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SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE:
SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE

Assistance to the Comoros

Report of the Secretary-General

1. In its resolution 36/212 of 17 December 1981 on assistance to the Comoros, the General Assembly, inter alia, requested the Secretary-General to continue his efforts to mobilize the necessary resources for an effective programme of financial, technical and material assistance to the Comoros and to arrange for a review of the economic situation of the Comoros and the progress made in organizing and implementing the special economic assistance programme for that country in time for the matter to be considered by the General Assembly at its thirty-seventh session.

2. The Secretary-General accordingly arranged for a review mission to visit the Comoros to consult with the Government on the economic situation of the country and the progress made in implementing the special economic assistance programme. The report of the review mission, which is annexed hereto, describes the economic and financial situation of the country, outlines the priority needs and projects and summarizes the progress made in implementing the projects that were included in the special assistance programme (see A/36/268 and Corr.1, annex, section III and appendix).

3. In paragraph 7 of resolution 36/212, the General Assembly invited a number of specialized agencies and other organizations of the United Nations system to bring to the attention of their governing bodies, for their consideration, the special needs of the Comoros and to report the decisions of those bodies to the

* A/37/150.

Secretary-General. In paragraph 9, the appropriate organizations and programmes of the United Nations system were also requested to report to the Secretary-General on the steps they had taken and the resources they had made available to assist the Comoros.

4. The text of resolution 36/212 has been communicated to the organizations concerned and their attention drawn to the specific requests addressed to them by the Assembly. The replies of the organizations will be reproduced in a report of the Secretary-General covering the Comoros and a number of other countries for which the Assembly has requested the Secretary-General to organize special economic assistance programmes.

ANNEX

Report of the mission to the Comoros

(27 May-2 June 1982)

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I. INTRODUCTION

1. The economic difficulties of the Comoros were brought to the attention of the General Assembly in a number of reports of the Secretary-General (A/32/208 and Add.1 and 2, A/33/170, A/34/361 and Corr.1, A/34/556, A/35/394 and A/36/268 and Corr.1). On 17 December 1981, the General Assembly adopted resolution 36/212, in which it noted with satisfaction the response by various Member States and organizations to its appeal and that of the Secretary-General for assistance to the Comoros, but nevertheless expressed concern that the assistance thus far provided fell short of the country's urgent requirements. The Assembly reiterated its appeal to Member States, regional and interregional organizations and other intergovernmental bodies to provide effective and continuous financial, material and technical assistance to help the country overcome its financial and economic difficulties.

2. The General Assembly also requested the Secretary-General to arrange for a review of the economic situation of the Comoros and the progress made in organizing and implementing the special economic assistance programme in time for the matter to be considered by the Assembly at its thirty-seventh session. Arrangements were accordingly made for a United Nations mission, led by the Director of the Office for Special Political Questions, to visit the Comoros from 27 May to 2 June 1982.

3. The mission was received by the President, His Excellency Mr. Ahmed Abdallah. The mission also paid a courtesy call on the Governor of Grande Comore, His Excellency Mr. Said Hassan. It had meetings with the Minister of Economy and Finance, the Minister for Public Health and Population, the Minister for Agricultural Production, Industry and Crafts, the Director-General for Planning and senior representatives of other ministries. There were also opportunities to meet representatives of the diplomatic corps in Moroni, as well as technical assistance personnel of the United Nations system and representatives of other international organizations.

4. All the appropriate preparations had been made for the mission's visit and the basic information requested was readily made available, for which the mission wishes to express appreciation to the Government. The mission would also like to place on record its gratitude to the Acting Resident Representative of the United Nations Development Programme (UNDP) in Moroni and members of her staff for their help.

II. ECONOMIC SITUATION OF THE COMOROS

A. Background

5. The underlying problems that continue to make the Comoros one of the world's poorest countries were described in some detail in previous reports of the Secretary-General. In particular, the first report of the Secretary-General on

assistance to the Comoros (A/32/208/Add.1 and 2) drew attention to the economic, institutional and other constraints with which the country has to cope.

6. Briefly, the Comorian archipelago is extremely poor in natural resources. Of its total surface area, only about 1,000 square kilometres are considered suitable for agriculture or animal husbandry, which, given the prevailing farming techniques, fail to produce the food required. The growth of population exacerbates the situation. There are no known mineral resources and even the usually ample rainfall sometimes fails, as occurred during a key part of last year. Inshore fisheries are poor and there is no continental shelf to support sea fishing. Distances between the islands further complicate administration and development.

7. The socio-political and administrative structure inherited at independence proved to be an additional difficulty. In consequence of the inadequate educational system and lack of trained manpower, the country has had to rely heavily, particularly during the early years, on expatriate staff.

8. Health remains generally poor and hospital services are inadequate. There is widespread malnutrition, especially protein deficiency. Food production was neglected during the colonial period and the country came to rely on imported foodstuffs. The economy depends heavily on a few export crops with widely fluctuating prices. The physical infrastructure and basic utilities are only gradually being brought to an adequate level.

9. The Government, although faced with servicing a large public debt, which has placed a major burden on the budget, has been making considerable efforts to revitalize the economy. There has been improvement in the functioning of the administration, which was widely disrupted by a series of political events following independence. Great progress has also been made in preparing a development plan covering 11 main sectors. It is the intention to submit the plan, with details of projects and costing, to a donors' conference, which the Government hopes to organize in the early months of 1983.

10. The population was estimated at about 408,900 at the end of 1981, with a growth rate of approximately 3.2 per cent. The Government is conscious that the slow increase in the gross domestic product (GDP) combined with a high rate of population growth does not readily permit a significant improvement in living standards, let alone allow for savings for investment purposes. It has, therefore, decided to introduce family planning as an important priority item for national action within the framework of primary health care. The family planning programme consists of the distribution of contraceptives to a population which is becoming increasingly receptive. It will also involve a radio and mass media and information campaign aimed at sensitizing the population to the advantages of family planning. A pilot project, financed by the United Nations Fund for Population Activities (UNFPA) and the World Bank, is to provide assistance for the elaboration of a national policy of family planning, which, the Government believes, education combined with economic concerns is making more acceptable also in rural areas.

B. Domestic economy

11. While there have been further improvements in the gathering of statistical data, the weaknesses in financial reporting and budgeting are still a handicap to planning. It has, however, been possible to continue national accounting estimates through 1981. During the period 1976-1981, GDP grew at an average annual rate of around 4.8 per cent, but it showed marked fluctuations from year to year. These variations are explained primarily by the fluctuating market values of the principal export crops - vanilla, ylang-ylang, cloves and copra.

12. Table 1 shows that GDP at constant prices grew at a rate of 5.5 per cent in 1981, slightly better than the rate of population growth (3.2 per cent). Agriculture, industry, construction, commerce and related services, and public administration were the most dynamic sectors.

13. Agriculture accounts for about 42 per cent of GDP and grew in 1981 at a rate of 4.6 per cent compared with the previous year. The main food crops are coconuts, maize, bananas, cassava, rice, sweet potatoes, yams and taros, of which the total production is estimated to have increased from 91,887 tonnes in 1976 to 119,420 tonnes in 1980-1981. Local production of rice, which has come to form part of the basic diet, has been increasing at a rate of only 3 per cent and during the last five years it has been necessary to import rice in significant quantities. Milled rice imports have been averaging 14,500 tonnes annually, but preliminary statistics indicate that the figure for 1981 may exceed 30,000 tonnes. The Government has reached an agreement with the Food and Agriculture Organization of the United Nations (FAO) for help in creating an experimental zone in Moheli, where it is hoped to produce two crops annually as one means of increasing local rice production.

14. Since the islands offer good prospects for the cultivation of maize, and given its higher nutritional value, the Government has been encouraging the local production and consumption of maize to replace rice. Preliminary data indicate that the Government's efforts to stimulate maize production have resulted in total maize production increasing from 1,350 tonnes in 1976 to nearly 2,000 tonnes in the 1980-1981 season.

15. Comoros is the second largest vanilla producer in the world. The average annual production of green vanilla (five kilograms of green vanilla yielding one kilogram of prepared vanilla) has been around 690 tonnes. The production of cloves shows strong fluctuations. It was as low as 212 tonnes in 1977 and as high as 1,200 tonnes in 1980. Comoros is the world's largest producer of ylang-ylang perfume essence, supplying more than 80 per cent of world consumption. The area under cultivation has not changed significantly during the last five years, remaining at some 2,890 hectares with an annual production averaging 61 tonnes (50 kilograms of flowers yield one kilogram of essence). Efforts are now under way to improve the quality of the essence and at the same time reduce processing costs, which have a high energy component.

16. Other activities in the primary sector are fishing, animal husbandry and forestry.

Table 1. Gross domestic product by sectoral origin, 1976-1981, at constant 1979 prices

(Millions of Comorian francs a/)

Sector	1976	1977	1978	1979	1980 <u>b/</u>	1981 <u>c/</u>
Agriculture, animal husbandry, fishery, forestry	8 047	8 955	8 299	8 991	9 683	10 128
Manufacturing industry	984	1 018	1 007	1 033	1 092	1 164
Electricity and water	70	80	88	90	98	110
Construction and public works	1 338	1 543	1 579	1 738	2 061	2 183
Commerce, <u>d/</u> hotels, bars, restaurants	4 753	4 877	4 790	5 368	5 588	5 948
Transport and communications	304	313	320	333	346	368
Banking, insurance and other services to private sector	519	536	565	597	618	650
Public administration	2 049	1 455	2 506	3 069	3 305	3 499
Other services	155	165	166	167	174	183
<u>GDP at market prices</u>	<u>18 219</u>	<u>18 943</u>	<u>19 519</u>	<u>21 386</u>	<u>22 965</u>	<u>24 233</u>
Indirect taxes (net)	1 791	2 011	2 191	2 511	2 108	2 645
<u>GDP at factor cost</u>	<u>16 428</u>	<u>16 932</u>	<u>17 328</u>	<u>18 875</u>	<u>20 857</u>	<u>21 588</u>

Source: Statistics Division, Economic Commission for Africa.

a/ The Comorian franc is convertible at a rate of CF 50 to one French franc.

b/ Revised.

c/ Provisional.

d/ Including import duties and taxes.

Table 2. Expenditures on gross domestic product, 1976-1981, at constant 1979 prices

(Millions of Comorian francs)

	1976	1977	1978	1979	1980 <u>a/</u>	1981 <u>b/</u>
Private consumption	13 097	13 637	13 860	14 539	15 066	15 760
Public sector consumption	3 717	3 453	3 995	4 393	4 923	5 238
Gross fixed capital formation	3 676	3 987	4 006	4 591	5 618	5 956
Change in stocks	-317	-534	149	691	2 114	649
Export of goods and services	4 235	4 497	3 146	4 222	2 799	4 426
Imports of goods and services	-6 189	-6 098	-5 636	-7 050	-7 555	-7 796
GDP at market prices	18 219	18 943	19 519	21 386	22 965	24 233
External net factor income <u>c/</u>	-678	-636	-716	-1 583	-1 957	-1 484
Gross national product (GNP)	17 541	18 307	18 803	19 803	21 008	22 749

a/ Revised.

b/ Provisional.

c/ Deflated by GDP price index.

Table 3. Exports of principal commodities, value and volume, 1976-1981

	1976	1977	1978	1979	1980	1981
<u>Total value of exports (millions of CF)</u>	<u>2 223</u>	<u>2 202</u>	<u>2 099</u>	<u>3 701.0</u>	<u>2 712.0</u>	<u>4 461.0</u>
<u>Vanilla</u>						
Value (millions of CF)	465	1 084	736	2 272	369	2 169
Volume (tonnes)	124	230	117	180	25	160
Unit price (thousands of CF per tonne)	3 750	4 713	6 290	12 622	14 760	13 541
<u>Perfume essences and oils</u>						
Value (millions of CF)	656	637	672	662	673	454
Volume (tonnes)	73	62	61	60	62	40.2
Unit price (thousands of CF per tonne)	8 986	10 274	11 016	11 033	10 855	11 289
<u>Cloves</u>						
Value (millions of CF)	812	294	452	446	1 374	1 729
Volume (tonnes)	880	220	330	342	880	949.2
Unit price (thousands of CF per tonne)	923	1 336	1 370	1 304	1 561	1 821
<u>Copra</u>						
Value (millions of CF)	123	133	205	254	138	78.4
Volume (tonnes)	2 227	1 317	2 060	2 291	1 266	1 021
Unit price (thousands of CF per tonne)	55	101	100	111	109	77
<u>Other exports</u>						
Value (millions of CF)	167	54	34	67	158	31

Source: Comorian Central Bank.

17. The manufacturing sector contributes about 5 per cent of GDP. The sector, which in 1981 grew at a rate of 6.6 per cent, includes employment in industrial activities related to the processing of export crops and in handicrafts for the local market as well as in the manufacture of furniture, sawmilling, production of beverages, shoe manufacturing, and coconut-processing for copra, cooking oil and domestic soap production.

18. International trade and inter-island commerce depend heavily on sea transport. The lack of adequate facilities necessitates trans-shipment in foreign ports with a consequent increase in costs. In 1977, the Government established a shipping concern, but inadequate maintenance and other difficulties have plagued the operation. Both repair and expansion are urgently required.

19. The share of private consumption within the GDP at market prices has fluctuated between 65 per cent and 71.9 per cent of GDP during the last six years. The average increase of 3.8 per cent annually exceeds slightly the rate of population growth. There are some encouraging indications to be derived from gross capital formation, the share of which increased from 20.2 per cent of GDP in 1976 to 24.6 per cent in 1981. This is attributed mainly to investment in basic infrastructure. The real transfer of resources made necessary by such investments is reflected in the growing share of imports and the widening external resources gap.

C. Balance of payments

20. Vanilla, ylang-ylang essence, cloves and copra account for 99 per cent of exports. An increase of 64.5 per cent in exports during 1981 is attributed to the recovery of vanilla sales, which had dropped to 25 tonnes in 1980. While prices had increased evenly during most of the period 1976-1980, there were sharp declines towards the end. In 1981, after a rise in prices, accumulated stocks were drawn down and exports recovered to a total of 160.2 tonnes.

21. The export of ylang-ylang essence is associated with factors affecting the perfume industry in France, which receives 98 per cent of Comorian exports. During the period 1977-1981, the price was maintained between CF 10.3 million per tonne and CF 11.3 million per tonne. The volume exported in 1981 decreased by 35 per cent.

22. The value of cloves exported, however, increased by 25.8 per cent in 1981 owing to an improvement both in price and production levels. Most of the clove production is sold through France and then redistributed to other countries.

23. Copra export receipts in 1981 experienced a 43 per cent reduction due to a drastic drop in both unit price and volume. Since 1980 copra, which is shipped mainly to Madagascar, has been affected by unfavourable market conditions.

24. In 1981, imports increased by 43 per cent over the previous year, totalling CF 8,791 million c.i.f. The increase was due mainly to a 49 per cent growth rate in the import of foodstuffs, particularly rice, and 23 per cent for petroleum products. The absorption of export revenue by imports of rice and petroleum products averaged 81 per cent in the period 1976-1981.

25. In spite of the relatively favourable performance of exports in 1981, the marked increase in imports resulted in a visible trade deficit of CF 4,330 million (\$15.3 million*), virtually the equivalent of export earnings. However, the greater negative balance on services in 1982 relates to a methodological improvement, by which it has become possible to reduce the errors and omissions item in the capital account. Thus the current account deficit has reached the unprecedented level of CF 2,280 million (\$US 8.1 million), an increase of 49 per cent over the previous year, in spite of the significant increase in public transfers in the form of cash grants, material and technical assistance. The favourable position in private transfers derives from remittances made by Comorians living abroad (an estimated 4,500 in other parts of Africa and 20,000 in Europe).

26. The net inflow of resources registered through the capital account was almost four times greater than the previous year. The capital account surplus was sufficient to cover the current account deficit and strengthen net international monetary reserves by CF 1,047 million. Gross international monetary reserves at the end of 1981 were almost double the previous year's level and represented about 2.6 months of imports of goods and services.

27. Disbursed external public debt at the end of 1981 reached CF 12,536 million (\$US 44.3 million), an increase of 22 per cent over the preceding year, attributable mainly to investment in road construction, telephone network, agricultural and education projects. Since most external public debt has been contracted on concessionary terms, servicing in 1981 represented only 8.2 per cent of export revenue. However, repayment of principal is due to start in 1986. Meanwhile, the inadequate infrastructure, the high degree of vulnerability of the external sector and the distance from economic centres pose real difficulties for development and would warrant an increase in grants and concessionary aid.

* At the rate of \$US 1 to CF 283; at the end of June 1982 the rate had moved to \$US 1 to CF 340.

Table 4. Balance of payments, 1979-1981

(Millions of Comorian francs)

	1979	1980	1981 <u>a/</u>
Imports, c.i.f.	6 135	6 145	8 791
Exports, f.o.b.	3 701	2 712	4 461
<u>Trade balance</u>	<u>-2 434</u>	<u>-3 433</u>	<u>-4 330</u>
Other freight and transportation	58	-281	-498
Travel	73	-80	-1 163
Investment income	-1	125	3
Other goods, services and income	-224	-266	-2 887
<u>Total goods, services and income</u>	<u>-2 528</u>	<u>-3 935</u>	<u>-8 875</u>
Private transfers	-121	21	130
Public transfers	2 427	2 380	6 465
<u>Current account balance</u>	<u>-222</u>	<u>-1 534</u>	<u>-2 280</u>
Direct investment and other long-term capital	2 037	3 514	2 965
Portfolio investment	-	-86	-85
Commercial credit	-	1 163	811
Short-term bank credit	-173	-241	346
Other capital, including errors and omissions	-1 133	-3 482	-710
<u>Capital account balance</u>	<u>731</u>	<u>868</u>	<u>3 327</u>
<u>Over-all balance</u>	<u>509</u>	<u>-666</u>	<u>1 047</u>
Change in net reserves <u>b/</u>	<u>-509</u>	<u>666</u>	<u>-1 047</u>

Source: Comorian Central Bank.

a/ Preliminary estimates.

b/ A minus (-) sign denotes an increase in reserves.

D. Public finance

28. The public sector includes the Federal Government, the governorates of Ngazidja, Ndzouani and Moili (also known as Grande Comore, Anjouan and Moheli) public enterprises for electricity and water, a shipping company, an airline, a marketing enterprise, an oil distribution company and decentralized agencies like the Central Bank, the Post and Telegraph, the Radio Broadcasting Station and a recently created development bank. Government-financed operations are managed at three levels: Federal Government budget, including both current and capital accounts, Federal Government special accounts, principally for handling investment projects funded from external resources, and the budgets of the three governorates, which are limited to current operations.

29. The banking system comprises the Central Bank of Comoros and a commercial bank. In March 1982, the Government established the Banque de développement des Comores with a total capital of CF 300 million, of which the Government has a 50 per cent share while the rest of the equity belongs in equal parts to the Caisse centrale de coopération économique, Banque européenne d'investissement and the Central Bank. This financial institution is intended to be the main channel for development financing for agriculture, manufacturing and handicrafts, as well as for construction. It is not intended for the financing of consumption.

30. Table 5 shows revenue flows in the last three years.

31. It can be seen that revenue is heavily dependent on import and export taxes, which contributed an average of 86 per cent of the total over the last three years. Due to the decline in exports in 1980, customs receipts fell by about 1 per cent and the over-all growth of revenue amounted to only 7 per cent, which, since inflation probably exceeded 12 per cent, implies a negative rate of growth. On the other hand, recovery of exports in 1981 explains a 28 per cent growth rate of taxes on international transactions and a 20 per cent increase in over-all revenues.

32. Table 6 shows consolidated revenue and expenditure of the Federal Government and the three governorates for operations included in their respective budgets. Technical assistance provided by the International Monetary Fund has contributed significantly to the control of revenue. Capital expenditures during the period 1979-1981 decreased from 14.6 per cent to 10.8 per cent of the total, but a recovery to some 13.9 per cent is expected in 1982. These figures do not include extrabudgetary accounts.

33. Major progress, however, is being achieved in creating basic physical infrastructure. By placing increasing emphasis on agricultural development the Government hopes also to reduce dependence on imports and, as production and private savings grow, a private sector should come to play a more active role both in financing and execution.

Table 5. Domestic revenue for the Federal Government and the governorates of Ngazidja, Ndzouani and Moili budgetary operations, 1979-1981

(Millions of Comorian francs)

	1979	1980	1981
<u>Direct taxes</u>	<u>137.0</u>	<u>233.0</u>	<u>183.6</u>
Direct taxes (TCA)	13.4	35.6	75.7
General consumption taxes	37.0	43.0	46.1
Import and export taxes	2 238.0	2 221.5	2 854.1
<u>Indirect taxes</u>	<u>2 288.4</u>	<u>2 300.1</u>	<u>2 975.9</u>
Total tax revenue	<u>2 425.4</u>	<u>2 533.1</u>	<u>3 159.5</u>
Services and non-tax revenue	<u>119.8</u>	<u>184.2</u>	<u>99.5</u>
Grand total	<u>2 545.2</u>	<u>2 717.3</u>	<u>3 259.0</u>

Source: Ministry of Finance, Economy, Planning and Foreign Trade. See Source note for Table 6.

III. SPECIAL ECONOMIC ASSISTANCE PROGRAMME

34. The financial difficulties of the Government of the Comoros have been compounded by a period of drought and cyclones during the past two years. It is estimated that as many as 200,000 persons have been affected by a period of drought during the first four months of 1981 when rainfall was approximately one third of that normally expected during the growing season. In consequence, crop production was only about half the annual average. The Government hopes for assistance to meet this shortfall in the form of rice, maize and edible oil.

35. Budgetary support has been an element in the special economic assistance programme for previous years and is likely to remain part of that programme for some time to come. The Government has been making serious efforts to limit expenditure and increase revenues, but budgetary sources still fall short of minimum needs.

Table 6. Public revenues and expenditures of the Federal Government and the governorates, 1979-1982,

(Millions of Comorian francs)

	1979	1980	1981	1982 <u>a/</u>
<u>Revenue</u>	<u>3 911.7</u>	<u>4 676.5</u>	<u>5 455.9</u>	<u>6 263.0</u>
Domestic resources	2 545.2	2 717.3	3 259.0	3 487.2
Foreign resources <u>b/</u>	1 366.5	1 959.2	2 196.9	2 775.8
<u>Expenditure</u>	<u>3 911.7</u>	<u>4 676.5</u>	<u>5 455.9</u> <u>c/</u>	<u>6 263.0</u>
Current	3 340.2	4 119.3	4 868.2	5 388.9
Capital	571.5	557.2	587.7	874.1

Source: Ministry of Finance, Economy, Planning and Foreign Trade.

a/ Government budgetary projections.

b/ Mainly grants.

c/ Expenditure figures for the governorates are provisional estimates.

36. The Government, which embarked first on a major effort to create the basic infrastructure necessary to sustain economic growth and development, now feels ready to place greater emphasis on directly productive activities. Development efforts are being carried out within the framework of the Action Programme for the 1980s. The six main priority areas are: self-sufficiency in food, improved communications for the islands, energy production and water supply, health and population policy, training and physical planning. The total estimated costs for implementation is about \$415 million. The second phase will comprise agriculture, agro-industrial and fisheries projects, internal transportation and further infrastructural development in the social sectors, at a total cost of \$118 million.

37. An interim development plan for the years 1983-1985 is expected to be ready in the second half of 1982. The outlines for priority action have already been approved as set out in the Comoros memorandum submitted to the United Nations Conference on the Least Developed Countries, held in Paris in September 1981. These will be reflected in the programme which the Government proposes to submit to

the donors' conference to be convened, with the assistance of UNDP, in the first quarter of 1983.

38. Following discussions with the Government and with its agreement, 19 projects, which were already included in the programme presented in 1981, have been retained. It has been confirmed that these remain valid within the context of the interim development plan and also form part of the broad programme being presented to the donors' conference.

39. The Government of the Comoros hopes that the international community will provide the assistance it urgently needs and, given its financial difficulties, that the assistance may be in the form of grants or loans extended on very favourable terms.

A. Self-sufficiency in food

1. Soil conservation and restoration in the Comoros

40. Soil conservation is one of the Government's main concerns. Eighty per cent of the population depends on agriculture, and a widespread process of soil degradation caused by population pressures has already reached alarming proportions in some regions. Forest cover is gradually being destroyed, causing a growing shortage of timber-based products; the cultivation of steeply sloping terrain is accelerating soil erosion, and there is a threat to the country's over-all ecological balance. The Government's policy to arrest and eventually reverse this process involves action in several areas:

(a) Rational development and exploitation of natural and man-made forests, which will require more supervisory and trained staff and equipment for nurseries and reforestation sites. Between 6,000 and 10,000 hectares of land should be artificially replanted over the next 20 years. A technical study has been made by FAO and the estimated cost of the project itself is \$1,050,000, for which no funding has been identified yet. The World Bank/United States Agency for International Development (USAID) has been requested to assist in strengthening the technical services needed to carry out the operation.

(b) Soil restoration and conservation activities are under way. A pilot project financed by the European Development Fund (EDF) is nearing completion and should lead to an integrated rural development project with two components:

- (i) The first integrated rural development project is to be on the island of Anjouan, in an area around Nioumakele and Tsembehou, and will involve 5,000 small family units. It includes the artificial replanting of 425 hectares and anti-erosion works over a 3,000-hectare area. It is further intended to develop food crops (maize, rice, groundnuts, legumes) and cash crops (green peppers, cloves, vegetables), provide institutional support (training and technical assistance) and improve basic infrastructure (feeder roads, small agricultural implements, health centres and buildings for storage). An evaluation mission was undertaken

in February-March 1982 by the African Development Fund, which may be interested in financing the cost of the project, estimated at \$5 million. In that event, 90 per cent of the project cost would be covered, and the Government will meet the remaining 10 per cent.

- (ii) The second integrated rural development project is to be carried out on the eastern coast of Grande Comore island. It will be similar to the above and will aim at assisting farmers to stock up food reserves, to add forestry to their traditional agriculture and animal husbandry activities, and to practise soil restoration and conservation. It has not been evaluated as yet but its cost is expected to be the same as that for Anjouan.

2. Extension of the rural development infrastructure

41. The extension of rural development infrastructure has been begun with the assistance of UNDP and FAO (1978-1981). It comprises the Federal Centre for Rural Development Support (CEFADER), responsible for planning and co-ordination, and regional Centres for Rural Development Support (CADERS), each of which covers some 20 villages. Each CADER is self-managing; it supplies the necessary inputs to farmers at cost and provides technical guidance through multi-disciplinary extension workers and village development workers. Five CADERS had been established by the end of 1981; a further six are required between now and 1986 to cover most of the country. Each new CADER involves the construction of an operations building, as well as supplies, equipment and technical assistance. The total cost for the period 1982-1986 will be \$6,210,000, or an average of approximately \$1,250,000 a year. The United Nations Capital Development Fund (UNCDF) will probably finance the establishment of four CADERS (building, basic infrastructure) while the World Bank might finance the remaining two. The administrative and operating costs, estimated at CF 5 million for each CADER, will be covered by the Government.

3. Agronomic and veterinary support laboratory

42. Through the CEFADER and CADER programmes described above, the Government is directing and organizing various schemes to expand agriculture and animal husbandry. There are as yet no laboratories where soil, agronomic, plant health and veterinary analyses can be carried out.

43. It will be necessary to put up new buildings, train Comorian nationals and provide foreign technical assistance for a two-year period. The cost has been estimated provisionally at \$809,600. The project has been partially financed by France (FF 300,000) and by the Federal Republic of Germany, which has provided some phytosanitary equipment. The study has been financed by UNDP and construction has begun.

4. Development of irrigated rice-growing

44. The Comoros imports most of its rice requirements. However, about 3,000 tonnes are grown locally. While the prospects for extending rice cultivation are limited, some small coastal plains or island depressions - totalling as much as 1,000 hectares on the island of Moheli - should be suitable for irrigated rice-growing. This additional area could yield two crops of almost 7,000 tonnes.

45. Site development surveys have already been carried out and the Government wants to follow this up by establishing a small test site comprising an experimental unit and a pilot unit. An experimental unit of 20 hectares has been established in Moheli and has given very encouraging results. This operation is being undertaken with the technical assistance of FAO and UNDP at a cost of \$50,000. The scheme will enable technical problems and socio-economic factors to be studied more thoroughly before extending the area of irrigated land.

46. External assistance is needed to provide the necessary expertise, fellowships, operational equipment and vehicles and to cover part of the operational costs over a three-year period. The total cost for the pilot phase over 200 hectares will be \$220,000, for which no funding has been found as yet.

5. Development of livestock production

47. Insufficient meat is produced locally, and the Comoros imports more than 1,000 tonnes a year. The Government is channelling its efforts in two directions to expand meat production:

(a) Development of woodland and grazing land on some 5,000 hectares of under-utilized pastures on the high plateaux. The planting of windbreaks would help to combat erosion, ensure partial reforestation and develop fodder plants, which could substantially increase the number of animals that the land would be capable of supporting. Livestock have also to be improved genetically. The potential for such development is to be tested on a 500-hectare experimental unit.

(b) Development of livestock production, principally small ruminants (sheep, goats) in agricultural areas. At present, animals are unproductive because they lack proper care and foodstuffs. An attempt will be made through the CADERS to improve the exploitation of existing herds. The cost is estimated at \$5 million.

48. This two-pronged effort requires external aid in the form of technical assistance, training, equipment and a contribution towards operational costs during the first three years. The total cost for the pilot phase covering 500 hectares will be \$1,225,110, for which no funding has been secured.

49. At present, only a poultry project financed by UNDP (\$700,000) and EDF (300,000 European currency units (ECU)) is being implemented.

6. Development of food crops and legumes

50. Malnutrition is widespread; the national diet is particularly deficient in protein. The Government wishes to remedy this situation by developing the production of food legumes. The rotation of legumes with other crops would also help to maintain soil fertility. It is proposed to take action through the CEFADER/CADER system to improve food production, to encourage families to use food products more efficiently, and to improve the conservation and marketing of food crops.

51. From 1977 to 1981 EDF financed a project aimed at increasing the production of maize to replace rice consumption and reduce the need for foreign exchange for imports. The total cost of the project financed by EDF in the Grande Comore amounts to CF 530 million. EDF has been requested to finance a similar project in Anjouan and Moheli, which will aim at meeting the food requirements for both the population and their cattle. Some efforts have already been made at the CADER and CEFADER level with the assistance of UNDP. These include the introduction of fruit crops, bananas and vegetable cultivation. Similar operations for vanilla and cloves could be undertaken with financing to be provided by the African Development Bank.

52. Support is sought in the form of technical assistance, training fellowships, equipment, seeds and a temporary contribution towards operational costs, totalling \$396,000.

B. Improved communications for the islands

7. Purchase of a 2,000 to 3,000 ton freighter

53. The Comoros fleet has only three vessels, of 350 tons, 150 tons and 60 tons respectively, and these are old and in poor condition. This fleet is becoming increasingly inadequate for the growing inter-island passenger and freight traffic and for traffic between the Comoros and neighbouring countries. According to a recent study, two new freighters should be acquired. The Government has given top priority to obtaining a 2,000 to 3,000 ton freighter, at a cost of about \$5 million, for which external aid is being sought.

8. Purchase of an aircraft

54. There is still no financing for this project, already mentioned in the 1980 report. Air Comoros has only one aircraft, a 44-seat Fokker 27, for both domestic and international flights. The Government believes that the purchase of a second aircraft of the same type is essential to assure communications between the islands and with the outside world on occasions when the existing plane is, for any reason, out of commission. The estimated cost is \$6.5 million, including the necessary spare parts.

9. Construction of telephone exchanges

55. An inter-island telephone link is under construction. Only the capital, Moroni, has an automatic exchange; four other districts have a rudimentary manual network. The purpose of the project is to install telephone exchanges or modernize existing installations in the districts of Mitsamiouli, Fombouni and Ntsaoueni (Grande Comore); Mutsamudu, Domoni and Sima (Anjouan); and Fomboni and Nioumachoua (Moheli). The estimated cost of the project - primarily covering the purchase of equipment - is \$11 million.

C. Energy and water

10. Voidjou power station project

56. The Voidjou power station has three generators, two with a capacity of 600 kilowatts each, and an output of 1,200 kilowatts. Since peak demand already reaches levels exceeding 1,600 kilowatts, the capacity of the network should be at least equal to this and, on the assumption that demand will increase further, it is proposed to install a 2,000-kilowatt generating set (2,500 KVA). This can be installed within the existing infrastructure and will require no additional premises. The cost of the project is estimated at \$2.5 million.

11-16. Water supply projects

57. The first project concerns water supply for Grande Comore; this, together with the three following projects, would cover all the major urban centres on the island. While the islands of Anjouan and Moheli have springs and permanent surface water, Grande Comore appears to have ground-water resources to be exploited by drilling. The Government concluded an agreement with UNDP in 1979 on the exploration and development of water resources, and UNDP is carrying out a complete inventory of existing and potential resources. It expects to produce a comprehensive water development programme.

58. The various water supply projects proposed remain partly in the planning stage and cannot be costed with precision. The first involves extensions of the existing water supply systems in Grande Comore, the second covers the extension of water supplies in Hahaya; each is estimated at \$780,000. The third covers new boreholes and supply systems in the Mitsamiouli area; the estimated cost is \$1,590,000. The fourth project covers new boreholes and supply systems for the south in the Chindini and Oumbouni area; the estimated cost is \$2.3 million.

59. On the island of Anjouan it is proposed to improve the existing water supply installations in the town of Mutsamudu and in nearby villages in order to meet the requirements of the population, currently estimated at 20,000. Surveys, which cover construction of stream catchments, water supply conduits and storage tanks, the installation of a water treatment system, recalibration of the distribution network and extensions, and re-deployment and re-replacement of some existing conduits are to be financed by EDF. The total cost is estimated at \$1,500,000.

60. On the island of Moheli, it is proposed to repair water supplies, conduits and improve distribution in the town of Fomboni and nearby villages in order to meet the requirements of about 6,000 people. The existing distribution network needs both improvement and extension; water conduits, which were damaged by floods in 1980, require repair. Surveys have been financed by EDF. The cost is estimated at \$750,000.

D. Health

17. Supply of medicines

61. Because of budgetary constraints, the Comorian Government cannot, without external aid, meet its public health obligations, in particular the provision of essential medicines to the population. According to estimates by the World Health Organization (WHO), approximately \$610,000 is needed annually to provide the bare minimum. Supplies for 1982 are guaranteed, thanks to assistance from Kuwait. Financing sought for the continuation of the programme from 1983 to 1986 amounts to approximately \$3 million. The University of Laval (Canada) and the Swiss Red Cross are providing some assistance.

E. Training

18. Construction and equipping of a multidisciplinary technical and vocational school on Anjouan

62. The national multidisciplinary technical school at Mutsamudu (Anjouan) has an enrolment of 110 students, which does not suffice to meet the country's needs for skilled labour, and it occupies inadequate premises. The Government considers it necessary to build and equip a technical school to provide multidisciplinary training for a larger number of students at more diverse levels of competence and in a wider range of trades. The provisional estimate of the cost is \$2.8 million, which would cover the construction and equipping of the building, technical assistance requirements for two years and fellowships for advanced training.

19. Construction and equipping of a veterinary and animal husbandry school

63. The priority given by the Government to food self-sufficiency and agricultural development requires a programme for the training of agricultural extension workers. At present, there is no establishment to train the specialists and lower-level staff needed in agriculture and animal husbandry.

64. The Government plans to establish a secondary school focusing on veterinary science and animal husbandry, having a maximum capacity of 120 students. It is the intention to train 20 to 30 new students each year and to retrain technicians already at work. A range of subjects is envisaged. After an initial period the school should become self-supporting; the produce of the school farm would be

partly consumed on the premises and the surplus sold. The total cost amounts to \$2,625,000, which covers construction, technical assistance and some fellowships for national staff. The project has been financed by the World Bank.

Table 7. Summary of projects

Project	Cost
A. <u>Self-sufficiency in food</u>	(US dollars)
1. Soil conservation and restoration in the Comoros	1 795 000
2. Extension of the rural development infrastructure (approximately \$1,250,000 per annum)	6 210 000
3. Agronomic and veterinary support laboratory (preliminary study will cost \$35,000)	736 000
4. Development of irrigated rice-growing	220 000
5. Development of livestock production	1 225 110
6. Development of food crops and legumes	<u>396 000</u>
Subtotal	10 582 110
B. <u>Improved communications for the islands</u>	
7. Purchase of a 2,000 to 3,000-ton freighter	5 000 000
8. Purchase of an aircraft	6 500 000
9. Construction of telephone exchanges	<u>11 000 000</u>
Subtotal	22 500 000

Table 7. (continued)

Project	Cost
	(US dollars)
C. <u>Energy and water</u>	
10. Voidjou power station project	2 500 000
11. Water supply for Grande Comore	780 000
12. Water supply for Hahaya	780 000
13. Water supply for Mitsamiouli	1 590 000
14. Water supply for Chindini-Oumbouni	2 300 000
15. Water supply for Mutsamudu	1 500 000
16. Water supply for Fomboni	<u>750 000</u>
Subtotal	10 200 000
D. <u>Health</u>	
17. Supply of medicines	<u>3 000 000</u>
Subtotal	3 000 000
E. <u>Training</u>	
18. Construction and equipping of a multidisciplinary technical and vocational school on Anjouan	2 800 000
19. Construction and equipping of a veterinary and animal husbandry school	<u>2 625 000</u>
Subtotal	5 425 000
Total	<u><u>51 707 110</u></u>
