the relevant departments in associated countries by supplying standard texts, which enable those working on the dossiers for invitations to tender to draw them up rapidly and easily.

1.2.2 Contracts (by public tender, direct-labour estimate and single tender)
(see Table 5)

Following invitations to tender, 581 contracts of the above three types were placed under the two EDFs in 1970, 107 being under the first EDF for a total of 12 million u.a. and 474 under the second EDF for a total of 139 million u.a.

Thus the contracts placed in 1970 under the first and second EDFs totalled 151 million u.a. and the pace of implementing operations was still a little faster than in 1969 (145 million u.a.), when it was already distinctly better than in 1968 (130 million u.a.).

Work under the first EDF has of course been tapering off since 1966 and the greater volume of operations set in motion in recent years falls consequently on the second EDF.

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¹The figures given in this chapter are not split up to differentiate between the AASM and Overseas Countries, Territories and Departments (OCTD).

The following table shows the progression of contracts:

Year	Contracts (3 types)			Year-to-year increase by Fund		
	First EDF	Second EDF	Total	First EDF	Second EDF	Total
1959	4	-	4	4	-	4
1960	13	-	13	9	-	9
1961	67	-	67	54	-	54
1962	130	-	130	63	-	63
1963	234	-	234	104	-	104
1964	345	-	345	111	-	111
1965	415	49	464	70	49	119
1966	482	92	574	67	43	110
1967	502	150	652	20	58	78
1968	523	259	782	21	109	130
1969	531	396	927	8	137	145
1970	543	535	1 078	12	139	151
				543	535	1 078

At the end of the year under survey, contracts (of the three types) placed accounted for 93% of all funds available from the first EDF and 73% of those of the second EDF.

The Commission has been making a very special effort since 1967 to step up as far as possible the issue of invitations to tender for works and supply contracts.

1.2.3 Payments (see Table 5)

Accelerated execution of EDF-financed schemes is reflected in an increased volume of payments; these by the end of 1970, under the two EDFs, had reached 907 million u.a. (excluding advances to price stabilization funds) since the first Fund was started up.

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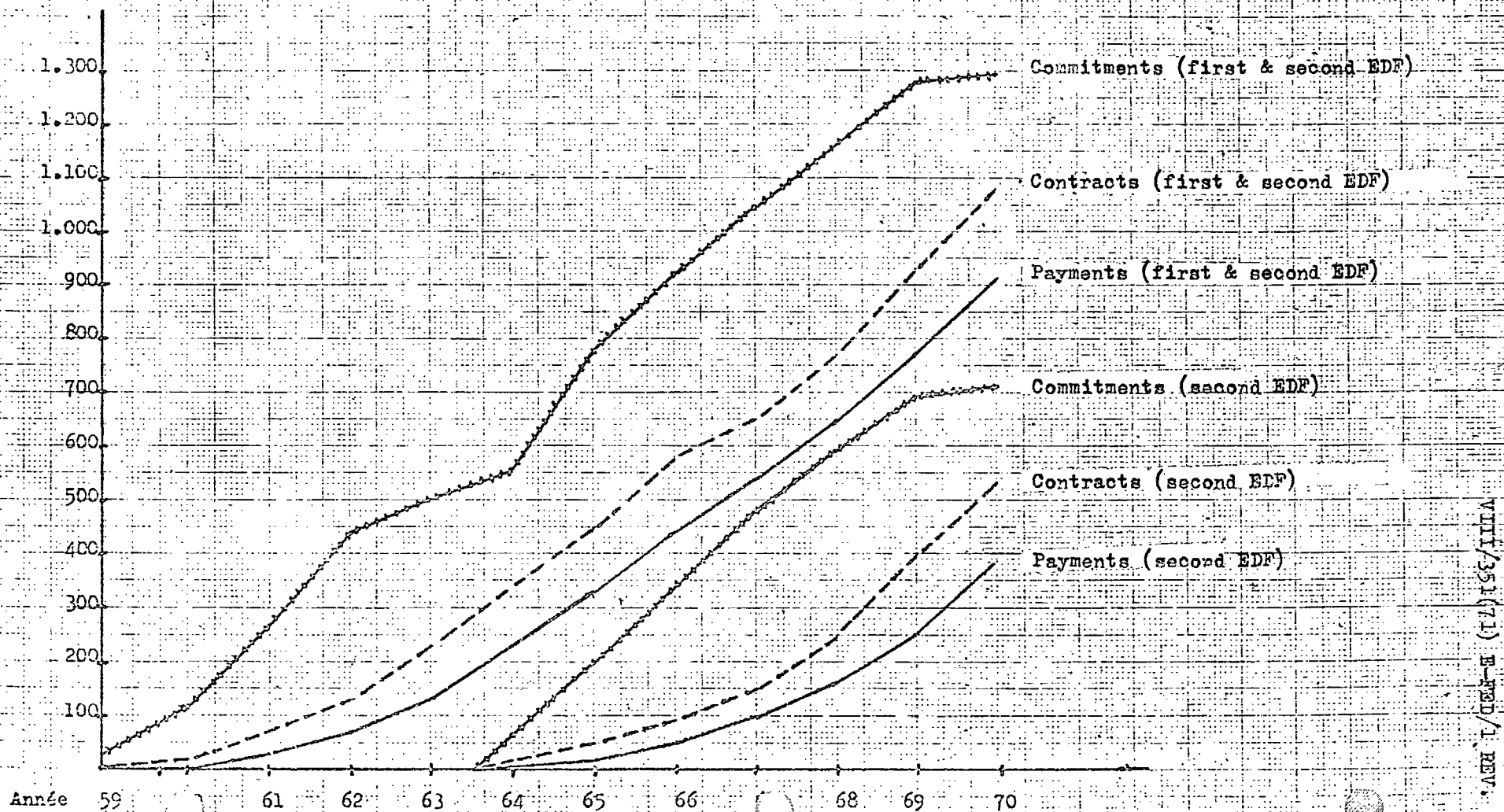
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Outgoings of each Fund are shown in the graph on the following page.

Payments in 1970, as is seen, showed a strong increase over the preceding years. This is the result of outgoings of the second EDF mounting much faster than those of the first EDF have tapered off. The increase was specially to be seen in loans on special terms, payments here rising by the end of the year to 12 million u.a., as against 2.8 million u.a. at the end of 1969.

At the end of the 1970 financial year, outgoings from the second EDF were around 52% of commitments entered into, compared with 35% at the end of 1969, while those from the first EDF had reached 90% of commitments. Taken together, payments from both, at the end of 1970, stood at about 69% of total commitments.

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Chapter 2 -- INVESTMENTS AND RELATED TECHNICAL COOPERATION2.1 NEW FINANCING DECISIONS2.1.1 European Development Fund2.1.1.1 Investments

New EDF credits did not in 1970 go to the financing of investments and related technical assistance to the same extent as in the preceding years. These two forms of aid, normally the main field of EDF work, in 1970 took only 55% of aid granted, whereas for reasons given above in Chapter 1.1.1, general technical assistance bulked relatively larger than usual, accounting for 43% of credits pledged. Investments proper accounted for only 30% of new commitments, while related technical assistance occupied a particularly large place in a year in which the launching of the third EDF was being prepared.

The few new investments financed included the following:

- (i) the enlarging of the fishing harbour at Abidjan (Ivory Coast), which should help to meet the increasing demand in the country for fisheries products and so contribute to improving the dietetic balance of the population (see Association Council Resolution 1/66, 16); it should, again, foster the marketing of products of the sea-fishing industry. What is being done now rounds off work financed by two previous EDF slices of aid for building part of the new wharf in the fishing harbour;
- (ii) the repair of the Hillacondji-Cotonou road, built with EDF finance in 1968 but considerably damaged in particular by serious flooding brought on by exceptionally heavy rainfall the same year. This is a most important road for the African countries in the region, being the principal road in Dahomey, linking Togo with Dahomey and so with Nigeria too.

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On top of these investment projects there was also the work on structural improvement of production in Cameroon, Mali, Senegal and Togo, financed out of the residue of production aid money (see Chapter 3).

2.1.1.2 Technical cooperation related to investments

In 1970 the last second EDF credits for technical assistance related to investments amounted to 4.8 million u.a. (including supervision expenses and amounts recovered from balances of diversification aid money), thus making more than a third of the year's total commitments (compared with the 11% average of the preceding years).

The new commitments of 1970 brought the cumulative total of credits for investment-related technical assistance by the second EDF to 76 million u.a., in other terms about 12% of total commitments.

More than half the new 1970 commitments went on pre-investment surveys or other preparatory technical assistance work with the object of speeding up the launching of the third EDF (see Chapter 2.2).

The share claimed by concurrent technical assistance, at 0.46 million u.a. or 14%, was much smaller than in the preceding years.

Lastly, there were two instances of grant of post-investment technical assistance.

Credits for related technical assistance were to a large extent (44%) devoted to work in the rural production field; this work, however, was in most cases connected with the preparation of schemes or programmes to be financed by the third EDF (see Chapter 2.2).

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- (a) Apart from work on projects to be submitted under the third EDF, of which more will be said in detail later (Chapter 2.2.1, d), pre-investment technical assistance financed in 1970 went to help the completion of investment projects approved earlier. It took the form of remedial action in unforeseen circumstances, or of further information necessary to the successful execution of a scheme or, where necessary, its extension to the third EDF.

The following are some examples:

- (i) further surveys in connection with work being done in the Niger river valley (in Niger) on the improvement of rice plantations there, and the connected study of the rice market and expert advice on the rice mill at Tillabéry;
- (ii) a survey preparatory to organizing seed and crop protection campaigns in Mali, Niger and Togo; this involved an assessment of the results of a similar operation in Upper Volta.

The Commission also took an active part in the preparation of the agreement reached by Burundi, the Congo (Kinshasa) and Rwanda in their search for a solution to their common problems in connection with the electrification of the Great Lakes region. The Commission undertook to give all the technical assistance needed by the consultant company which is to be set up by the three countries to do the groundwork for setting up a multi-national power supply company and to study the electrification of the region.

- (b) In 1970, as in previous years, concurrent technical assistance helped with the execution or supervision of schemes going forward. Most of the commitments of the year carry forward work sanctioned earlier, for example the seed-treatment and crop-protection campaign in Upper Volta, the management of the tea plantation and tea

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factory at Mulindi (Rwanda), government supervision of the management of big agricultural projects in Rwanda, and the supervision of construction work on a power line in Rwanda.

- (o) Post-investment technical assistance was given in Mali to ensure the proper working of the Bamako refrigerated slaughterhouse, built with first EDF funds and in operation since 1965.

There had been a lack of maintenance of delicate equipment in this slaughterhouse and the Commission agreed to finance the repairs needed and the supply of spare parts, together with the training of Mali technicians to look after maintenance in future.

It merits recording, however, that the slaughterhouse, one of the most modern in central and west Africa, had gone on working satisfactorily to date. It is of particular importance not only for Mali, where livestock products make up around 50% of the country's exports, but also for other African countries with their ever-increasing meat shortage.

Lastly, the Commission agreed to a final slice of aid, temporary and to taper off, for the running of the hospital at Mogadishu in Somalia, which was built with first EDF funds.

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2.1.2 European Investment Bank

In 1970 the European Investment Bank examined together with the Commission a project for financing by a loan on special terms (see Chapter 1.1.3), and granted two ordinary loans totalling 2.25 million u.a., which enabled industrial projects to be carried through.

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The project in Cameroon is for the second extension of a textile-mill complex for which two loans from the EIB had already been received in 1965 and 1969.

The completion of the project will mean a further step forward for the spinning and weaving mill, which is already the biggest industrial venture in the north of the country. It will make for a better balance between the regions there, as well as having a clearly beneficial effect on the balance of trade and payments, on public funds and will create 570 new jobs.

This is the EIB's sixth operation in Cameroon.

The Upper Volta scheme is for a flour mill with an annual capacity of 30 000 tons, mainly of wheat-flour but also flour from local cereals such as millet and maize.

This will be a contribution to the building up of an industrial centre in the western part of Upper Volta. Apart from having a favourable effect on the country's trade balance, it will permit the industrial processing of local cereals and help to increase their consumption and stabilize their prices.

This is the EIB's first operation with its own funds in Upper Volta.

2.2 PREPARATIONS FOR THE LAUNCHING OF THE THIRD EDF

2.2.1 European Development Fund

The fact that the transitional measures decided on by the Council of Association continued in force until 31 December 1970 enabled the Commission to start on the preparation and examination of schemes for financing by the third EDF.

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It was laid down, in fact, in the measures above mentioned that the Commission's departments could proceed without delay, on the lines for the administration of aid set out in the new Convention and in the new agreement on financing procedures, to an examination of schemes already received from the AASM, and that schemes so examined could then be submitted for conditional endorsement by the EDF Committee. This was to facilitate a rapid start-up of the third EDF and enable the delay in the ratification of the Convention to be made up as far as possible.

The Commission's work in 1970 in preparing the application of third EDF funds consisted of: programming missions undertaken in each Associated State, examination of projects already submitted for the third EDF, the provision of technical assistants and the financing of surveys to help certain countries prepare such projects, the preparation of financing proposals for any projects already sufficiently advanced and documented and their submission to the EDF Committee for endorsement, and also the stepping up of coordination with other aid sources regarding action to be taken during the period of implementing Yaoundé Convention II.

What was involved in these various tasks undertaken during the transitional period to prepare for utilization of the third EDF will be explained briefly below:

- (a) During the transitional period, the Commission dispatched programming experts to the Associated States to discuss with the authorities on the spot their country's development prospects, the schemes they intended to submit for third EDF backing, the relative priority of the schemes and how they were to be fitted into a coherent plan.

As a result of these programming missions, it was found possible to work out a provisional programme for the third EDF in agreement with each Government concerned. A good number of these programmes, however, still need a great deal of work to be done on them both by the departments of the recipient countries and by Commission departments, if a balanced whole is to emerge which can be carried out with the funds that will be available under the new EDF.

Four countries submitted programmes which were both coherent and realistic and fitted well into the overall pattern of those countries' potential development. They needed, therefore, only a touch of adjustment here and there by the visiting programming experts.

The programmes submitted by many of the other AASM however were not up to the standard of real planning, sometimes being nothing more than an insufficiently organized list of schemes or rather vague ideas for schemes, without any order of priorities or detailed supporting dossiers.

This is not to say that most of the plans did not fit into the overall scheme for national development that was being carried out or drawn up, but they did need to be shaped and in greater detail if they were to become operational.

On the whole, the work done together by AASM government departments and Commission officials during the programming missions has enabled total applications by countries for financing to be kept within limits compatible with third EDF availabilities and, again, has led to programmes which are coherent and fall within the general guidelines for financial and technical assistance laid down by the new Convention and the Association Council's earlier resolutions. In most cases, suggestions by Commission officials during the discussion of programmes for submission under the third EDF often steered the programmes more decidedly towards the build-up of rural production.

In any case, the programmes drawn up have been or are being thoroughly assessed by the Commission's staff as the dossiers are deposited by the countries concerned.

Apart from the schemes contained in the programmes of the Associated States, the contacts made with the visiting experts have enabled certain AASM to express to Commission authorities their wishes regarding the details of the aid they would like to receive. The points raised cover the execution of schemes, the year-to-year fluctuations in Community aid, the placing of contracts with local firms, and the upgrading of local human resources.

The Government of one Associated State, for instance, has put forward the idea of organizing annual meetings between its departments and those of the Commission to discuss improvements to and progress of any schemes under way or in preparation. The Commission proposes to adopt this system of regular consultations on an experimental basis.

A rapid overall survey of schemes that have been selected, though provisionally only, already makes it possible to see the broad lines of the operations that could be financed out of EDF funds under the new Convention.

In accordance with the guidelines decided on by the Associated States and the Community for financial and technical assistance, in most countries the highest importance is given to directly productive investment and to diversification of the economy.

In addition, Community aid will go more predominantly to certain developing geographical areas where it will, in some cases, bolster and round off what has been done under previous schemes financed by the EDF. These areas are being chosen with an eye to what is being performed in each of the Associated States by other sources of assistance.

Concentration on certain key sectors of the economy will be in the main a continuation of the policy followed under the second EDF; greater efforts, however, will be made to push forward stockbreeding in countries where it is most promising. In some countries the Commission is urging the authorities to give more weight to this sector and, moreover, proposes to assist them in this by means of pre-investment surveys with the object of selecting priority operations to be undertaken and deciding on a medium-term programme for building up stockbreeding.

Community aid for rural production in general will go preferably to "integrated projects".

Schemes for industrialization in the programmes submitted are rather few and far between and are mainly concerned with agro-industrial ventures. Several Associated States have still not put forward any tenable industrial project. The shortage of industrial projects is partly to be explained by the programming difficulties in this sector and by the fact that industrialization has to look primarily to private initiative, and as a result the countries concerned prefer to submit projects of lower or more uncertain profitability.

Several Associated States wish Community aid for the development of energy production to be continued and in some cases intensified. The same applies to two relatively new fields, tourism and marketing promotion.

Improvement of communications is also a high priority for quite a few of the Associated States, particularly those in the interior of the African continent, for whom access to the sea is one of the essential factors of development. As a result, projects to improve such countries' outlets to the sea and, in a more general way, communications between countries and regions (Resolution 3/68, 4), will be certain of priority under the third EDF, as required by Article 19(2) of the new Convention. Elsewhere, transport infrastructure projects in view are directly connected with developing the mining or forestry resources of the countries concerned.

The Commission, lastly, will continue its work to forward social investment projects, in particular those connected with education, but this sector will probably be receiving less funds than before. Of course, numerous projects will be financed, but their unit costs will tend to be lower and they will be carefully adapted to the receiving country's capacity to take over itself the running and maintenance expenses.

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- (b) At the same time as the big work of programming aid for the implementation period of Yaoundé Convention II was being undertaken in 1970, the assessment of individual schemes was being actively pursued. At the end of 1970, 65 projects involving around 200 million u.a. were being examined. These naturally represent only part of the projects which have been discussed with the visiting programming experts and may be submitted for financing by the third EDF.

If schemes already submitted under the second EDF and transferred to the third for lack of funds are added, the figure of 131 projects is arrived at, with a total value exceeding 300 million u.a.

- (c) In order to help AASM governments with the preparation of dossiers on other schemes for presentation and in the light of experience gained in the management of the second Fund, technical assistance missions have been decided on for Burundi, Madagascar, Mali, Niger, Rwanda, Somalia and Chad; and experts have been dispatched to certain countries to draw up dossiers for a specific sector, e.g. Madagascar (tea growing), Niger (stockbreeding), Rwanda (electrification programme) and Chad (cotton productivity programme).
- (d) Also in order to assist Associated States to prepare their new schemes, a number of surveys were financed in 1970 out of second EDF balances. The purpose of some of these surveys was to facilitate and justify choices to be made, together with the authorities on the spot, from among schemes included in programmes submitted and to pick out operational schemes suitable for financing by Community aid; the purpose of others was to obtain further information to finalize dossiers on schemes which had already met with a favourable first reaction from the Commission.

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These surveys, in any case, are a first step towards putting into practice the guidelines described above for Community aid under the third EDF.

Most of the surveys are concerned with the preparation of rural development programmes, for example:

- (i) the development of a scantily populated region in northern Cameroon;
- (ii) the development of the Yatenga area in Upper Volta;
- (iii) new rice plantations in the Senegal Valley (Senegal);
- (iv) a rice-growing programme in the Ségou-Mopti-Koutiala area in Mali;
- (v) the development of the Nyamushwaga valley in Burundi.

On the narrower front of stockbreeding, the following surveys may be mentioned:

- (vi) expert help with organization of a programme of third EDF aid for stockbreeding in Dahomey;
- (vii) a study on the setting up of a stockbreeding area in the Lower Ruzizi area (Burundi);
- (viii) an assessment of the present stockbreeding situation in Niger, particularly after the drought of 1968/69, and clarification of the main work to be done in the immediate future; assistance here also covers the drawing up of dossiers for projects selected for submission with a view to aid;
- (ix) a feasibility study for a cattle-ranch in the Adélé area of central Togo; such a project, if approved, will have to fit into the overall pattern of stockbreeding schemes planned by the Entente countries.

In the same field the Commission has also agreed to technical assistance for a project involving several countries, the programming of the Veterinary and Livestock Institute at Dakar (Senegal), which OCAM has decided to set up.

Under the heading of crop diversification, schemes for new crops are often bound up with the subsequent setting up of a factory for processing on the spot; other schemes follow up earlier work and are designed to provide supplies for an existing factory. Examples are the studies of tobacco treatment in Mali, tomato growing in Upper Volta (first stage: developing cleared land in the Kou Valley; second stage: establishment of a tomato concentrate factory), and the water-resources survey on the irrigation of sugar-cane plantations which may be set up under the "Société Sucrière de Haute-Volta" project.

Crop diversification was also the subject of studies made of the possibilities for perfume-yielding plants in Cameroon, fruit growing in Mali, and market gardening and the growing of tomatoes for processing in Senegal.

In the agro-industrial sector, there is a survey to finalize the industrial side of the new oil-palm programme in Togo, which may involve new factories at Tabligo and Agou and related industrial plants, such as a palm-kernel oil-mill, a soapworks, and port warehousing.

Three new studies bear on the preparation of possible Community aid for transport infrastructure. They cover: the building of the Owendo-Bocoué section of the Trans-Gabon railway; the financial situation of the Abidjan-Niger Railway and the profitability of investments it proposes, this being a precondition of Community financing; and the asphaltting of the San Pedro-Soubre-Issia road in the Ivory Coast, the bed of which is at present being laid. The latter project forms part of the programme for developing the south-west of the country, one of the regions where third EDF aid will be concentrated.

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Industrialization and marketing promotion in the AASM were the subject of four general surveys; three on the opportunities for export-oriented industrial developments and the fourth on the setting up of an Ivory Coast foreign trade centre in Abidjan.

In Mali a study has been started to look into the opportunities for developing tourism and the potential market in countries which could provide tourists, with a view to working out a tourist policy and establishing what measures and investments might be needed in the medium term.

- (e) Of the schemes which were submitted by Associated States during the transitional period or transferred from the second Fund, and which have already been examined by the Commission, 23 received conditional endorsement by the EDF Committee in 1970 with a view to third EDF financing at a cost of 46 million u.s.a. Consequently a decision to finance these schemes, which involve economic and social investments and also general and related technical assistance, could be taken by the Commission in the first three months following the entry into force of the new Convention.
- (f) Alongside these financing decisions under the normal procedure of the third Fund, the exceptional pre-financing procedure allowed by the transitional measures was used to assist Chad so that its programmes for the improvement of cotton productivity should not be broken off (see Chapter 1.1.4).
- (g) The programming of third EDF aid led to greater coordination in 1970 between Community aid and the organizations providing in bilateral and multilateral aid. This took the shape of an increasing number of contacts between the Commission and the other aid bodies during the programming experts' visits to the AASM. These contacts made it possible to examine on the spot the opportunities for dovetailing aid measures into the Associated States' overall programmes; in certain cases, practical decisions have already been taken. In the

Congo (Kinshasa), for instance, Belgian bilateral aid will finance road and agro-industrial surveys in preparation for projects submitted to the EDF. In Gabon there is close contact with the World Bank and French and German aid authorities regarding the possible joint financing of the Owendo-Bocoué railway, and in Chad there have been contacts with the World Bank on the financing of the cotton productivity programme. In Upper Volta there was a meeting between representatives of the EDF, World Bank, FAC (Fonds d'Aide et de Coopération) and UNDP and also of the Entente Council Secretariat to examine the opportunities at regional level for rural development in general and stockbreeding in particular. Other meetings for coordination purposes have been held in numerous Associated States.

In addition - also in preparation for Community action under Yaoundé Convention II - there is a new form of cooperation between the EDF and the EIB, which is described in detail in Chapter 6.1.

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2.2.2 European Investment Bank

In 1970 the European Investment Bank maintained its contacts with possible sources of funds in Europe and with the Governments of the Associated States to keep them informed of opportunities for financing by means of loans under the new Association Convention. It also examined requests for interest rebates at a flat rate of 3% for the two schemes it financed in 1970 - in Cameroon and Upper Volta - out of its own resources. These requests were approved by the Commission and the EDF Committee and granted under the new Yaoundé Convention.

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2.3 EXECUTION OF PROJECTS

2.3.1 European Development Fund

As in the preceding years, the difficulties encountered in the execution of projects centre in particular on the mobilization of local resources to supplement EDF aid and on the time taken to carry out the projects.

2.3.1.1 Local resources supplementing EDF financing - Compliance with the other special conditions of financing agreements

When a financing agreement specifies, as a condition for the execution of a project, that the money must be provided both by the Community and by the Government concerned out of its own public funds, difficulties of varying degrees of gravity can arise from the Government's inability to meet commitments which were freely entered into before the financing decision and confirmed by the signing of the Financing Convention.

If an agricultural water supply and irrigation scheme, for instance, requires the Government concerned to carry out the final stage of the work, its aims will not be achieved if, for one reason or another, the Government is not in a position to have this final stage carried out.

This is why the Commission shows great circumspection. It prefers a financing operation drawing on Community funds to be an independent whole, making successful attainment of the project aims possible. In any case success should not be dependent on a contribution from the beneficiary country unless it is firmly established that it will be able to honour the commitment when the time comes.

In this connection, particular attention has to be paid to the expense of maintaining an investment, since such expense can be a rather heavy burden.

A distinction seems necessary between current maintenance, which should fall on the country concerned, and any periodical injections of funds needed at intervals varying with the nature of the investment; the latter, of the nature of supplementary investment rather than maintenance, could be taken care of by the Community should the recipient Associated State have already shown by the efforts it has made that it is not in a position to take on major or exceptional maintenance burdens.

2.3.1.2 Time-schedules for carrying out projects

The time-lag between the decision to finance and the completion of the project is important for the question of costs, for any delay may result in increases because of changes in economic conditions, whether at the tendering or implementation stage if there are any price-variation clauses.

For this reason, efforts must be made to see that calls for tenders are published with a minimum of delay and it is particularly desirable that, when contracts are placed with consultant firms for the drawing up of dossiers for invitations to tender, those who are to do the work should be notified as rapidly as possible.

Again, when the tenders lodged are under examination, delays can arise in cases where the particular technical complexity of the work to be carried out or equipment to be acquired or the existence of authorized variants complicate the choice of the tender to be accepted.

One solution would be to have a consulting engineer help the Government department in question to come to a decision. In the same way, where the case is a complicated one or the call for tenders particularly important, the contract with the consultant firm could stipulate, among the services required from the firm, that it should, if expressly requested by the Government department, help examine the tenders received. In the case of specialized equipment, as for instance for public health purposes, the assistance of a consulting engineer could be obtained through

standing contracts with specialized bodies. These contracts would stipulate that an expert in the appropriate field should be made available when requested, on the initiative of a Government department, by the Commission.

Where short time-limits for the completion of contracts are insisted on and the working of price-variation clauses is thereby restricted, it is difficult to decide whether this does not automatically result in tender prices being higher because of contractors seeking to cover themselves, and more than cover themselves, against penalties for being late which they would be the more likely to incur the tighter the deadline. Realism is called for here and there should be no attempt by such a device to catch up on previous delays which crept in when the scheme was being examined or the call for tenders published.

Once a realistic time-limit has been fixed, however, it is essential that the time-schedule decided on for the progress of the work, allowance being made for any adaptations that may be imposed by circumstances, should be observed from start to finish. Any steps necessary to keep up with the schedule must be called for immediately, before the time-limit is reached, in fact as soon as there is any danger of it being exceeded. The contractor might, for example, be required to increase the volume of his working equipment, put more labour on the job, make changes in the supervisory staff, or, in an extreme case, even have his contract cancelled.

2.3.2 European Investment Bank

The industrial or mining projects financed by the European Investment Bank are either completed or on the way to being completed. In 1970 the Bank sent out a number of experts to check on progress being made, and contact was also made with various European promoters to examine problems connected with certain schemes.

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Out of the 49.1 million u.a. committed by the Bank for 17 projects, disbursements by the end of 1970 had reached 34.5 million u.a., or 70%; nine loans totalling 28.6 million u.a. have been completely paid out.

2.4 USE MADE OF COMPLETED INVESTMENTS

In 1970 the Commission concentrated its assessment of the utilization and effectiveness of completed projects more particularly on education and training. These schemes were for the most part financed under the first EDF. The education and training investments which were examined in the course of the year number 18 out of a total of 70 and account for about a quarter of first EDF investments in this sector in the AASM.

The sample covers all the types of education and training schemes for which the EDF has provided aid and is therefore a representative one, especially as the Associated States vary widely both geographically and also economically and socially. The conclusions that can be drawn hold by and large for all education and teaching investments already financed by the EDF.

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From the angles of architectural design and quality of materials, EDF achievements in this sector are satisfactory and seem to be appreciated by the utilizers. The sole occasional serious difficulties have arisen from the length of the time taken to complete schemes; the delays were due either to the contractor's inability to carry out the contract or to problems connected, where projects are co-financed, with the mobilization of financial resources in the Associated States.

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In themselves the EDF schemes have contributed substantially to the success of education programmes, often ambitious, drawn up by the Associated States, by building new class-rooms or replacing temporary accommodation by permanent buildings. By providing primary teacher-training colleges the EDF has helped to speed up education programmes and improve the financial backing for them. And projects concerning technical training, in the form of schools to train rural and health personnel, etc., will supply Associated States with the supervisory personnel at intermediate level, the present shortage of such staff being such a handicap to the success of directly or indirectly productive programmes.

But the very scale of the aid given by the EDF, which largely consists of financing buildings and equipment, has on occasion caused internal disequilibria affecting education programmes, for measures to supplement EDF investments, that is to maintain them and keep them in operation, are paid for by the Associated States; now very often, especially in the case of the poorest economies, the States experience difficulty in adapting their financial resources to the growth of recurrent and running costs linked with the expansion of education. The result is badly maintained buildings and inadequately trained teachers, and also underutilization of boarding-schools.

Short of slowing down the expansion of education, and likewise of investments in the sector, the only remedy to the situation is to try to reduce the recurrent costs falling to the Associated States. This result could be achieved partly by increasing even further, if this is possible, the robustness and simplicity of the buildings and, where necessary, by stepping up aid used to finance recurrent expenditure. The Commission has taken both courses; in the latter, in particular, it is endeavouring far more to direct the grant of scholarships in the associated countries towards educational establishments where the material installations have been financed wholly or in part by the EDF.

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Another bottleneck is caused by the shortage of trained teachers and other pedagogical staff. Consequently the standard of teaching suffers of course, especially at primary level. This situation, however, is progressively improving as the number of teacher training colleges increases and as further training is given to teachers who did not receive the necessary training at the outset.

Though there is no intention, at this stage, of calling into question the aims of the present types of education, the point may nevertheless be raised of the quality of curricula, which too often, especially in primary and technical education, appear to be too bookish and remote from the reality of things. It is therefore necessary to pursue efforts to reform these school curricula.

This combination of factors: insufficient trained teachers and unsuitable school curricula, plus a number of factors proper to certain rural societies in which the teaching of reading and writing skills has been introduced only recently, explains in many cases the low level of scholastic achievements: for example, the large number of pupils having to stay a further year in the same class and the excessively low ratio of the number of those receiving an end-of-course certificate to that of pupils starting the course. A large part of these failures is of course inevitable where training schemes are launched in a hurry in surroundings not prepared for them; these failures will therefore disappear progressively as education is developed and takes roots in all milieux and areas.

An examination of the effectiveness of education projects also raises an even more fundamental question: does the schooling given as a result of these schemes cater for the economic and social development needs of the countries concerned?

Secondary education does not seem to present great problems currently, except that the teaching capacity is now insufficient in relation to supervisory staff requirements, particularly women.

For primary and technical education the situation is, on the other hand, more worrying as the inadequacy of traditional methods is manifest.

One of the key problems is to curb the drift away from rural trades among those who have been given a general primary education and to see to it that their knowledge helps on the contrary to modernize the traditional environment. Various formulae have been tried for this purpose with financial aid from the EDF: bush schools in Mali, rural education centres in Upper Volta and rural youth camps in Ivory Coast.

At the present stage, though they are so necessary in principle, the reforms have not entirely brought about the expected results for a number of reasons connected both with ambiguities in the aims of the new type of training, which are not clearly distinct from those of general education, and with an underestimation of the problem of selecting candidates and reinserting them in a dynamic fashion in their original environment (problems relating to supervisory staff, equipment, placing of ex-pupils and so on).

The Commission does not, however, draw pessimistic conclusions from these difficulties. Interpretation of the results must take into account the nature and ambition of the aims adopted. The apparent success of traditional curricula, the aim of which seems to be to be confined to achieving a certain level of schoolgoers, may be deceptive where the real problems have not risen, namely the insertion of school-leavers into economic and social life and their effectiveness there. "Adapted" curricula, on the other hand, raise problems and the new difficulties they reveal are therefore merely the result of the greater number of variables and of the more complex and ambitious aims, directed at the greater social and economic effectiveness of education.

An assessment of technical education projects reveals some paradoxes: the African countries' need for technicians is very great, but existing schools are having difficulty in recruiting

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pupils; indeed recruitment is often by a process of elimination, in that candidates for technical education are those that have been refused for general education. This situation is basically the result of the low esteem in which technical pursuits are held in the countries concerned by comparison with the academic and political life; consequently the remedy is not to be found primarily in education itself, but in an upgrading of the economic and social status of the technician, to be reflected in an upgrading of his scales of pay.

What are the openings for school-leavers with a technical training? The situations related to the projects reviewed vary greatly. The prospects are excellent for those who have been through schools for agricultural advisory personnel, nurses, accountants, and so on. In the case of industrial training, on the contrary, serious problems have been found which reflect lack of adaptation of the products of education to the needs of local industry. Here two points seem to be of primary importance:

(1) that of the constant adaptation of training to the labour market, which in this sector develops very fast and, what is more, is very complex. The present disequilibria must be eliminated, for example situations where certain firms look for skilled workers to fill various posts but do not find them and have to call on expatriates, while numerous young skilled workers are seeking employment;

(2) that of pay scales, which are less favourable for skilled technical jobs than for administrative posts. Over-generous pay for public administration officials induces technicians with the same amount of schooling to call for equal pay, which employers in the private sector find too high in relation to the technicians' real qualifications.

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Chapter 3 - AIDS TO PRODUCTION AND DIVERSIFICATION3.1 AIDS TO PRODUCTION3.1.1 Five-year programmes - situation

The five-year programmes have not undergone any changes during the period under review (see Tables 9 and 10).

3.1.2 Commitment of further annual instalments

At the time the transitional measures were being adopted by the Association Council, the Community stated that any balances of the various instalments of aid to production could be used up, in accordance with the conditions governing this type of assistance, to the exclusion however of price support, which in any case had to end by 31 May 1969. As a result the Associated States were able to inform the Commission, as and when it was found that there were balances, of their proposals for applying them to schemes for structural improvement of farming production. This led to a total of 2 132 000 u.a. being granted in 1970 as aids to production. The recipient countries were Cameroon, Mali, Senegal and Togo (Table 11).

This money is used to continue and complete schemes forming part of five-year programmes, including the purchase of fertilizers, insecticides and machinery, and the provision of staff for running of projects financed with previous instalments.

Since the coming into force of Yaoundé Convention I, a total of 85 million u.a. has been committed as production aid, that is 93% of funds earmarked for five-year programmes. Inside this total, 27.1 million u.a. was for price support and 57.9 million u.a. for structural improvement.

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3.1.3 Spending of instalments committed

Funds spent on price-support operations showed a notable decline: 425 000 u.a. in 1970, as against 1 753 000 u.a. the preceding year. This is mainly because no more funds were committed for price support after 31 May 1969. At the moment, only four countries still have to submit their final accounts for the 1968/69 crop year; 94% of commitments can be considered utilized, against 84% at the same point in 1969 (Table 12).

The rate of utilization of funds committed for the various items under structural improvement of production, such as supplies, works, staffing and miscellaneous, showed a clear rise over the preceding year, reaching 75%, compared with 55% at the end of 1969. The most rapid rises were in supplies (82% against 74%), works (55% against 16%) and staffing (88% against 43%).

With the new rules for payment being applied, there were no complaints on this score from European suppliers in 1970. Under the new rules the first two instalments of payments due to suppliers are paid out by Commission departments on presentation of documents specified in contracts or in confirmations of orders placed.

3.1.4 Utility of aids to production

Price support

Prices of Upland cotton, medium staple, improved on those of the 1968/69 crop year and remained pretty firm during the first half of 1970. The Liverpool cif index for strict middling 1/16" settled at 28.50 cents per lb. in April/July, 1 1/2 cents higher than a year earlier. This favourable situation was the result of forecasts of relatively limited production and supply for these grades.

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The world price rise which began in 1969 for most oils and fats continued in 1970 because of reduced availabilities of sunflower seed, groundnuts and fish oil. There was a particularly sharp reduction in the quantities of groundnuts entering into world trade and 1970 prices showed a favourable trend (between 214 and 250 \$/t).

Structural improvement work went on in accordance with programmes set up. Productivity results for the 1969/70 crop year appear to be satisfactory though the weather was not particularly favourable. In fact Senegal was hit by a serious drought and the groundnut harvest was greatly reduced both in absolute figures and in unit yield.

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3.2 AIDS TO DIVERSIFICATION

European Development Fund

Funds committed in 1970 for aids to diversification covered two investment projects and nine surveys, for a total sum of 1.7 million u.a. (as against 39 million u.a. in 1969). This, of course, is because the last funds available for this type of assistance have now been allocated.

Commitments in 1970 covered the financing, by a loan on special terms, of a fishing harbour in Ivory Coast, and surveys connected mainly with rural production, with a view to widening the range of crops and improving structures. Most of the surveys concern the continuation or intensification of work started in previous years, for example the development of stockbreeding in Ivory Coast and Mali, dry rice in Mali, and treatment of tobacco, also in Mali. Other surveys are those looking into the prospects for growing and processing kenaf in Dahomey and the development of fruit growing and market-gardening in Mali. Another survey is to look into tourism. These pre-investment surveys, of course, are in preparation for future EDF action under Yaoundé Convention II. To this end future schemes aimed at economic diversification have been financed out of other residue funds (see Chapter 2.2) as those earmarked for diversification aid have come to an end.

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Chapter 4 - GENERAL TECHNICAL COOPERATION4.1. SERVICES OF EXPERTS AND INSTRUCTORS

The teacher provided in 1967 and financed by the EDF for the International Statistical Training Centre in Yaoundé, and the two teachers at the Statistical School in Abidjan, continued teaching during the 1969/70 academic year, and their tours of duty have been extended to cover the 1970/71 academic year.

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4.2 GENERAL SURVEYS

The general survey of sales promotion for AASM bananas in the EEC was finished towards the end of 1970. A summary report has been drawn up and will be published in 1971; the experts' reports themselves can be obtained on demand.

The survey on the possibility of setting up a AASM joint expert organization was completed in the second half of the year. A summary report will be made available at the beginning of 1971 and the complete report will be published a little later.

The survey of training requirements in the Entente fishing industry and the means of meeting them, which was completed in 1970, deals with the training of instructors and fishing-vessels owners. It stresses the particularly urgent needs of Ivory Coast in this connection.

The survey on the teaching of basic reading and writing skills in country districts in Senegal and Mauritania and in industrial quarters in Gabon was started in 1970; the report of the experts is expected in early 1971.

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4.3 TRAINING OF SUPERVISORY STAFF AND VOCATIONAL TRAINING4.3.1 General

The year 1969/70 saw an increase in the number of those holding scholarships and full-time training grants.

The following table shows the rise since 1964:

<u>Academic</u>	<u>Number of scholarships (and grants) taken up by the AASM[†]</u>	<u>Index</u>
1964/65	1 182	100
1965/66	1 497	127
1966/67	1 663	141
1967/68	1 892	160
1968/69	2 155	182
1969/70	2 231	189

Grants for part-time training were up to 556, a clear increase on the preceding years.

Scholarships for correspondence courses stayed at about the same level as in 1968/69, numbering 1 970.

The specific training programme was further built up with new funds to be devoted to agricultural training.

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[†]The figures do not include grants for part-time training.

4.3.2 Full-time training scholarships (and grants)

2 231 scholarships were awarded to AASM nationals for the 1969/70 academic year.

Breakdown of scholarship holders by home country and country of study

(See annex, Table 12).

The number of scholarship holders studying at educational establishments in AASM countries went up in absolute figures, but remained on about the same percentage-level as in 1968/69.

1969/70	:	1 024	(45.9%)
1968/69	:	975	(45.2%).

16 AASM countries received scholarship holders. Cameroon, Congo (Kinshasa), and Ivory Coast alone took nearly 60%, or 58.9%, in educational establishments which in most cases are of a regional character.

The number of scholarship holders studying in Member States was as follows:

1969/70	:	1 156	(51.8%)
1968/69	:	1 136	(52.7%).

Breakdown of scholarship holders by type of training

(See annex, Table 13).

As for choice of field of training, there has been a noticeably stronger trend to economics, but technical studies still are the most popular.

	% 1969/70	% 1968/69
Economics	27.9	24.7
Agriculture	24.7	24.3
Technical	34.8	36.0
Occupations for women	12.6	15.0

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Results (Table 14) and use made of training received

Passes and failures at the end of the 1969/70 academic year were as follows:

passes: 84.2%; failures: 15.8%.

The percentage of failures was highest in technical studies (22.1%). Of the three levels, the "higher" showed the biggest number of failures (19.9%), with 8.2% at the "vocational" level and 10.1% at the "intermediate" level.

4.3.3 Scholarships for training by correspondence course

585 applications for scholarships for training by correspondence course were granted for 1969/70. This meant a drop from the 1968/69 figure of 1 981 to 1 970, of which 1 385 were scholarship holders of previous years going on with their studies.

The breakdown by field of training is as follows:

Economics	939	or	47.7%
Agriculture	463	or	23.5%
Technical	568	or	28.8%

By level of training it was:

Vocational	742	or	37.7%
Intermediate	1 084	or	55.0%
Higher	144	or	7.3%

Results

At 31 December 1970, of the 1 970 scholarship holders 1 670 had ended their training year successfully, and most of them went on to study at a higher level; 218 have completed their training. 300 students with clearly inadequate results lost their scholarships.

4.3.4 Local part-time courses

Training or further training for craftsmen and heads of small firms in management and organization has been extended.

In 1969/70, 556 AASM nationals took these courses (against 304 in 1968/69 and 182 in 1967/68):

106 in Cameroon
176 in Congo (Brazzaville)
104 in Congo (Kinshasa)
50 in Ivory Coast
32 in Gabon
42 in Madagascar
46 in Niger.

4.3.5 Specific training projects

A new line of action in the agricultural training field was decided on in 1970, involving training and further training courses in agriculture and development economics at regional centres in Ivory Coast, Dahomey and Gabon. The new 12-month programme will start in 1971 and will cater for roughly 3 000 persons from ten associated African countries.

4.4 TRAINING FOR OFFICIALS AND SHORT COURSES

4.4.1 Further training for officials

A further training course at the Commission's headquarters was held from 15 February to 15 July 1970; a second began on 15 September and was to end on 15 February 1971. Fourteen officials from Associated States attended the courses: 1 from Burundi, 1 from

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the Central African Republic, 2 from Congo (Kinshasa), 1 from Dahomey, 2 from Upper Volta, 1 from Madagascar, 1 from Mali, 1 from Mauritania, 1 from Niger, 1 from Rwanda and 2 from Senegal.

Those who followed the courses have mostly taken up their old positions again; one has returned to Brussels, where he is at an embassy with the rank of counsellor.

Contacts with officials who had attended previous courses at Commission headquarters were renewed at meetings arranged by Commission officials visiting Congo (Kinshasa), Togo, Niger, Mali and Senegal. Some officials contributed articles to the "Courrier de l'Association" during the course of the year (see Chapter 4.4.3).

4.4.2 Short courses: symposia

Symposia held in Member States

In 1970, 17 symposia were held in Europe. They were attended by 840 persons, of whom 34 were from the Overseas Countries, Territories and Departments and 97 from non-associated countries.

Symposia held in Associated States

In 1970, 15 symposia were held in Congo (Kinshasa), Togo, Niger, Mali, Senegal and Mauritania. They were attended by approximately 2 090 persons.

Organization of symposia in Europe

The changes made in 1969 in the organization of symposia were maintained because they meet the wish of participants to go more thoroughly into what they have heard in the course of the talks given.

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A new line was introduced in October 1970 to ensure that those attending the symposia are better informed on the Communities' activities which have a bearing on the AASM. With this in view, symposia are now held in Brussels and Luxembourg, where contacts with the European institutions, including the European Investment Bank, the Court of Justice and the European Parliament, have been arranged for the participants.

4.4.3 "Courrier de l'Association"

In 1970, the "Courrier de l'Association", a news-sheet designed to maintain contact with former scholarship holders, trainees and those who have attended symposia, took on an increasing importance.

The lay-out has been entirely changed. The number of pages has gone up from 8 to 40 and circulation from 4 000 to 10 000. It has been appearing every three months, but from the beginning of 1971 it will appear every two months.

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Chapter 5 - OTHER TYPES OF AID5.1 EMERGENCY AID

There was only one occasion of grant of emergency aid in 1970. The Community partly took over, at a cost of 225 000 u.a., the expense of transporting from Cotonou to Niger the food aid granted by the Community to Niger to combat the disastrous effects of an extremely serious drought which hit the country's rural economy in 1968.

The other half of the transport costs in question was borne by the Member States as bilateral aid.

5.2 ADVANCES TO STABILIZATION FUNDS

No advances were requested by the Associated States in 1970.

Earlier advances not yet fully repaid

The situation has not changed in the last year in connection with the advance made in 1968 to the Senegal Groundnut Price Stabilization Fund. The Government of Senegal stated its intention of repaying what is due, i.e. capital sum plus interest, once the "special" aid payment for oilseeds had been made. This is a special aid decided on in 1967 but not made available by the Community until mid-1971.

The contract for an advance concluded with the OCAM Sugar Agreement Equalization Fund, the signing of which had been delayed while the guarantees required were awaited, was signed on 9 April 1970, and the date for repayment was put back to 31 December 1972. One request for funds has been submitted and a sum of 1 085 034 u.a. was made available on 29 May 1970.

An advance to the Burundi Industrial Crops Office had been granted in 1969; the funds mobilized to stabilize the prices of arabica coffee of the 1969 crop were paid into the Office's Equalization Fund on 23 March 1970. This sum corresponds to the total for operations concerning the 1969 crop of coffee and consequently no further request for funds was put forward.

Lastly there is no change in the situation with regard to the advance made in 1969 to the Chad Cotton Price Stabilization Fund; repayment is expected by 31 December 1971 at the latest.

Table 16 shows the precise situation of the advances made.

5.3 ASSISTANCE FOR PROMOTION OF EXPORTS FROM THE AASM

- 5.3.1 The Community programme for AASM participation in trade fairs, having expired in June 1969, was extended first until the end of the first half of 1970 and again for a further six months until 31 December 1970.

In 1970 the AASM exhibited at seven general trade fairs and three specialized food shows, with a total of 58 stands. Since the programme started, the Community's departments have organized 151 entries for 22 trade fairs and shows, each Associated State, except Mali, having exhibited at nine fairs on average.

At present it is not easy to say what have been the commercial results of what was done in 1970; it can however be said that, since the programme was started, more than 3 000 contacts have been made between stand managers and trade visitors, which have involved over a thousand requests for information of an immediately practical nature, e.g. prices and delivery dates, or resulted in trial orders being placed. Again, the results from the angle of information and publicity have been of great importance, since it is estimated that more than eight million people visited the AASM stands at the 22 fairs.

At the request of the Associated States, a preliminary symposium on the promotion of tourism in Africa was arranged at the 48th Marseilles International Fair; this event aroused a large measure of interest among those concerned professionally.

5.3.2 The survey on the possibility of setting up a joint export organization for the African States and Malagasy has been completed. The second part of the survey, analyzing the marketing conditions for AASM products in the EEC, picked out the trade and publicity targets for the trade shows in which the AASM took part in 1970. A summary report on the survey is under publication (early 1971).

5.3.3 At the request of the Ivory Coast Government, a study has been carried out on the setting up in Abidjan of an Ivory Coast foreign trade centre. The Government has approved the conclusions reached by the study and has asked the Commission to supply the technical assistance staff needed for the working of the Abidjan Centre and some offices in Europe, until Ivory Coast officials are able to undertake all the duties connected with the new organization.

5.3.4 At the request of the Governments of Togo and Madagascar, it was decided to do a market survey in the Community for manioc starch and granulated and powdered tapioca, and to study marketing methods.

.../...

Chapter 6 - ADMINISTRATION6.1 COOPERATION BETWEEN THE EUROPEAN DEVELOPMENT FUND AND THE EUROPEAN INVESTMENT BANK

In 1970, with Yaoundé Convention II coming into force and to take into account the new provisions on the financing and administration of Community aid, a new method of concerted action and coordination was set up between the European Investment Bank (EIB) and the Commission department that runs the European Development Fund (EDF).

It was decided to arrange regular meetings of the EDF and EIB to decide which form or forms of financing appeared most appropriate and how certain projects submitted to the Community should be assessed. At these meetings information is exchanged on applications for finance received by the Commission or the Bank and on contacts prior to the application, all this as soon as the basic features of the projects are known.

Commission and EIB officials take advantage of these meetings to exchange views and concert action on schemes still being assessed and on possible steps to be taken to execute financing contracts by means of loans on special terms, which are managed by the EIB.

The first of those meetings was held in Brussels in February 1970 and was followed by seven more in the course of the year.

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6.2 COORDINATION OF COMMUNITY AID AND OTHER AID

6.2.1 Coordination of Community aid and bilateral aid

There continued to be very regular exchanges of information between the Commission and the Member States' bilateral aid bodies in 1970.

Important meetings for information and coordination purposes took place with French, German, Belgian and Italian aid departments. Two of these meetings, with the French and German departments, were concerned with industrialization in the AASM. At the beginning of 1970 the Parliamentary Conference adapted a resolution stressing the urgent need for better coordination between bilateral and multi-lateral public aid to industry.

6.2.2 Coordination of Community aid and multilateral aid

Apart from exchanges of information, which were continued even more intensively, coordinating meetings were arranged in Brussels with representatives of the World Bank, the United Nations Special Fund, UNICEF and the International Coffee Organization's Diversification Fund.

6.2.3 Participation in the work of multilateral organizations

The Commission regularly took an active part, as before, in all the work of the Development Assistance Committee (DAC) and its working parties and in particular in the study of a number of current aid problems, for example the adapting of financing terms to the special circumstances of the recipient country, recourse to export credits, the removal of procedural obstacles to the effective application of aid, the assessment of the effectiveness of aid and its coordination at local level.

.../...

The Commission also took a very active part in the preparations for the second United Nations Development Decade, which were concluded in 1970 after producing what may be looked on as a global strategy for development on a world scale and defining both aims and ways to achieve them. With a clear view of the importance of these endeavours, the Commission played a considerable role in the work of UNCTAD, the Committee for Development Planning (Tinbergen Committee) and the Preparatory Committee for the second UN Development Decade, three bodies on which the EEC sat as an observer.

In the final stage, the Commission participated in the work of the Second Committee of the General Assembly, which led to the Assembly's solemn proclamation, on 24 October, of the second United Nations Development Decade.

6.3 ADMINISTRATION OF TECHNICAL ASSISTANCE STAFF AND SUPERVISORS

6.3.1 Status of technical assistance staff

Each expert signs, as well as his contract, a document by which the Commission puts him at the disposal of the beneficiary country's authorities and stipulates his duties; as a result, he is under the orders of those authorities and must be integrated administratively. Such integration is very much desired by the Commission in its technical assistance for the associated countries, which is to be aid and not intervention in their affairs.

6.3.2 Resident deputy supervisors and technical supervisors (see Table 17)

In 1970, the execution of first EDF projects still unfinished and, more particularly, the increasing work connected with the execution of second EDF schemes made it necessary to have more supervisory staff. The total number of deputy resident supervisors and technical supervisors in the 18 AASM went up from 92 at 31 December 1969 to 104 at the end of 1970. This figure does not include the experts

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requested from specialized firms by the Commission for short missions, either in Europe to supervise supplies or in the associated countries for the supervision of particular schemes.

The Commission decided in 1970 to transfer some deputy supervisors, with the idea that it was in the interest of the service not to leave them too long at the same duty station. The countries affected by the transfers were Burundi, Congo (Brazzaville), Upper Volta, Mauritania, Niger and Somalia.

.../...

ANNEXCOMMUNITY FOOD AID

1. Apart from aid under the Yaoundé Convention, the Associated States may, on application, also receive food aid from the Community. This is provided through the 1967 Food Aid Convention, under which the EEC undertook to supply each year for three years 1 035 000 tons of wheat or coarse grain as food aid to developing countries. In May 1971 it signed the second Food Aid Convention and undertook to supply the same amounts again.

2. Under the first Convention the aid in question was provided partly as Community assistance and partly as bilateral assistance from Member States.

In the second year of the programme, 1969/70, the Community share covered 336 900 tons of wheat equivalent and was 32.6% of the total commitment. Three Associated States were recipients:

Mali was granted 25 000 tons of maize and 5 000 tons of wheat equivalent in the form of wheaten flour (provided cif). These quantities were delivered in September 1969 and January 1970.

Niger was offered aid equivalent to 15 000 tons of wheat (10 000 tons as grain and 5 000 tons as flour). This aid was supplied cif and special arrangements were made to cover the freight costs within the country. It was shipped to Niger in the second half of 1970.

Somalia received Community aid in the form of 8 000 tons of maize, supplied cif.

.../...

3. In accordance with the rules for the implementation of the first Convention, Community food aid is usually supplied fob Community ports; the receiving Government undertakes to sell on normal domestic market conditions and deposit the proceeds in a special account for financing development projects.

In exceptional cases, however, food aid is granted on a cif basis; it is then normally distributed free to the population of the country.

TABLES

1. Net sums committed
2. Sums committed: breakdown by sector
3. Sums committed: breakdown by country
4. Sums committed in 1970 for surveys, services of experts and technical assistance related to investments
5. Execution of 2nd EDF and EIB projects
6. Aids to production: five-year programmes
7. Aids to production: credits available under the five-year programmes - by product
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12. Scholarship holders from the AASM (1969/70) by home country and country of study
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15. Scholarships held for training by correspondence course - 1969/70
16. Advances to stabilization funds
17. Resident deputy supervisors and technical supervisors for the execution of EDF-financed projects in the AASM
18. Investment, diversification and production aid projects: commitments undertaken in 1970 (2nd EDF)

TABLE 1

NET SUMS COMMITTED IN 1970
AND RECAPITULATION SINCE 1 JUNE 1964
AASM + OVERALL OPERATIONS

'000 u.s.

<u>Source</u>	<u>Type of aid</u>	1 Jan. 1970 -31 Dec.1970	1 June 1964 -31 Dec.1970
2nd EDF Grants	Investments	502	322 183
	Related technical assistance and supervision	4 827	42 431
	Aids to production	-4 621	85 486
	Aids to diversification	1 208	111 721
	General technical cooperation	3 260	39 956
	Emergency aid	-385	2 579
	Administrative and miscellaneous expenses	156	1 791
	Total grants	4 947	606 147
2nd EDF Special loans	Investments	-	20 099
	Aids to diversification	1 081	24 390
	Total special loans	1 081	44 489
2nd EDF Advances	Advances to stabilization funds	(-2 443)	(10 176)
2nd EDF	T O T A L ¹	6 028	650 636
EIB	Participation in the financing of investments	2 250	49 081
	G R A N D T O T A L	8 278	699 717

¹ Excluding advances to stabilization funds from EDF liquid assets.

TABLE 2

SUMS COMMITTED: BREAKDOWN BY SECTOR

Sectors	1 Jan. 70-31 Dec. 70			Total 1 June 64-31 Dec. 70		
	2nd EDF '000 u.s.	EIB '000 u.s.	% of total	2nd EDF '000 u.s.	EIB '000 u.s.	% of total
<u>Industrialization</u>						
General	145	-	0.9	2 337	-	0.3
Chemicals	-	-	-	-	2 430	0.3
Manufacturing	-	1 800	11.1	4 179	4 433	1.2
Agricultural and food industries	95	450	3.4	7 107	14 623	2.9
Energy	238	-	1.5	21 353	4 050	3.4
Mines	-	-	-	982	20 000	2.9
Metal	21	-	0.1	41	1 215	0.2
	499	2 250	17.0	35 999	46 751	11.2
<u>Rural production</u>						
General	137	-	0.8	1 067	-	0.1
Plantations	54	-	0.4	84 876	-	11.5
Agricultural improvement	649	-	4.0	55 475	-	7.5
Settlements, cooperatives, guidance etc. for rural population	90	-	0.5	107 192	-	14.7
Structural improvement and diversification	2 338	-	14.5			
Stockbreeding (and fisheries)	279	-	1.7	14 821	-	2.0
Marketing	-	-	-	245	-	=
Price support	-	-	-	40 713	-	5.5
	3 547	-	21.9	304 389	-	41.3
<u>Transport and communications</u>						
General	-	-	-	59	-	=
Roads and bridges	790	-	4.9	118 010	2 330	16.3
Railways	80	-	0.5	28 677	-	3.9
Ports and inland waterways	1 193	-	7.4	31 572	-	4.4
Telecommunications	60	-	0.3	3 471	-	0.4
Airports	-	-	-	8 374	-	1.1
	2 123	-	13.1	190 163	2 330	26.1
<u>Water engineering, urban infrastructure</u>						
Rural water supply	-	-	-	15 124	-	2.0
Urban water supply	36	-	0.2	21 602	-	2.9
Urban drainage	38	-	0.2	5 669	-	0.8
	74	-	0.4	42 395	-	5.7
<u>Health</u>						
Infrastructure (including post- investment technical assistance)	458	-	2.8	25 460	-	3.5
Health campaigns	-	-	-	734	-	0.1
	458	-	2.8	26 194	-	3.6

= Negligible.

TABLE 2 (contd.)

SUMS COMMITTED: BREAKDOWN BY SECTOR

Sectors	1 Jan. 70-31 Dec. 70			Total 1 June 64-31 Dec. 70		
	Commission's Budget	2nd EDF	% of total	Commission's Budget+2nd EDF	EIB	% of Total
	'000 u.s.	'000 u.s.		'000 u.s.	'000 u.s.	
<u>Education and training</u>						
General		22	0.1	279	-	=
Education infrastructures:						
general		21	0.1	12 660	-	1.7
technical and vocational		87	0.5	19 494	-	2.7
Specific vocational training projects and services of instructors		358	2.3	8 014	-	1.1
Scholarships	1 000	4 600	34.7	33 637	-	4.6
In-service training		27	0.2	353	-	=
Symposia	10	65	0.4	1 014	-	0.1
	1 010	5 180	38.3	75 445	-	10.2
<u>Miscellaneous (not related to individual sectors)</u>						
Information, documentation		-	-	353	-	=
Emergency aid		225	1.4	2 074	-	0.3
Programming and general technical assistance		458	2.9	2 999	-	0.4
General surveys		75	0.6	329	-	=
Administrative and financial costs		-	-	518	-	=
Trade promotion		229	1.5	1 029	-	0.1
Tourism		25	0.1	25	-	=
	-	1 012	6.5	7 327	-	0.9
<u>TOTALS</u>						
2nd EDF		12 893		681 912		
Commission's budget	1 010			5 046		
EIB	2 250				49 081	
<u>GRAND TOTAL</u>		16 153	100.0	736 039		100.0
Advances to stabilization funds		-2 443		10 176		

= Negligible.

N.B.: The amounts shown in this table are commitments originally undertaken for various operations; they do not take into account either later adjustments (upward or downward) or technical and delegated supervision costs.

This explains the differences between the totals in Table 1 and those in Table 2 and the discrepancies between these two tables in respect of certain special types of operation (in particular price support). Table 2 also shows the amounts from the Commission's budget for technical and financial cooperation.

TABLE 3

SUMS COMMITTED: BREAKDOWN BY COUNTRYRECAPITULATION 1 JUNE 1964 - 31 DECEMBER 1970

'000 u.a.

<u>AASM</u>	<u>2nd EDF</u>		<u>EIB</u>	TOTAL
	Grants	Special loans	Ordinary loans	
Burundi	19 035	-	-	19 035
Cameroon	37 225	14 523	11 318	51 748
Central African Republic	25 509	227	-	25 736
Congo (Brazzaville)	19 343	-	9 000	28 343
Congo (Kingshasa)	62 507	9 000	-	71 507
Ivory Coast	44 297	12 408	11 642	68 347
Dahomey	22 495	-	-	22 495
Gabon	17 744	2 500	3 241	23 485
Upper Volta	29 296	-	450	29 746
Madagascar	67 361	1 862	-	69 223
Mali	33 183	-	-	33 183
Mauritania	15 325	2 754	11 000	29 079
Niger	29 646	-	-	29 646
Rwanda	17 447	-	-	17 447
Senegal	55 473	-	2 430	57 903
Somalia	25 766	-	-	25 766
Chad	31 693	1 215	-	32 908
Togo	18 516	-	-	18 516
Sums not broken down by country ¹	34 286	-	-	34 286
T O T A L	606 147	44 489	49 081	699 717

¹General surveys, scholarships, in-service training, symposia, general information, administrative and financial costs.

TABLE 4

SUMS COMMITTED IN 1970 FOR SURVEYS, SERVICES OF EXPERTS
AND TECHNICAL ASSISTANCE RELATED TO INVESTMENTS

u.a.

<u>Sectors</u>	<u>Separate technical assistance projects</u> ^a	<u>Technical assistance included in projects</u>	<u>Total</u>	<u>Total</u>
	1 January - 31 December 1970			1 June 1964- 31 Dec. 1970
Industrialization (incl. energy)	354 000	-	354 000	4 575 000
Rural production	1 392 000	77 000	1 469 000	44 923 000
Transport and communications	413 000	-	413 000	13 394 000
Water engineering, urban infrastructure	74 000	-	74 000	2 456 000
Health	458 000	-	458 000	4 297 000
Education and training	35 000	-	35 000	1 589 000
Miscellaneous	624 000	-	624 000	3 141 000
T O T A L	3 350 000	77 000	3 427 000	74 375 000

^a Including certain technical assistance operations under headings other than "technical cooperation related to investments", and also those financed with funds allocated to earlier projects.

	At 31 December 1969			At 31 December 1970		
	Commitments (net)	Contracts placed	Payments	Commitments	Contracts placed	Payments
GRANTS FOR:						
Investments	321 681	162 813	89 279	322 183	235 672	158 233
Technical assistance related to investments and supervision	37 604	34 468	25 491	-42 431	37 320	32 367
<u>Aids to production:</u>	<u>90 107</u>	<u>67 182</u>	<u>60 318</u>	<u>85 486</u>	<u>74 269</u>	<u>69 271</u>
Price support	29 301	28 602	24 973	27 302	26 761	25 492
Structural improvement	60 806	38 580	35 321	57 690	47 508	43 779
Technical supervision	-	-	-	494	-	-
Aids to diversification	110 513	53 671	40 639	111 721	70 528	57 175
<u>General technical cooperation:</u>	<u>36 696</u>	<u>29 718</u>	<u>25 556</u>	<u>39 956</u>	<u>37 304</u>	<u>32 289</u>
Experts, general surveys and trade promotion	9 322	6 925	5 711	10 740	8 969	6 817
Scholarships	25 970	21 468	18 737	26 714	25 885	23 312
Symposia	798	798	664	860	860	773
In-service training	261	261	214	287	287	265
General information	345	266	230	1 355	1 303	1 222
Emergency aid	2 964	1 902	1 264	2 579	2 530	2 277
Advances to stabilization funds	(12 619)	(8 237)	(5 295) ^a	(10 176)	(10 176)	(7 234) ^a
Financial and administrative costs	1 635	1 635	1 220	1 791	1 791	1 763
TOTAL GRANTS	601 200	351 389	243 767	606 147	459 414	353 375
<u>LOANS ON SPECIAL TERMS FOR:</u>						
Investments	20 099	14 599	1 215	20 099	20 099	6 384
Aids to diversification	23 309	13 549	1 618	24 390	24 162	5 583
TOTAL LOANS ON SPECIAL TERMS	43 408	28 148	2 833	44 489	44 261	11 967
TOTAL from 2nd EDF	644 608	379 537	246 600	650 636	503 675	365 342
<u>EIB LOANS</u>	<u>46 831</u>		<u>24 168</u>	<u>49 081</u>		<u>34 524</u>

^a net amount paid, i.e., allowance made for reimbursements.

TABLE 6

AIDS TO PRODUCTION
FIVE-YEAR PROGRAMMES

	<u>Price support</u>		<u>Structural improvement</u>		<u>Total</u>	
	'000 u.a.	%	'000 u.a.	%	'000 u.a.	%
Cameroon	1 702	21.7	6 137	78.3	7 839	100
Central African Republic	2 872	56.7	2 188	43.3	5 060	100
Dahomey	1 105	28.1	2 820	71.9	3 925	100
Madagascar	4 097	18.0	18 614	82.0	22 711	100
Mali	1 594	39.0	2 596	62.0	4 190	100
Niger	2 833	58.1	2 042	41.9	4 875	100
Senegal	15 288	43.6	19 737	56.4	35 025	100
Chad	4 177	100	-	-	4 177	100
Togo	863	26.8	2 361	73.2	3 224	100
TOTAL	34 531	38.0	56 495	62.0	91 026	100

TABLE 7

AIDS TO PRODUCTIONCREDITS AVAILABLE UNDER THE FIVE-YEAR PROGRAMMES - BY PRODUCT

'000 u.a.

	<u>Price support</u>	<u>Structural improvement</u>	<u>Total</u>
<u>GROUNDNUTS</u>			
Senegal	15 288	19 737	35 025
Niger	2 522	1 735	4 275
Cameroon	1 702	810	2 512
Dahomey	674	604	1 278
Togo	335	838	1 173
Mali	215	932	1 147
	20 736	24 656	45 392(=49.9%)
<u>COFFEE</u>			
Madagascar	158	6 677	6 835
Cameroon	-	3 666	3 666
Central African Republic	-	1 209	1 209
Togo	-	697	697
Dahomey	-	55	55
	158	12 304	12 462(=13.7%)
<u>COTTON</u>			
Chad	4 177	-	4 177
Central African Republic	2 872	979	3 851
Mali	1 379	1 318	2 697
Cameroon	-	1 661	1 661
Togo	478	756	1 234
Dahomey	294	618	912
Madagascar	-	696	696
Niger	311	307	618
	9 511	6 335	15 846(=17.4%)
<u>RICE</u>			
Madagascar	2 773	10 969	13 742
Mali	-	346	346
	2 773	11 315	14 088(=15.5%)
<u>OIL PALMS</u>			
Dahomey	-	1 426	1 426
Togo	50	-	50
	50	1 426	1 476(=1.6%)
<u>PEPPER</u>			
Madagascar	1 166	272	1 438(=1.5%)
<u>COCONUTS</u>			
Dahomey	137	117	254
Togo	-	70	70
	137	187	324(=0.4%)
<u>TOTAL</u>	34 531	56 495	91 026(=100%)

TABLE 8

AIDS TO PRODUCTIONSums granted 1 January - 31 December 1970Breakdown by productStructural improvement

'000 u.a.

	Crop year 1969/70	Crop year 1970/71	Total
<u>CAMEROON</u>			
Cotton	191	222	413
Groundnuts	12	54	66
Coffee	369	376	746
	572	652	1 224
<u>MALI</u>			
Cotton	-	372	372
<u>SENEGAL</u>			
Groundnuts		349	349
<u>TOGO</u>			
Groundnuts	76	-	76
Cotton	58	-	58
Coffee	44	-	44
Coconut palms	9	-	9
	187	-	187
	1 108	1 042	2 132

TABLE 9

AIDS TO PRODUCTIONPRICE SUPPORT

Financial situation at 31 December 1970

*000 u.a.

	Funds committed	Payments made or in process
Cameroon	327	173
Central African Republic	2 653	2 653
Dahomey	777	526
Madagascar	1 398	1 398
Mali	-	-
Niger	2 452	1 960
Senegal	14 708	14 708
Chad	4 176	3 431
Togo	811	643
TOTAL	27 302	25 492

TABLE 10

AIDS TO PRODUCTIONTREND OF COMMODITY PRICES

Frs. CFA

fob prices per kg of cotton
fibreProduct: COTTON

Country	Prices	1st instalment	2nd instalment	3rd instalment	4th instalment	5th instalment
<u>CENTRAL AFRICAN REPUBLIC</u>	Target price	160.100	149.50	147.10	133	133
	Forecast selling price	138.518	135.50	132.50	122	128
	Actual selling price	136.889	132.359	126.889	124.233	-
<u>DAHOMY</u>	Target price	138.817	137.035	135.235	132.750	131.130
	Forecast selling price	128.363	127.573	124.235	130	131.130
	Actual selling price	121.604	121.046	128.802	-	- ¹
<u>MALI</u>	Target price	150.34	148	148.50	147.50	143.50
	Forecast selling price	143.50	141.23	143.50	143.50	143.50
	Actual selling price	150.128 ^p	144.078 ^p	-	- ¹	- ¹
<u>NIGER</u>	Target price	145	144.28	141.50	138	137
	Forecast selling price	137	125	128	137	137
	Actual selling price	143.403	127.875	130.92	-	- ¹
<u>CHAD</u>	Target price	153.304	147.508	141.882	143.385	141
	Forecast selling price	141	141	136.815	141	141
	Actual selling price	136.962	130.702	137.645 ^p	144	-
<u>TOGO</u>	Target price	130.50	127.50	124.60	123.20	120.20
	Forecast selling price	118	118	118	118	116
	Actual selling price	123.285	108.50	111.22	114.896	-

Product: SHREDDED COCONUT

fob prices per kg

<u>DAHOMY</u>	Target price	87	82	77	72	68
	Forecast selling price	63	63	63	63 ¹	63
	Actual selling price	63	63	no production	-	- ¹

Product: PALM OIL

cif price per kg

<u>TOGO</u>	Target price	58	51.50	57	56	55
	Forecast selling price	54	54	54 ¹	54 ¹	54 ¹
	Actual selling price	60.247	51.943	-	-	-

p = provisional

¹ For these instalments price support no longer requested.

TABLE 10 (contd. 1)

AIDS TO PRODUCTION
TREND OF COMMODITY PRICES

Product: GROUNDNUTScif prices per kg
(shelled)

Country	Prices	1st instalment	2nd instalment	3rd instalment	4th instalment	5th instalment
<u>CAMEROON</u>	Target price	51	49	49	48	46
	Forecast selling price	42.50	42.50	44	45	38
	Actual selling price	48.775	48.154	48	42.93	-
<u>DAHOMEY</u>	Target price	51.50	49.50	48.33	45.50	43.50
	Forecast selling price	47	44	44	40	42
	Actual selling price	50.193	45.13	45.48	37.79	- ¹
<u>MALI</u>	Target price	43.95	43.59	43.24	42.90	42.57
	Forecast selling price	42.70	42.70	42.70	42.70	42.70
	Actual selling price	47.31 ^p	47.04 ^p	- ¹	- ¹	- ¹
<u>NIGER</u>	Target price	50.05	46.50	48.415	41.72	44
	Forecast selling price	48.43	44	47.656	38.50	44
	Actual selling price	47.937	45.59	47.678	40.938	- ¹
<u>SENEGAL</u>	Target price	52.50	49.75	49	46.25	46
	Forecast selling price	49.50	48.75 ^{France}	48.50	39	46
	Actual selling price	49.55	44 other countries 48.75 ^{France} 44.85 other countries	48.532	39.859	48 ^p
<u>TOGO</u>	Target price	51.50	49.50	46.50	46	45
	Forecast selling price	46.11	45	43	43	43
	Actual selling price	46.254	45.696	45.395	37.004	50.531

Product: COFFEE

cif prices per kg

<u>MADAGASCAR</u>	Target price	159.175	143.615	128.141	128.141	128.141
	Forecast selling price	138.584	134.423	130.263	-	-
	Actual selling price	154.469	- ¹	- ¹	- ¹	- ¹

p = provisional

¹ For these instalments price support no longer requested.

TABLE 10 (contd. 2)

AIDS TO PRODUCTION
TREND OF COMMODITY PRICES

Product: RICE

cif prices per kg

Country	Prices	1st instalment	2nd instalment	3rd instalment	4th instalment	5th instalment
MADAGASCAR	Target price	61.565	55.172	49.840	45.672	41.350
	Forecast selling price	41.254	41.270	41.290 ₁	41.330 ₁	41.350 ₁
	Actual selling price	50.362	41.250	-	-	-

Product: PEPPER

cif prices per kg

MADAGASCAR	Target price	217.095	206.247	195.450	180	180
	Forecast selling price	180	180	180	180 ₁	180 ₁
	Actual selling price	192.824	189.500	175.484		

p = provisional

¹For these instalments price support no longer requested.

TABLE 11

AIDS TO PRODUCTIONSTRUCTURAL IMPROVEMENT OF PRODUCTIONFinancial situation at 31 December 1970

'000 u.a.

	Supplies		Works		Advisers		Miscellaneous	
	Funds committed	Payments made or in process	Funds committed	Payments made or in process	Funds committed	Payments made or in process	Funds committed	Payments made or in process
CAMEROON	5 220	3 988	587	279	-	-	1 475	1 393
CENTRAL AFRICAN REPUBLIC	2 078	1 995	-	-	-	-	324	324
DAHOMY	1 492	1 327	786	602	548	496	315	312
MADAGASCAR	2 907	2 252	4 886	1 880	11 057	9 503	1 528	1 188
MALI	3 331	2 601	297	157	519	430	-	-
NIGER	914	673	379	249	648	524	68	68
SENEGAL	6 242	5 367	2 257	1 721	5 886	5 886	1 335	1 115
CHAD	-	-	-	-	-	-	-	-
TOGO	944	787	782	646	451	18	428	195
TOTAL	23 128	18 990	9 974	5 534	19 109	16 857	5 479	4 595

SCHOLARSHIP HOLDERS FROM THE AASM 1969/70 BY HOME COUNTRY AND COUNTRY OF STUDY

Country of study Home country	Belgium	Germany	France	Italy	Luxembourg	Netherlands	Burundi	Cameroon	Central African Republic	Congo (Brazzaville)	Congo (Kinshasa)	Ivory Coast	Dahomey	Gabon	Upper Volta	Madagascar	Mali	Mauritania	Niger	Rwanda	Senegal	Chad	Togo	Israel	Total (by country)	
	Burundi	54	62	-	8	-	-	28	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Cameroon	9	15	64	6	-	-	-	100	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	3	
Central African Republic	5	2	4	-	-	-	-	6	59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	
Congo (Brazzaville)	1	10	3	3	-	-	-	5	-	-	-	6	-	-	-	-	-	-	-	-	-	-	-	-	1	
Congo (Kinshasa)	109	41	9	32	1	1	-	7	-	-	133	-	-	-	-	-	-	-	-	-	-	-	-	-	3	
Ivory Coast	7	3	29	2	-	-	-	5	-	-	-	143	-	-	-	-	-	-	-	-	-	-	-	-	3	
Dahomey	13	4	57	9	-	-	-	8	-	-	-	7	14	-	-	-	-	-	-	-	-	-	-	-	5	
Gabon	4	9	1	2	-	-	-	4	-	-	-	1	-	20	-	-	-	-	-	-	-	-	-	-	1	
Upper Volta	5	8	22	5	-	-	-	10	-	-	-	30	-	-	57	-	29	-	-	-	-	-	-	-	6	
Madagascar	12	22	40	6	-	-	-	-	-	-	-	3	-	-	12	-	-	-	-	-	-	-	-	-	14	
Mali	3	12	17	3	-	-	-	1	-	-	-	21	-	-	-	-	-	-	-	-	-	-	-	-	1	
Mauritania	1	-	5	2	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	
Niger	3	3	2	-	-	-	-	11	-	-	-	20	-	-	-	-	-	-	21	-	-	-	-	-	7	
Rwanda	36	45	1	21	12	-	-	1	-	-	-	3	-	-	-	-	-	-	-	28	-	-	-	-	5	
Senegal	15	1	17	2	-	-	-	-	-	-	-	4	-	-	-	-	-	-	-	-	62	-	-	-	1	
Somalia	1	16	-	164	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	
Chad	6	7	-	3	-	-	-	6	-	-	-	3	-	-	-	-	3	-	-	-	3	29	-	-	1	
Togo	13	5	32	8	-	-	-	25	-	-	-	36	-	-	-	-	-	-	-	-	6	-	36	-	1	
Total (by country of study)	297	265	303	276	13	2	28	189	59	-	135	279	14	20	61	12	33	-	21	28	80	29	36	51	22	
	1 156						1 024																		51	22

TABLE 13

SCHOLARSHIP HOLDERS FROM THE AASM (1969/70)

BY HOME COUNTRY AND TYPE OF TRAINING

Home country	Economics	Agriculture	Technical	Occupations for women	Total
Burundi	51	17	82	4	154
Cameroon	87	38	45	32	202
Central African Republic	8	37	30	2	77
Congo (Brazzaville)	15	3	11	-	29
Congo (Kinshasa)	61	77	188	7	333
Ivory Coast	39	50	47	60	196
Dahomey	26	46	27	21	120
Gabon	8	-	32	1	41
Upper Volta	38	26	40	69	173
Madagascar	48	28	27	6	109
Mali	30	21	4	3	58
Mauritania	2	3	4	-	9
Niger	37	18	11	3	69
Rwanda	35	50	53	14	152
Senegal	35	13	23	30	101
Somalia	49	40	92	1	182
Chad	12	13	34	1	60
Togo	42	70	27	27	166
T o t a l	623	550	777	281	2 231
Percentages					
1969/70	27.9	24.7	34.8	12.6	100.0
1968/69	24.7	24.3	36.0	15.0	100.0
1967/68	25.6	25.6	36.4	12.4	100.0
1966/67	27.8	25.7	34.7	11.8	100.0
1965/66	24.8	22.9	41.5	10.8	100.0
1964/65	25.9	16.8	42.7	14.6	100.0

TABLE 14

RESULTS OBTAINED
BY TYPE AND LEVEL OF TRAINING
(1969/70, in %)

TYPE LEVEL	ECONOMICS		AGRICULTURE		TECHNICAL		OCCUPATIONS FOR WOMEN		TOTAL BY LEVEL	
	Passes	Failures	Passes	Failures	Passes	Failures	Passes	Failures	Passes	Failures
Vocational	87.1	12.9	100.0	-	100.0	-	-	-	91.8	8.2
Intermediate	95.5	4.5	97.6	2.4	79.3	20.7	-	-	89.9	10.1
Higher	86.7	13.3	78.7	21.3	76.5	23.5	-	-	80.1	19.9
Total by type	90.2	9.8	84.5	15.5	77.9	22.1	87.5	12.5	84.2	15.8

<u>Overall percentages</u>	
Passes	Failures
84.2	15.8

TABLE 15

SCHOLARSHIPS HELD FOR TRAINING
BY CORRESPONDENCE COURSE
(1969/70)

AASM	Economics	Agriculture	Technical	Total
Burundi	26	12	21	59
Cameroon	125	17	96	238
Central African Republic	6	43	2	51
Congo (Brazzaville)	34	4	36	74
Congo (Kinshasa)	58	2	127	187
Ivory Coast	61	15	123	199
Dahomey	8	48	13	69
Gabon	7	3	11	21
Upper Volta	77	24	46	147
Madagascar	162	61	29	252
Mali	10	54	1	65
Mauritania	4	-	-	4
Niger	234	68	2	304
Rwanda	24	6	6	36
Senegal	17	8	31	56
Somalia	-	-	-	-
Chad	11	74	2	87
Togo	75	24	22	121
T o t a l	939	463	568	1 970
Percentage	47.7	23.5	28.8	100.0

BREAKDOWN BY LEVEL

	Vocational	Intermediate	Higher	Total
	742	1 084	144	1 970
Percentage	37.7	55.0	7.3	100.0

TABLE 16

ADVANCES TO STABILIZATION FUNDSSituation at 31 December 1970

u.s.

Recipient country	Product	Amount specified in contract	Date of contract	Deadline for reimbursement	Amount				
					Mobilized	Date	Reimbursed	Date	Balance due
CAMEROON	Cocoa	6 076 490	30.3.66	1.7.68	916 473	13.12.66	916.473	11.2.67	-
SENEGAL	Groundnuts	8 709 628	1.10.68	31.5.69	1 619 330	15.10.68	2 025 497	5.8.69	3 843 264
1 999 618					31.10.68				
2 249 813					20.01.69				
5 868 761									
CHAD	Cotton	1 510 204	10.11.69	31.12.71	1 452 716	12.12.69	-	-	1 452 716
OCCAM ¹	Sugar	1 227 451	16. 3.70	31. 5.71	1 085 034	8.06.70	-	-	1 085 034
BURUNDI	Coffee	853 447	18. 3.70	1. 4.72	853 447	23.03.70	-	-	853 447
TOTAL					10 176 431		2 941 970		7 234 461

¹ Advance guaranteed by Madagascar and Congo (Brazzaville).

TABLE 17

RESIDENT DEPUTY SUPERVISORS AND TECHNICAL SUPERVISORS
FOR THE EXECUTION OF EDF-FINANCED PROJECTS IN THE AASM

(Situation at 31 December 1970)

Duty station / Country of origin ¹	Germany	Belgium	France	Italy	Luxembourg	Netherlands	Total
Burundi	2	2	1				5
Cameroon	2	1	4				7
Central African Republic	1			1	6	1	9
Congo (Brazzaville)	1		4				5
Congo (Kinshasa)	1	3	2	3			9
Ivory Coast	4	1	1			2	7
Dahomey		1	2			1	4
Gabon			1	1		1	3
Upper Volta	1	1		5			7
Madagascar		5	5				10
Mali	3	1	1				5
Mauritania	1		2	2			5
Niger	4	1					5
Rwanda	1	1				1	3
Senegal	1	2	2	2	1		8
Somalia				3			3
Chad	4		1	1			6
Togo		1	2				3
TOTAL	26	19	28	18	7	6	104

¹The staff of consultant firms are assumed to be nationals of the country of their employers.

COMMITMENTS UNDERTAKEN IN 1970 (2nd EDF)

(1) RURAL PRODUCTION

<u>Country and registration number</u>	<u>Title</u>	<u>Product</u>	<u>Purpose</u>	<u>Place</u>	<u>Technical assistance involved¹ in U.S.</u>	<u>Total cost in u.a.</u>	<u>Remarks</u>
CAMEROON 214.002.30	Aid to production (crop year 1969/70)	Cotton Groundnuts Coffee	Crop improvement: fertilizers, pesticides, spraying equipment, and agricultural research	Various	Pre.TA (40 690= 7.2%)	572 000	This programme is extension of earlier work
214.002.33	Aid to production (crop year 1970/71)	Cotton Groundnuts Coffee	Structural improvement and building of coffee-processing factory	Various	Pre.TA (36 000= 5.5%)	652 000	Ditto
MALI 214.011.45	Aid to production (crop year 1970/71)	Cotton	Crop improvement: supply of fertilizers and insecticides	Various	-	362 000	Ditto
SENEGAL 214.015.32	Aid to production (crop years 1969/70 and 1970/71)	Groundnuts	Crop improvement: distribution of selected seeds, soil conservation, building of sheds and centres for breaking in livestock.	Various	-	349 000	Ditto
TOGO 214.018.20	Aid to production (crop year 1969/70)	Groundnuts Cotton Coffee Coconut-palms	Crop improvement: aid for running multi-skill training centres, supervisory staff	Various	-	187 000	Ditto

- ¹TA = Technical Assistance
Pre.TA = Pre-investment Technical Assistance
CTA = Concurrent Technical Assistance
Post.TA = Post-investment Technical Assistance
S = Works Supervision

TABLE 18 (contd.)

(2) TRANSPORT AND COMMUNICATIONS

<u>Country and registration number</u>	<u>Title</u>	<u>Purpose</u>	<u>Place</u>	<u>Technical assistance involved in u.a.</u>	<u>Total cost in u.a.</u>	<u>Remarks</u>
IVORY COAST 225.006.21	Extension of fishing port at Abidjan (3rd instalment)	Construction of a new quay and improvements necessary for rational utilization (dredging, surfacing, distribution networks, drainage)	Abidjan	-	1 080 000 (loan)	Supplements two earlier EDF investments for another quay in the same port
DAHOMEY 211.007.09	Cotonou-Hillakondji road	Repair of a road damaged in 1968 by exceptionally heavy rainfall	Coastal region (international road link)	-	600 000	Supplementary to an EDF investment of 1966