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ELEVENTH REPORT FROM THE COMMISSION
TO THE COUNCIL AND THE EUROPEAN PARLIAMENT
ON
THE IMPLEMENTATION OF FINANCIAL AND TECHNICAL ASSISTANCE
TO LATIN AMERICAN AND ASIAN (LAA) DEVELOPING COUNTRIES
AS AT 31 DECEMBER 1987

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PRESENTATION AND SUMMARY

This annual report (the eleventh of its kind) is concerned with the 1987 programme and the activities carried out in 1987 up until 31 December, as well as all cooperation between 1976 and 1987 inclusive.

After an introduction dealing with the origin, aims and detailed arrangements of financial and technical cooperation with the Latin American and Asian (LAA) developing countries (plus a reference in the annex to Council Regulation (EEC) No 442/81, which governs this form of Community cooperation), the paper is divided into two separate parts, namely the quantitative and qualitative aspects, supplemented by a series of annexes.

The quantitative analysis deals with:

- (a) the 1987 programme, with a breakdown of the allocation of the appropriations, by general heading, region, recipient country/body, plus a list of the projects/programmes, all these items being followed by an examination of the sectoral structure and the type of financing. The breakdown complies with the general aid guidelines for 1987.

It will be noted in particular that the annual commitment appropriations (174.8 million ECU) were used to finance 23 new operations (21 national and 2 regional). The sectoral make-up of the 1987 programme shows the dominance of the rural sector. Total regional projects in Latin America accounted for 13% of the commitment appropriations.

Seven projects, involving a total EEC financial contribution of 78 million ECU (35% of the overall commitment appropriations) were cofinanced, four with Member States;

- (b) the activities carried out in 1987, which showed a record level of commitments, namely 342.9 million ECU (annual appropriations + amounts carried over from 1986), i.e., 28% up on the previous year. The level of disbursements, however, at 154.3 million ECU, was 10% down on 1986. Eleven projects were completed in 1987;
- (c) cumulative assistance between 1976 and 1987. Over the period in question, the cooperation involved a total of 341 operations - for which 1 870 million ECU was committed by the EEC - concerning 33 countries (18 in Asia, 12 in Latin America and 3 in Africa) and 21 international institutions and agencies. Agriculture was easily the dominant sector (more than 75%), cofinancing (44 projects) accounted for more than 28% of the total appropriations, while 9% of the funds went on regional projects.

At the end of 1987, 52.2% of the appropriations committed had been disbursed. In view of the steady growth in the annual level of commitment appropriations between 1976 and 1987, this figure conceals a more positive reality, since on average, not including the year of commitment, three-quarters of project disbursements were made by the end of the fifth year of implementation. On the same date, 125 projects, accounting for 37% of the appropriations committed, had been completed.

The qualitative analysis is intended to provide a concise picture of the extent and type of operations financed between 1976 and 1987 in respect of the 12 main recipient countries (seven in Asia and five in Latin America) and three regional integration bodies, while the major recipient country, namely India, is examined in greater detail.

Particular attention is devoted to the "least developed countries" (lldcs) receiving financial and technical cooperation from the EEC, i.e., ten countries which received 14% of the overall commitment appropriations between 1976 and 1987.

The evaluation of operations financed in the LAA developing countries has begun and involves examining an initial batch of 9 projects/programmes.

Lastly, the report describes the principal difficulties and problems relating to the implementation of this financial and technical cooperation and discusses the initial measures proposed in order to solve those difficulties and problems.

INTRODUCTION

INTRODUCTION

ORIGIN, OBJECTIVES AND PROCEDURES OF AID TO LATIN AMERICAN AND ASIAN (LAA) DEVELOPING COUNTRIES AND STRUCTURE OF THIS REPORT

The European Economic Community's financial and technical cooperation with the Latin American and Asian (LAA) developing countries is carried out under Article 930 of the General Budget of the European Communities. The fundamental objectives of this financial and technical assistance to LAA developing countries were laid down in Council Regulation (EEC) No 442/81 of 17 February 1981¹, which established the general framework and principles governing EEC operations in this field. The relevant appropriations are intended to cover the following measures:

1. rural development operations (mainly food-related) in Latin American and Asian developing countries, particularly the poorest of those countries;
2. alternatively, in certain specific cases, operations in favour of possible regional cooperation, some of the assistance being earmarked for measures intended as a response to exceptional circumstances, in particular reconstruction projects in the wake of disasters.

The assistance is provided in the form of grants and may cover imports as well as local expenditure. The projects may be financed autonomously or cofinanced with the EEC Member States or international bodies. As a rule, part of each project is financed by the country receiving the assistance (national contribution).

The rules stipulate that the Commission must inform the Council and the European Parliament of how the programme is being managed. This report (the eleventh of its kind) is in response to that requirement.

The procedures for the adoption of development operations (projects and programmes) are also laid down in the aforementioned Regulation (EEC) No 442/81. Since the 1981 programme (when the current procedures were introduced), the financing decisions adopted each year come within the scope of a Council decision adopted at the start of the year, which lays down the general guidelines for the coming year². The guidelines, which are based on the contents of Regulation (EEC) No 442/81, elaborate upon the objectives and priorities of the assistance, its geographical breakdown, its method of implementation and a number of special provisions.

¹ See Annex I for the full text of this Council Decision.

² See Annex II for the Council Decision of 27 April 1987, which laid down the general guidelines for 1987.

The process is facilitated by the fact that, some years ago, a "flexibility reserve" was set up. In 1987, in view of the sharp reduction in the overall level of the commitment appropriations, the entire flexibility reserve was used for Central America, in order to honour the EEC's commitments.

The financing decisions for the various projects are taken by the Commission after it has received the opinion of a financing committee composed of representatives of the Member States and chaired by the Commission. This committee meets several times a year, enabling projects to be examined in batches as and when they are ready. In 1987, the committee met seven times.

The EEC's financial and technical cooperation with the LAA developing countries began in 1976, with appropriations totalling 20 million ECU¹. The amount earmarked for this purpose has since risen steadily, to around 250 million ECU since 1986, the cumulative amount for the period 1976-1987 totalling nearly 1 900 million ECU.

These funds have been used to finance development activities and projects in 33 Asian, Latin American and African countries². In addition, they have provided assistance to 14 regional institutions and organizations run by or operating in those countries and to five international agricultural research bodies.

¹ In this report the amounts are expressed in current ECUs.

² Certain African countries received this type of aid until they were integrated into the ACP group in 1984.

1 - QUANTITATIVE ASPECTS

1 - QUANTITATIVE ASPECTS

1.1. 1987 PROGRAMME

1.1.1. Funds available

The budget authorities approved the sum of 174.8 million ECU for the 1987 programme of financial and technical assistance to LAA developing countries (Article 930 of the General Budget). Of that amount, 2 million ECU was transferred from Article 930 to Article 935 (operations for the promotion of Community investment in the Latin American and Asian developing countries under economic and commercial cooperation agreements). Table 1 below shows how the amount in question is broken down between the various headings of the overall appropriations and by geographical region, in accordance with the general guidelines for 1987 laid down by the Council decision of 27 April 1987 (see Annex II).

In 1987, the allocation of commitments by general items (6.0% in reserve for disasters and 3.0% for managing the programmes) was carried out in accordance with the percentages provided for in the Council's annual general guidelines.

The same applies to the breakdown by region of the appropriations committed for standard projects (75% for Asia and 25% for Latin America). Lastly, the flexibility reserve, which was also provided for in the general guidelines (10% of the annual appropriations, after deduction of the general items) represents 9.0% of the total amount of the 1987 programme.

Under the EEC's Financial Regulation, commitment appropriations available for the 1987 budget were able to be committed during 1987 and 1988. In practice, funds not committed as at 31 July 1988 will be committed later in the year but set in the normal manner against the 1988 programme. In 1987, a total of 223.95 million ECU¹ was committed as at 31 July 1988, i.e., 174.80 million ECU for the 1987 programme and 48.046 million ECU carried over from the 1986 programme, involving a commitment overrun of 1.10 million ECU².

Therefore, while the amount for the programme adopted in 1987 is considerably lower than that of the 1986 programme (only about 70%), 1987 commitments are, given the amount carried over from 1986, virtually the same as for the preceding year (221.95 million ECU compared with 244.937 million ECU).

In fact, in relative terms there was a pause in 1987, which made it possible to absorb all the appropriations entered but not committed in 1986, in particular because there were not enough staff to administer this form of Community aid.

¹ The actual amounts in question are 221.95 million ECU for commitments and 172.80 million ECU for the funds voted, account being taken of the budget transfer referred to above.

² See the corrigendum regarding the amount carried over from 1986 to 1987 (at the foot of Table 1) and the minor adjustments made to the 1985 and 1986 reports.

TABLE 1; 1987 PROGRAMME COMMITMENT APPROPRIATIONS AND COMMITMENTS - (million ECU)

	Percentage laid down in general guidelines	Breakdown (1987 programme)	Carry-over from 1986	Total funds available	Commitments up to 31 July 1988	Carry-over to 1988 programme
GENERAL APPROPRIATIONS						
DISASTER RESERVE	6.00	10,500	-	10,500	15.00	-4,500
AGRICULTURAL RESEARCH MANAGEMENT	t.e. 3.00	t.e. 5,200	-	t.e. 5,200	t.e. 5,200	t.e. 0,000
SUBTOTAL GEN. APPROPRIATIONS TRANSFER*	9.00 1.14	15,700 2,000	- -	15,700 2,000	20,200 2,000	-4,500 0,000
GEOGRAPHICAL BREAKDOWN (STANDARD PROJECTS);						
ASIA;	75.00	106,000	42,131	148,131	142,490	5,641
LATIN AMERICA;	25.00	35,400	5,915	41,315	59,250	-17,945
of which						
Central America	-	-	-	-	38,950	-
South America	-	-	-	-	20,300	-
Hispaniola	-	-	-	-	-	-
SUBTOTAL STANDARD PROJECTS;	100.00 80.89	141,400	48,046	189,446	201,750	-12,304
GEOGRAPHICAL BREAKDOWN FLEXIBILITY RESERVE;						
ASIA;	-	-	-	-	-	-
LATIN AMERICA;	-	15,700	-	15,700	-	15,700
SUBTOTAL FLEXIBILITY RESERVE;	8.97	15,700	-	15,700		
GRAND TOTAL;	100.00	174,800	48,046	222,846	223,950	-1,104

* TRANSFER FROM 930 TO 935, not provided for in the general guidelines.

t.e. = token entry

CORRIGENDUM: CORRECTIONS TO BE MADE TO 1985 AND 1986 REPORTS:

1986 REPORT, pp. 7 and 8: 1986 programme commitments by project and recipient:

AL86/21 Indonesia: 9.7 instead of 10.0 : -0.3

AL86/30 Nicaragua: 5.6 instead of 4.5 : +1.1

NA/82/13 Nicaragua: 1.96 instead of 1.95 : +0.01

1985 REPORT, p. 16 note 9: outstanding balance of 0.767 to be allocated to Asia and Latin America on a 75%:25% basis. Since in the 1986 programme a balance of 0.215 still remains for Africa (Mozambique NA/83/06), only 0.767 - 0.215 = 0.552 still has to be allocated (0.414 to Asia and 0.138 to Latin America).

Total amount carried over from 1986 to the 1987 programme = 48,048 million ECU

i.e., Asia: 148.18 + 32,479 + 0,414 - 140,742 + 0.3 = 42,131 million ECU

Latin America: 59.39 + 11 + 12,347 + 0,138 - 75,85 - 1,11 = 5,915 million ECU.

1.1.2. Projects for which funds have been committed

Commitments made under the 1987 programme, together with the project titles, amounts and recipient countries, are shown in Table 2 (see overleaf), which also gives a breakdown of the projects by general items and geographical region.

A number of commitments relate to top-up financing for old projects, made necessary because actual expenditure exceeded forecast expenditure¹. These top-ups total 3.01 million ECU. Of the 23 new projects (compared with 30 in 1986), 21 (185.740 million ECU) involve projects being carried out in various countries (13 in all) and two (28 million ECU) relate to regional projects involving a number of countries².

The amount earmarked for disaster-relief projects (of which there are two) is 6.76% of the total amount committed in 1987.

Lastly, the sum of 5.20 million ECU (compared with 5.50 million ECU in 1986), i.e., 2.34% of the total amount, was set aside for overheads, which was made up primarily of the cost of reports by external consultants, with a view to contributing to the preparation of new projects, and of development consultants living in various countries and responsible for following up the execution of programmes and projects.

Note that in 1987 no provision was made for any commitment in respect of agricultural research, which of course does not mean that the relevant programmes have been abandoned but is explained by the fact that up until 1986 the appropriations for research were committed a year ahead of actual expenditure. It is therefore a question of standardizing things: this in no way jeopardizes the smooth running of the current research programmes and has also made it possible partly to offset the effect of the decline in the level of 1987 commitment appropriations.

1.1.3. Analysis of commitments by region, sector and type of financing

(a) Geographical breakdown of commitments

Table 3 (page 7) gives, for the 1987 programme³, the breakdown of commitments by region and subregion, and by type of project (standard or disaster-relief).

¹ Additional commitments of less than 20% of the initial commitment were, in accordance with the procedure, decided directly by the Commission.

² Note also that, despite the 4.5 million ECU deficit carried over and entered in the programme, one third of the amount for the Salvador project (i.e., 3.5 million ECU), had to be financed from the standard appropriations. Therefore, the "disaster-relief" measures carried out used up 18.5 million ECU (11% of the annual appropriations).

³ And for programmes in respect of which commitments were made during the period 1976-1986.

TABLE 2: 1987 PROGRAMME COMMITMENTS (excluding studies and research), BY PROJECT AND RECIPIENT
(million ECU)

NO	COUNTRY	TITLE	AMOUNT	%	COFIN ORIGIN	COFIN AMOUNT	LOCAL FIN.	TOTAL COST
1. STANDARD PROJECTS								
1.1. ASIA								
ALA/87/02	BANGLADESH	FLOOD PREVENTION	2.08		IDA	17.70	5.60	25.38
ALA/87/05	BANGLADESH	CYCLONE PROTECTION II (FEASIBILITY)	1.90		-	-	t.e.	1.90
ALA/87/18	BURMA	FOOT-AND-MOUTH DISEASE	3.45		-	-	0.35	3.80
ALA/87/11	CHINA	DAIRY PROGRAMME	4.50		-	-	-	4.50
ALA/87/13	CHINA	BEIJING (FLOOD FORECASTING)	1.50		-	-	-	1.50
ALA/87/04	INDIA	LIVESTOCK IMPROVEMENT	6.10		-	-	3.50	9.60
ALA/87/09	INDIA	COCONUTS, KERALA	45.00		-	-	13.60	58.60
ALA/87/17	INDONESIA	SEINE FISHING	2.20		FRANCE	1.20	0.45	3.85
ALA/87/19	INDONESIA	RURAL ELECTRICITY	18.90		-	-	t.e.	18.90
ALA/87/06	NEPAL	INTEGRATED RURAL DEVELOPMENT	2.71		FRANCE	0.50	-	3.21
ALA/87/15	PAKISTAN	DEVELOPMENT, BUNER	10.60		-	-	4.80	15.40
ALA/87/16	PAKISTAN	PRIMARY EDUCATION	15.00		IDA/CIDA	137.40	30.00	182.40
ALA/87/03	SRI LANKA	RURAL DEVELOPMENT	25.00		IDA/CIDA	72.20	46.85	144.05
ALA/87/08	THAILAND	MAC KOCK IRRIGATION	2.80		-	-	0.45	3.25
ALA/83/37*	CHINA	FRUIT PRODUCTION AND PRESERVATION	0.13		-	-	-	0.13
ALA/78/13*	LAOS	FLOOD PROTECTION	0.40		-	-	-	0.40
ALA/83/39*	CHINA	PRODUCTION OF VEGETABLE SEEDLINGS	0.22		-	-	-	0.22
ASIA TOTAL:			142.49	64.20		229.00	105.60	477.09
1.2. LATIN AMERICA								
1.2.1. CENTRAL AMERICA								
ALA/87/14	REGIONAL	REGIONAL COOPERATIVES	22.00		SPAIN	2.50	15.50	40.00
ALA/87/12	EL SALVADOR	ZACAMIL HOSPITAL ¹	3.50		-	-	-	3.50
ALA/87/10	EL SALVADOR	CRAFTS	6.00		-	-	6.00	12.00
ALA/87/07	GUATEMALA	SUPPORT FOR AGRARIAN CHANGE	5.50		-	-	1.40	6.90
ALA/82/13*	NICARAGUA	SUPPORT FOR AGRARIAN CHANGE	1.96		-	-	-	1.96
CENTRAL AMERICA SUBTOTAL:			38.96			2.50	22.90	64.36
1.2.2. SOUTH AMERICA								
ALA/87/23	BOLIVIA	LAKE TITICACA	5.00		-	-	0.50	5.50
ALA/87/01	ECUADOR	DEVELOPMENT IRRIGATED AGRIC.	9.00		ITALY	3.84	11.00	23.84
ALA/87/21	PEC	FISHERIES COOPERATION	6.00		-	-	2.80	8.80
ALA/79/23*	BOLIVIA	AGRICULTURAL CENSUS	0.20		-	-	-	0.20
ALA/82/04*	JUNAC	ENERGY	0.10		-	-	-	0.10
SOUTH AMERICA SUBTOTAL:			20.30			3.84	14.30	38.44
LATIN AMERICA TOTAL:			59.26	26.70		6.34	37.20	102.80
2. DISASTER RELIEF								
ALA/87/20	BANGLADESH	RESETTLEMENT AFTER FLOODING	6.50		-	-	t.e.	6.50
ALA/87/12	EL SALVADOR	ZACAMIL HOSPITAL ¹	8.50		-	-	-	8.50
DISASTER RELIEF TOTAL:			15.00	6.76				15.00
3. AGRICULTURAL RESEARCH								
4. ADMINISTRATION								
GRAND TOTAL 1+2+3+4:			221.95	100.00		235.34	142.80	600.09

* TOP-UPS

t.e. = token entry

¹ This is the same project.

TABLE 3: COMMITMENTS UNDER THE 1976-1986 PROGRAMMES AND 1987 PROGRAMME BY REGION

REGIONS	STANDARD PROJECTS				DISASTER-RELIEF PROJECTS				PROGRAMMES TOTAL			
	1976-86		1987		1976-86		1987		1976-86		1987	
	an ECU	%	an ECU	%	an ECU	%	an ECU	%	an ECU	%	an ECU	%
ASIA	1054,42	71,0	142,49	70,6	36,85	36,2	6,50	43,3	1091,27	68,8	148,99	68,7
REGIONAL PROJECTS	34,40	3,3	-	-	-	-	-	-	34,40	3,2	-	-
SOUTH-EAST ASIA	304,23	28,9	30,65	21,5	-	-	-	-	304,23	27,9	30,65	20,6
SOUTHERN ASIA	687,81	65,2	111,84	78,5	31,60	85,8	6,50	100,0	719,41	65,9	118,34	79,4
OTHER	27,99	2,7	-	-	5,25	14,2	-	-	33,24	3,0	-	-
		100,0		100,0		100,0		100,0		100,0		100,0
LATIN AMERICA	362,59	24,4	59,25	29,4	56,38	55,4	8,50	56,7	418,97	26,4	67,76	31,3
REGIONAL PROJECTS	8,93	2,5	-	-	-	-	-	-	8,93	2,1	-	-
SOUTH AMERICA												
REGIONAL PROJECTS	37,63	10,4	6,10	10,3	-	-	-	-	37,63	9,0	6,10	9,0
NATIONAL PROJECTS	99,08	27,3	14,20	24,0	26,33	46,7	-	-	125,41	29,9	14,20	21,0
CENTRAL AMERICA AND THE CARIBBEAN												
REGIONAL PROJECTS	53,09	14,6	22,00	37,1	1,10	2,0	-	-	54,19	12,9	22,00	32,5
NATIONAL PROJECTS	163,86	45,2	16,96	28,6	28,95	51,3	8,50	100,0	192,81	46,0	25,46	37,6
		100,0		100,0		100,0		100,0		100,0		100,0
AFRICA	67,76	4,6	-	-	8,50	8,4	-	-	76,26	4,8	-	-
TOTAL:	1484,77	100,0	201,75	100,0	101,73	100,0	15,00	100,0	1586,50	100,0	216,75	100,0

ASIA - REGIONAL PROJECTS: ASEAN, ADB, MEKONG COMMITTEE
 SOUTH EAST ASIA: INDONESIA, PHILIPPINES, THAILAND, + VIETNAM, LAOS, CHINA,
 SOUTHERN ASIA: AFGHANISTAN, BANGLADESH, BHUTAN, BURMA, INDIA, MALDIVES, NEPAL, PAKISTAN, SRI LANKA
 OTHER: North YEMEN, South YEMEN, West Bank + Gaza,
 LATIN AMERICA - REGIONAL PROJECTS: CFAO, CIM, CIMMYT, IDB, OLADE,
 SOUTH AMERICA - REGIONAL: JUNAC
 NATIONAL: BOLIVIA, COLOMBIA, ECUADOR, PERU,
 CENTRAL AMERICA & CARIBBEAN: REGIONAL: BCIE, CADESCA, CATIE, INCAP, IICA
 NATIONAL: COSTA RICA, DOMINICAN REPUBLIC, HAITI, HONDURAS, NICARAGUA, EL SALVADOR, GUATEMALA, PANAMA
 AFRICA: ANGOLA, MOZAMBIQUE, ZIMBABWE.

Overall, excluding the commitments to cover overheads, the projects (standard and disaster-relief) concerning Asia involved the sum of 148.99 million ECU in 1987, out of a total amount of 216.75 million ECU (i.e., 68.7%), compared with 67.76 million ECU (31.3%) for Latin America.

In Asia, the 1987 appropriations were committed for standard projects in ten countries, including six in Southern Asia (which accounted for 78% of the sums committed in this region) compared with 22% for Southeast Asia. Southern Asia also received assistance for a disaster-relief project (6.5 million ECU) in Bangladesh.

In Latin America, the commitments for standard projects related to five countries and three regional institutions, 34.3% going to South America and 65.7% to Central America and Hispaniola. Note that in this subregion, the bulk of commitments (56.6%) was for projects involving regional institutions and not for national projects. Central America also received assistance (8.5 million ECU) for one disaster-relief project, in El Salvador.

The breakdown of commitments by recipient country for 1987¹ is given in Table 4 (pages 9 and 10).

In so far as standard projects are concerned, Asia accounted for 70.6% of the total, compared with 29.4% for Latin America. India, with 25.3% of the total for standard projects, received far more than any other country and was followed by Pakistan (12.7%), Sri Lanka (12.4%), Indonesia (10.5%), El Salvador (4.7%) and Ecuador (4.5%).

The disaster-relief projects in 1987 concerned El Salvador (8.5 million ECU) and Bangladesh (6.5 million ECU).

(b) Sectoral breakdown of commitments

In this eleventh report, the classification by sector and subsector of all the projects financed by the EEC in Latin American and Asian countries, has been simplified compared with earlier editions of the report. The principal change has consisted of regrouping the nomenclature of projects in the agricultural sector into six subsectors only. This change in nomenclature has been made not only for 1987 but also for the period 1976-86, as shown in Table 5 (page 11).

Although significance in terms of trends cannot be attached to the activities of a single year, it should be pointed out that in 1987 the relative importance of agriculture declined in favour of services, compared with the period 1976-86.

If the breakdown of commitments by sector and subsector for the agricultural sector is compared in respect of Asia on the one hand and Latin America on

¹ And for the period 1976-80 and every year from 1981 to 1986.

TABLE 4: BREAKDOWN OF COMMITMENTS BY RECIPIENT, 1976-87 (in million ECU)

	1976- 1980	1981- 1985	1981	1982	1983	1984	1985	1986	1987	TOTAL	%
I. STANDARD PROJECTS											
AFGHANISTAN	1.00	0.00	-	-	-	-	-	-	-	1.00	0.1
BANGLADESH	32.70	83.00	12.00	23.60	17.00	25.50	4.90	-	3.98	119.68	7.0
BHUTAN	-	9.00	-	3.40	-	4.50	1.10	-	-	9.00	0.5
BURMA	5.90	8.00	5.50	-	2.50	-	-	-	3.45	17.35	1.0
CHINA	-	12.00	-	-	6.00	-	6.00	5.15	6.35	23.50	1.4
INDIA	86.40	251.50	36.00	46.00	64.50	60.00	45.00	67.77	51.10	456.77	26.8
INDONESIA	28.16	71.74	12.00	11.20	20.50	7.30	20.64	10.00	21.10	131.00	7.7
LAOS	4.10	1.20	-	-	-	1.20	-	5.50	0.40	11.20	0.7
MALDIVES	0.50	1.70	-	-	-	1.70	-	-	-	2.20	0.1
NEPAL	5.20	15.80	-	3.70	5.30	5.00	1.80	-	2.71	23.71	1.4
PAKISTAN	24.30	45.80	12.00	-	7.80	-	26.00	7.80	25.50	103.50	6.1
PHILIPPINES	8.00	17.90	7.10	-	-	-	10.80	18.50	-	44.40	2.6
SRI LANKA	21.70	20.00	-	-	20.00	-	-	-	25.00	66.70	3.9
THAILAND	21.40	92.07	2.20	17.21	26.74	10.90	35.02	5.60	2.80	121.87	7.2
VIETNAM	2.40	0.00	-	-	-	-	-	-	-	2.40	0.1
WEST BANK AND GAZA	-	3.65	1.65	-	-	2.00	-	-	-	3.65	0.2
NORTH YEMEN	3.10	13.74	5.20	-	2.74	5.80	-	7.50	-	24.34	1.4
ADB	4.30	1.00	1.00	-	-	-	-	-	-	5.30	0.3
ASEAN	0.90	14.63	7.10	0.03	7.50	-	-	12.42	-	27.95	1.6
MEKONG COMMITTEE	0.40	0.75	-	-	0.75	-	-	-	-	1.15	0.1
SUBTOTAL ASIA	250.46	663.48	101.75	105.14	181.43	123.90	151.26	140.24	142.49	1196.67	70.3
BOLIVIA	8.70	42.50	-	-	16.00	24.50	2.00	20.00	5.20	76.40	4.5
COLOMBIA	-	4.00	-	-	-	-	4.00	-	-	4.00	0.2
COSTA RICA	-	27.95	-	18.00	-	-	9.95	-	-	27.95	1.6
DOMINICAN REP.	-	12.00	-	12.00	-	-	-	-	-	12.00	0.7
ECUADOR	2.90	3.00	3.00	-	-	-	-	-	9.00	14.90	0.9
HAITI	13.90	7.13	-	7.13	-	-	-	4.85	-	25.88	1.5
HONDURAS	14.96	28.65	-	16.90	9.00	-	2.75	14.50	-	58.11	3.4
NICARAGUA	2.96	24.05	8.25	9.80	3.50	-	2.50	5.60	1.96	34.57	2.0
EL SALVADOR	-	0.00	-	-	-	-	-	-	9.50	9.50	0.6
PERU	2.00	11.60	-	-	11.60	-	-	16.00	-	29.60	1.7
GUATEMALA	-	0.00	-	-	-	-	-	12.00	5.50	17.50	1.0
ANDEAN PACT/JUNAC	9.08	25.88	5.07	0.50	6.06	7.26	7.00	-	0.10	35.06	2.1
PEC	-	0.00	-	-	-	-	-	-	6.00	6.00	0.4
CENTRAL AMERICA	-	16.50	-	-	-	-	16.50	2.90	22.00	41.40	2.4
BCIE	3.23	20.00	-	-	-	20.00	-	-	-	23.23	1.4
CADESCA	-	4.82	-	-	-	-	4.82	-	-	4.82	0.3
CATIE	1.87	0.26	-	-	-	0.04	0.22	-	-	2.13	0.1
CFAD	1.80	0.00	-	-	-	-	-	-	-	1.80	0.1
CIM	-	1.40	-	-	1.40	-	-	-	-	1.40	0.1
CIMMYT	-	2.00	-	2.00	-	-	-	3.00	-	5.00	0.3
IDB	2.00	0.00	-	-	-	-	-	-	-	2.00	0.1
IICA	-	1.71	1.60	-	-	-	0.11	-	-	1.71	0.1
INCAP	1.80	0.00	-	-	-	-	-	-	-	1.80	0.1
DLADE	1.20	0.53	0.53	-	-	-	-	-	-	1.73	0.1
SUBTOTAL LATIN AMERICA	66.40	233.98	18.45	66.33	47.56	51.80	49.85	78.85	59.26	438.49	25.7

TABLE 4 (cont'd)

	1976- 1980	1981- 1985	1981	1982	1983	1984	1985	1986	1987	TOTAL	%
ANGOLA	1.40	22.01	-	8.75	-	9.01	4.25	-	-	23.41	1.4
MOZAMBIQUE	3.00	26.64	-	10.66	8.58	-	7.40	0.21	-	29.85	1.8
ZIMBABWE	14.50	0.00	-	-	-	-	-	-	-	14.50	0.9
SUBTOTAL AFRICA	18.90	48.65	0.00	19.41	8.58	9.01	11.65	0.21	0.00	67.76	4.0
TOTAL STANDARD PROJECTS	335.76	946.10	120.20	190.88	237.57	184.71	212.76	219.30	201.75	1702.91	100.0
2. DISASTER-RELIEF PROJECTS											
ANGOLA	-	2.00	-	-	2.00	-	-	-	-	2.00	1.7
BANGLADESH	-	0.00	-	-	-	-	-	-	6.50	6.50	5.6
BOLIVIA	-	12.40	-	-	-	3.40	9.00	0.68	-	13.08	11.2
COLOMBIA	-	3.90	-	-	-	3.90	-	-	-	3.90	3.3
COSTA RICA	-	3.60	-	-	-	-	3.60	-	-	3.60	3.1
DOMINICAN REP.	4.80	0.00	-	-	-	-	-	-	-	4.80	4.1
DOMIN. REP./HAITI	-	1.50	-	-	1.50	-	-	4.85	-	6.35	5.4
ECUADOR	-	2.85	-	-	2.85	-	-	-	-	2.85	2.4
HONDURAS	-	1.60	-	1.60	-	-	-	-	-	1.60	1.4
INDIA	10.90	11.00	7.00	4.00	-	-	-	-	-	21.90	18.8
MEXICO	-	0.00	-	-	-	-	-	5.20	-	5.20	4.5
MOZAMBIQUE	-	2.50	-	-	2.50	-	-	-	-	2.50	2.1
NICARAGUA	2.50	1.60	-	1.60	-	-	-	-	-	4.10	3.5
PAKISTAN	-	6.70	2.70	-	-	4.00	-	-	-	6.70	5.7
PERU	1.50	0.00	-	-	-	-	-	5.00	-	6.50	5.6
SALVADOR	-	3.30	-	-	-	-	3.30	-	8.50	11.80	10.1
SRI LANKA	3.00	0.00	-	-	-	-	-	-	-	3.00	2.6
NORTH YEMEN	-	2.75	-	-	2.55	0.20	-	-	-	2.75	2.4
SOUTH YEMEN	-	2.50	-	2.50	-	-	-	-	-	2.50	2.1
ZIMBABWE	4.00	0.00	-	-	-	-	-	-	-	4.00	3.4
CENTRAL AMERICA	1.10	0.00	-	-	-	-	-	-	-	1.10	0.9
TOTAL DISASTER RELIEF	27.80	58.20	9.70	9.70	11.40	11.50	15.90	15.73	15.00	116.73	100.0
3. AGRICULTURAL RESEARCH											
CIAT	2.95	8.20	1.40	1.60	1.70	1.70	1.80	1.80	-	12.95	
CIP	1.50	4.65	0.80	0.90	0.95	1.00	1.00	1.00	-	7.15	
ICRISAT	5.55	7.30	1.20	1.30	1.40	1.60	1.80	1.80	-	14.65	
IRRI	4.00	8.60	1.50	1.70	1.80	1.80	1.80	1.80	-	14.40	
ISNAR	-	0.65	-	-	0.15	0.20	0.30	0.50	-	1.15	
TOTAL AGRIC. RESEARCH	14.00	29.40	4.90	5.50	6.00	6.30	6.70	6.90	0.00	50.30	
4. ADMINISTRATION	6.00	21.50	3.50	4.00	4.00	4.00	6.00	5.50	5.20	38.20	
TOTAL FUNDS COMMITTED (1+2+3+4)	383.56	1055.20	138.30	210.08	258.97	206.51	241.36	247.43	221.95	1908.14	

TABLE 5: COMMITMENTS BY SECTOR UNDER THE 1976-86 AND 1987 PROGRAMMES (in million ECU)

SECTOR	1976-86 PROGRAMMES				1987 PROGRAMME			
	mn ECU	%	%	No of proj.	mn ECU	%	%	No of Addit. proj.
1 AGRICULTURE	1276,01	76,4	100,0	215	149,85	67,5	100,0	15
A - PLANNING STRATEGY	11,82		0,9	2	-	-	-	-
B - SUPPORT FOR AGRARIAN REFORM	82,40		6,5	6	7,46		5,0	1
C - INFRASTRUCTURE	383,39		30,0	49	22,68		15,1	6
D - PRODUCTION AND MARKETING	288,92		22,6	67	59,40		39,6	4
E - SUPPORT SERVICES	263,79		20,7	61	22,00		14,7	1
F - INTEGRATED RURAL DEVELOPMENT	245,69		19,3	30	38,31		25,6	3
2 FORESTRY	21,47	1,3		7	-	-	-	-
3 FISHERIES	65,93	3,9		21	8,20	3,7		2
4 INDUSTRY-CRAFTS COMMERCE	40,14	2,4		9	6,00	2,7		1
5 SERVICES	139,08	8,3	100,0	29	37,50	16,9	100,0	3
A - WATER DISTRIBUTION NETWORK	92,55		66,5	17	-	-	-	-
B - ENERGY	14,03		10,1	6	19,00		50,7	1
C - HOUSING	0,40		0,3	1	-	-	-	-
D - EDUCATION	3,00		2,2	1	15,00		40,0	1
E - HEALTH	29,10		20,9	4	3,50		9,3	1
6 RECONSTRUCTION PROJECTS	64,43	3,9		19	15,00	6,8		2
7 OPERATIONS TO HELP REFUGEES	11,00	0,7		4	-	-	-	-
8 TECHNICAL ASSISTANCE AND SUPPORT FOR NATIONAL AND INTERNATIONAL PUBLIC INSTITUTIONS	18,69	1,1		13	0,20	0,1		1
9 PROJECT PREPARATION, MANAGEMENT AND MONITORING	33,0	2,0		1	5,20	2,3		1
TOTAL	1669,75	100,0		318	221,95	100,0		23

the other, significant differences will be observed (see Table 6 and Fig. 1, and Table 7 and Fig. 2 below):

- i. in 1987, the proportion of projects in the agricultural sector was considerably lower for the Latin American countries than for the Asian countries;
- ii. it was the same for "services"-related projects, while conversely, the proportion of commitments in the "Fisheries", "Industry, crafts and commerce" and "Reconstruction projects" sectors was far higher in the Latin American countries than in the Asian countries;
- iii. the breakdown of commitments for 1987 in the agricultural sector shows major differences between Asia and Latin America: while in Asia, the main emphasis was on projects in the "Production and marketing" subsector and, to a lesser extent, on the "Integrated rural development subsector", for the Latin American countries the largest commitments were in the "Back-up services", "Infrastructure" and "Support for agrarian reform" subsectors.

Despite greater intersectoral diversification, the projects in respect of which funds were committed in 1987 remain in line with the objectives and priorities stipulated in the Council Regulation: the majority of them gave priority to the most needy sections of the population and were aimed at improving the food situation in the countries concerned, in order to help combat hunger in the world.

(c) Regional projects

In all, 13% of the commitment appropriations under the 1987 programme earmarked for projects consisted of regional projects, all in Latin America, i.e., 41% of the appropriations for that region (Table 3).

TABLE 6: SECTORAL AND REGIONAL STRUCTURE OF COMMITMENTS (1976-86 AND 1987) IN %

SECTOR	1976-86			1987		
	ASIA	LATIN AMERICA	TOTAL	ASIA	LATIN AMERICA	TOTAL
1 AGRICULTURE	: 84.50	67.03	76.21	: 71.41	64.14	67.54
2 FORESTRY	: 1.60	0.94	1.32	: 0.00	0.00	0.00
3 FISHERIES	: 2.60	0.31	3.95	: 1.48	8.85	3.70
4 TRADE AND INDUSTRY	: 0.50	13.82	2.38	: 0.00	8.85	2.70
5 SERVICES	: 7.49	8.22	8.38	: 22.75	5.31	16.90
6 RECONSTRUCTION SCHEMES	: 2.09	6.72	3.87	: 4.36	12.54	6.76
7 AID TO REFUGEES	: 0.35	1.17	0.68	: 0.00	0.00	0.00
8 TECHNICAL ASSISTANCE	: 0.87	1.80	1.11	: 0.00	0.30	0.09
TOTAL:	:100.00	100.00	97.90	: 100.00	100.00	97.70:

FIG. 1: SECTORAL AND REGIONAL STRUCTURE COMMITMENTS IN 1987 (in %)

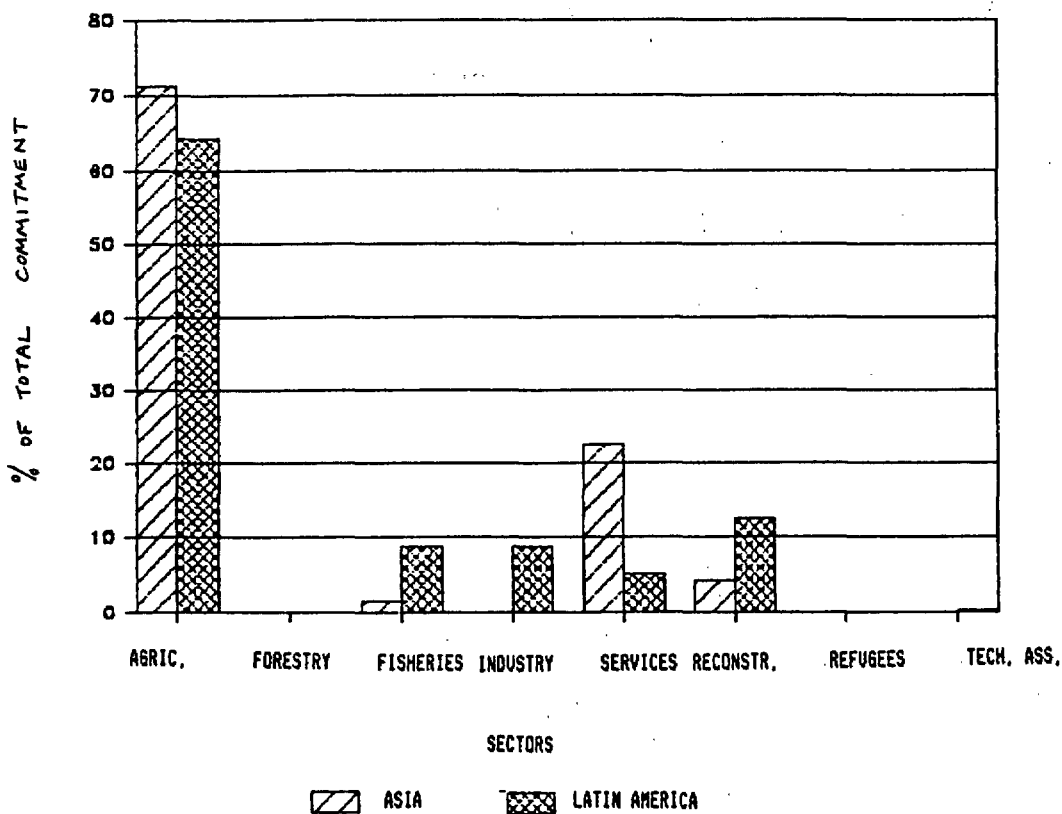
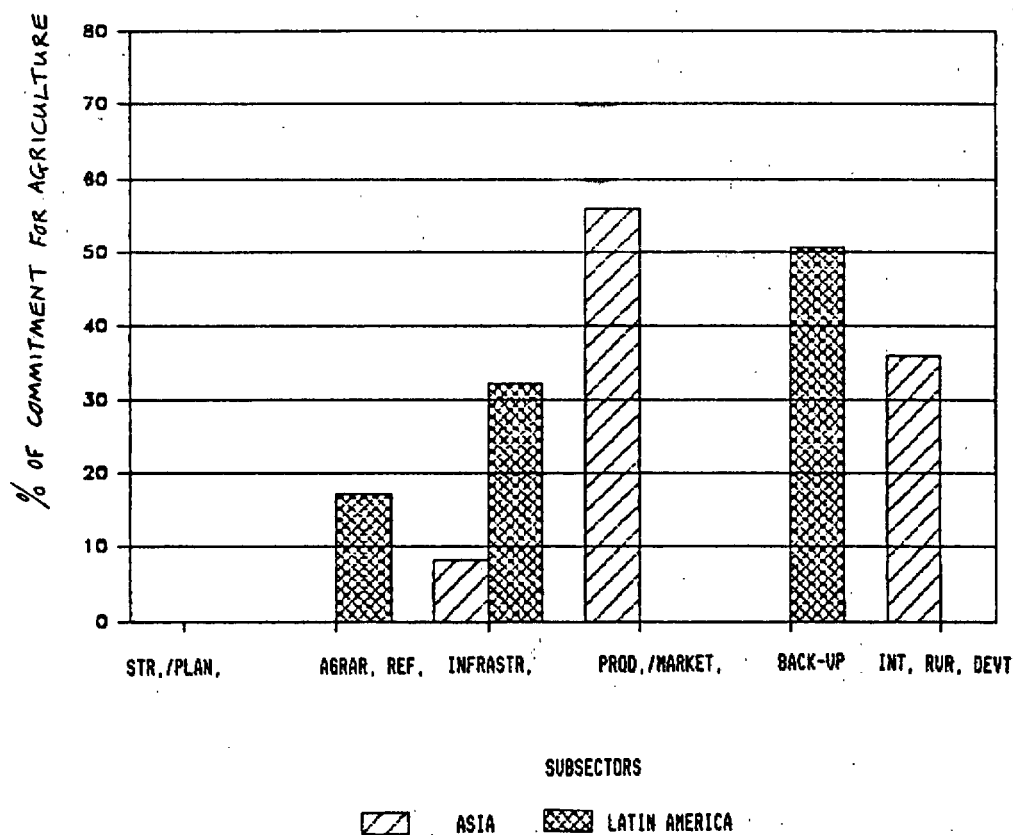


TABLE 7; AGRICULTURAL SUBSECTORAL STRUCTURE (1976-86 AND 1987) IN %

AGRICULTURAL SUBSECTOR	1976-86		1987	
	ASIA	LATIN AMERICA	ASIA	LATIN AMERICA
A PLANNING STRATEGY	0,00	4,20	0,00	0,00
B SUPPORT FOR AGRARIAN REFORM	0,00	29,32	0,00	17,17
C INFRASTRUCTURE	39,08	6,82	8,16	32,21
D PRODUCTION AND MARKETING	28,62	6,45	55,83	0,00
E BACK-UP SERVICES	19,65	11,43	0,00	50,62
F INTEGRATED RURAL DEVEL.	12,65	41,78	36,01	0,00
TOTAL AGRICULTURE	100,00	100,00	100,00	100,00

FIG. 2; AGRICULTURAL SUBSECTORAL STRUCTURE

COMMITMENTS 1987



(c) Structure of the financing

As in earlier years, the financing of most of the projects for which funds were committed by the EEC in 1987 was augmented by a financial input from the country receiving the aid, either in the form of various contributions in kind, particularly in terms of the services rendered by administrative staff, or in the form of part-payment of local purchases. The existence and amount of these local financings vary according to the type of project and the wealth of the country in question.

A number of projects (five in Asia and two in Latin America) are being cofinanced with EEC Member States or international bodies. Cofinanced projects implemented since 1976 are listed in Annex III.

In fact 35% of the 1987 commitment appropriations were allocated to cofinancing operations (Table 8).

Note that in the case of projects for which funds were committed in 1987 and which were to be cofinanced with Member States (France (2), Italy and Spain (1 each)), the amount of finance provided by the countries in question was lower than the EEC input, while in the case of projects cofinanced with international bodies (in this instance, the IDA, for three projects carried out in Asia), the EEC's financial contribution was far below that of the international body and was merely a top-up.

TABLE 8: SUMMARY OF COFINANCED PROJECTS BY SOURCE OF FINANCING
1987 (million ECU)

SOURCES OF COFINANCING	NO OF PROJECTS	COFINANCING CONTRIBUT.	EEC CONTRIBUT.	TOTAL COST (\$)*	% EEC CONTRIB./ TOTAL COMMITMENTS
EEC MEMBER STATES:	4	8,04	35,90	70,89	16,17**
OTHER:	3	227,30	42,10	351,85	18,97***
TOTAL:	7	235,34	78,00	422,74	35,14

* : INCLUDING LOCAL FINANCING

** : FR (2), IT (1), ESP (1).

*** : IDA

1.2. ACTIVITIES IN 1987

1.2.1. Amounts committed and disbursed

Commitments entered in the accounts during the 1987 calendar year totalled 342.9 million ECU, as against 268.58 million ECU in 1986, i.e., an increase of nearly 28%. The figure in question, which comprises appropriations under the 1987 programme and the balances outstanding from the 1986 programme, is the highest since 1976.

In line with the EEC's Financial Regulation, the appropriations available in respect of an annual budget may be committed during the year in question but also during the following year. By 31 July 1988, 223.95 million ECU had been committed under the 1987 programme, against the 222.846 million ECU available, which means that a slight deficit was carried over against the 1988 programme (-1.1 million ECU).

It should be noted that the amount of disbursements in 1987 was only 154.3 million ECU, compared with 171.7 million ECU in 1986. Table 9 below shows disbursements in 1987, in relation to the calendar year in which funds were committed for the projects.

Table 9: Disbursements in 1987 by calendar year of commitment
(in million ECU)

Calendar year of commitment	Commitment appropriations	Disbursements in 1987	%
1976	20.0	-	-
1977	45.0	1.0	2
1978	70.0	0.7	2
1979	110.0	1.3	1
1980	138.5	1.7	1
1981	150.0	7.7	5
1982	243.0	10.0	7
1983	212.2	13.0	6
1984	218.0	21.6	9
1985	264.0	18.9	13
1986	248.2	64.8	24
1987	172.8	13.6	2
TOTAL	1 891.7	154.3	8

1.2.2. Projects completed in 1987

For the purposes of this report, a project is considered to have been "completed" when the relevant disbursements amount to 95% of the sums committed. This purely financial criterion is in some cases qualified by technical considerations, where they apply. For instance, a given project may be regarded as completed even if disbursements are below 95%¹, whereas another project in respect of which the full amount has been disbursed may not be regarded as completed because of the actual progress made², which generally means that further sums have to be committed to enable the project to be brought to a conclusion in line with the initial objectives.

On the above basis, 11 projects can be regarded as having been completed during 1987. These are listed, with their main characteristics, in Annex IV. Some of the projects already go back a long way (the amounts having been committed between 1978 and 1980) and concern Latin American countries. Other more recent projects (1981 to 1983) relate to Asian countries.

On the whole, the implementation of these projects would appear to have been consistent with their initial objectives, but in many instances (including recent projects) there have been hold-ups of an administrative nature.

It should be noted that two projects concerning India (84/10 and 85/12) have not been included in the list referred to above, although they could be considered to have been completed, solely from the point of view of disbursements, which attained the 100% mark in 1987. However, the disbursements in question related only to the supply of fertilizer by the EEC and not to the development projects associated with the assistance in question³.

¹ This was the case in 1987 with project 80/19, concerning integrated rural development in Jacmel, on Haiti.

² This was the case in 1987 with project 82/13, concerning agrarian reform and integrated rural development in Nicaragua.

³ See section 2.2 concerning India.

1.2.3. Analysis of overheads

Part of the appropriations under the EEC's annual programmes of financial and technical assistance for the LAA developing countries, limited to 3% maximum of the amounts committed, is used for administering the programmes, namely for:

- (a) studies and reports commissioned from outside consultants, with a view to the preparation, follow-up and formulation of projects under the EEC's financial and technical cooperation arrangements (Article 930);
- (b) carrying out technical assistance operations by expedited procedure, in favour of LAA developing countries or groups of countries;
- (c) the employment of development consultants in EEC Delegations and offices in various countries on a long-term basis, to be responsible principally for following up and monitoring the implementation of development projects.

Annex V lists for each of the three types of measure the operations and amounts committed during 1987. The total amount was more than 6.9 million ECU, broken down as follows:

- 40.5% for short-term studies and reports;
- 20.6% for technical assistance operations;
- 38.9% for the services of experts on a long-term basis.

Note that the amount actually committed in 1987 for this type of operation was considerably in excess of the amount available¹ as a result of the balance from the preceding year being used. The expenditure in question is essential to compensate for the shortcomings of the recipient countries and complement the skills and assist the staff of the Commission's administrative departments. It should be pointed out that, as a general rule, disbursements in respect of operations of this kind are made within a very reasonable period of time, i.e., within no more than two years in virtually all cases.

The procedure of framework contracts with international consortia of consultancy firms which began in 1985 and carried on in 1986, was continued and systematized in 1987. Thus the interim framework contract drawn up in 1985 was extended in 1986 and 1987, to the tune of 700 000 ECU, to allow time to finalize a more carefully-crafted framework contract formula covering the following three fields of activity relating to a number of budget instruments, including Article 930:

- A - Rural development and infrastructure
- B - Industry, commerce and services
- C - Training, scientific research, health, refugees.

¹ See Table 1 above.

After a call for tenders in accordance with the Community procedures (prequalification and invitation to tender) for each of the three areas in question, two new framework contracts per sector have been signed since January 1988 with consortia of consultancy firms formed for that purpose. This procedure will give the EEC the required flexibility to award contracts for studies which more often than not are needed urgently, and at the same time it will enable the EEC to get the consortia selected for each of the different fields to compete with one another.

The development consultants seconded to the delegations have, since 1 January 1988, when the European Association for Cooperation (EAC)* disappeared, been attached administratively to DG IX (Directorate for the Administration of the Delegations). At the end of 1987, there were eight of these development consultants, working in the delegations in Bangladesh, India, Indonesia, Pakistan, Thailand, Costa Rica and Venezuela, while a consultancy firm provides full-time technical consultancy services to the development officer responsible for Haiti and the Dominican Republic.

* A body set up under Belgian law, which managed the staff seconded to delegations in both ACP and LAA countries.

1.3. CUMULATIVE ASSISTANCE FROM 1976 to 1987

1.3.1. Commitments

The commitment for financial and technical cooperation for the LAA developing countries under Article 930 of the General Budget totalled 1 870 million ECU between 1976 and 1987. The annual commitment appropriations entered in the budget and the accounts are shown again in the first two columns of the Table dealing with disbursements annexed hereto.

The detailed data on projects for which funds have been committed since 1976 have already been presented above (see Tables 3, 4, 5, 6, 7 and 8).

(a) Geographical breakdown

Overall, the structure of commitments by region and subregion varied only slightly between 1976 and 1987.

Over that period, 68.8% of the projects (standard and disaster-relief) were concerned with Asia (68.7% in 1987), compared with 26.4% for projects concerned with Latin America (31.3% in 1987), the remainder consisting of aid to non-associated African countries¹.

The analysis by recipient country shows that in 1987 there was a break with the trend for previous years in terms of the breakdown of commitments by continent. While Asia's share of total commitments for standard projects was on a downward trend up until 1986 (from 74.8% for the period 1976-80 to 71.1% for the period 1981-85 and 64.9% in 1986), it increased to 70.6% in 1987. Of course in so far as Latin America was concerned, the trend was the reverse.

India, with 26.8% of the commitments for standard projects over the whole of the period 1976-87, received far more than any other country. Next came Indonesia (7.7%), followed by Bangladesh (7.0%), Pakistan (6.1%), Bolivia (4.5%), Sri Lanka (3.9%) and Honduras (3.4%). In accordance with the annual guidelines, the Asian countries therefore received, in absolute terms, a far greater amount of financial and technical assistance than the Latin American countries, but the breakdown would be reversed if this assistance were related to population.

With regard to the "disaster-relief" projects, the breakdown of commitments by year and type is far more erratic and therefore the results are not particularly significant. Over the whole of the period 1976-87, India, Bolivia and El Salvador were the biggest recipients of funds relating to this type of project.

If all the different types of projects are lumped together, a total of 33 countries (18 in Asia, 12 in Latin America and 3 in Africa),

¹ At the time, this applied to Angola, Mozambique and Zimbabwe.

16 international institutions (3 in Asia and 13 in Latin America) and 5 agricultural research bodies received financial and technical assistance from the EEC between 1976 and 1987 under the arrangements for the LAA developing countries, the number of projects financed totalling 341.

(b) Sectoral structure

Over the period 1976-86, the share accounted for by agriculture was 76.4% (67.5% in 1987), which is wholly consistent with the directives contained in Regulation 442/81. The remainder was divided between the other sectors of activity (which incidentally were related to the rural environment), the most important being the services sector with 8.3% (16.9% in 1987) (see Table 5 above).

Figs. 3 and 4 below show, by region for the period 1976-86, the sectoral and subsectoral structure of the projects. There would not appear to be any particularly significant difference between Asia and Latin America in so far as the breakdown of projects by sector is concerned. Note, however, that in the case of Latin America the share of the agricultural sector is smaller than in the case of Asia and that, to compensate for this, projects of an industrial nature accounted for 13.8% of the total in Latin America, whilst the amount for projects of that kind in Asia was not significant.

Very considerable differences do exist with regard to the breakdown of projects within the agricultural sector, greater importance being attached in Asia to infrastructure and production/marketing projects than in Latin America, while the situation was the other way round for projects concerned with agrarian reform and integrated rural development.

FIG. 3:
SECTORAL AND REGIONAL STRUCTURE
 COMMITMENTS 1976-86 (in %)

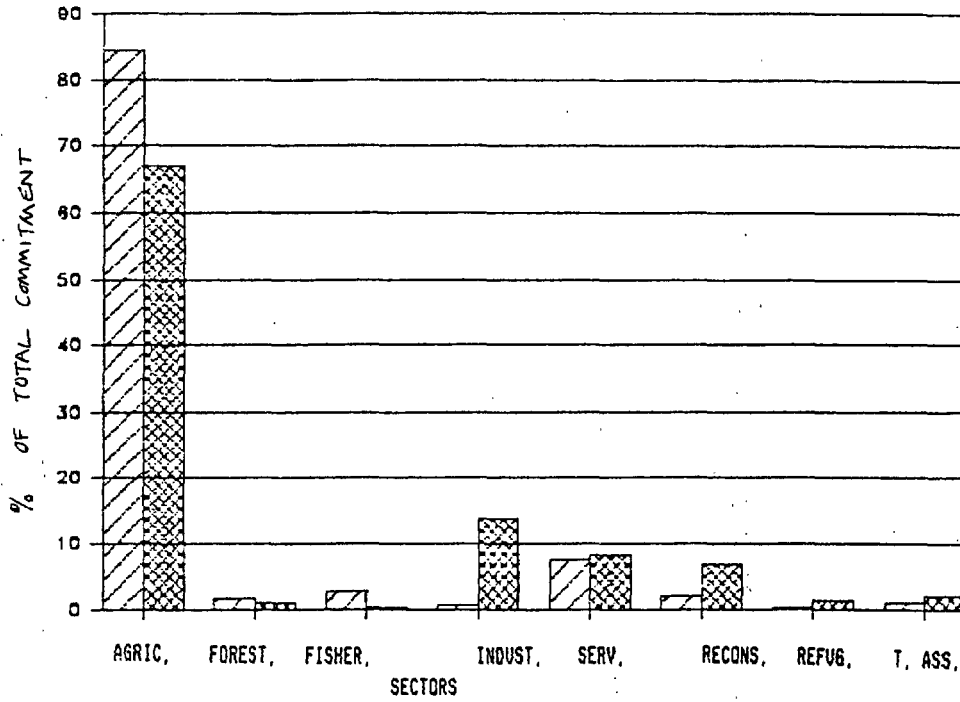
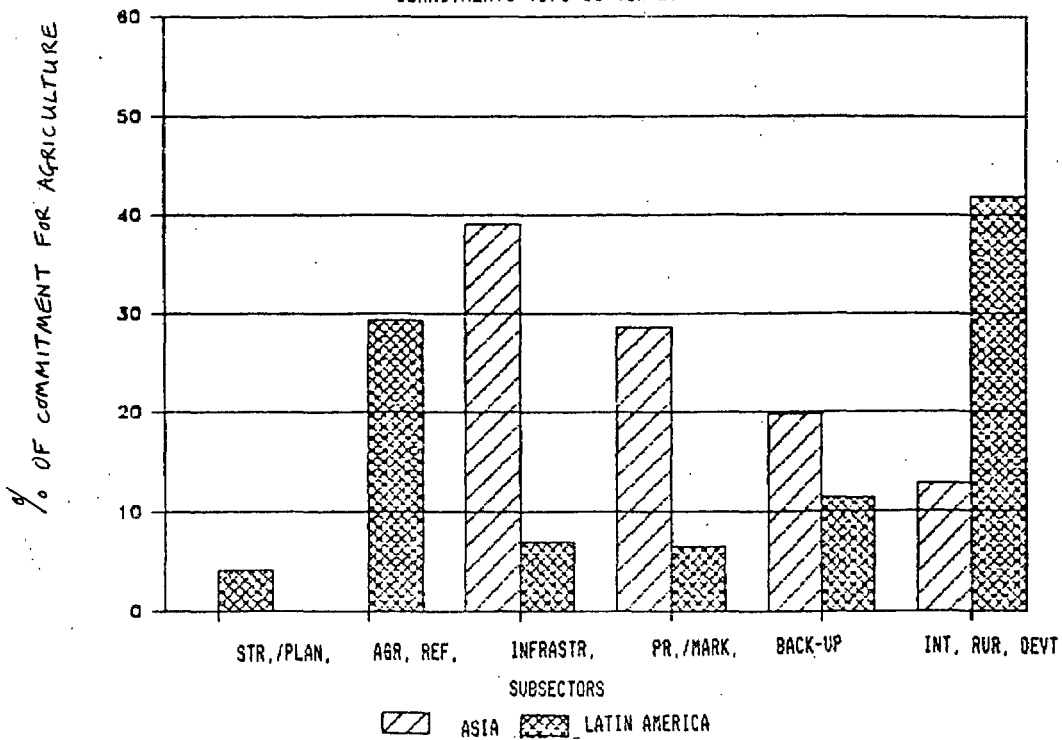


FIG. 4:
AGRICULTURAL SUBSECTORAL STRUCTURE
 COMMITMENTS 1976-86 (in %)



(c) Structure of the financing (cofinancing/autonomous financing)

Annex III lists the projects for which funds have been committed since 1976 and which have been cofinanced, either with an EEC Member State or with an international body. The number of projects cofinanced between 1976 and 1987 comes to 88, out of a total of 341 projects financed (i.e., well over a quarter).

Between 1976 and 1987, 28% of the cumulative commitment appropriations were used for cofinancing operations, 53% with the Member States (Table 10).

TABLE 10: SUMMARY OF COFINANCED PROJECTS BY SOURCE OF FINANCING
1976-1987 (million ECU)

SOURCES OF COFINANCING	NO OF PROJECTS	COFINANCING CONTRIBUTION	EEC CONTRIBUTION	TOTAL COST*	% EEC CONTRIBUTION/ TOTAL COMMITMENTS
EEC MEMBER STATES:	44	549,92	285,21	1729,71	15,08
OTHER:	44	946,59	253,00	1782,42	13,37
TOTAL:	88	1496,51	538,21	3512,13	28,45

* INCLUDING LOCAL FINANCING

In terms of the number of projects, there was a downward trend in cofinancing operations between 1983 (which was a record year, with 12 projects cofinanced) and 1986 (with only 4 projects cofinanced). This decline appears to be due to the practical difficulties involved in setting up cofinancing operations, particularly with certain bodies that have cumbersome procedures, such as the Asian Development Bank or the Interamerican Development Bank.

(d) Regional projects

Between 1976 and 1987, 9% of the cumulative commitment appropriations allocated to projects consisted of regional projects, about a quarter of which were in Asia and three quarters in Latin America, i.e., 3% and 26% respectively of the appropriations earmarked for projects in each of those two regions.

In other words, over the period in question the ratio, in terms of relative importance, of national projects to regional projects was 10 to 1 (Table 3).

1.3.2 Project disbursements

As at 31 December 1987, 52% of the cumulative commitments since 1976 had been disbursed (Table 11). In view of the steadily rising curve of commitments since the inception of this type of aid, this rate can be considered satisfactory.

The detailed table giving disbursements per calendar year corresponding to the commitments entered in the accounts for each calendar year is shown in Annex VI, while Annex VII presents, in terms of the amounts involved and the number of projects, the trend between 1976 and 1987 of commitments and disbursements, broken down between development projects proper, studies and technical assistance operations, and administrative expenses (experts seconded to the delegations on a long-term basis).

Table 11: Amounts committed and disbursed between 1976 and 1987 (million ECU)

Year of commitment	Commitments entered in accounts	Share of development projects (%)	Share of studies and TA operations (%)	Share of administrat. expenses (%)	Disbursements made	Disbursements as % of commitments
1976	20.96	100.0	-	-	20.89	99.7
1977	43.61	99.5	0.5	-	41.33	94.8
1978	29.68	99.8	0.2	-	25.34	85.4
1979	117.63	99.5	0.4	0.1	109.98	93.5
1980	132.45	99.0	0.5	0.5	119.14	90.0
1981	153.54	98.4	0.8	0.8	109.10	71.1
1982*	134.69	98.5	0.8	0.7	94.72	70.3
1983*	227.41	98.1	0.9	1.0	164.14	72.2
1984*	249.34	99.1	0.1	0.8	143.34	59.1
1985*	149.71	97.4	1.2	1.4	48.75	32.6
1986*	268.58	98.2	0.7	1.1	85.54	31.8
1987*	342.90	98.0	0.9	1.1	13.65	4.0
Total	1 870.50	98.5	0.7	0.8	975.92	52.2

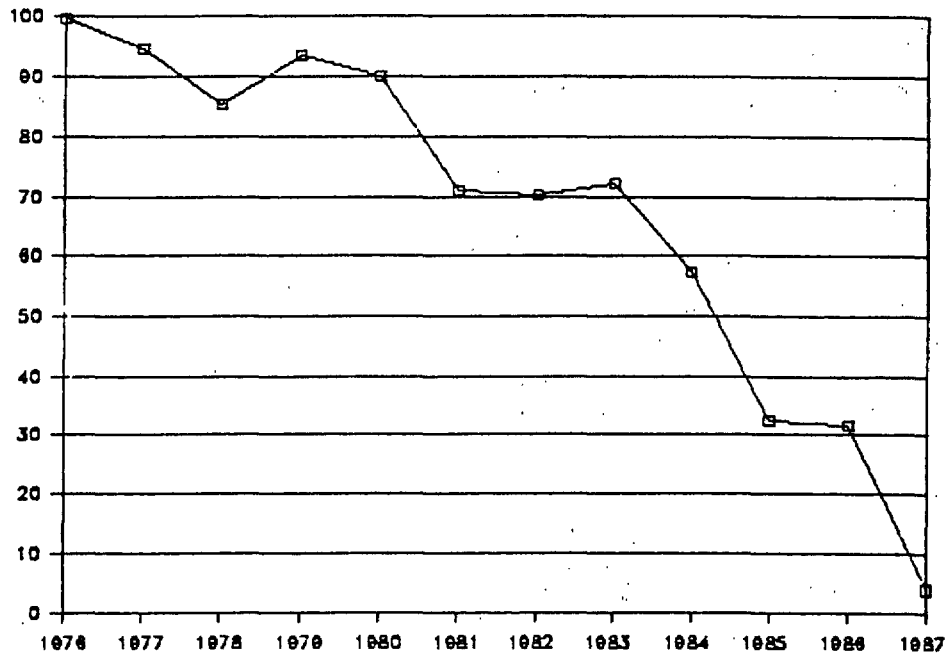
* Including top-ups for projects in respect of which sums were committed in earlier years.

Note:

- (a) the sharp growth between 1976 and 1987 in the amounts committed, which was virtually continuous despite large falls, compared with the preceding year, in 1978, 1982 and 1985;
- (b) the increasingly large share accounted for since 1978 by studies and technical assistance operations and, since 1979, by administrative expenses. Note that the proportion of these two items together has stabilized at around 2% since 1983, without ever having exceeded that threshold.

Fig. 5 below shows the trend between 1976 and 1987 of disbursements as a percentage of commitments for the year (all types of operations together):

FIG. 5: DISBURSEMENTS AS A PERCENTAGE OF COMMITMENTS



For virtually all commitments between 1976 and 1987, 70% of the project-related disbursements were made by the fifth year after work had started on the projects in question. It can therefore be said that, on the whole, except in special cases, financial and technical assistance operations involving the LAA developing countries have been paid for within reasonable time-limits.

The average and cumulative project disbursement percentages, in relation to the number of years following commitment, are as follows:

TABLE 12: AVERAGE AND CUMULATIVE DISBURSEMENT PERCENTAGES
IN RELATION TO THE NUMBER OF YEARS FOLLOWING COMMITMENT¹

NUMBER OF YEARS FOLLOWING COMMITMENT	AVERAGE DISBURSEMENTS (IN %)	CUMULATIVE AVERAGE DISBURSEMENTS (IN %)
0	4,5	4,5
1	20,8	25,3
2	21,3	46,6
3	10,9	57,5
4	10,4	67,9
5	7,3	75,2
6	6,0	81,2
7	2,9	84,0
8	2,9	86,9
9	2,5	89,4
10	1,5	90,9
11	0,0	90,9

¹ CALCULATED ON THE BASIS OF ANNEX VI

The data contained in Table 12 are expressed in the form of bar charts in Figs. 6 and 7 below.

On average, excluding the year of commitment, half the disbursements in respect of financial and technical assistance programmes are made by the end of the third year of execution and three quarters by the end of the fifth year. These results confirm the observations made during previous years. However, these are average values and conceal a complex situation, related to the very nature of projects and the difficulties encountered when executing them, as this may take from two to eight years, or even as long as ten years.

FIG. 6: AVERAGE DISBURSEMENTS AS % OF COMMITMENTS
BY CALENDAR YEAR FROM 1976 TO 1987

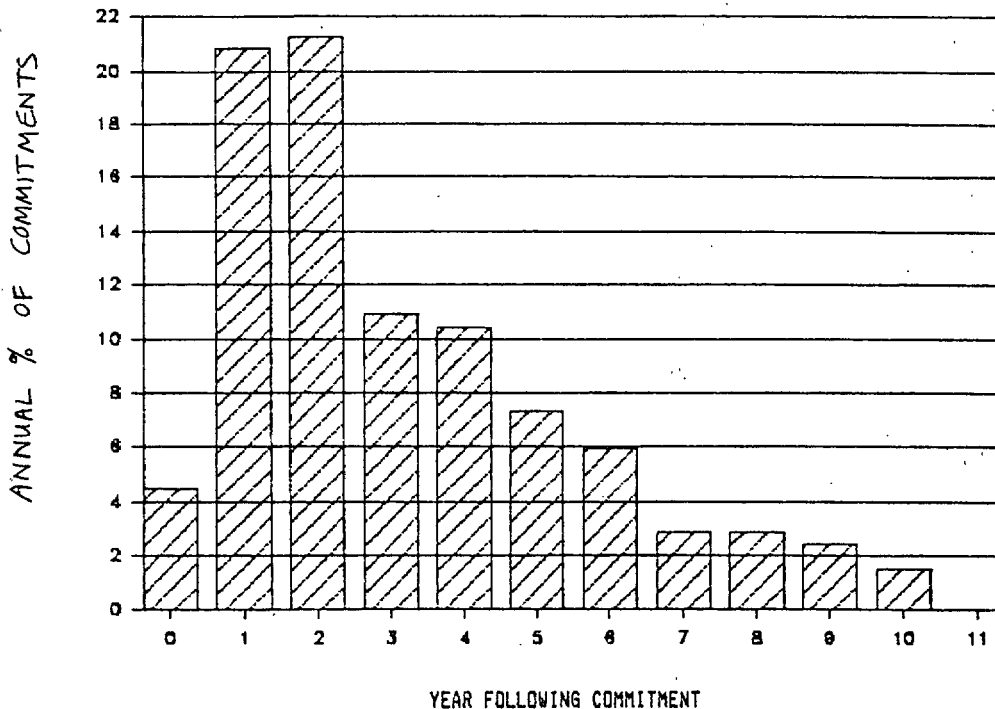
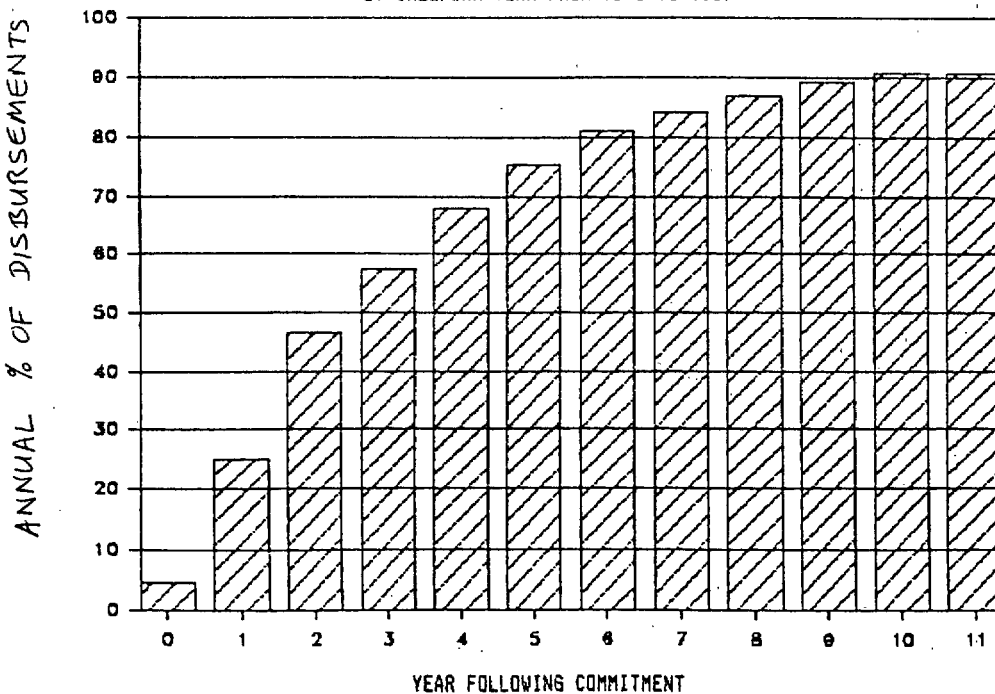


FIG. 7: CUMULATIVE AVERAGE DISBURSEMENTS AS % OF COMMITMENTS
BY CALENDAR YEAR FROM 1976 TO 1987



1.3.3. Summary of completed projects between 1976 and 1987

Table 13 below presents a summary (amounts and number) of projects completed as at 31 December 1987, a distinction being made between Asia and Latin America.

It can thus be established that, for the whole of the period 1976-87:

37% of the total number of projects financed have been completed (125/341);

in terms of value, those 125 projects account for 42% of total funds committed (compared with the overall disbursement rate of 52%).

TABLE 13: SUMMARY OF COMPLETED PROJECTS (EXCLUDING AGRICULTURAL RESEARCH), 1976-87 (in million ECU)

	ASIA		LATIN AMERICA		TOTAL		% OF TOTAL COMMITMENTS*	
	AMOUNT	NO OF PROJECTS	AMOUNT	NO OF PROJECTS	AMOUNT	NO OF PROJECTS	AMOUNT	NO OF PROJECTS
TOTAL	690,89	85	101,68	40	792,57	125	42,38	36,66

* TOTAL COMMITMENTS: 1870 MILLION ECU FOR 341 PROJECTS

2 - QUALITATIVE ASPECTS

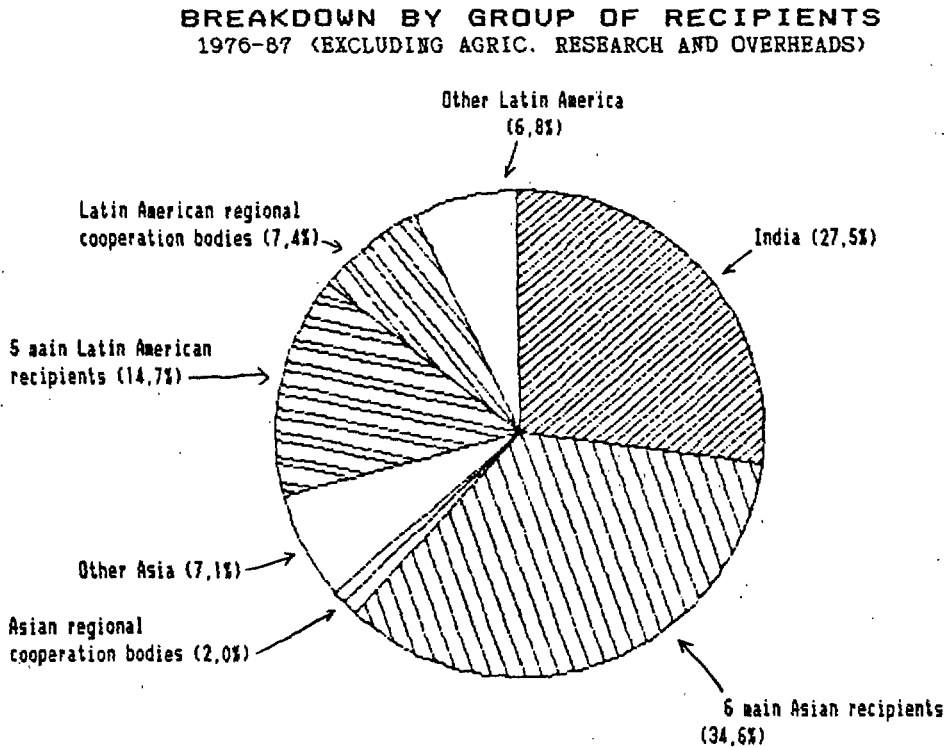
2. QUALITATIVE ASPECTS

The purpose of this second part, which is new compared with the earlier editions of the annual report, is to present in a qualitative manner the type of operation carried out since 1976 in respect of the principal recipient countries or organizations, to take a look at the particular case of India and the least developed countries (lldcs), and to outline the main problems and difficulties arising in connection with the implementation of the EEC's financial and technical cooperation with the LAA developing countries.

This review of the main recipient countries is therefore not intended to deal with the problems of their development, since this matter has already been the subject of various internal reports, any more than it is intended to evaluate Community aid to the places in question, which is to be covered in a forthcoming report. It consists primarily, at this stage, of a report, with brief comments, on the nature of the EEC's financial and technical cooperation and the conditions under which it is implemented.

Before dealing with these matters, in order to give a clear idea of the principal recipients' relative shares of the assistance, Fig. 8 below illustrates the percentage breakdown, by group of recipients, of the total aid granted between 1976 and 1987.

FIG. 8:



2.1. DESCRIPTIVE ANALYSIS BY RECIPIENT

This analysis has been made firstly in respect of the countries that have received the largest amounts of aid and, secondly, in respect of the principal regional or subregional bodies in question.

2.1.1. Principal recipient countries

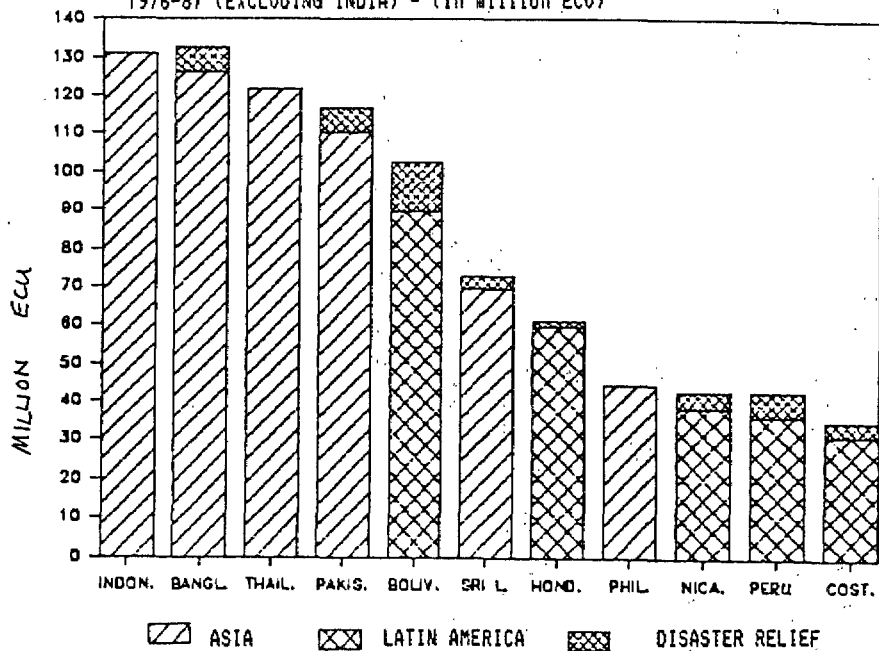
India, with more than 478 million ECU between 1976 and 1987, is the main recipient of financial and technical assistance. Special, detailed attention will be devoted to it in section 2.2.

Apart from India, the countries selected for this first qualitative analysis are those which have, since 1976, received cumulative aid for development projects (both standard and disaster-relief projects) in excess of 30 million ECU. There are 11 such countries¹ (6 in Asia and 5 in Latin America). Note that although funds have been committed for a large number of projects in China since 1983, that country is not included in the list because, despite the scale of technical assistance operations, the amounts involved are not particularly high.

Fig. 9 below shows the ranking of the 11 countries in question, in descending order of importance, according to the amount of total aid received between 1976 and 1987.

Annex VIII contains a list of the operations financed under the financial and technical assistance arrangements between 1976 and 1987 in respect of each of the main recipients in question.

GRAPH 9: AID TO THE 11 MAIN RECIPIENTS
1976-87 (EXCLUDING INDIA) - (in million ECU)



¹ Mozambique has not been included.

(a) Indonesia

Indonesia, with 131.00 million ECU since 1976, is the second biggest recipient of aid after India. The amount in question covered 22 standard projects (Indonesia has never received assistance under disaster-relief projects), funds being committed regularly in respect of two or three projects every year from 1976 onwards.

The EEC's first projects in Indonesia were cofinanced, mainly with the Asian Development Bank. They involved major irrigation projects, which got off to a slow start, and difficult migration projects. After a few years, autonomous projects were carried out, as well as projects cofinanced with the Member States, concerning the agricultural sector, irrigation and rural credit. The more recent operations consisted of contributions to sectoral programmes on a national scale.

Progress in executing the projects has been uneven. Only 9 projects out of 22 had been fully disbursed as at 31 December 1987, as national procedures in Indonesia are complex, sometimes resulting in fairly long periods between the financing decision, the signing of the agreement and the actual commencement of work on the projects.

(b) Bangladesh

With some 107 million inhabitants, Bangladesh, which is classified among the 11dcs, is one of the poorest countries in the world.

It possesses no natural resources (apart from gas), but it does have a fertile soil. However, the land tends to be divided up into tiny plots (land tenure system) and is extremely susceptible to flooding (flat topography).

Bangladesh is the third recipient country, with 126.18 million ECU since 1976, for 18 projects (including 6.5 million ECU for a disaster-relief project). It received particularly large amounts of assistance between 1981 and 1984 (of the order of 20 million ECU a year on average). The amount of aid has since been below 5 million ECU a year (not counting the rehabilitation project to deal with the effects of flooding, for which funds were committed in 1987), and no commitments were made for any projects in 1986.

The early projects financed by the EEC in Bangladesh consisted mainly, for want of sufficient experience, of cofinancing operations with aid agencies/international development banks. As experience was gained, autonomous financing operations became possible.

The EEC's aid has so far been directed mainly at increasing agricultural production (irrigation, drainage) and agricultural diversification (cereals, livestock, cotton, tea) and rural development, including basic infrastructure and cyclone protection infrastructure.

The pace at which the projects have been executed, based on disbursements made, is uneven, some older projects having been only 50% disbursed or even less. Six projects out of a total of 18 have been fully completed, while execution of the five projects for which funds have been committed since 1984 has hardly started.

Institutional and legislative problems make it difficult to define good rural projects for Bangladesh, which explains the sharp decline in the level of commitments since 1984 and the need to refrain from now on from excluding infrastructure projects, on which lasting development is dependent. Bangladesh's absorption capacity, in terms of project execution, remains very low and makes cooperation difficult.

(c) Thailand

With commitments amounting to 121.87 million ECU, Thailand is the fourth largest recipient of EEC financial and technical assistance. This assistance, which started in 1977, consists of a total of 23 projects relating to production, research and agricultural services. The amounts committed, which were at their peak in 1983 and above all in 1985, declined in 1986 and 1987.

The vast majority of these projects are concerned with the diversification of agricultural production, particularly in the north-eastern part of the country. They are in response to a commitment entered into by the EEC when the EEC-Thailand agreement on the limitation of cassava exports to the EEC (Article 6) was signed in 1982 (it was renewed for a further four years in 1986).

True diversification cannot be achieved as rapidly as one would like: the prices offered to the small farmers for cassava are still extremely attractive and the poor or marginal land on which cassava is grown is unsuited to alternative crops. Nevertheless, despite these difficulties, the diversification measures taken are helping to improve the income of the rural population by providing a considerable top-up. This diversification exercise is a long-term operation and the real benefits will be achieved only gradually, after a number of years. EEC support for the development of Thailand now comes under the "Action Plan" relating to this problem. The north-eastern region is still a very unproductive area agriculturally.

Ten of the projects for which funds had been committed had been executed in full by the end of 1987, while for the six projects in respect of which commitments have been made since 1984, the rate of implementation is just over 50%, which is satisfactory.

(d) Pakistan

The cumulative amount of EEC financial and technical cooperation assistance to Pakistan (1976-87) is 110.6 million ECU, of which 6.7 million ECU was from the reserve for disaster relief. This amount represents the contribution towards the financing of 15 development projects.

The first projects were concerned with infrastructure, such as the Tarbela dam, and were cofinanced with international development banks. Later on, EEC aid, which was provided on a more autonomous basis, was concentrated on projects involving irrigation, services in rural areas, water supply and, more recently, education.

Only three projects out of a total of 15 have been fully completed, while disbursements in respect of the six projects for which funds have been committed since 1984 stood at less than 6% as at 31 December 1987. This extremely low disbursement rate (only 22.8% of the aid total at the end of 1987) illustrates the difficulties involved in cooperation with this country, which are mainly due to the complex administrative set-up (sharing of responsibilities between federal and provincial levels), rigid procedures and the limited effectiveness of the often resource-starved services.

The opening of the Commission Delegation in Islamabad in 1985 and the fact that its resources have to some extent been increased have enabled a closer dialogue to be conducted with the authorities and project follow-up to be enhanced, which is necessary to improve this cooperation with a country which is one of the most difficult of the aid recipients.

(e) Bolivia

Bolivia, with 89.48 million ECU committed for projects (including 13.8 million ECU for disaster-relief projects), is the biggest recipient of EEC financial and technical assistance in Latin America. This aid - involving 12 different projects¹ (on a number of which there have been cost overruns, notably because of exceptional financial and economic situations) - concentrated mainly on rural development, particularly the implementation of microprojects, and infrastructure under flood prevention and reconstruction programmes.

The pace of implementation is satisfactory, given that six of the projects in respect of which funds had been committed since 1976 have been completed and that for the other five projects, for which funds were committed between 1984 and 1986, the disbursement rate is of the order of 50%.

The project execution rate is all the more remarkable in view of the fact that conditions generally in Bolivia (social, economic and financial), particularly during the period 1983-85, have been extremely unfavourable, for the execution of development projects too (record hyperinflation, general/sectoral strikes, the tin crisis, political upheavals and frequent changes of those in power, natural disasters, etc.).

It should be noted that this financial and technical cooperation was "put on ice" for two years (1980-82) but accelerated from 1983 onwards, as soon as a democratic, constitutional regime was reinstated. Against a background of near-emergency (drought, flooding), and despite very unfavourable conditions, an original *modus operandi* was evolved for rural development projects, which was to be applied in turn to other areas of Bolivia, Peru, Central America and the Philippines.

¹ Including a further project under Article 958 appropriations.

In a nutshell, this involved the rural microprojects programme (predevelopment), to be implemented in a dynamic manner, deliberately concentrated over three years, and normally to be followed immediately by another five-year development programme, based on promoting security of production, training and the organization of small farmers, in order ultimately to encourage them to become less dependent on the public services (self-development).

The characteristics of the microproject programmes can be summarized as follows:

- i. an autonomous management structure (national and expatriate co-management), with the power to deploy and take decisions affecting all the resources made available to the programme (staff, funds, equipment);
- ii. the co-managers have full responsibility for executing the work programmes previously approved by the national authorities and the Commission;
- iii. real decentralization of decision-making, with ongoing identification of grassroots activities with the rural communities concerned;
- iv. voluntary, enthusiastic and large-scale participation of the rural communities in the work and activities;
- v. ongoing monitoring/transparency of the activities in relation to the Bolivian and Commission authorities;
- vi. geographical decentralization, to support the regional development corporations, and the taking up of permanent residence by the expatriate and national staff in the rural environment in question.

This approach has produced concrete results, which speak for themselves, a fact acknowledged by regular internal inspection teams and in turn on the occasion of visits by Financial Control (April 1986) and the Court of Auditors (February 1987). BEC cooperation enjoys a high level of credibility in Bolivia, both among the farming community and the national development officials and local, regional and national authorities.

(f) Sri Lanka

Since 1976, funds to the value of 69.70 million ECU have been committed for eight development projects in this country (including 3.0 million ECU for disaster-relief projects).

Owing to the country's size, in the early years of the aid Sri Lanka received only limited contributions, which made it impossible to have sufficient influence on the nature of the projects (mainly infrastructure). The principle of concentrating aid (larger amounts of finance, but more spaced out in time) provided a solution to this difficulty.

The characteristic feature of financial and technical assistance in Sri Lanka is that, since 1980, it has consisted almost entirely of a single programme, the Mahaweli Ganga integrated rural development programme, which is being carried out in a number of phases (with 15.40 million ECU committed in 1980, 20 million ECU in 1983 and 25 million ECU in 1987, as part of a cofinancing operation with the IDA).

A recent evaluation of the Mahaweli Ganga programme, the findings of which were positive, emphasized the merits of the management structure that had been set up. This programme also received the counterpart funds from EEC food aid. Diversification of agricultural production and support for the social aspects, in a framework of integrated rural development, have consolidated the impact of the Community contribution.

Five of the projects for which funds had been committed had been completed as at 31 December 1987.

(g) Honduras

Honduras is the poorest country in Central America and the main recipient of EEC financial and technical cooperation in this region. The cooperation started in 1977 and has involved cumulative overall assistance (1977-87) worth 59.71 million ECU, of which 1.6 million ECU came from the reserve for disaster relief.

The majority of the projects are small rural development projects costing around 2 million to 3 million ECU, apart from a project (for which funds totalling 16.9 million ECU were committed in 1982) aimed at promoting agrarian reform, and a project for which funds were committed in 1986, for health development in rural areas, following a similar project (for which the commitment was made in 1979) which was brought to a successful conclusion. No funds were committed for any projects in 1987.

Project execution, based on the disbursement rates, has been sluggish. While out of eleven projects financed, six have been completed, the five projects financed between 1980 and 1986 have on average been 30% executed.

Cooperation with Honduras is taking place under relatively difficult conditions. The country's foreign aid absorption capacity is severely constrained, primarily because of the weakness of the administration, the precarious situation of most project execution agencies (Banasupro, IHNA, IHCAFE, etc.), the exaggerated impact of political factors on the operation of projects (appointment of the local staff).

This explains why a number of the projects supported by the EEC since the late seventies have been unable to attain their objectives in full or have had to be reformulated (this applied in particular to the following projects: small-scale fisheries, grain storage, the Yoro native community, Banasupro purchasing centres).

Of the projects currently in progress, a special effort is at present being made to ensure the smooth operation of the two major projects concerned with support for agrarian reform, in the Danli and Choluteca regions.

In so far as the laying-on of rural water supplies and hygiene are concerned, the relatively favourable experience gained with the Ministry of Health in the first project (Olancho) should be confirmed with the implementation of a second major project in another region (F. Morazan - El Paraiso).

(h) Philippines

The programmes in respect of which funds were committed by the EEC did not start until 1979. There was one project in 1979, one in 1980 and one in 1981, then, after a three-year break, one project in 1985 and one in 1986, i.e., five projects in all, totalling 44.40 million ECU, which puts the Philippines in ninth place among the recipient countries. The amount of the annual commitments increased gradually, to 10.8 million ECU in 1985 and 18.5 million ECU in 1986. The projects for which funds have been committed are concerned primarily with rural development.

Between 1979 and 1981 the projects were cofinanced with the ADB and then with a Member State. Note that concern for the environment was amply taken account of in a number of these projects.

Since 1985, two major autonomous rural development projects have been adopted, to help marginal rural population groups, in direct pursuance of the new regime's development policy, which is based on geographical decentralization and services to assist as a matter of priority regions in urgent need and seeking political stability.

In this connection, note the recent implementation of a programme of rural microprojects (Central Cordillera), based on experience gained in Bolivia (procedure and structure), adapted to the Philippine context.

Two of the five projects for which funds had been committed had been fully executed as at 31 December 1987, while as of that date no disbursements had been made in respect of the two projects for which funds were committed in 1985 and 1986.

(i) Nicaragua

Since 1979, Nicaragua has received eight projects, totalling 38.67 million ECU, of which 4.10 million ECU was for disaster-relief projects. No funds were committed for any projects in 1987. The type of project for which commitments have been made is very varied, such as technical assistance for various bodies, agricultural production, support for the implementation of agrarian reform and agricultural back-up services.

Of the eight projects for which funds were committed in this country, three could be regarded as having been completed as at 31 December 1987. As of that date, the other five projects had on average been 58% disbursed.

In view of the objective difficulties facing Nicaragua, EEC financial and technical cooperation, which was initially based on rehabilitation/technical assistance and, since 1982, has concentrated on support for agrarian reform and small farmers, has generally been conducted in a satisfactory manner.

Thus significant results have been able to be achieved, particularly with regard to organizing agricultural associations and training those in charge, and stepping up production of basic grains by means of improving production techniques (use of draught animals, etc.) and post-harvest treatment.

Owing to the continuing deterioration of the country's economic and political situation since 1983, which in particular has resulted in considerable difficulties in obtaining supplies of materials and in the availability of national staff and counterpart funds, the EEC projects have suffered substantial delays.

Thus additional funds have been committed for the first two agricultural development operations, to enable their objectives to be attained.

(j) Peru

With a total of 36.10 million ECU (including 6.50 million ECU for disaster-relief projects) covering six development projects altogether, Peru ranks eleventh among the countries receiving EEC financial and technical assistance (and fourth in Latin America). The projects for which funds have been committed in this country consist of infrastructure projects (reconstruction/prevention) and rural development projects (microprojects). Out of six projects, three are being cofinanced with EEC Member States (Belgium, Italy and the Netherlands). No commitments were made for any projects in 1987.

As at 31 December 1987, two projects had been completed, while the two projects for which funds had been committed in 1986 had on average been more than 26% disbursed.

In addition to a certain degree of structural inertia in its administration, Peru has very serious difficulties of all kinds to contend with, which makes development cooperation no easy matter, particularly from the budgetary point of view (national financial contribution).

Note since 1987 the Pampa-Puno rural microprojects programme (LAA/86/1), which consists of applying in the department of Puno ("Andean Trapezium"), in support of the Puno development corporation, the experience acquired in Bolivia in a similar ecological context (Altiplano, altitude 3 800 to 4 200 m).

This rural microprojects programme provides direct support for a priority aspect of Peruvian government policy, i.e., the development of marginal rural areas and bringing back of their inhabitants into the mainstream of the national economy, in particular via effective decentralization at the level of the rural microregions. Despite a very difficult context, complicated by an element of risk relating to the security of the region and problems of an institutional nature, this programme is being carried out in a satisfactory manner. Apart from the fact that it is being positively received by the rural communities concerned, it is contributing towards lasting structural development.

(h) Costa Rica

EEC financial and technical assistance to this country has been confined to three projects, in 1982 and 1985, and amounts to 31.55 million ECU (including 3.60 million ECU from the disaster-relief reserve). The two standard projects have been concerned with the implementation of agrarian reform and rural development operations.

None of the projects for which funds had been committed had been completed as at 31 December 1987 but, for the two more recent projects (funds committed in 1985), the disbursement rate was around 18%, which can be regarded as a satisfactory pace.

Although EEC financial and technical cooperation with Costa Rica has, under the standard aid arrangements, so far been confined to two projects in support of agrarian reform (the second of which did not commence until 1987), overall, the experience must be regarded as a positive one.

These projects are being carried out under favourable conditions, with in particular very good integration and on-the-spot presence of the various local authorities concerned, and coherent but sufficiently flexible follow-up of the economic and social activities.

The Costa Rican authorities regard these operations as model schemes, to be followed in the case of other projects involving the settlement of small farmers on new land.

The main difficulty encountered in the implementation of the projects in Costa Rica concerns the availability in appropriate amounts and on time of the scheduled local contributions (in particular of land and financial resources for infrastructure work and of credit).

This difficulty, which is due primarily to the economic and financial crisis by which the country has been beset for some time, has not, however, been such as to jeopardize the pursuit of these projects.

2.1.2. Main recipient organizations

We have seen that, in terms of appropriations, 10% of the projects financed between 1976 and 1987 were regional projects and that the relative proportion of EEC financial and technical assistance to the LAA accorded to regional cooperation bodies¹ varies considerably in the cases of Asia and Latin America (3% and 26% respectively of the projects carried out in those two regions).

In the case of Asia, three bodies are involved (ASEAN, the Asian Development Bank and the Interim Mekong Committee), while in the case of Latin America 13 bodies have been involved (the main ones being the JUNAC of the Andean Pact, and various bodies related to the Central American Common Market, a recipient which has recently grown to include the six countries of the Central American isthmus).

This type of cooperation is concerned with three categories of assistance:

- i. support for bodies whose brief is the economic integration of their member countries;
- ii. support for sectoral bodies covering a number of countries;

¹ Excluding aid for international agricultural research.

- iii. regional projects implemented in an area that covers more than one country.

The first category of assistance is by far the most important.

The regional cooperation provided for in the rules, the importance of which is stressed in the annual guidelines, often means that attention must be focused on areas other than the rural sector, in order to meet the requirements.

Altogether, 16 regional projects, involving a total contribution of 80 million ECU, were financed between 1976 and 1987 in respect of the five countries of the Central American Common Market (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) and, in the case of some projects, the six countries of the Central American Isthmus (i.e., plus Panama).

The main points to be noted are as follows:

- i. in 1984, assistance totalling 20 million ECU was provided via the *Banco Centro-Americano de Integracion Economica* (BCIE) for the development of small and medium-sized enterprises;
- ii. in 1985 and 1986, 16.5 million and 2.9 million ECU were committed for health programmes and funds were also committed for a programme to assist agricultural cooperatives;
- iii. in 1987, there was a programme worth 22 million ECU for assisting agricultural cooperatives.

While eight projects have been completed, the average disbursement rate for the six projects financed between 1980 and 1985 is only 30%, which illustrates the difficulties encountered in the regional context.

Between 1977 and 1985 funds totalling 34.73 million ECU were committed for 13 projects with the JUNAC of the Andean Pact. These projects were concerned with rural development, agricultural and forestry production, energy, industry and food security. They are preinvestment operations with great potential in terms of multiplier and knock-on effects.

Since two three-year programmes, each worth 7 million ECU, were decided on in 1984 and 1985 (one on food strategy and security, the other on industry and subregional trade), no new projects were adopted in 1986 or 1987.

Even if the JUNAC is up against the inevitable difficulties inherent in promoting the social, economic and political integration of the five member countries (Bolivia, Colombia, Ecuador, Peru and Venezuela), progress is being made, with the recent adoption of the Quito Protocol, which has amended the Carthagena Agreement and shifted the emphasis in the integration process towards giving equal importance to the development of agriculture in the wide sense and industry (small and medium-sized enterprises, capital goods).

Project disbursement has been satisfactory. Eight operations have been completed, although the projects for which funds were committed between 1981 and 1985 have, on average, been only 60% disbursed.

On the occasion of its recent visit (February 1987), the Court of Auditors commented on what a responsible organization this body was and on the rigorousness and transparency of its financial accounting procedures.

Between 1978 and 1986, funds totalling 27.95 million ECU were committed for ten projects with ASEAN. The projects were concerned mainly with forestry development, fisheries and industrial cooperation.

On the basis of the disbursement rates, the pace of project execution appears to be very slow. None of the projects, not even any of the older ones, have been fully disbursed. As at 31 December 1987, no disbursements had been made in respect of the three projects for which funds were committed in 1986. There were no commitments for new projects in 1987.

While regional cooperation programmes are unquestionably important in terms of the contribution they make to the regional or subregional integration of the countries concerned, they are often awkward to define and above all implement, since, by definition, they depend on the drive shown by each of the member countries concerned.

You are reminded that the Tenth Report (the preceding annual report) included a special chapter dealing with regional cooperation, in particular the three subregional bodies ASEAN, the Andean Pact and the Central American Common Market. Please refer to that report for further details.

2.2. INDIA

With an area of nearly 3 290 000 km², a population of 750 million in mid-1985 and a per capita GNP of US\$ 270 in 1986¹, India is one of the most important countries covered by financial and technical cooperation with the LAA developing countries. It is also, as a result of its position, the country to have received since 1976 the largest amount of aid under Article 930. A review of this aid over the period 1976-87 is given below.

2.2.1. Characteristics of financial and technical cooperation

(a) Overall amount and trend since 1976

Between 1976 and 1987, EEC aid to India totalled 983 million ECU (see Annex IX). Over the same period, financial and technical assistance amounted to 478.67 million ECU, i.e., approximately 50% of the total aid, while food aid, notably under Operation Flood II, accounted for 40%.

The trend of financial and technical cooperation between 1976 and 1987 (see Table 14 and Fig. 10 below) shows a marked rise in commitments between 1976 and 1983 (up to around 60 million ECU a year), at which point they stagnated until 1986, after which they fell to 50 million ECU in 1987 (this was mainly due to the fall in the level of total commitment appropriations).

(b) Type of project for which funds have been committed

Financial and technical cooperation funds were committed for a total of 38 development projects between 1976 and 1987. The projects are listed, year by year, in Annex X.

The majority of the operations, which were broadly speaking agricultural, can be divided up into the following main categories:

small-scale irrigation schemes	: 29%
development of oilseeds	: 27%
integrated management of water resources	: 25%
storage of agricultural production	: 19%

	100%

The projects selected are therefore on the whole productive projects, whereas in the early years many of the projects for which funds were committed were of a social nature.

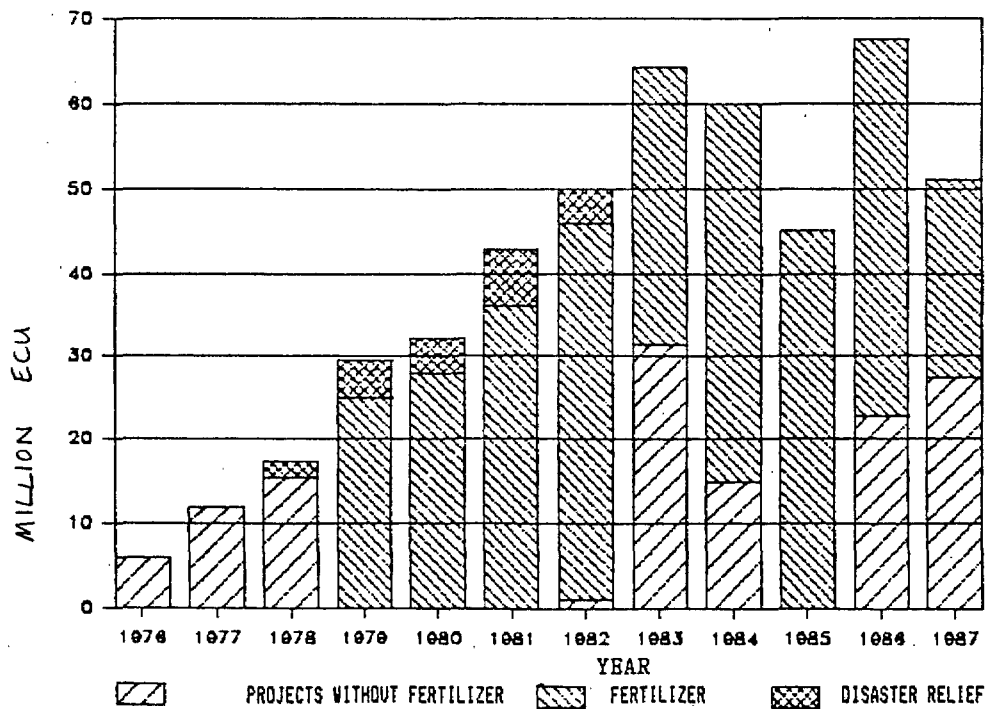
Most of the States of the Union have received EEC financial and technical assistance, although the aid has been more concentrated in the states of Uttar Pradesh, Maharashtra, Tamil Nadu, Madhya and Andhra Pradesh.

¹ Source: World Bank Atlas, 1986.

TABLE 14: FINANCIAL AND TECHNICAL ASSISTANCE ACCORDED TO INDIA, 1976-87 (in million ECU)

	PROJECTS WITHOUT FERTILIZER	SUPPLY OF FERTILIZER (VEGETABLE OIL)	DISASTER RELIEF	TOTAL	% FERTILIZER SUPPLIES (VEGETABLE OIL)
1976	6,00	-	-	6,00	-
1977	12,00	-	-	12,00	-
1978	15,40	-	2,00	17,40	-
1979	-	25,00	4,50	29,50	84,7
1980	-	28,00	4,40	32,40	86,4
1981	-	36,00	7,00	43,00	83,7
1982	1,00	45,00	4,00	50,00	90,0
1983	31,50	33,00	-	64,50	51,2
1984	15,00	45,00	-	60,00	75,0
1985	-	45,00	-	45,00	100,0
1986	22,77	45,00	-	67,77	66,4
1987	27,30	23,80	-	51,10	46,6
TOTAL:	130,97	325,80	21,90	478,67	68,1

Fig. 10:
AID TO INDIA FROM 1976 TO 1987 (in million ECU)



Projects were selected on the basis of the proposals presented to the EEC by the Indian government, in the light of the priorities defined by the governments of the different states and with regard for an equitable spatial distribution. Attention was of course also paid to ensuring that the proposed projects were consistent with Regulation 442/81 and the annual guidelines, as well as technically and economically viable.

The very nature of the projects is such that nearly all the costs involved consist of local costs, which very much need to be met by aid in the form of financial transfers, to help the poorer sections of the community to improve their standard of living. Since 1979, the EEC has regularly use the device of supplying fertilizer in order to generate in the second phase the funds needed to meet these local costs.

This combined approach was introduced in order to take account of India's undeniable ability to provide the skills and equipment needed for carrying out development projects, especially with regard to agriculture and social infrastructure. The principal requirement is therefore the financial contribution, and not knowhow. Consequently, the practice of aid in the form of commodities is a contribution to development in a way which satisfies both Indian and European interests. That is why the supply of fertilizer and the corresponding development projects are always integrated under the same financial agreement, without this meaning that the development projects themselves are the counterpart in accounting terms of the Community financing operation.

While it is a direct response to the need for development among the poor rural communities, this financing device (supplies) has the following advantages:

- rapid disbursement,
- it helps with India's balance of payments problems,
- it supplies inputs which are essential for Indian agriculture,
- the benefits are transferred directly to the rural communities.

The proposal each year for fertilizer supplies (or vegetable oil in 1987) on average accounts for 68% of the total financial and technical assistance, in accordance with the following annual pattern from 1976 to 1987:

1976	0
1977	0
1978	0
1979	84.7
1980	86.4
1981	83.7
1982	90.0
1983	51.2
1984	75.0
1985	100.0
1986	64.4
1987	46.6

However, in view of the objective of seizing the opportunity of project financing to provide a certain degree of technology transfer and the Court of Auditors' recommendations', the proportion of aid accorded via the financial device of supplies has been substantially reduced.

Note that hardly any of the projects for which funds have been committed since 1976 have been cofinanced, apart from the three projects 79/9, 81/10 and 82/10, which were integrated into the ARDC III and ARDC IV international agricultural cooperation projects.

The project disbursement rate is relatively high, mainly because of the supply arrangement used. The normal cycle of rural development projects, however, is relatively long. Two projects for which funds were committed in 1979 and 1980 (with disbursement rates of 90% and 78% respectively) have not been completed.

These considerable delays are mainly due to the very cumbersome administrative procedures according to which the Indian government implements the EEC's financial and technical cooperation.

Improvements have, however, recently been made which should speed up disbursement and project execution. In particular, these improvements consist of a system of financial advances granted directly to the projects (replacing the system of applications for reimbursement), the systematic presence of European technical assistance, in order to ensure that projects are better prepared, and ongoing follow-up/monitoring/evaluation of project execution.

2.2.2. Institutional procedures

These are very much governed by the fact that India is a federal state (the Indian Union), which groups together 25 autonomous States, but with very substantial powers being retained by central government.

As in the case of all international aid received by India, projects are channelled through the Ministry of Finance, with which the projects committee deals. Under the Constitution, EEC grants are, as with all other international aid, directed to development projects, paid into the "Consolidated Fund of India" and are administered under five-year plans in accordance with the procedures adopted at the instigation of two committees, the planning and finances committees:

for central projects, administered by the Union, 100% of the grants earmarked for projects are transferred by the Fund in the form of loans and grants;

for projects administered by the States of the Union, the expenditure committed for executing the development project is reimbursed retrospectively upon production of supporting documents.

' Report No 4/86 on financial and technical cooperation with India.

Reimbursement is partial, although there are exceptions: the amount met by the Consolidated Fund is normally limited to 70% of the expenditure covered by the foreign aid, the remaining 30% and any cost overruns being met by the State from the general development budget ("pool of plan assistance") in the light of the "additionality" system. Transfers from the Consolidated Fund to the States are never entirely in the form of grants (save for exceptional social projects, such as "cyclone shelters"), even if the foreign aid was 100% in the form of grants. As a general rule, the transfers are 70% in the form of loans and 30% in the form of grants, but for the States regarded as particularly disadvantaged, the breakdown of these transfers can be 10% loans and 90% grants.

Even though the system is criticized by certain donors, the Commission has found that everyone accepts it.

However valid the Indian system is, the crucial question is whether its application to Community aid fails to comply with the letter and spirit of the financing agreements. The recipient of the Community aid in the financing agreements is always the "Republic of India", i.e., the Federal Union of the States, never an individual State. Furthermore, the majority of projects financed by the EEC are basic infrastructure projects (irrigation, water supplies), which, at the local level, are undertaken by the departments of the State concerned under its development plan and in due course transferred free of charge to the rural inhabitants (individuals or village communities), who in actual fact are the ultimate and real beneficiaries of the projects. That is why, if a financing agreement provides for Community financing of 100 ECU, works to the value of 100 ECU (or the equivalent in rupees) are carried out and transferred to the recipient population, in full compliance with the main objective of the EEC commitment in favour of development.

2.2.3. The levying of customs duties

Although duties and taxes are not financed from the EEC resources, where they are levied, this increases the cost and finance charge of projects and means a reduction in the additional finance intended for projects for which the EEC is providing grants. That is why the Indian authorities have been urged to consider general relief from such taxes.

Even though the Indian authorities have so far agreed only to consider relief from taxes on a case-by-case basis and are therefore prepared to deal with this matter outside the normal projects budget, negotiations are continuing.

2.2.4. Overall assessment

On the whole, a positive verdict can be given on the results of EEC financial and technical cooperation with India.

The Indian context is a favourable one, compared with that of other developing countries, because the technical departments operating in areas relating to rural development are generally efficient in terms of project definition and implementation. In some cases, specific structures have been set up for the purposes of follow-up and monitoring.

Therefore it would appear that development projects for which funds have been committed in a country such as India could move much further than is the case at present towards genuine cooperation projects. The selection of a number of quite specific niches in which EEC aid would specialize would have the advantage of both encouraging resources to be concentrated as much as possible and fostering the follow-up and supervision of operations that have been carried out. Such an approach, which might apparently be supported by the Indian authorities, would increase the effectiveness of EEC financial and technical cooperation.

2.2.5. Operation FLOOD

Lastly, attention should be drawn to a major development project with structural effects financed by the EEC in favour of India, namely Operation Flood, to which the EEC's cumulative financial contribution stands at around 400 million ECU (i.e., 40% of the total Community aid to India between 1976 and 1987). This programme to develop the dairy sector has in many respects been exemplary and has already been the subject of special reports by the Commission to the Council and the European Parliament. However, since this development project is funded via food aid, it is mentioned here only for the record.

2.3. THE LEAST DEVELOPED COUNTRIES

The concept of the "least developed countries" (lldcs), which was defined by the United Nations in the period 1969-70, was based on a combination of three criteria:

- i. *per capita* GNP (with a threshold fixed at US\$ 100 at the time);
- ii. the literacy rate (20%);
- iii. the rate of industrialization in relation to GNP (10%).

A country was regarded as being one of the lldcs if its figures for the three criteria were below the thresholds referred to above. Initially, 26 countries fell into this category.

This concept has been updated a number of times with regard to the *per capita* GNP threshold. The latest updating, which was undertaken by the OECD¹, categorizes 41 countries as lldcs. Of the LAA developing countries which, during the period 1976-87, received EEC financial and technical assistance, ten are classed as lldcs². These are listed in Table 15 below, which also provides a summary (based on the data contained in Annex XI) of the aid accorded to them between 1976 and 1987. Fig. 11 below shows the trend of total aid over the period 1976-87.

It would appear that:

- the amount of financial and technical assistance accorded by the EEC to each of these countries is very small since, except in the case of Bangladesh, it came to no more than 2 million ECU a year and was less than 500 000 ECU a year in respect of five of the countries in question;
- the lldcs' share of the aid recipients' total (standard projects) was around 20% between 1976 and 1984, but decreased sharply in 1985 (3.6%), 1986 (6.7%) and 1987 (5.2%).

This trend is not in line with the priority objectives of the EEC's policy of financial and technical assistance for the LAA developing countries, since Article 2 of Regulation 442/81³ of 18 February 1981 stipulates that the aid is normally for the least developed countries. The situation can, however, be explained by the very limited ability of the lldcs in question to propose good development projects and above all to implement them.

This state of affairs means that, in addition to providing EEC assistance for the preparation of good projects, the support for the countries in question should be increasingly directed towards technical assistance and institutional support projects, which are a precondition for their socioeconomic development. The possibility exists of financing infrastructure projects (which should be duly justified in the context of their overall development) in the countries concerned.

¹ See the working paper of the OECD's Directorate of cooperation for development dated 18 February 1988, which was based on the data relating to 1986 provided by the World Bank Atlas.

² Including the Democratic Yemen People's Republic (South Yemen), which has so far received a project under the disaster-relief reserve.

³ See Annex I.

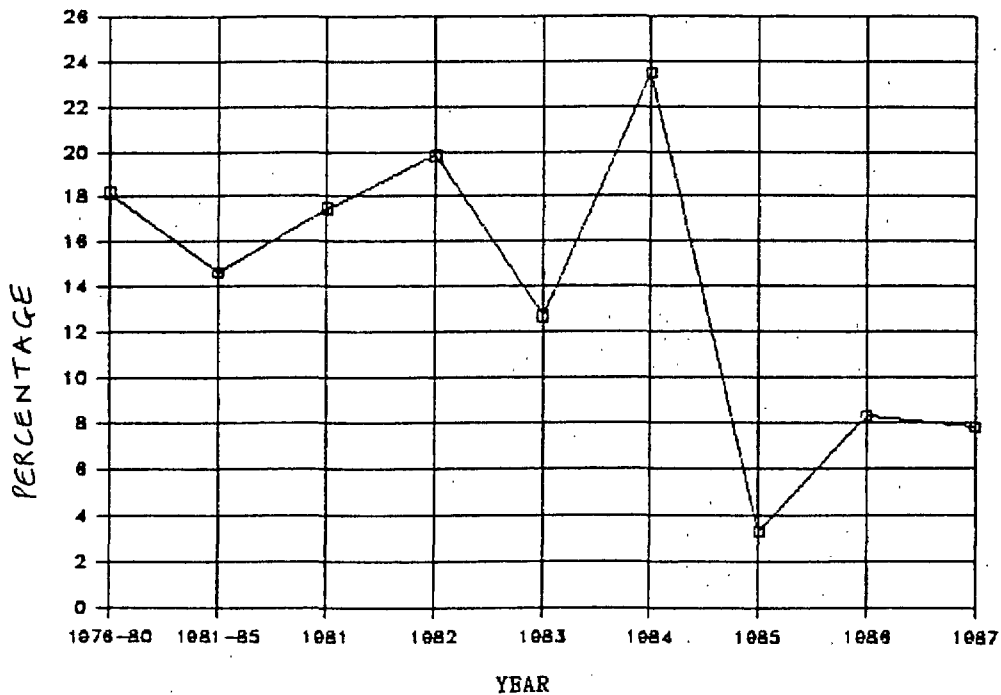
TABLE 15: SUMMARY OF FINANCIAL AND TECHNICAL COOPERATION WITH THE LLOCS, 1976-87 (in million ECU)

COUNTRY	POPULATION (millions) ¹	per capita GNP IN US\$	1976-1980	1981-1985	1986	1987	TOTAL
AFGHANISTAN	?	NF	1,00	-	-	-	1,00
BANGLADESH	100,6	160	32,70	83,00	-	10,48	126,18
BHUTAN	1,2	160	-	9,00	-	-	9,00
BURMA	36,8	200	5,90	8,00	-	3,45	17,35
LAOS	3,6	NF	4,10	1,20	6,00	0,40	11,70
MALDIVES	0,2	310	0,50	1,70	-	-	2,20
NEPAL	16,5	150	5,20	15,54	-	2,71	23,45
NORTH YEMEN	8,0	550	3,10	16,49	7,50	-	27,09
SOUTH YEMEN	2,1	480	-	2,50	-	-	2,50
SUBTOTAL ASIA	169,0	-	52,50	137,43	13,50	17,04	220,47
HAITI	5,5	330	12,90	8,10	5,85	-	26,85
TOTAL LLOCS	174,5	-	65,40	145,53	19,35	17,04	247,32
TOTAL AID			359,30	994,66	232,53	216,75	1803,24
% OF TOTAL AID			18,20	14,63	8,32	7,86	13,72

NF: no figures available.

¹ Source: World Bank Atlas, 1987 (data for 1985).

FIG. 11: SHARE OF AID TO LLOCS (%), 1976-87



2.4. EVALUATION OF COMPLETED PROJECTS

2.4.1. General remarks on project evaluation

This type of evaluation is of fundamental importance for ensuring that development cooperation is as effective as possible. Such cooperation could not continue indefinitely without an assessment being made of the way in which the various development projects have actually been carried out and without the different types of effect of such projects and their validity being evaluated in the most precise manner possible.

This type of evaluation did not start until 1988 in so far as EEC financial and technical cooperation with the LAA developing countries is concerned. There are two main reasons for this:

- i. since aid for the LAA developing countries did not get under way until 1976 and projects generally take six to eight years to complete, it was advisable to wait until enough projects had been finished, in order to have a representative sample on the basis of which an overall assessment could be made of the way in which the different types of project have been carried out;
- ii. the evaluation department, which serves both the ACP and LAA developing countries, has limited resources, particularly in terms of the number of staff.

It is important that evaluation is conducted in a close-knit relationship with the various phases which go to make up the project cycle and which can be summarized as follows:

Identification - Study - Negotiation and decision-taking - Execution and follow-up - Evaluation.

It can be carried out effectively only if account is taken in each of these phases of the need to look for the requisite items of information. This search for coherence is, however, all the more difficult in that these different phases are often carried out with an input from different sources (experts from external consultancy firms, development consultants seconded to the delegations, Commission officials, etc.).

2.4.2. Objectives and methods of evaluation

As is common practice with an operation of this kind, the objectives pursued by the department responsible for the evaluation of development projects carried out in the LAA developing countries are to make an assessment, in respect of each of the projects evaluated, in relation to:

- the initial objectives;
- the real needs of the country in question;
- the project's ability to survive.

The last aspect is regarded as absolutely essential, as only a project which is capable of outliving its financing can be regarded as valid.

The impact of the project will be evaluated using social, institutional and economic indicators, and from the technology transfer angle.

The project's viability, i.e., its ability to survive, will be assessed in the light of the following criteria: the political environment, the natural environment, sociocultural appropriateness, technological appropriateness, management and organizational ability, financial and economic viability, and protection from external factors.

The systematic search for quantifiable indicators will be accompanied by qualitative observations in the field, which are intended to provide a better assessment of the context in which the project is being carried out.

For the time being, only evaluations of individual projects are being considered. Later on, sectoral evaluations and evaluations by instrument of aid may be contemplated for the major countries.

2.4.3. Progress made with the evaluation procedures

The Commission's departments have agreed on a priority programme for the evaluation of the nine projects referred to in Table 16 below:

Table 16: Projects undergoing evaluation

Country	Project No	Project title
Bangladesh	NA 82/1	Construction of fertilizer silos
"	NA 79/3	Storage of cereals
India	NA 80/5B	Development of soya beans in Madhya Pradesh.
"	NA 80/5C	Development of soya beans in Uttar Pradesh.
Indonesia	NA 81/14	Irrigated area in Bali.
Sri Lanka	NA 77/5	Development of the Mahaweli Ganga (System H).
"	NA 80/10	Integrated rural development of the Mahaweli Ganga.
Bolivia	NA 77/15	Integrated rural development of Ulla-Ulla.
"	NA 83/7 + 958-84 BOL	Rural microprojects + Food production/ environmental protection.

In the preliminary phase (entrusted to an independent consultancy firm), which started at the end of 1987 and was completed in April 1988, attention was concentrated on the methodological aspects, which are not fundamentally different from those adopted for evaluating projects carried out in the ACP countries (in particular, the criteria referred to, and the key indicators that enable the project to be assessed in the light of the criteria).

Phase II, which is currently under way in the field, will enable the execution of each of the nine projects selected to be evaluated. It will soon be completed and the results made known in a forthcoming report.

A new batch of projects/programmes will then be selected for the continuation of this evaluation exercise. It will include one or more projects in Central America.

2.4.4. Conclusions

A major step forward will have been taken, both from the point of view of methodology and results, when the work in progress has been completed. It will only be wholly satisfactory when the sample evaluated is representative of overall aid, and this, beyond the results concerning the projects themselves, will make it possible to channel future aid as a whole more effectively.

2.5 MAIN DIFFICULTIES AND PROBLEMS IN CONNECTION WITH THE IMPLEMENTATION OF FINANCIAL AND TECHNICAL COOPERATION

The analysis of the Commission's activities during 1987 concerning financial and technical cooperation with the LAA developing countries is an opportune moment to outline the main problems and difficulties encountered in the implementation of projects and the measures proposed in order to deal with those problems and difficulties.

2.5.1. Main structural problems

(a) There are problems inherent in financial and technical cooperation in developing countries relating to:

the enormous diversity of the recipients of cooperation (in terms of geography, culture and the sociopolitical and economic situation) and, in some cases, relating to the unstable nature of the institutions concerned;

the frequent changes among the political and administrative staff in the recipient countries, which are detrimental to continuity in terms of contacts;

the level of training of the local staff in charge of implementing the projects, which does not always give them an overall grasp of the technological, economic or social aspects of the projects;

the limited ability of the LAA developing countries to contribute even partially towards financing development projects, as a result of budgetary difficulties, exacerbated by their burgeoning external debt burden;

the absence, in some of the countries concerned, of a coherent economic, social and spatial development strategy, into which EEC-funded cooperation projects, particularly in the rural sector, could be usefully and effectively inserted;

the difficulties concerning coordination, between EEC financial and technical cooperation and other forms of aid, both multilateral and bilateral, accorded to each of the countries concerned;

a certain degree of incompatibility between the procedures of the recipient countries and the Community procedures.

(b) Rural development projects/programmes take a long time to carry out and are slow to have an effect, irrespective of whether the projects are concerned with institutional reforms (technical assistance for agricultural development agencies), structural changes (agrarian reform), training, research or extension, or operations involving the building of relatively large-scale infrastructure. Furthermore, rural development projects often come up against traditionalist

attitudes, which change only very slowly, resist the adoption of new techniques and technologies and sometimes conflict with the development objectives.

- (c) Lastly, other problems arise from the institutional framework within which EEC financial and technical cooperation with the LAA developing countries is being conducted: the annual nature of the budget is difficult to reconcile with the execution of development projects with a rural emphasis, which are carried out over a number of years and whose real costs are very difficult to assess in advance, either because of the real price trend or because of changes to the project while it is being carried out.

2.5.2. Difficulties in implementing projects

The main difficulties encountered in the implementation of projects are:

- (a) delays in the negotiation of the terms of the financing agreements, which often amount to more than a year from the time when it has been decided to finance the project. This works to the disadvantage of the least developed countries in particular, since often they do not have either the human resources or the structures suited to the processes preparatory to the signing of the agreements, apart from which they are particularly sensitive to matters of sovereignty;
- (b) other delays are encountered with regard to project execution, either because of the inertia of the national authorities and/or the cumbersome nature of the procedures or because of inappropriate project organization and management structures, which fail to provide the necessary impetus for successful project execution;
- (c) disbursements are also subject to delays, either because of the difficulties encountered in speeding up project execution (in so far as local expenditure is concerned) or because of certain ponderous administrative procedures followed by the relevant Commission departments with regard to releasing the funds on time;
- (d) lastly, while a large number of these difficulties are unquestionably attributable to the situation in the recipient countries, some of them are related directly to the insufficient human resources available to the Commission for successfully conducting a genuine cooperation policy over such a vast geographical area covering such a wide variety of countries and for implementing particularly difficult rural development projects. The use of outside experts and consultancy firms to undertake studies and short-term consultancy work is essential to complement the functions and skills of the aid administrators but cannot replace them completely.

2.5.3. Proposed measures

Without going into details which do not belong to this report, it is possible to propose certain broad lines for changing the present situation, some of which could lead to short- or medium-term measures:

- i. the staff of the delegations could gradually be increased, in particular by engaging development officers whose prime responsibility would be to follow up closely and monitor the execution of operations financed with EEC support. In addition, their contribution to the detailed analysis of the economic situation of the countries concerned, their development strategies and their sectoral policies would make it easier to define the projects best suited to the real needs of the countries receiving EEC aid;
- ii. "rules governing cooperation" could be defined and negotiated (at least with the major recipient countries) which, although not of a contractual nature, as this would be incompatible with the nature of EEC financial and technical cooperation, would enable the various conditions governing the execution of the projects/programmes to be agreed in a more definitive manner;
- iii. coordination of multilateral and bilateral aid for each recipient country could be improved, with due regard for the development strategies of each of the countries concerned, and cofinancing could be sought as a matter of priority with the Member States;
- iv. the follow-up and monitoring of the execution and evaluation of projects financed in the various countries could be systematized;
- v. the number of staff working in the departments responsible for administering this form of aid could be increased.

During 1987 the Commission made a start on looking for solutions to certain problems. This process recently led to specific proposals for internal and external measures and procedures. These can be summarized as an improvement in the effectiveness of the disbursement channels, once an organizational/management structure has been negotiated with the recipient which guarantees *a priori* the best chances of project/programme implementation.

GENERAL CONCLUSIONS

This eleventh progress report has dealt in turn with the quantitative and qualitative aspects of financial and technical cooperation with the LAA developing countries.

The quantitative analysis of commitments and disbursements relates to the 1987 programme and the cumulative figures for the period 1976-87.

The 1987 programme has been executed wholly in accordance with the Basic Regulation and the general guidelines for 1987. However, a greater effort must be made to help the lldcs and look for cofinancing operations with the Member States.

The exceptional effort made in 1987 enabled a record level of appropriations to be committed and thus the substantial balance of commitment appropriations carried over from the 1986 to the 1987 programme to be mopped up. Note the very low balance outstanding at the end of 1987.

Although the cumulative rate of programme implementation between 1976 and 1987 is satisfactory, disbursements made in 1987 have decreased.

As part of a preliminary qualitative/informative analysis, the main recipients of financial and technical cooperation have been looked at, more detailed attention being paid to India, the leading recipient.

During 1987 a thoroughgoing examination has been made of aid implementation procedures, ways of increasing their effectiveness and the measures to be recommended to achieve that goal. The Commission has decided to take appropriate action.

This analysis must be fleshed out in the future, as part of an evaluation process which could lead to an improvement, or even perhaps a certain shift of emphasis in this form of Community aid.

Lastly, in order to improve the effectiveness of EEC financial and technical cooperation in qualitative and quantitative terms, it is essential to strengthen the Commission's administrative departments, both in the Delegations and in Brussels.

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COUNCIL REGULATION (EEC) No 442/81

of 17 February 1981

on financial and technical aid to non-associated developing countries

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof,

Having regard to the proposal from the Commission⁽¹⁾,

Having regard to the opinion of the European Parliament⁽²⁾,

Whereas the pursuit of a Community development cooperation policy calls for *inter alia* the carrying out of certain financial and technical aid operations for the benefit of non-associated developing countries, taking account of the economic principles and priorities established by those countries and having regard to the aspirations of the developing countries towards promoting their development on the basis of their own efforts and of the resources available to them;

Whereas the implementation of such operations would be likely to contribute to the attainment of the Community's objectives;

Whereas the Council, in a resolution of 16 July 1974, confirmed the principle of Community financial and technical aid to non-associated developing countries;

Whereas the action to be taken to implement such aid, the objectives to be attained and the detailed rules of administration should be laid down;

Whereas provision should be made for a procedure involving the participation of a committee composed of representatives of the Member States;

Whereas the Treaty does not provide the specific powers of action for this purpose,

HAS ADOPTED THIS REGULATION:

Article 1

The Community shall implement measures for financial and technical aid to non-associated developing countries on the basis of the criteria provided for in this Regulation.

Article 2

The aid shall be directed as a general rule towards the poorest developing countries.

Bearing this principle in mind, a Community presence should be ensured in the major regions of the developing world while aiming at a reasonable geographical balance among these regions.

Article 3

1. The aid shall be mainly directed towards improving the living conditions of the most needy sections of the population of the countries concerned.

2. Special importance shall be attached to the development of the rural environment and to improving food production.

As a subsidiary form of action, participation in regional projects may be considered.

3. Part of the aid shall be earmarked for measures to deal with exceptional circumstances, in particular projects to promote reconstruction in the event of disasters, where such projects are not financed from other Community funds.

Any unallocated part of the reserve in question shall be released on 31 October of each year to be allocated in some other way, on a proposal from the Commission, in accordance with the procedure laid down in Article 14.

Article 4

Aid shall be granted by the Community either autonomously or, for a substantial share, by means of co-financing with Member States or with multilateral or regional bodies. Wherever possible, the Community nature of the aid shall be maintained.

Article 5

Community aid shall, as a general rule, be in the form of grants.

Article 6

1. Aid may cover expenditure on imports and local expenditure required to carry out projects and programmes.

(1) OJ No C 54, 4. 3. 1977, p. 5.

(2) OJ No C 118, 16. 5. 1977, p. 60.

Taxes, duties and charges and the purchase price of land shall be excluded from Community financing.

2. Maintenance and operating expenses for training and research programmes and for other projects may be covered following a case-by-case examination by the Committee referred to in Article 11, subject to the proviso that aid for other projects can only be given at the launching stage and in decreasing amounts.

3. In cases of co-financing, however, due account shall be taken in each case of the relevant procedures applied by the other aid donors.

Article 7

1. For those operations, for which the Community is the sole source of external aid, participation in calls for tenders, invitations to tender, and purchasing and other contracts shall be open on equal terms to all natural or legal persons of Member States and the recipient State.

Such participation may be extended to other developing countries which are recipients of aid under this Regulation during the same financial year or one of the two preceding financial years.

2. Paragraph 1 shall also apply to co-financing operations.

3. However, in cases of co-financing, the participation of third countries in calls for tenders, invitations to tender, and purchasing and other contracts may be allowed only after case-by-case examination by the Committee referred to in Article 11.

Article 8

The Commission shall administer the aid in accordance with the procedures laid down in this Regulation.

Article 9

1. The funds required for the measures provided for in this Regulation shall be fixed by the general budget of the European Communities.

Projects and programmes thus financed shall be carried out on a multiannual basis pursuant to the Financial Regulation applicable to the said budget.

2. Acting on a proposal from the Commission and after consulting the European Parliament, the Council shall determine, in good time before the end of the year, the general guidelines to be applied to aid for the following year.

Article 10

The choice of measures to be financed on the basis of this Regulation shall be made having regard to the

preferences and wishes expressed by the recipient countries concerned.

Article 11

1. A Committee for aid to non-associated developing countries, hereinafter referred to as 'the Committee', shall be set up at the Commission under the chairmanship of a Commission representative and composed of representatives of the Member States.

2. The secretariat of the Committee shall be provided by the Commission.

3. Any rule of procedure for the Committee not laid down in this Regulation shall be decided on by the Council, acting unanimously on a proposal from the Commission.

Article 12

1. The Committee shall deliver an opinion on the draft financing Decisions submitted to it by the Commission.

2. The draft financing Decisions shall be accompanied by a memorandum, the main purpose of which shall be to assess their effectiveness as far as possible by means of an economic and social evaluation relating the results expected from their implementation to the resources to be invested in them.

Article 13

Within one month the Committee shall decide by a qualified majority as laid down in the first indent of Article 148 (2) of the Treaty.

Article 14

1. The draft financing Decisions accompanied by the Committee's opinion, or, in the absence of such an opinion, by the result of the vote of the Committee, shall be submitted to the Commission.

2. If the Committee's opinion is favourable, the Commission shall take decisions which shall be immediately applicable.

3. In the absence of any favourable opinion of the Committee, the Commission may refer the matter to the Council.

If the Commission refers the matter to the Council, the latter, acting by a qualified majority, shall decide at the second meeting following such referral and at the latest within a period of two months.

If the Council approves the draft financing Decision, the Commission shall take decisions which shall be immediately applicable.

If, after its discussions, the Council has not decided by a qualified majority within a period of two months, the Commission may submit a new draft financing Decision to the Committee and shall inform the European Parliament thereof.

Article 15

Once a year the Commission shall, within the framework of the annual review which will be carried out

by the Council in accordance with Article 9, provide the European Parliament and the Council with information on the administration of Community financial and technical aid to non-associated developing countries.

Article 16

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 17 February 1981.

For the Council

The President

D. F. van der MEI

ANNEX II : COUNCIL DECISION OF 27.IV.1987

determining the general guidelines for 1987
concerning financial and technical aid
to Latin American and Asian
development countries

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) N° 442/81 of 17 February 1981 on financial and technical aid to non-associated developing countries (1), and in particular Article 9(2) thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament (2),

Whereas general guidelines should be determined for the administration, by the Commission, of financial and technical aid to Latin American and Asian developing countries in 1987,

HAS DECIDED AS FOLLOWS:

(1) OJ N° L 48, 21.2.1981, p.8

(2) Opinion delivered on 13 March 1987 (not yet published in the Official Journal)

Article 1
OBJECTIVES AND PRIORITIES

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

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

In countries where this is a prerequisite, ad hoc training projects may be considered.

Whenever possible, Community aid shall be used to prepare and implement general agricultural policies (food strategies) incorporating, where the need arises, food aid.

Support for regional integration efforts shall moreover be continued and stepped up in all sectors where Community support can make a positive contribution.

Article 2
GEOGRAPHICAL ALLOCATION

The geographical allocation of funds shall be as follows:

Asia 75%, Latin America 25%, without prejudice to Article 4.

Article 3
AID IMPLEMENTATION

Aid may be granted for projects and programmes, including, where appropriate, integrated projects and sectoral programmes, in accordance with Regulation (EEC) N° 442/81 and all applicable provisions.

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

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

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

Article 4
SPECIAL PROVISIONS

The reserve referred to in Article 3(3) of Regulation (EEC) N° 442/81 shall be set at 6% of the level of appropriations.

The Community shall continue to assist international agricultural research. Without excluding aid to other national, regional or international institutes, aid to institutes of the Consultative Group on International Agricultural Research (CGIAR) shall be maintained at the same level as in 1986.

With regard to the cost of administering the 1987 programme (use of outside experts, provision of specialists), the guideline percentage shall be set at 3%.

A reserve of 10% of the appropriations available after deduction of the items referred to in this Article shall also be constituted. This 10% reserve may be used for appropriate operations of the same kind as those specified in Article 3.

Done at Luxembourg, 27.IV.1987

For the Council

The President
(s)

L. TINDEMANS

Certified true copy

For the Secretary-General

A. DUBOIS
Director-General

ANNEX III: COFINANCED PROJECTS 1976-87 (million ECU)

1. WITH COMMUNITY MEMBER STATES:

PROJECT No	RECIPIENT	SECTOR	COFINANCING ORIGIN	FINANCING		
				TOTAL*	EEC	COFIN.
NA/77/05	SRI LANKA	Irrigation	IDA, UK, CANADA, NL, USA	42.20	2.00	40.20
NA/78/03	BANGLADESH	Tea rehabilitation	UK	62.30	6.60	36.70
NA/78/20	HAITI	Rural development	FRANCE	1.20	0.80	0.40
NA/78/04	PAKISTAN	Energy	IDA, UK, FRG, I, NL	904.50	4.80	194.40
NA/79/24	BOLIVIA	Rural development	GERMANY (FRG)	6.57	1.46	5.93
NA/79/26	PERU	Forestry	BELGIUM	3.40	2.00	1.40
NA/79/38	SRI LANKA	Coconuts	ITALY	3.80	3.00	0.53
NA/80/09	PAKISTAN	Rural infrastructure	UNICEF, NL, CIDA	25.00	4.00	10.00
NA/80/07	NICARAGUA	Technical assistance	FRANCE	3.56	2.80	0.60
NA/80/06	BANGLADESH	Livestock	UK	12.00	4.10	2.50
NA/80/15	THAILAND	Irrigation	BELGIUM	26.40	11.00	4.20
NA/80/19	HAITI	Rural development	FRANCE	6.36	5.20	1.16
NA/80/20	HAITI	Rural infrastructure	FRANCE	0.41	0.30	0.11
NA/80/14	PHILIPPINES	Rural development	GERMANY (FRG)	8.50	3.50	1.60
NA/80/12	INDONESIA	Livestock	ITALY	7.80	4.40	0.41
NA/81/21	CENTRAL AMERICA	Rural development	FRANCE	3.01	1.71	0.70
NA/82/01	BANGLADESH	Fertilizers	NL	4.00	2.00	2.00
NA/82/02	BANGLADESH	Seeds	GERMANY (FRG)	3.60	3.60	P.M.
NA/82/23	THAILAND	Agriculture	UK	25.60	13.40	1.30
NA/82/31	BANGLADESH	Fertilisers/Irrigation	UK, ADB, IDA	152.60	15.00	116.20
NA/82/20	INDONESIA	Fisheries	ITALY	4.77	2.90	0.89
NA/83/10	PERU	Rural development	ITALY	17.00	5.60	2.00
NA/83/13	YEMEN AR	Rural development	NL	11.00	2.74	3.51
NA/83/19	YEMEN AR	Disaster relief	NL, USAID	4.54	2.55	1.82
NA/83/21	PERU	Rural infrastructure	NL	8.70	6.00	1.25
NA/83/35	BANGLADESH	Seeds	GERMANY (FRG)	17.00	10.00	7.00
NA/83/37	CHINA	Fruit preserve production	ITALY	4.48	1.73	0.35
NA/83/14	INDONESIA	Rural infrastructure	UK	19.30	13.10	2.00
NA/84/07	NEPAL	Training	UK	6.50	5.00	1.50
NA/84/14	CENTRAL AMERICA	Industry	ITALY	23.00	20.00	2.85
NA/84/21	BANGLADESH	Rural development	NL	37.20	25.50	7.00
NA/84/23	YEMEN AR	Agriculture	ITALY	15.00	5.80	3.50
NA/84/01	MALDIVES	Rural infrastructure	GERMANY (FRG)	14.10	1.70	10.40
NA/85/02	NICARAGUA	Rural development	ITALY	6.00	2.50	2.50
NA/85/05	CENTRAL AMERICA	Rural development	FRANCE	9.07	4.82	0.33
NA/85/10	BOLIVIA	Disaster relief	NL	11.50	9.00	1.00
NA/85/18	PAKISTAN	Education	FRG, IDA, UNDR, CIDA	103.70	16.00	54.40
NA/85/19	EL SALVADOR	Education	ITALY	5.00	3.30	1.70
NA/85/20	CENTRAL AMERICA	Health	ITALY	32.32	16.50	15.80
ALA/86/25	CENTRAL AMERICA	Health	PAHO, BIOFORCE (FRANCE)	5.83	2.90	1.93
ALA/87/01	EQUADOR	Rural development	ITALY	23.84	9.00	3.84
ALA/87/06	NEPAL	Rural development	FRANCE	3.20	2.70	0.50
ALA/87/14	CENTRAL AMERICA	Rural development	SPAIN	40.00	22.00	2.50
ALA/87/17	INDONESIA	Fisheries	FRANCE	3.85	2.20	1.20
TOTAL EEC MEMBER STATES (1):				1729.71	285.21	549.92

* Including local financing.

** DM 14.9 million (ecu exchange rate = 2.5109).

ANNEX III (cont.)

2. OTHER:

PROJECT No	RECIPIENT	SECTOR	COFINANCING ORIGIN	FINANCING		
				TOTAL (*)	EEC	COFIN.
NA/76/02	PAKISTAN	Irrigation	IDA	23.97	3.00	11.86
NA/76/03	BANGLADESH	Irrigation	IDA	38.97	2.63	22.87
NA/77/04	PAKISTAN	Irrigation	ADB	117.17	4.00	21.12
NA/77/07	INDONESIA	Rural development	ADB	52.58	1.96	50.62
NA/77/15	BOLIVIA	Rural development	IBRD/IDA	21.07	1.80	15.77
NA/77/03	BANGLADESH	Irrigation	IDA/CIDA	46.40	5.00	26.50
NA/77/09	YEMEN AR	Agric. research	IDA	13.44	1.09	8.37
NA/77/13B	BURMA	Fisheries	ADB	4.50	1.00	0.90
NA/77/16	HONDURAS	Fisheries	IDB	3.00	1.36	PM
NA/77/17	CENTRAL AMERICA	Rural development	CABEI, IDB	18.80	1.80	17.00
NA/78/05	SRI LANKA	Rural development	FAO	12.10	2.00	1.50
NA/78/09	INDONESIA	Rural development	ADB, ISLAMIC DEV. BANK	52.68	3.00	34.77
NA/78/15	NEPAL	Rural development	ADB	37.70	3.00	28.70
NA/78/21	HAITI	Rural infrastr.	IDB	5.06	1.60	2.93
NA/78/22	HONDURAS	Rural development	IDB	8.00	2.40	PM
NA/78/23	BOLIVIA	Rural development	IDB	11.15	1.90	9.19
NA/79/04	PAKISTAN	Livestock	ADB	13.13	6.70	5.47
NA/79/06	BURMA	Oil palm-trees	ADB	16.30	4.90	4.60
NA/79/07	INDONESIA	Rural infrastr.	ADB	47.70	6.10	27.90
NA/79/21	HAITI	Rural infrastr.	IDB	9.64	6.00	2.36
NA/79/13	PHILIPPINES	Rural development	ADB	53.60	4.50	41.09
NA/80/01	NEPAL	Livestock	ADB	15.70	2.20	10.30
NA/80/13	INDONESIA	Rural infrastr.	ADB	76.90	3.80	39.40
NA/81/03	PAKISTAN	Rural infrastr.	UNICEF	6.00	2.70	3.30
NA/81/06	BURMA	Irrigation	ADB	31.50	5.50	10.50
NA/81/11	MALDIVES	Health	UNCDF	1.05	0.50	0.55
NA/81/12	BANGLADESH	Irrigation	ADB	71.66	12.00	44.78
NA/81/14	INDONESIA	Rural infrastr.	ADB	99.60	12.00	26.88
NA/81/15	PHILIPPINES	Rural development	ADB	78.00	7.10	43.00
NA/82/08	BANGLADESH	Irrigation	ADB	44.40	3.00	31.20
NA/83/12	PAKISTAN	Rural infrastr.	UNICEF	13.20	7.80	1.88
NA/83/17	NEPAL	Fertilizers	IBRD	32.20	5.30	24.60
NA/83/20	BURMA	Rural infrastr.	UNICEF	11.50	2.50	3.90
NA/83/22	THAILAND	Rural credit	ADB	142.40	20.00	58.90
NA/83/28	SRI LANKA	Rural development	SAUDI FUND FOR DEVELOPM	93.00	20.00	29.00
NA/83/32	ASEAN	forestry	ASEAN countries	12.90	7.50	5.42
NA/84/09	LAOS	Rural development	UNICEF	3.70	1.20	1.50
NA/84/16	PAKISTAN	Rural infrastr.	UNHCR	27.20	4.00	23.20
NA/85/14	INDONESIA	Rural development	IBRD	52.36	20.64	24.64
ALA/86/04	ASEAN	Fisheries	ASEAN countries	9.32	6.77	2.55
ALA/86/18	ASEAN	Fisheries	ASEAN countries/ SEAFDEC	1.02	0.65	0.36
ALA/87/02	BANGLADESH	Drainage	IDA	25.40	2.10	17.70
ALA/87/03	SRI LANKA	Rural development	IDA/CIDA	144.05	25.00	72.20
ALA/87/16	PAKISTAN	Education	IDA/CIDA	182.40	15.00	137.40
TOTAL OTHER (2) :				1782.42	253.00	946.59
GRAND TOTAL (1) + (2):				3512.13	539.21	1496.51

* Including local financing.

Cofinancing operations expressed in US dollars were converted to ecus using the following exchange rates:

1976:	1 ECU =	US \$ 1.18050
1977:	1 ECU =	US \$ 1.14112
1978:	1 ECU =	US \$ 1.27410
1979:	1 ECU =	US \$ 1.37054
1980:	1 ECU =	US \$ 1.39233
1981:	1 ECU =	US \$ 1.11645

Year and number of operation	Recipient and title of operation	Type of operation	Sector	Type of financing	Total cost of project (million ECU)	EEC contribution		Payments as percentage
						million ECU	%	
78/13	Laos: Vientiane Plain	Project	1.C Infrastructure	Autonomous	2.0	2.0	100	100
<p>The project was aimed at protecting 2 000 ha of cultivated land along the Mekong River from flooding. EEC funds helped finance the first phase of the project, enabling imported equipment to be purchased and technical assistance to be supplied to the Secretariat of the Mekong Committee.</p>								
78/22	Honduras: Agricultural advisory and research services (II)	Project	1.E Support services	Cofinancing IDB	10.0	2.6	26	99.9
<p>The project was aimed at strengthening the operational capacity of the National Resources Secretariat as regards research, agricultural advisory services, production of new seed varieties and the improvement of existing varieties, production and distribution of breeding animals, artificial insemination, and the expansion of soil analysis and soil conservation activities. The InterAmerican Development Bank was responsible for project administration and management, and was also the lead agency for the cofinancing operation. The project followed a previous IDB project and was completed at the end of 1986. Its objectives were achieved in full and 12 000 peasant families benefited from it.</p>								
79/23	Bolivia: National agricultural census	Project	1.E Support services	Autonomous	1.36	1.2	88.2	98.3
<p>Project for carrying out the first agricultural census at national level since the agrarian reform of 1953 (which had meant that data collected previously could no longer be used). A first payment of 200 000 ECU was made, but the Commission's technical support for Bolivia - and therefore for this project - was interrupted by the political events of July 1980. The Commission resumed its aid for Bolivia after the return of a constitutional and democratic regime in October 1982. Despite these exceptional difficulties, the project was carried out correctly, albeit over a longer period than planned (mainly owing to successive extensions aimed at avoiding non-representative years). The Statistical Office in Luxembourg, at the request of Commission departments, provided technical support (methodology, monitoring and guidance) for the project in 1983, 1986 and 1987. The Office's technical reports on the quality of the work being done have always been very favourable.</p>								
79/26	Peru: Pilot afforestation project in Cajamarca	Project	2: forestry	Cofinancing (Belgium)	3.4	2.0	59	100
<p>The project was based on several years of research and adaptation work on forestry species carried out by Belgium, and was aimed at establishing 6 000 ha of industrial forestry plantations (mainly of pine) and carrying out complementary operations for the socio-economic development of farmers and herdsmen in the microarea concerned by the pilot afforestation scheme. These objectives were achieved: an industrial, forestry plantation of 4 000 ha was created with several islands of natural woodland, the necessary roads were built and several nurseries set up with a production capacity of 1.5 million young pine trees per year. The agricultural goals were also reached: a 60 ha irrigation and drainage system was installed for terraced crops, and potato seeds were produced so successfully that government approval was given for production to continue in the future; grazing land was improved by the introduction of legumes.</p>								

Year and number of operation	Recipient and title of operation	Type of operation	Sector	Type of financing	Total cost of project (million ECU)	EEC contribution		Payments as percentage
						million ECU	%	
79/28	CABEI: Technical assistance programme	Studies	1.E Support services	Autonomous	0.5	0.5	100	100
<p>The programme was aimed at financing studies with a view to accelerating the preparation of development studies, particularly in the rural sector, in the countries members of Central American Bank for Economic Integration (CABEI). These could be studies carried out by the CABEI itself, or contracted out to other bodies and paid for by means of a credit line.</p> <p>The main studies financed under the programme cover the following topics:</p> <ul style="list-style-type: none"> - regional programme for the production of edible fats and oils (including an important subprogramme for growing soya in Central America); - regional programme for the production and distribution of priority medicines; - project for the protein enrichment of bananas in Honduras. <p>The latest studies at present under way concern cocoa growing and industrialization, aquaculture and milk production. Despite long delays in the programme's implementation and frequent changes in the sectors of activity being proposed, some of the studies carried out provide a valuable basis for launching development projects.</p>								
80/19	Haiti: Integrated rural development in Jacmel	Project	1.F Integrated rural developmt	Cofinancing (France)	6.364	5.2	81.7	93.8
<p>This was the second phase of an integral rural development project cofinanced with France. It provided technical support for the agricultural district of Jacmel, which covers the whole south-eastern part of the southern peninsula (with around 200 000 inhabitants). The project included a very broad range of activities in various interlinked sectors: rural planning (building of tracks, small-scale water engineering projects, etc.), agricultural production (improving and diversifying crops, marketing), protection against erosion, utility crafts, training etc.</p> <p>The second phase of the project was aimed at intensifying, extending and consolidating the progress achieved in the earlier phase; activities begun to be placed on an autonomous footing and experience gained was capitalized on by means of training and the publication of reports.</p>								
80/21	Honduras: Infrastructure in coffee-producing area	Project	1.C: Infrastructure	Autonomous	2.1	2.1	100	100
<p>The project was aimed at setting up an infrastructure with 250 kilometres of tracks and access roads for the coffee plantations and establishing an ongoing training system for farmers.</p> <p>The projects was completed in 1983 and exceeded its objectives: 1 200 kilometres of roads were built instead of 250 kilometres as planned. As regards training, the results were satisfactory. The staff thus trained were able to learn how to prevent coffee disease. There were accompanying improvements to transport, sanitary installations, water and electricity distribution, health centres and schools within the region, where access and attendance rates were very high.</p>								
81/4	Thailand: Seed production centre	Project	1.E: Support services	Autonomous	4.40	2.20	50	96
<p>The project was aimed at setting up a large seed treatment centre in Phattalung province in the south of the country to produce, treat and distribute improved qualities of rice seed and other crops. The centre has been completed and operational since July 1985.</p>								

Year and number of operation	Recipient and title of operation	Type of operation	Sector	Type of financing	Total cost of project (million ECU)	EEC contribution		Payments as percentage
						million ECU	%	
81/24	Yemen Arab Republic: Seed production	Project	1.E: Support services	Autonomous	6.6	5.2	78.8	96
<p>The project was the first phase of a programme aimed at developing the country's seed production capacity and satisfying its cereal seeds requirements. In order to guarantee the success of the seed centres, the second phase (NA 84/23 Seed production project, with a Community commitment of 5.8 million ECU) was cofinanced with the Italian Government, which will provide a seed farm as part of the project. Remaining Community funds will be used to implement the second phase.</p>								
82/11	The People's Democratic Republic of Yemen: Development of agricultural production at Dhalla	Project	1.D: Production and marketing	Autonomous	2.9	2.9	100	83
<p>This is the only project ever to be implemented by the Community in the People's Democratic Republic of Yemen, and was aimed at restoring agricultural production in the Dhalla region, which was struck by heavy rains on 29 and 30 March 1982 and floods: 40% of farming land, representing 80% of agricultural production, was damaged. The project enabled work to be done on water resources rehabilitation, soil protection and the setting up of an early warning system; it was completed in spite of marketing difficulties and the usual problems, e.g. customs delays.</p>								
83/22	Thailand: Agricultural and rural credit	Project	1.F: Integrated rural developmt	Cofinancing	142.4	20	14	99.7
<p>The Community provided one component of the project, which was aimed at agricultural development and diversification in the eastern part of the country, through a medium-term agricultural credit programme set up to promote investment and income diversification. A revolving fund was set up for this purpose with counterpart funds generated by the sale of fertilizers made available by the Community (18 million ECU). The rest of the Community grant made it possible to purchase small items of equipment and to provide training, etc. The Community-provided fertilizers from 1983 to 1985 and the revolving fund has been in operation since 1985.</p>								

ANNEX V: SHORT-TERM STUDIES, OPERATIONS AND ADMINISTRATIVE EXPENSES - 1987 (ECU)

RECIPIENT COUNTRY	TITLE	COMMITMENT	%	%	PARTNER
1. STUDIES/EXPERT'S SERVICES					
PAKISTAN	BALUCHISTAN AGRICULTURAL COLLEGE	17780			LANDELL
CENTRAL AMERICA	INTERUNIVERSITY COOPERATION	14775			CACERES LAT.AM.
CENTRAL AMERICA	TRAINING PROGR PORTS/MARIT. TRANSP.	3861			COCATRAM
EL SALVADOR	HOSPITAL CONSTRUCTION AT ZACAMIL	76556			TRACTEBEL B
CENTRAL AMERICA	ADMINIS. AND ACCOUNTING MANUAL	24255			SORCA/BMB B
INDIA, SRI LANKA, MALDIVES	TECH. ASS. FISH. N.E. INDIAN OCEAN	18000			MONOYER B
DOMINICAN REPUBLIC	EVALUATION OF TENDERS	4500			MOROZZO B
GUATEMALA	EVAL. OF TENDERS (PROJECT 86/18)	3575			SORCA BMB B
INDIA	AGRICULTURAL MARKETS	60120			CARL BRO DK/UK
CENTRAL AMERICA	HIGHER EDUC. PROJECT INVESTIG.	15000			GRANDA E
INDIA	EVAL. COCONUT TREE PROJ. (KERALA)	31460			IRHO F
INDIA	IRRIGATION PROJECT STUDIES	14700			BOUMENDIL F
GUATEMALA	PREPAR. FOR REHABILIT. PROJECTS	14650			DERCLAYE F
CENTRAL AMERICA	COMPUTER. OF ADMIN. & ACC. MANUAL	13600			SCO F
NICARAGUA	CONSTRUCTION COSTS	13600			SCO F
HONDURAS	EVALUATION FOOD AID	12969			BDPA F
CENTRAL AMERICA	PARTICIPATION IN PROJECT 85/20	5497			KINDERMANS F
	ASSISTANCE FOR FRAMEWORK CONTRACT	4500			PONS/ANALYSE F
DOMINICAN REPUBLIC	STUDY PROGR. ON AGRARIAN REFORM	15735			IRAM F
CENTRAL AMERICA	DEVELOPMENT OF COOPERATIVES	109534			BONIFICA IT
INDIA	TECH. ASS. SUNFLOWER PROG. STAGE ID 18440				UNI PISA IT
EL SALVADOR	TRANSMIGRATION OF PEASANT FARMERS	17705			COOP TECHNICAL IT
DOMINICAN REPUBLIC	PREPARATION FOR REDERNALES PROJECT 8911				INC IT
PHILIPPINES	EVAL. OF CROP PROTECTION PROGR.	13555			NETH CONSULT NL
EL SALVADOR	PREP. FOR SAN SALVADOR UNIV. REHAB. PROJECT	8565			HUFFIC NL
DOMINICAN REPUBLIC	EVALUATION OF INFRASTR. TENDERS	5275			BOOM NL
ECUADOR	PREPARATION OF CHAMBO PROJECT	6000			INSTRUPA GERMANY
INDONESIA	MARKET STUDY (BALAWIJA)	2718			AAB GERMANY
PAKISTAN	IDENTIFIC. OF PROJECT (BONER)	73895			HUNTING UK
BANGLADESH	REPORT ON REHABILITATION PROJECT	5900			RELIEF UK
	SUBTOTAL:	835631	22.42		
FRAMEWORK CONTRACTS:		700000			SNT CONTRAT CADRE
		650000			SETA DOMAINE A
		650000			DANGROUP DOMAINE A
		50000			AGRAR DOMAINE B
		50000			SEMAR METRA DOMAINE B
		50000			SETA DOMAINE C
		50000			BONIFICA DOMAINE C
	SUBTOTAL:	2200000	77.58		
TOTAL STUDIES/EXPERTS' SERVICES:		2835631	100.00	40.80	
2. OPERATIONS/TECHNICAL ASSISTANCE (EXPEDITED PROCEDURE)					
CENTRAL AMERICA	FISHERIES DEVELOPMENT PROJECTS	466000			DLDEPESCA CA
CHINA	EVAL. OF MILK PROD. DEV. PROJECT	331570			7 EXPERTS
CENTRAL AMERICA	MULTINAT. BORDER AREA DEVELOPMENT	250000			OAS
THAILAND, KAMPUCHEA, LAOS	TECHN. ASSIST. FOR SECRETARIAT	250000			COMITEE MEKONG
CENTRAL AMERICA	STRENGTHENING OF COOPERATIVES	108000			CADESCA
ANDEAN PACT	STUDY ON TELECOMMUNIC. SYSTEMS	20000			ASETA/ESCO
TOTAL OPERATIONS/TECHNICAL ASSISTANCE:		1425570		20.51	
3. LONG-TERM EXPERTS' SERVICES (DELEGATIONS, CONSULTANCIES)		2688760		38.69	
TOTAL STUDIES/OPERATIONS/LONG-TERM EXPERTS' SERVICES: (1)+(2)+(3):		6949961		100.00	

CALENDAR YEAR	COMM. COMMIT-		PAYMENT DURING CALENDAR YEAR																				TOTAL	%		
	APPR	MENTS	1977	%	1978	%	1979	%	1980	%	1981	%	1982	%	1983	%	1984	%	1985	%	1986	%			1987	%
1976	20.00	20.96	6.3	30	3.3	16	4.0	19	1.3	6	2.1	10	1.4	7	2.0	10	0.3	1	0.1	0	0.0	0	0.0	0	20.8	99.4
1977	45.00	43.61	-	-	4.5	10	6.2	14	10.7	25	6.8	16	3.2	7	2.8	6	2.2	5	2.2	5	1.5	3	1.0	2	41.1	94.1
1978	70.00	29.68	-	-	-	-	5.5	19	1.9	6	4.5	15	2.8	9	4.4	15	2.6	9	0.5	2	2.3	8	0.7	2	25.2	85.0
1979	110.00	117.63	-	-	-	-	3.7	3	24.3	21	30.6	26	15.2	13	14.5	12	10.1	9	6.7	6	3.5	3	1.3	1	109.9	93.4
1980	138.50	132.45	-	-	-	-	-	-	1.7	1	41.8	32	28.7	22	15.6	12	13.2	10	8.0	6	8.5	6	1.7	1	119.2	90.0
1981	150.00	153.54	-	-	-	-	-	-	-	-	1.9	1	12.3	8	52.1	34	10.0	7	16.6	11	8.6	6	7.7	5	109.2	71.1
1982	243.00	134.69	-	-	-	-	-	-	-	-	-	-	3.3	2	8.7	6	31.8	24	19.8	15	21.0	16	10.0	7	94.6	70.3
1983	212.20	227.41	-	-	-	-	-	-	-	-	-	-	-	-	28.7	13	67.4	30	35.4	16	19.7	9	13.0	6	164.2	72.2
1984	218.00	249.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.7	3	55.1	22	58.9	24	21.6	9	143.3	57.5
1985	264.00	149.71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.8	2	27.0	18	18.9	13	48.7	32.5
1986	248.20	268.58	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.7	8	64.8	24	85.5	31.8
1987	172.81	342.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.6	4	13.6	4.0
TOTAL	1891.71	1870.5	6.3	-	7.8	-	19.4	-	39.9	-	87.7	-	66.9	-	128.8	-	145.3	-	147.2	-	171.7	-	154.3	8	975.381	-

PAYMENTS BY CALENDAR YEAR

ANNEX VII : DISBURSEMENT RATES FOR PROJECTS (ECU)

Commit. year	Number of projects	Amount committed	% of total commitments	Number of projects completed at 31.12.87	Payments made at 31.12.87	Payments as percentage of commitments
PROJECTS:						
1976	8	20962372	100.0	7	20891378	99.7
1977	21	43411614	99.5	15	41131117	94.7
1978	17	29612793	99.8	15	25270664	85.3
1979	50	117004700	99.5	36	109353341	93.5
1980	33	131142104	99.0	17	117832562	89.9
1981	33	151011923	98.4	10	106570136	70.6
1982 *	28	132617713	98.5	9	92660847	69.9
1983 *	33	223155000	98.1	8	159885922	71.6
1984 *	35	247032089	99.1	7	141047360	57.1
1985 *	22	145810000	97.4	2	44904055	30.8
1986 *	32	263719065	98.2	3	80893544	30.7
1987 *	45	335922000	98.0	2	10884260	3.2
TOTAL PROJECTS:	357	1841401373	98.4	131	951325187	51.7
SHORT-TERM STUDIES, OPERATIONS, ADMINISTRATIVE EXPENSES:						
1977	1	204799	0.5	1	204799	100.0
1978	1	65525	0.2	1	65525	100.0
1979	15	622839	0.5	15	622839	100.0
1980	18	1302931	1.0	18	1302931	100.0
1981	32	2529099	1.6	32	2529099	100.0
1982	31	2070316	1.5	30	2061001	99.6
1983	43	4254607	1.9	43	4254607	100.0
1984	15	2307947	0.9	14	2292386	99.3
1985	23	3897461	2.6	20	3848763	98.8
1986	41	4860733	1.8	37	4650650	95.7
1987	57	6949961	2.0	9	2734532	39.3
TOTAL SHORT-TERM STUDIES, OPERATIONS, ADM. EXPENSES	276	29066217	1.6	219	24567132	84.5
TOTAL PROJECTS + SHORT-TERM STUDIES, OPERATIONS, ADM. EXPENSES:		1870467589			975892318	52.2

* Including supplements for projects committed in earlier years
 1982 = 4, 1983 = 2, 1984 = 4, 1985 = 5, 1986 = 6: TOTAL = 27

ANNEX VIII.1

MAIN RECIPIENTS (except INDIA)
FOR EEC FINANCIAL AND TECHNICAL COOPERATION
1976-87 (million ECU)

RECIPIENT: INDONESIA								
Year	Title and type of operation	Sector	COST				EEC payments at 31.12.87	
			TOTAL	EEC	Cofinancing	LOCAL	m ECU	%
NA/76/06	Soya Pilot Project, Sumatra	Agriculture (General)	1.40	1.25	-	0.15	1.07	100
NA/77/07	South East Sulawesi - Transmigration and Area Development	Integrated Area Development	60.00 \$	2.24	37.76 \$ ADB		1.39	82.2
NA/78/07	Baturaden Dairy Development Proj.	Livestock	0.15	0.15	-	-	0.15	100
NA/78/08	Bank Indonesia Small Credit Programme	Rural Credit	2.35	2.35	-	-	2.35	100
NA/78/08	Bank Indonesia Small Credit Programme, (suppl.)	Rural Credit	0.47	0.47	-	-	0.47	100
NA/78/09	South East Sulawesi Transmigration	Integrated Area Development	87.12 \$	3.00 (-3.368)	34.3 \$ ADB 10.0 \$ (1)	18.06 \$	3.00	100
NA/78/07	Telungagung Drainage and Flood Control	Irrigation and Drainage	47.70	8.10	27.9 ADB		8.10	100
NA/79/08	Secondary Crop Dev., Sumatra	Agriculture (General)	5.70	3.00	-	1.70	3.00	100
NA/79/08	Secondary Crop Dev., Sumatra	Agriculture (General)	0.60	0.60	-	-	0.60	100
NA/79/188	Irrigation Studies	Irrigation and Drainage	0.80	0.80	-	-	0.80	100
NA/80/12	Baturaden Dairy Development	Livestock	7.80	4.40	0.41 Italle		2.85	64.9
NA/80/13	Lower Citanduy Irrigation	Irrigation and drainage	78.90	3.80	39.40 ADB		0.76	20.0
NA/81/14	Bali Irrigation	Irrigation and Drainage	99.60	12.00	28.68 ADB		9.36	78.0
NA/82/19	Small Enterprise Development Project (Bank Indonesia)	Rural Credit	12.50	8.30	-	4.2	4.28	51.6
NA/82/20	Artisanal Fisheries Development	Fisheries	4.77	2.90	0.88 Italle		1.48	50.5
NA/83/14	Madura Ground Water	Agriculture	19.30	13.10	2.0 UK		4.16	31.7
NA/83/23	West Pasaman Irrigation	Irrigation and Drainage	10.44	7.50	-	2.94	0.64	8.5
NA/84/11	Southern Sumatra Water Resources development	Irrigation	8.15	7.30	-	0.85	0.00	0.0
NA/85/14	Lusi Irrigation Jantuneselung Basin Scheme	Rural Development	52.38	20.64	24.64 BIRD	7.08	0.00	0.0
ALA/86/21	Pala Seed Production and Marketing	Agricultural production	11.2	9.7	-	1.5	0.00	0.0
ALA/87/17	Java Off Shore Pelagic Fisheries	Fisheries	3.85	2.20	1.20 France	0.45	0.00	0.0
ALA/87/19	Micro Hydra Power Generation Programme	Energy	18.90	18.90	-	1.0	0.00	0.0

(1) Islamic Development Bank.

ANNEX VIII.2

RECIPIENT: THAILAND								
Year	Title and type of operation	Sector	COST				EEC payments at 31.12.87	
			TOTAL	EEC	Cofinancing	LOCAL	m ECU	%
NA/77/08	Pig Breeding Project	Livestock	0.11	0.10	-	0.01		100
NA/78/11	Seed Centre Study, S. Region	Agriculture	0.10	0.10	-	-		100
NA/78/12	Crop Diversification Study N.E. Region	Agriculture	0.20	0.20	-			100
NA/79/01	Winged Bean Development	Agriculture	0.80	0.80	-			100
NA/79/10	Smallholder Rubber	Agriculture	3.60	1.80	-	1.80	1.84	91
NA/79/11	Irrigation Studies M.E. Region	Agric. (Irrig. and Drainage)	0.70	0.70	-		0.637	91
NA/79/12	Preliminary Crop Development N.E. Region	Agriculture	2.60	2.60	-			100
NA/80/02	Cooperative Development	Rural Institution	2.50	2.50	-			100
NA/80/15	Hual Hong Pump Irrigation	Agric. (Irrig. and Drainage)	28.40	11.00	4.2 Belgique	9.0		100
NA/80/16	Smallholder Rubber II	Agriculture	1.80	1.80	-			100
NA/81/04	Seed Centre, S. Region	Agriculture	4.40	2.20	-	2.20	2.11	96
NA/82/03	Oilseed Crop Development Programme	Agriculture	4.20	3.30	-	0.90	1.50	45
NA/82/23	Sukhotai Groundwater Development	Agriculture	25.60	13.40	1.30 UK	10.90	6.73	51
NA/83/11	Agricultural Cooperatives Training	Agriculture	7.88	3.44	-	2.44	3.42	54
NA/83/13	Cashew Development	Agricultural Production	1.92	1.30	-	0.62	0.91	70
NA/83/22	Agriculture Credit Project	Agricultural Services	142.40	20.00	38.90 ADB	63.50	19.94	99.9
NA/84	Supplementary Provision Preliminary Crop Development	Agriculture		0.52	-			100
NA/84/02	Crop Diversification N.E. Region	Agricultural Research	6.80	4.90	-	1.90	3.18	94.8
NA/84/12	Chi Basin	Irrigation	5.00	4.00	-	1.00	2.44	61
NA/84/20	Rural Planning	Rural Technological Cooperation	2.00	2.00	-	-	-	-
ALA/86/13	Hual Hong Project	Agriculture	13.30	5.60	-		6.0	
ALA/87/08	Mae Kok Study	Rural Irrigation	3.25	2.80	0.45		-	
ALA/88/09	Agricultural Credit and Plant Projects	Rural Development	82.00	35.00	-	27.00	21.75	82

RECIPIENT: PAKISTAN									
Year	Title and type of operation	Sector	COST				EEC payments at 31.12.87		
			TOTAL	EEC	Cofinancing	LOCAL	m ECU	%	
NA/76/02	Kharpur Tilt Drainage	Irrigation	28.3*	3.8*	14.0* IDA	10.3*	3.2	100	
NA/77/04	Chesed Right Bank	Irrigation	133.7*	4.0	24.1* ADB	108.1*	4.2	100	
NA/78/04	Torbelle Dam	Irrigation	904.5	4.8	194.4 IDA/UK/ RFA/IT/ML	710.1	4.8	100	
NA/79/04	Baluchistan Livestock	Agriculture	18.0*	6.7	7.5* ADB	1.8*	1.4	21.5	
NA/80/08	Solar Energy	Energy	2.8	1.8	-	1.1	0.8	50.1	
NA/80/09	Baluchistan Water Supply	Water Supply	25.0	4.0	10.0 UNICEF ML-CIDA	11.0	3.6	90.5	
NA/81/01	Karachi Fish Harbour	Fisheries	12.0	12.0	-	-	0.3	4.2	
NA/81/03	Emergency Programme of Water Supply for Refugees	Water Supply	6.0	2.7	3.3 UNICEF	-	2.5	83	
NA/83/12	Baluchistan Water Supply II	Water Supply	12.2	7.8	1.8 UNICEF	3.5	1.6	20	
NA/84/18	Baluchistan Road Reconstruction	Rural Roads	27.2	4.0	23.2 UNCR	-	3.5	87.5	
NA/85/18	2nd Vocational Training	Education	103.7	16.0	54.4 RFA/IDA/ UNCR/CIDA	33.3	0	0	
NA/85/22	Rural Electrification	Energy	11.8	10.0	-	1.8	0	0	
ALA/86/15	Totli Flood Irrigation	Irrigation	8.3	7.6	-	0.7	0	0	
ALA/87/15	Buner Development	Rural Development	15.4	10.8	-	4.8	0	0	
ALA/87/16	Primary Education	Education	182.4	15.0	137.4 IDA/CIDA	30.0	0	0	

* ECU's and USD

RECIPIENT: BOLIVIA									
Year	Title and type of operation	Sector	COST				EEC payments at 31.12.87		
			TOTAL	EEC	Cofinancing	LOCAL	m ECU	%	
NA/76/05	Credito Agro-industrial	Agro-industrie	2.00	2.00	-	-	2.00	100	
NA/77/15	Developpement rural Integro Utiq-Utiq	Developpement rural	24.048*	1.80	16.0** (NB)	4.00*	1.84	91	
NA/78/23	Developpement rural Integro Abepo-Izezeg	Developpement rural	14.20*	1.80	11.70** (BID)	3.50*	1.80	100	
NA/78/23	Deposament	Developpement rural	0.38	0.38	-	-	0.38	100	
NA/78/23	Reconcoment agricole	Agriculture (etudes)	1.18	1.00	-	0.18	1.00	100	
NA/78/23	Deposament	Agriculture (etudes)	0.20	0.20	-	-	0.18	88	
NA/78/24	Irrigation Alto Valle (Cochabamba)	Developpement rural	9.00*	2.00*	15.82*** (DC)	1.00*	1.41	70	
NA/83/07	Micro-projets ruraux PMPR I	Developpement rural	24.00	16.00	-	8.00	16.00	100	
NA/83/07	Deposament	Developpement agricole	-	2.00	-	-	1.70	85	
NA/84/05	Programa de reconstruccion (Trinidad/Santa Ana)	Infraestructuras (Catastrofos)	3.80	3.40	-	0.40	2.85	87	
NA/84/05	Deposament	Infraestructuras (catastrofos)	-	0.68	-	-	0.00	0	
NA/84/08	Micro-projets ruraux PMPR II	Developpement rural	19.50	12.50	-	7.00	11.36	91	
958/84 Bol	Micro-projets ruraux PMPR I	Developpement rural	14.60	12.00	-	2.60	11.84	99	
NA/85/10	Protection contre inondations (Santa Cruz)	Infraestructuras (catastrofos)	11.50	9.00	1.00 (ML)	1.50	2.15	24	
ALA/86/17	Programa de Developpement PAC	Developpement rural	24.00	20.00	-	4.00	3.30	16	
ALA/87/23	Prevention des inondations Lac Titicaca	Infraestructuras	5.50	5.00	-	0.50	0	0	

* In USD million.

** Loan in USD million.

*** Loan of DM 12.8 million + grant of DM 2.82 million in bilateral aid from Germany.

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ANNEX VIII.4

RECIPIENT: SRI LANKA								
Year	Title and type of operation	Sector	COST				EEC Payments at 31.12.87	
			TOTAL	EEC	Cofinancing	LOCAL	m ECU	%
NA/76/04	Mahodululvevia Tank Irr.	Integrated Rural	2.00	2.00	-		2.00	100
NA/77/05	Mahaweli Ganga II Irrigation (System H)	Irrigation	42.20	2.00	40.20 (1)		2.00	100
NA/78/05	Peluncor Settlement (System C)	Integrated Rural	12.10	2.00	1.50 FAO	0.60	2.00	100
NA/78/05	Hydrological Study	Irrigation	0.30	0.30	-		0.30	100
NA/79/38	Coconut Rehabilitation	Agriculture	3.80	3.00	0.53 Itelle	0.27	2.80	83
NA/80/10	Integrated Rural Dev. (System C)	Integrated Rural	23.30	15.40	-	6.80	15.40	100
NA/83/28	Integrated Rural Dev. (System B) Left Bank	Integrated Rural	83.00	20.00	29.00 (2)	24.00	0.00	12
ALA/87/33	Integrated Rural Dev. (System B) Right Bank	Integrated Rural	144.05	25.00	72.20 IDA/CIDA	46.85		0

(1) IDA - UK - Canada - ML - USA
(2) Saudi Fund for Development

RECIPIENT: HONDURAS								
Year	Title and type of operation	Sector	COST				EEC payments at 31.12.87	
			TOTAL	EEC	Cofinancing	LOCAL	m ECU	%
NA/77/18	Artisanal Fisheries Development	Fisheries	3.00	1.36	IDB p.m.	1.04	1.17*	86
NA/78/22	Agricultural & Livestock Research and Extension	Rural	8.00	2.4	IDB p.m.	5.8	2.39	99.8
NA/78/22	Rural Water Supply and Sanitation	Health	6.0	3.2	-	2.8	3.18	99.4
NA/80/21	Feeder Roads in Coffee - Producing Areas	Infrastructure	3.0	2.1	-	0.9	2.09	99.8
NA/80/22	Rural Storage Sheds (IHMA)	Rural	7.3	3.5	-	3.8	3.34	95.4
NA/80/23	Development of Indigenous Community (YORO)	Rural	2.0	1.4	-	0.8	0.28	20
NA/80/24	Sales Centres (BAMUSPRO)	Rural	2.1	1.0	-	0.9	1.0	100
NA/82/14	Strengthening of the Agrarian Reform (Banli)	Rural	17.7	18.9	-	0.6	13.54	80
NA/83/23	Consolidation & Development of Farmer Associations (choiteed)	Rural	11.0	9.0	-	2.0	0.35	3.8
NA/83/24	Feeder Roads in Coffee-Producing Areas (II)	Infrastructures	10.0	2.75	-	7.25	0.07	0.25
ALA/88/20	Rural Water Supply and Sanitation	Health	22.2	14.5	-	7.7	-	-

* Final cost

RECIPIENT: PHILIPPINES								
Year	Title and type of operation	Sector	COST				EEC payments at 31.12.87	
			TOTAL	EEC	Cofinancing	LOCAL	m ECU	%
NA/79/13c6	Bicol River	Integrated Rural Development	53.8	4.5	41.0	8.1		100
NA/80/14c1	Crop Protection	Rural Development	8.5	3.5	1.6	3.4		100
NA/81/15c1	Palawan	Integrated Rural Development	78.0	7.1	43.0	27.8	5.2	73
NA/85/25	Aurora	Integrated Rural Development	12.8	10.8	-	1.8	-	0
ALA/86/16	CECAP - Central Cordillera	Integrated Rural Development	18.8	18.5	-	1.3	-	0

ANNEX VIII.5

RECIPIENT: NICARAGUA								
Year	Title and type of operation	Sector	COST				EEC payments at 31.12.87	
			TOTAL	EEC	Cofinancing	LOCAL	m ECU	%
NA/79/39	Rehabilitation of Agricultural Centres	Rural	2.5	2.5	-		2.48	99.4
NA/80/03	Technical Assistance to the Ministry of Planning and Agric.	Rural	3.56	2.98	0.5 France		2.92	98.8
NA/81/08	Technical Assistance to EMABAS	Rural	0.85	0.85	-	-	0.80	94.6
NA/81/25	Programme for the Development of Basic Grains	Rural	19.9	7.4	-	12.5	5.26	71
NA/82/13	Strengthening of the Agrarian Reform	Rural	13.96	11.76	-	2.2	8.37	81.3
NA/83/01	Integrated Rural Development (Masate)	Rural	6.5	3.5	-	5.0	2.44	69.7
NA/85/02	Programme for Decreasing Post-Harvest Losses and Amelioration of Marketing (Chantales)	Rural	6.0	2.5	2.5 Italy	1.0	0.58	23.3
ALA/86/30	Development of Agricultural Production (Masate)	Rural	6.9	5.6	-	1.3	-	0

RECIPIENT: PERU								
Year	Title and type of operation	SECTEUR	COST				EEC payments at 31.12.87	
			TOTAL	EEC	Cofinancing	LOCAL	m ECU	%
NA/79/28	Bolaven Cajamarca	Rural, forestation	3.4	2.0	1.4 BELGIQUE		total	100
NA/80/35	Micro-barrages/Ancash	Infrastructure	1.3	1.5			total	100
NA/83/10	Projet pilote Majes	Rural	17.0	5.6	2.0 ITALIE	9.4	2.08	37
NA/83/21	Micro-investissement CUZCO	Infrastructure	8.7	6.0	1.25 PAYS-BAS	1.45	3.39	57
ALA/86/01	Micro projets ruraux Pampa/Puno	Infrastructure	19.0	16.0		3.0	5.6	35
ALA/86/03	Prevention Inondations Tllesco	Infrastructure	6.0	5.0		1.0	0	0

RECIPIENT: COSTA RICA								
Year	Title and type of operation	Sector	COST				EEC payments at 31.12.87	
			TOTAL	EEC	Cofinancing	LOCAL	m ECU	%
NA/82/12	Strengthening of the Agrarian reform	Rural	25.8	16.0	-	7.8	12.598	69.9
NA/85/01	Programme of Productive Projects in favour of Refugees	Rural	4.5	3.8	-	0.9	1.289	35.8
NA/85/06	Integrated Rural Development (OSA-COLFITO)	Rural	21.63	9.95	-	11.68	1.120	11.2

RECIPIENT: CENTRAL AMERICA (CABEI, CADESCA, CATIE, CFAD, CIM, IDB, ICA, INCAP)									
Year	Title and type of operation	Sector	COST				EEC payments at 31.12.87		
			TOTAL	EEC	Cofinancing	LOCAL	m ECU	%	
NA/77/17	Central American regional basic grains programme (Honduras, Costa-Rica)	Rural	18.8	2.018	4.68 CABEI	-	1.8	81	
NA/77/18	Nutritional Research	Rural	2.4	2.018	-	0.384	2.0	99.8	
NA/78/26	Studies with rural sector	Rural	0.43	0.43	-	-	0.43	100	
NA/78/34	Pilot projects for rural Development	Rural	0.57	0.57	-	-	0.57	100	
NA/78/28	Technical Assistance Programme	Rural	0.5	0.5	-	-	0.5	100	
NA/78/31	Extension of Pilot Projects for rural development. Contribution to CATIE's core Budget	Rural	2.220	1.320	-	0.9	1.225	92.8	
NA/80/28	Technical Assistance for Project Preparation	Rural	0.5	0.5	-	-	0.383	76.7	
NA/80/31	Research Support	Rural	1.99	0.248	-	1.75	0.235	98	
NA/81/12	Support to farmers' associated production units	Rural	3.01	1.710	0.7 France	-	1.672	97.7	
NA/82/8	Reconstruction Bridges (Nicaragua, Honduras)	Infrastructures	3.2	3.2	-	-	0.712	32*	
NA/83/2	Reintegration of qualified L.A. nationals in S.C.A. countries	Emigrants	1.4	1.4	-	-	0.971	89	
NA/84/14	Regeneration of SME's in C.A.	Industrial	23.0	20.0	2.85** Italy	-	7.58	37.9	
NA/85/5	Technical Cooperation Programme on Food Security	Rural	9.07	4.82	0.33 France	-	2.213	45.9	
NA/85/20	Child Survival Programme	Health	32.32	16.5	15.8 Italy	-	1.603	10.9	
ALA/86/25	Elimination Rabies	Health	5.83	2.9	1.4 PAHO 0.55 BIFORCE	1.0	-	-	
ALA/87/14	Strengthening of Cooperatives	Rural	40.0	22.0	2.5 Spain	15.5	-	-	

* Project suspended (one component (Honduras) only completed; the Nicaraguan part was completed independently.)
 ** 3.682 Mln Lit.

RECIPIENT: ANDEAN PACT - JUNAC									
Year	Title and type of operation	Sector	COST				EEC payments at 31.12.87		
			TOTAL	EEC	Cofinancing	LOCAL	m ECU	%	
NA/77/19	Cooperation technique rurale	Rural	1.0	1.0			1.0	100	
NA/77/20	Technologie alimentaire	Rural	2.6	2.6			2.6	100	
NA/78/27	Technologie du bois		3.0	1.8+1.4			3.0	100	
NA/78/28	Technologie du bois		0.1	0.1			0.1	100	
NA/78/29	Technologie du bois		0.4	0.4			0.4	100	
NA/78/30	Millie de pelon	Rural	0.4	0.4			0.4	100	
NA/78/31	Industrie: standardisation et controle de qualite	Industrie	0.2	0.2			0.2	100	
NA/79/27	Technologie alimentaire - nutrition	Alimentaire	0.7	0.32+0.06		0.32(1)	0.38	100	
NA/80/26	Cooperation technique rurale	Rural	2.855	2+0.255		0.60(2)	2.255	100	
NA/81/7	Cooperation technique: Industrie et planification economique	Industrie	1.708	1.138		0.573(3)	1.138	100	
NA/81/8	Technologie rurale (PACT/rural)	Rurale	7.58	3.83		3.63(4)	2.38	80	
NA/82/4	Energie	Energie	6.6-0.1	0.5-0.1		0.18(5)	0.49	81	
NA/83/8	Promotion Industrielle du bois		8.06 6.1472(5)	6.0		6.1672(5) (6)	5.0	83	
NA/84/6	Strategie - Securite Alimentaire		10.06	7.0		3.06(6)	4.05	58	
NA/85/3	Industrie - Echanges sous-regionaux		9.825	7.0		2.825(6)	3.06	54	

- (1) 0.22 member countries of Andean Pact + 0.10 JUNAC.
 (2) 0.44 " " " " " " + 0.16 " "
 (3) 0.279 " " " " " " + 0.294 " "
 (4) Member countries of Andean Pact.
 (5) JUNAC.
 (6) Member countries of Andean Pact plus JUNAC.

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ANNEX VIII.7

RECIPIENT: ASEAN								
Year	Title and type of operation	Sector	COST				EEC payments at 31.12.87	
			TOTAL	EEC	Cofinancing	LOCAL	m ECU	%
NA/78/16	POST HARVEST STUDY	Pre/post harvest cereals	0.30	0.30			0.184	61
NA/78/17	TIMBER STUDY	Forestry	0.30	0.30			0.271	90
NA/79/17	AQUACULTURE STUDY	Fisheries	0.30	0.30			0.230	77
NA/81/02	ASEAN SCIENTIFIC AND TECHNICAL COOP PROGRAMME (STC)	Industrial Cooperation	2.80	2.80			1.526	55
NA/81/16	POST HARVEST TECHNOLOGY	Pre/post harvest	4.30	4.30			3.431	80
NA/82/AT	TIMBER STUDY (SUPPL.)	Forestry	0.03	0.03	-	-	0.03	100
NA/83/32	TIMBER TECHNOLOGY CENTRE	Forestry	12.80	7.50	5.42 ASEAN COUNTRIES		0.305	7
ALA/85/06	AQUACULTURE DEVELOPMENT & COORDINATION PROGRAMME	Fisheries	8.32	6.77	2.55 ASEAN COUNTRIES			0
ALA/85/06	INDUSTRIAL STANDARDS & QUALITY CONTROL PROGRAMME	Industrial Cooperation	5.00	5.00	In kind ASEAN			0
ALA/86/18	MARINE FISHERIES RESOURCES ASSESSMENT & TRAINING	Fisheries	1.015	0.652	0.363 ASEAN COUNTRIES-SEAFDEC			0

ANNEX IX: EEC-INDIA COOPERATION FROM 1976 TO 1987 (ALL FORMS OF AID) (MILLION ECU)

YEAR	DEVELOPMENT COOPERATION					ECONOMIC COOPERATION											
	F + FC	FOOD AID		STA-	SUB-TOTAL	931	932	933	934	935	946	990	706	7309	7330	SUB-TOTAL	
	(1)	FREE DISTR ⁹²	SALE	BEX													941
1976	6.00		23.16		0.10	29.26											0.00
1977	12.00		3.03		0.48	15.51	0.50										0.50
1978	17.40		5.93		1.54	24.87	0.50										0.50
1979	29.50		27.68		1.25	58.42	0.70										0.70
1980	32.40		29.27		0.56	62.23	0.40										0.40
1981	43.00		65.85		0.52	109.38	0.50			0.08							0.58
1982	50.00	4.35	65.74		1.86	121.95	0.37		0.15	0.11			0.83	0.12			1.58
1983	64.50	4.60	65.58		1.68	136.36	2.28		0.11	0.22			0.34	0.02			2.98
1984	60.00	3.86	59.64		3.13	126.64	0.95			0.03			0.16		0.93		2.06
1985	45.00	4.16	30.02		3.85	83.03	1.12			0.01			0.15				1.28
1986	67.80	4.07	22.60		3.61	98.08	1.82		0.25	0.01			0.07				2.14
1987	51.10				4.10	55.20	1.65	0.01	0.22	1.05			0.21	0.18	0.69		4.00
TOTAL	478.70	21.04	398.50	0.00	22.69			10.79	0.01	0.73	1.50	0.00	0.00	1.76	0.32	1.61	0.00
						1920.92											16.71

¹ Financial and technical cooperation + 958 where appropriate.

² Emergency food aid.

- 92 : FOOD AID FOR FREE DISTRIBUTION (DIRECT AND INDIRECT) AND FOR SALE
- 931 : TRADE PROMOTION
- 932 : REGIONAL INTEGRATION
- 935 : INDUSTRIAL PROMOTION
- 941 : NGOs
- 946 : ECOLOGY
- 706 : ENERGY PROGRAMMING
- 7330/7309 : RESEARCH AND DEVELOPMENT (7730 DIRECT)
- 934 : TRAINING
- 936 : AID FOR DISPLACED PERSONS
- 950 : EMERGENCY AID
- 949 : DRUGS
- 990 : COOPERATION WITH THIRD COUNTRIES

Year	Humanitarian aid				Sub-total	Ground total
	92	936	950	949		
(1)						
1976					0.00	29.26
1977			0.10		0.10	16.11
1978			0.16		0.16	25.53
1979			0.08		0.08	59.20
1980			0.17		0.17	62.80
1981			15.63		15.63	125.59
1982					0.00	123.53
1983					0.00	139.34
1984		1.88			1.88	130.58
1985					0.00	84.31
1986		2.38			2.38	102.60
1987		4.80	20.60		25.40	84.59
TOTAL	0.00	9.06	36.74	0.00		
					45.80	
						1983.43

ANNEX X: PROGRAMME OF FINANCIAL AND TECHNICAL COOPERATION WITH INDIA - 1976-87 (MILLION ECU)

YEAR	NUMBER	PROJECT TITLE	COMMITMENTS	PAYMENTS	DISBURSEMENT	
					RATE %	PAYMENT AS ENDED
1976	76/1	Irrigation of dry areas (U.P.)	6.00	6.00	100	JAN. 85
1977	77/1	Strge of grains & fert. (ICWC)	6.40	6.40	100	OCT. 85
	77/2	Intensive grain storage	5.60	5.60	100	DEC. 80
1978	78/1	Cooperative storage (NCDC)	15.40	15.40	100	JUN. 86
	78/2	Cyclone shelters (A.P. & T.N.)	2.00	2.00	100	MAR. 83
1979	79/9	Supply of fertilizers	25.00	25.00	100	MAR. 81
	79/9	Irrigation of dry areas (U.P.)		7.00		JAN. 86
	79/9	Agric. credit (ARDC III)		18.00		1982
	79/36	Cyclone shelters (Orissa)	1.50	1.30	87	
	79/37	Flood shelters (W.B.)	3.00	2.90	97	
1980	80/5	Supply of fertilizers	28.00	28.00	100	AVR. 82
	80/5	Mark. of agric. prods (U.P.)		11.50		
	80/5	Soya development (M.P.)		12.80		
	80/5	Soya development (U.P.)		3.70		
	80/34	Cyclone shelters (II) (T.N.)	0.60	0.50	83	
	80/37	Cyclone shelters (Kerala)	3.80	3.80	100	AVR. 85
1981	81/10	Supply of fertilizers	36.00	36.00	100	SEP. 85
	81/10	Agric. credit (ARDC IV)		18.00		MAR. 84
	81/10	Water supply (H.P.)		18.00		
	81/13	Afforestation (U.P.)	7.00	4.50	64	
1982	82/10	Supply of fertilizers	45.00	45.00	100	JUN. 84
	82/10	Water supply (T.N.)		17.00		
	82/10	Water supply (Punjab)		6.30		
	82/10	Agricul. credit (ARDC IV)		21.70		MAR. 84
	82/5	Cyclone shelters (A.P.)	3.00	2.20	73	
	82/6	Cyclone shelters (III) (T.N.)	1.00			
	82/30	Fish-farming (Kashmir)	1.00	0.50	50	
1983	83/16	State training centres (RD)	6.50			
	83/19	Modernization of irrig. (T.N.)	25.00	9.60	38	
	83/26	Supply of fertilizers	33.00	33.00	100	JUL. 85
	83/26	Advisory services (fertiliz)		6.00		
	83/26	Reclmg of salt marshes (Maharashtra)	20.00			
83/26	Small-scale irrig. (Gujarat)	7.00				
1984	84/10	Supply of fertilizers	45.00	45.00	100	DEC. 87
	84/10	Small-scale irrigation (A.P.)		30.00		
	84/10	Grain storage		15.00		
	84/18	Devlpmt of water distr. systems	15.00			
1985	85/12	Supply of fertilizers	45.00	45.00	100	DEC. 87
	85/12	Devlpmt of mustard seeds (Rajasthan)	28.00			
	85/12	Integrtd managmt of water resources (Gujarat)		17.00		
1986	86/6	Intgrtd mngmt of water res. (U.P.)	45.60			
	86/6	Supply of fertilizers		45.00	30	
	86/7	Storage by coop. (Bihar)	21.19			
	86/19	SHE hydrology model	0.98			
1987	87/4	Devel. of sheep breeding (T.N.)	6.10			
	87/9	Coconut development (Kerala)	45.00			
	87/9	Supply of vegetable oil		23.80		
TOTAL 1976 - 1987 :			478.67	331.40	69	

ANNEX XI: FINANCIAL AND TECHNICAL COOPERATION WITH LEAST DEVELOPED COUNTRIES (LLDCs) - 1976-87
(million ECU)

	1976-80	1981-85	1981	1982	1983	1984	1985	1986	1987	TOTAL	%
STANDARD PROJECTS:											
AFGHANISTAN	1.00	-	-	-	-	-	-	-	-	1.00	0.06
BANGLA DESH	32.70	83.00	12.00	23.60	17.00	25.50	4.90	-	3.98	119.68	7.10
BHUTAN	-	9.00	-	3.40	-	4.50	1.10	-	-	9.00	0.53
BURMA	5.90	8.00	5.50	-	2.50	-	-	-	3.45	17.35	1.03
LAOS	4.10	1.20	-	-	-	1.20	-	6.00	0.40	11.70	0.69
MALDIVES	0.50	1.70	-	-	-	1.70	-	-	-	2.20	0.13
NEPAL	5.20	15.54	-	3.70	5.30	5.00	1.54	-	2.71	23.45	1.39
YEMEN AR	3.10	13.74	5.20	-	2.74	5.80	-	7.50	-	24.34	1.44
HAITI	12.90	6.60	-	6.60	-	-	-	1.00	-	20.50	1.22
SUBTOTAL LLDCs:	65.40	138.78	22.70	37.30	27.54	43.70	7.54	14.50	10.54	229.22	13.59
TOTAL STANDARD PROJECTS:	331.50	936.46	120.10	191.00	238.33	175.29	211.69	216.80	201.75	1686.51	100.00
%	19.73	14.82	18.90	19.53	11.56	24.93	3.56	6.69	5.22	13.59	
DISASTER RELIEF PROJECTS:											
BANGLADESH	-	-	-	-	-	-	-	-	6.50	6.50	5.57
HAITI*	-	1.50	-	-	1.50	-	-	4.85	-	6.35	5.44
YEMEN AR	-	2.75	-	-	2.55	0.20	-	-	-	2.75	2.36
YEMEN PDR	-	2.50	-	2.50	-	-	-	-	-	2.50	2.14
SUBTOTAL LLDCs:	-	6.75	-	2.50	4.05	0.20	-	4.85	6.50	18.10	15.51
TOTAL DISASTER RELIEF PROJECTS:	27.80	58.20	9.70	9.70	11.40	11.50	15.90	15.73	15.00	116.73	100.00
%	-	11.60	-	25.77	35.53	1.74	-	30.83	43.33	15.51	
SUBTOTAL STANDARD PROJECTS + DISASTER RELIEF PROJECTS (LLDCs):											
TOTAL STANDARD PROJECTS + DISASTER RELIEF PROJECTS:	359.30	994.66	129.80	200.70	249.73	186.79	227.59	232.53	216.75	1803.24	
%	18.20	14.63	17.49	19.83	12.65	23.50	3.31	8.32	7.86	13.72	

* Project shared with Dominican Republic.