



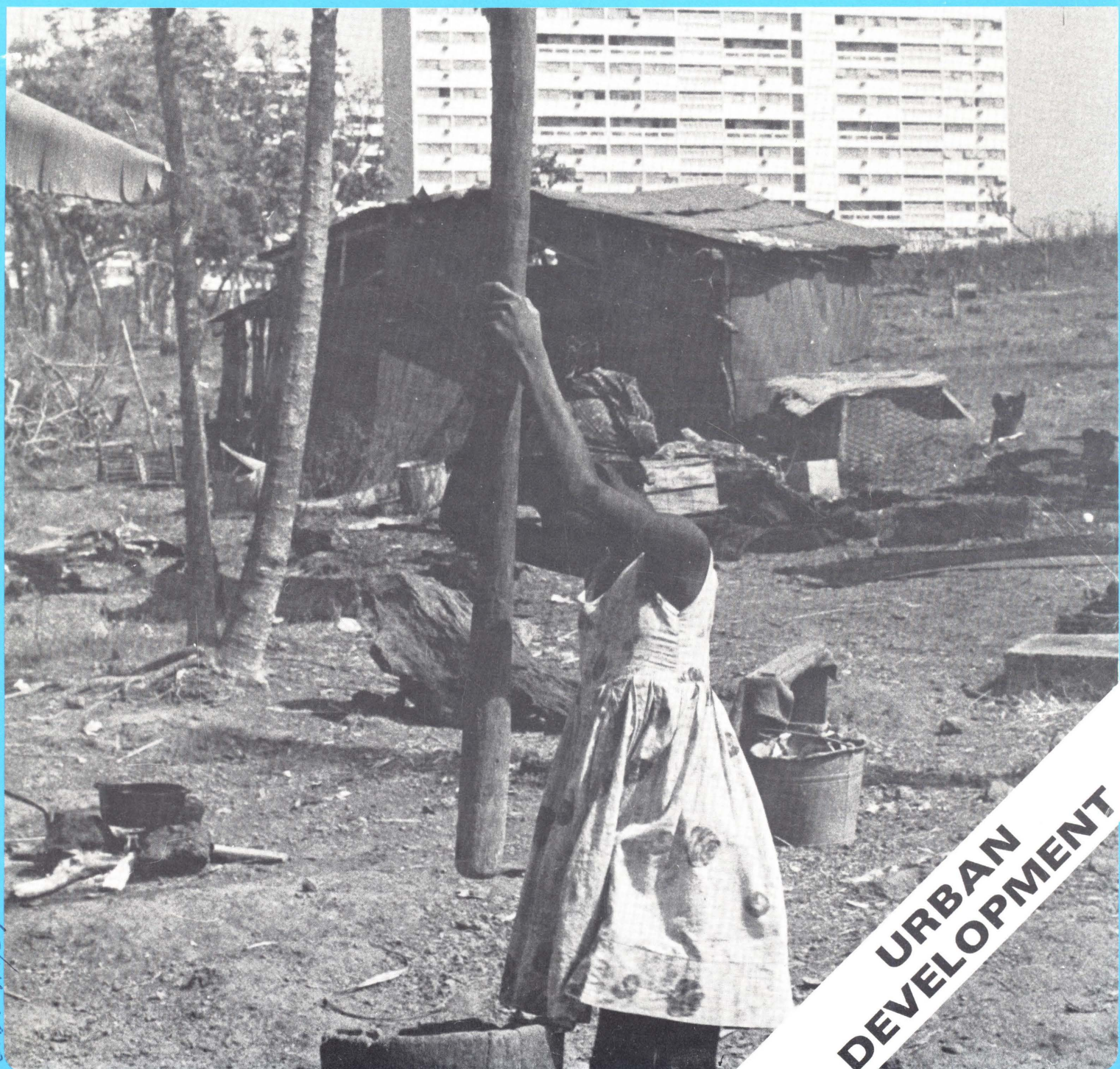
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**URBAN
DEVELOPMENT**

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THE EUROPEAN COMMUNITY

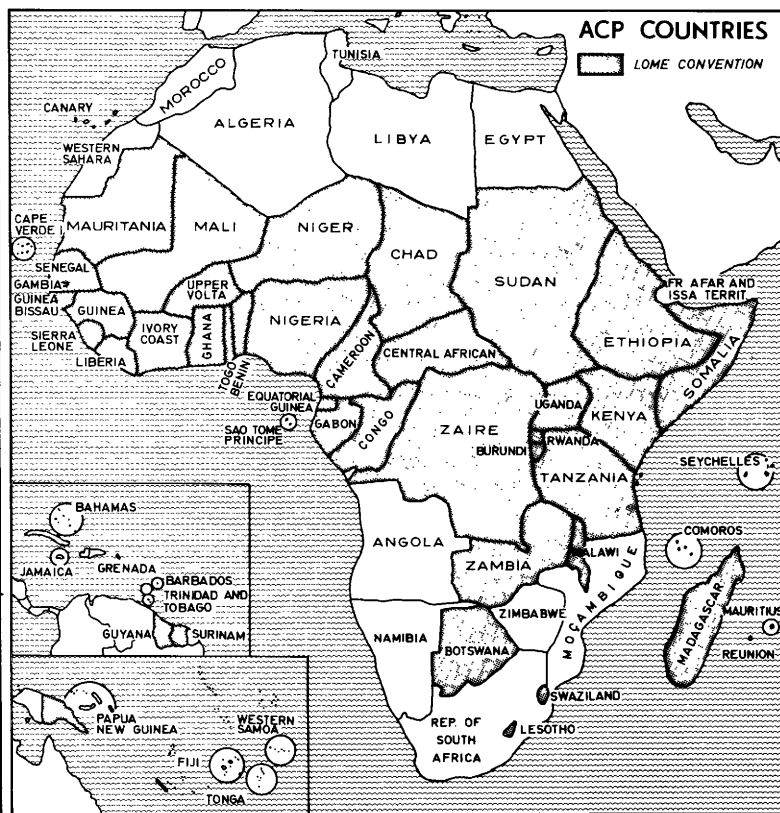
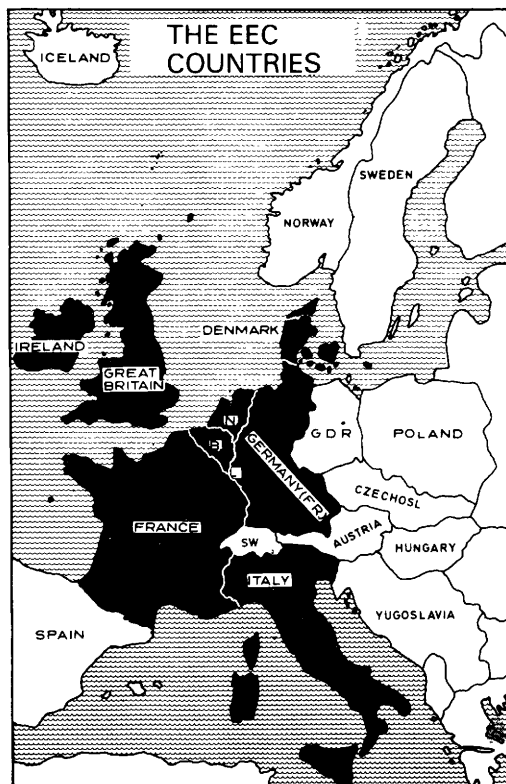
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TONGA
TRINIDAD and TOBAGO
UGANDA
UPPER VOLTA
WESTERN SAMOA
ZAIRE
ZAMBIA



Claude Cheysson — The French commissioner gets another term in charge of development on the new EEC Commission team which took office at the beginning of the year. His reappointment underlines his achievements over the last four years, during which EEC aid has been extended to 50 countries under the Lomé Convention and several new kinds of cooperation have been brought into action. The pacts with the Maghreb and Mashreq countries were also steered through by Mr Cheysson during a testing period of recession. Cheysson on the EEC and the Third World. **Page 3**



Mali — An immense development effort is under way in this vast, landlocked country, one of the poorest in the world, after the Sahel drought which decimated its livestock and agriculture. Mali can now feed itself and even export foodstuffs. While the farmers are breaking new ground, prospectors are finding new mineral potential. But a lot of difficulties remain unsolved. Colonel Moussa Traoré, Head of State, president of the Military Committee of National Liberation and of the government, outlines the present state of the economy. **Page 8**

Dossier — Huge areas of slums sprawl around the Third World cities and spread further each day. The forecasts for urban conditions in the future are appalling. Yet skyscrapers, highways and Western-style housing estates continue to swallow up money in the developing countries. Why do the poor countries imitate this kind of city planning? Could the slums be the starting point for a more relevant building programme? This dossier looks at the complexity of the problem and puts forward some of the new thinking on urban development in the ACP countries. **Page 36**



EEC-Arab countries — The developing world requires more from the EEC; one step in this direction is the Community's Mediterranean policy for cooperation with Arab and Middle Eastern countries. The agreements recently signed with Egypt, Jordan and Syria complete the series of aid deals which already include Israel and the Maghreb countries. The Arabs are among the EEC's biggest trade partners and the negotiations were long and detailed. **Page 71**

The Arts — The 2nd World Black and African Festival of Arts and Culture was held in Lagos, Nigeria, from 15 January to 12 February. The "Courier" was there. Our two pages of photos in this issue cover the opening of the festival, the only meeting-point of black artists from around the world. In the next issue we will look at the significance of the festival and the question of the reaffirmation of black cultural values. **Page 92**



THE COURIER

EUROPEAN COMMUNITY —
AFRICA - CARIBBEAN - PACIFIC

No 42 — March-April 1977

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BOOKS (inside cover)

NEWS ROUND-UP (yellow pages)

Simple ideas put to good use

The influence of Jean Monnet

Jean Monnet's memoirs appeared at the end of last year. The name probably means little to the younger generation, nothing to most people in the ACP countries, and others will be put off by the size of 642 page book. Yet few men have made a greater mark on their time and few have had so much effect on the evolution of western Europe.

Jean Monnet has never really been in the limelight nor held a top government job either before or since the war. "Life", he says, "is a matter of choice. You choose to do something or to be someone. I chose to do something". And, if only by contributing to the construction of Europe, this he has done. He was doubtless aided by the fact that, after the war, men like Schuman, Adenauer, de Gasperi and Spaak held key posts in Europe, and contemporary events, and together with their own experience and ideas, made them ready to welcome Monnet's ideas.

These ideas were simple and well thought out. One of his contemporaries, a great writer and chronicler of his times, summed them up

when he said that, in the second part of the 20th century, nationalism in Europe was turning into provincialism and was in danger of becoming a sickness. Monnet thought that Franco/German antagonism had to be quelled once and for all, that a giant market should be set up to allow mass production and economies of scale and that *de facto* solidarity should be forged between the free and democratic states of Europe. Then came Robert Schuman's declaration of 9 May 1950 and the first European Community—usually called the "coal and steel pool"—with Jean Monnet as its first president. "We are uniting men, not states." The rest of the story is more familiar. We have not yet reached the end, although Monnet has pointed the way. Strong ideas are simple.

A man of more than 80 has written this book for the younger generation. It shows the virtues of thought and perseverance. It shows intellectual courage, clarity and faith in democracy and a better world. Read it.

* * *

The latest World Bank/IMF report on development over the 1965/75 decade underlines the size of the gap between the rich countries and the poor countries. This same idea is behind the third Club of Rome report, which we covered in our last issue.

For the poor countries, as the January 1977 report from the Federation for the Respect of Man and Mankind points out, the gap is widening—25 of these countries, representing 1 200 million people, are in a state of "absolute poverty" (average income, \$150, has gone up by \$2 p.a.). In 80 medium-income countries, with 900 million people, the average income (\$950) has gone up by \$30 p.a. In the industrialized countries, the average income has gone up by a further \$130 (\$5000). An OECD report confirms that the gap is widening in spite of the extra aid being given to the poor countries. The 40 countries where income is below the \$200 mark have been unable to finance their trade deficit.

Faced with this situation, who will be the Jean Monnet of the North-South dialogue, capable of retrieving it with some simple ideas?

A. LACROIX

"I reckon there will be a Lomé Convention II"

Interview with Claude Cheysson

Claude Cheysson has kept his post in charge of development in the new Commission. Looking back over his first four-year stint, he can clearly point to one overriding achievement—the change-over from Yaoundé to Lomé. The most striking points of the new pact, as he sees it, are: the increased number of ACP states; the permanency of the arrangements—even though, legally speaking, both Lomé and Yaoundé were concluded for a specific number of years; and what he calls the "bloc" effect, which is much more apparent under Lomé than Yaoundé, and can be traced to the breakthrough ACP-EEC meeting in Georgetown during the Lomé negotiations. A lot has been said about the Lomé Convention around the world. Mr Cheysson explains why it caused a stir.

The main points of the Lomé policy

"In politics it is always very difficult to decide why, at any particular moment, an idea seems new. The seeds of the Lomé ideas were sown in Yaoundé and many features were, quite simply, taken over as they stood. But Lomé caught people's attention. They talked about it from Peking to Washington, from Ottawa to Rio and from Tokyo to the far ends of Africa. Everywhere. They talked about the spirit of Lomé. And they were



J.L. Debaize - EEC

Claude Cheysson

able to talk about the Lomé policy, which I have so often outlined. It is, first and foremost, a contractual policy—which means that the advantages it provides cannot be withdrawn. Secondly, it concerns whole groups of countries and is obviously apolitical in that

the countries do not all have the same outlook, standard of living, alliances or friends. Thirdly, all the instruments of cooperation are covered by one agreement instead of several different deals and so reinforce each other. Fourthly, we are convinced that development must be thought out by the developing countries themselves and they, not us, must define their own priorities.

Extensions of the Lomé policy

So this policy has now been received as an interesting international experiment, and one which we were able to extend to the Arab countries when we signed agreements with Egypt, Syria and Jordan on 18 January last.

Over the last four years, then, Lomé policy has been extended to the southern Mediterranean. This was no easy matter, because political tension in this part of the globe is much greater than elsewhere and because the countries concerned have more geographical and climatic points in common with the Community and are, therefore, more immediate and more formidable competitors for economic activities in the EEC. But we got there in the end and—this is very important—we consolidated Lomé by doing so. We proved that this policy could be used under conditions that were worse for us than in the ACP. And we extended it to large countries like Egypt, with its 35 million people. We extended it to countries which are commercially very enterprising, like Spain, whose tradesmen have been famous for centuries. And I could say the same for Tunisia. This is an extremely important feature of the last four years, particularly bearing in mind that this area of the globe is politically sensitive and that the Community has an identical agreement and identical arrangements with Israel and the neighbouring countries. This seems to me to be a prime example of what we are trying to do, putting conflict and war to one side and resolutely serving whole regions. All peoples in all

countries have the right to existence, to the future, to stability and to a guarantee.

Two difficult fields

And we have gone a little further in making a Community stand in development problems at world level. I am careful, not to say over-critical here, since we have not made a great deal of progress in this respect. Of course, we were in unison over general declarations at the UN, but as soon as we got down to brass tacks, to fundamentals and the most delicate topics, we were at cross purposes. The Community still has a good way to go and many people feel that the last four years augur ill for the future in that we have not made a great deal of progress. I am not so pessimistic. It is not in my nature to look on the black side of things and I feel it is wrong to underestimate the task involved in getting nine European countries with different histories, different connexions and different economic problems to come to immediate agreement on one economic order—since it is a new economic order that we have to create between industrialized and developing countries.

And finally, the last aspect of development policy which I feel has clarified over the last four years—although progress on it has not even begun—is that it must be made an integral part of our other policies. We have to ensure that our external policies vis-à-vis the Third World tie up with our internal policies, particularly since there is no question of our Third World policies not having an effect on our economic structures. As an EEC commissioner, I am very proud of this fact. This is because they enable the countries of the Third World to boost their production and their exports to the Community. But let us admit that, even though the problem is better understood now and even though we have the satisfaction of knowing that the unions themselves have agreed to help solve it and contribute to building the new order together with the countries of the Third World, we have still not gone beyond the drawing board.”

► *The Lomé Convention, the Cheysson Fund, the global Mediterranean policy with the Mashreq and Maghreb agree-*

ments, and the Euro-Arab dialogue—none of these would have been possible without perseverance and a willingness to discuss real difficulties. You had to believe in them and make others believe. What is the basis of your own belief in what you do?

— “This is a very personal question. First of all I should like to limit the Commission’s role to what it is at present. A commissioner, you see, is not a minister. Neither are we a government. Our powers are very limited. We have no direct democratic legitimacy. But we are in an interesting position in that curious entity, the Commission, and this enables us to give free rein to our imagination and to express our ideas, to maintain our position to the last—particularly since we have few daily responsibilities and can stick to our guns without being forced to rush into action. This means we can establish a dialogue with everyone. I, as a commissioner, can more or less meet whom I like—I mean people representing forces rather than individuals for themselves. So, by being imaginative, obstinate and constantly active vis-à-vis this person or that, a commissioner can play an active part. This is what I have done. That is all I have done, but I think it has helped.

“... what motivated the Vietnamese against us was very much like what had motivated me against the occupation”

You ask me why I do it with so much conviction. I am not ashamed of having done so. It is the result of the life I have led and the 16 years I spent in the developing countries, living with the people and for 12 of those 16 years working for them and not for my own, the French, government. But I’m not really answering your question. Why did I do it? It isn’t just something that happened in the course of my career. The discovery of development problems was extremely important to me and, since you did ask me what I really felt, I shall tell you. The war was the most important event of my life. I was very young when it broke out. My brother was killed straight away and there I was, a bourgeois, son of a bourgeois and grandson of a bourgeois, in a thor-

oughly unacceptable situation. Generally speaking, people from the class I came from collaborated with the enemy or played a waiting game. To me occupation was the negation of my national pride, of my pride in being French, and the renunciation of many of my family traditions. So, like a certain number of other people, I broke away and joined the Free French Forces and was lucky enough to come back to France as an officer in the tank corps. I came back full of illusions and full of ideas on what a democratic progressive France should be like in the future. And then, quite suddenly, my career took me to Indochina. And there I found that what motivated the Vietnamese against us was very much like what had motivated me against the Occupation and against my family and certain elements in my country. This realization that their problems were like mine was an enormous shock—partly because I awoke to the fact that we French would meet with appalling failure in Vietnam, in the Third World and perhaps even in France itself if we persisted in denying these countries the right to be what we ourselves had wanted to be, which is to say independent and with a right to develop according to our own identity, history and traditions. In other words, at that time I felt independence was an inevitable stage in an historical process and highly respectable in view of the adversaries whom I respected and understood. But I felt it was also the starting point of a new and extraordinary adventure shared by peoples who had, at different periods and in different circumstances, fought and suffered for the same cause. And when I went home, I was lucky enough to serve under President Mendès-France, a man for whom I have great respect and even great affection. When I went home and President Mendès-France put me on to the problem of North Africa, I was very much in favour of independence for the countries concerned, particularly for Algeria of course. My whole existence and my conception of relations between developed and developing countries are founded upon this analysis.”

Mr Cheysson discussed some difficult aspects of the approach to development problems in the countries of Europe. Up until the oil crisis, such problems were

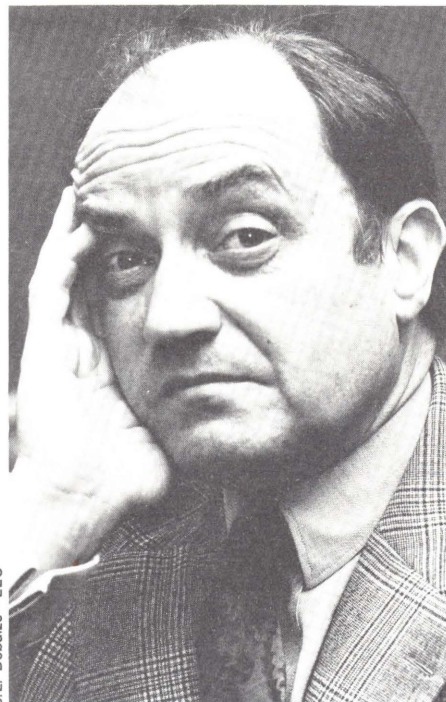
thought to be a matter for specialists. This was even true in government, where a specialized minister or a specialized department of the Ministry for Foreign Affairs dealt with the problems of developing countries, often without any liaison with the other departments, apart from once a year when the Minister of Finance decided how much money would be available. "We are now beginning to understand how much we depend on the Third World for our supplies. The Arab world is a bigger client for Europe than is the US. All these forms of dependence force us to classify Third World problems with internal matters. But although we have understood that this is so, we have not yet translated it into fact." Governments still prefer to deal with some Third World problems on a bilateral, rather than a Community, basis. The structure of international organizations reflects this type of analysis and it is states and not whole regions that are represented at the UN.

In the industrialized countries, the Third World is in the headlines whenever there is fighting between two Third World countries or when governments lament the trouble the Third World is causing them—over oil prices, for example. "Only recently have we begun to look upon Third World problems in the same light as our own economic problems." This new approach is too recent for anyone to say what the results are likely to be. However, in some circles—with different, mainly religious, motivations—a different attitude has long been adopted. "There is a certain continuity between the periods of colonial rule, independence and cooperation as far as the work of some of the church organizations is concerned, and their development philosophies are much more advanced and stable and involve much greater continuity than others" Mr Cheysson said.

► *Some ACP countries, although they recognize the interest and originality of certain aspects of the Lomé Convention, are concerned about one or two problems of implementation. Is this justified?*

— "You know, what is so good about the Lomé Convention is that we have a contract which fixes our relations, so we

no longer need to discuss the principles involved. We are debating the practical implementation of these relations, which means we have begun a lively discussion which will go on indefinitely. You can say that, as far as our own history is concerned, the mid-19th century swing from open opposition between workers and bosses to discussion, concentration, negotiations and collective agreements—and the annual application of collective bargaining in each profession—is the cause of heated discussion. This is the sort of argument there will be between the Third World and us, although we have already got on to specific points. We are arguing about the price of sugar. We agree, down to the last unit of account—that is to say 7 or 8%—on a price per 100 kg, whereas our price is already more than 30% above the world price. We shall be arguing about these problems of implementation. We shall have to live with it; it is part of the collective bargaining, if I can call it that, between the Lomé countries and the European countries. I think that given time, our partners will better understand that, overall, the contents of the Convention are very much in their favour.



J.L. Debaize - EEC

"The Arab world is now a bigger customer for Europe than the United States"

There are two partners to any contract

I also hope—and I am being careful not to hurt anyone's feelings here—that they will understand that one essential characteristic of the Convention is the contract and that there are two partners to any contract. In other words, they are right to demand that we understand and be considerate towards their problems, but they too have to realize that we have our problems and they cannot forever go on making unilateral demands and refusing to let us point out that in some cases they are going too far and we ourselves have problems that they must reckon with."

► *A look at the calendar shows that negotiations for renewal of the current Lomé Convention are not that far away. The ACP countries are beginning to think about it. Do you think there will be a Lomé II, and if so, what are the main points to be discussed?*

— "Negotiations are due to start in 1978. The Convention itself says so. This means that we must start thinking about it at the end of 1977. Will there be a Lomé II? I've heard nobody doubt the fact so far. I should also like to say that, with this collective ACP-EEC formula, there is no real way either EEC or ACP countries alone could block it. So I reckon there will be a Lomé Convention II.

Going further in trade

How will Lomé II differ from Lomé I? I think it will go further.

I don't seriously think we can broaden the scope of Lomé policy. I am, personally, categorically opposed to doing so. I think we have reached the limits of what Europe can do, particularly in a period of crisis, and some people would say we have exceeded these limits. However, I think we can go deeper, since certain aspects of Lomé I have proved inadequate and there are one or two additional ideas I should like to put forward. As I am partly responsible for future Commission proposals to the Council, you will understand that I have

to be a bit discrete about these ideas, but I should like to say that it is in trade that we must manage to do better. There are two reasons for this. First, because preferences are clearly being eroded as the result of more liberal trade in the world, particularly the preferential liberalization accorded in 1977 by the GSP. Preferences are being eroded and if we are to give our partners—who need to develop their external trade—the sort of advantage that will enable them to develop this trade properly, we will have to do more than grant customs preferences. The Stabex was a step in the right direction. Will we find other ways? We might.

Long term contractualization and length of the Convention

One thing that has interested me for years is the possibility of long-term contracts. Can we embark upon systems of trade—the selling of food products, for example, by the Community to Third World countries or the purchasing of agricultural or even industrial products—under conditions which would be, perhaps not guaranteed, but at least intended to last for a certain number of years? These are interesting subjects. And I also think we should look at the length of the Convention. Five years is very short as far as trade is concerned, although it is a very reasonable time for financial aid (which is over four years this time). But it is short for trade, in that the ACP countries have tried to develop their processing industries, and it is quite out of the question to build a processing/exporting industry with no more than a five-year guarantee. They need much longer periods if they are to make sure that the human and financial investments are worthwhile. This must be one of the subjects on the table.

How will the negotiations take place? I don't know. I am always afraid that the ACP group will divide their loyalties, which would mean losing a great deal of their impact on Europe. There is no danger of this happening to us because we are bound by much more rigid links than the countries of the ACP, who are not tied by any institutional considerations when they come to the negotiating table."



J.L. Debaize - EEC

"The Third World represents one of our best openings for growth"

The problem of competition

► *Some people are afraid that certain ACP states will turn into competitors of the European countries, as far as at least certain sectors of trade are concerned. It may be theoretically possible, but is this really likely?*

— "Few ACP countries, unfortunately, are really likely to be in a position to compete with Europe. However, Lomé policy is now applied to Mediterranean countries that are nearer to us geographically and more powerful economically. Competition here is not just likely, it's certain.

We have often come across this sort of reasoning and we don't have to look far back for an example. When we set up the Common Market, it was obvious that organizing free competition with no customs duties or protection and no possibility of going back on it, between, say, France and Germany, made German industry—some sectors of which

are very efficient indeed—alarming strong as compared to the corresponding sector in France. How do things stand 15 years on? Almost all production in almost all the regions has benefited from this way of doing things, although one or two regions have suffered, it's true, and our regional policy has proved inadequate in this respect. However, generally speaking, all production has benefited from this situation—even in fields where it seemed, *a priori*, that Germany was much stronger than France. In iron and steel, for example, French industry has managed to modernize and become fully competitive with German industry. Both are suffering at the moment, but because of outside forces rather than because of each other. Take agriculture—by rights, German agriculture ought to have suffered at the hands of French agriculture, but it has never been so prosperous. Whole sectors of agriculture have developed because of the size of the market.

In other words, a large, guaranteed, properly organized market will multiply trade and be favourable to everybody in the end. This is what will happen between us and those Third World countries that are closely linked to us. This undeniably means that one or two products of North Africa or the Arab world in general will be extremely competitive with our products and that our own development in these particular sectors will come to an end. We shall not drop to zero production—experience has shown that this does not happen—but production will stop developing and may even fall back. But other products will develop, for our market and for our partners' market, where we are more competitive than they are and where industrial development involves them in larger orders and more purchases.

► *As to commercial competition, one of your predecessors at a European Parliament meeting a few years back mentioned the need for Europe to consider letting its production capacity in certain sectors slide. In this case, what about compensation for industries in difficulty and the consequences for employment?*

— "I am convinced that the development policy of the future will include that very important, dynamic, active possibility of intervention in our internal

market, exactly along the lines I mentioned. We have had a fruitful experience with the Community, since, after all, the ECSC was set up with the precise aim of rebuilding the coal and steel industry and reconverting the regions which these industries were abandoning. The results have been exceedingly good. So there is no reason to think that we cannot deal with these problems of restructuring if there is growth. I repeat, if there is growth. This is only possible during a period of growth and we must start industrial growth again as soon as possible. I am sure that the Third World is one of our best chances of growth, since it contains the markets that are the most eager to expand. This is an opportunity for large-scale growth from which we will directly benefit.

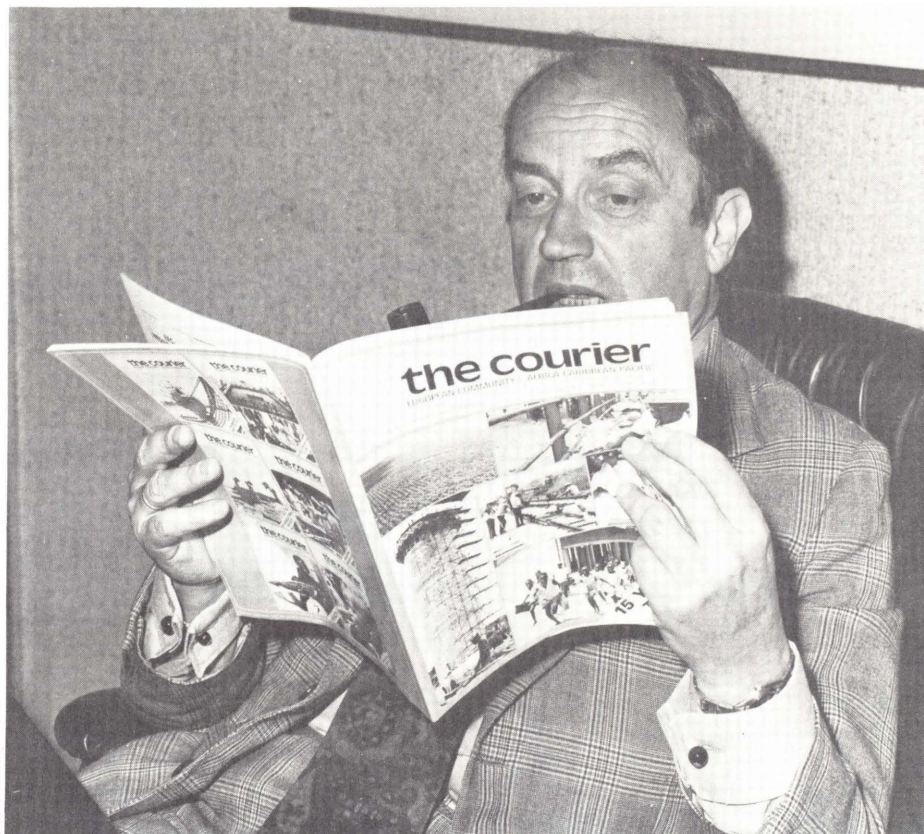
Take the example of the Arab world, which was a long way down Europe's list of clients and has now come to the top. Growth in these countries has enabled us to push up our exports, thereby leading to growth in Europe."

Problems of the North-South dialogue

► *Do you think both sides are really willing enough to talk to warrant re-launching the North-South dialogue, or the West-South dialogue as you more accurately called it?*

— "People are willing to talk, but not uniformly so throughout the Community and throughout the industrialized countries. In other words, all the industrialized countries—the US, Japan, Germany, France, the UK, Belgium, the Netherlands and so on—want to avoid a clash between North and South. None of them wants to be responsible for failure or for large-scale difficulties with major issues.

So the motivation is there, but the governments express their motivation differently. One wants to improve things and reduce the Third World debt while leaving the sacred balance of commodity markets intact. Another wants to leave the debt alone but try to plan something for commodities. A third is against price planning but willing to compensate for losses, a fourth is more concerned with the transfer of technology, and so on. I think it is clear that all



J.L. Debaize - EEC

Better information for better action

the industrialized countries are anxious to do something for various reasons, and the weak industrialized countries, European and one or two others, have particular reasons for doing so."

► *But they aren't pulling in the same direction?*

— "This is true, and the reasons for it are simple. Take the countries of the Community. For Luxembourg, Denmark or even Italy, lightening the burden of debt is a generous gesture involving only small amounts, whereas for the UK, France and even Germany, it is a considerable sacrifice—at least on paper.

Take another example, the case of a country like Germany, which is an enormous importer of copper and has well-organized and highly efficient companies doing so. Germany of course realizes that it is extremely important to stabilize commodity prices on the world market, but, on the other hand, fluctuating copper prices are a very useful means of balancing the metal industry's books. The stronger a country's metal industry, the less keen it is for copper prices to

be stabilized. So, it is quite normal for everyone to be equally anxious to help the Third World but to want to help it where it hurts least."

► *And you think that Europe is capable of weighing into these problems and reaching agreement with all the industrialized countries?*

— "It has to be. Experience has proved, as I think I have already said in the "Courier", that when Europe speaks with one voice, the rest of the industrialized world is forced to follow suit, since the countries of the East are absent from the dialogue and the US has decided, politically speaking, not to be responsible for failure. When the Community speaks with one voice, as the Japanese usually do what the other industrialized countries do, it is obviously the US that would be to blame if no agreement were reached. So, our united voice carries great weight. But it only needs one of the Nine to be out of line for this to be lost." □

Interview by A.L.

MALI

President Moussa TRAORÉ:

“Our objective of self-sufficiency in food has been very largely achieved”

Mali is a vast, landlocked country at the crossroads of several civilizations. Although proud of its unique cultural heritage and former grandeur, today Mali is one of the poorest countries in the world. Yet tremendous development efforts have been made and these are now beginning to produce results. Despite the havoc of the recent Sahel drought, the country has achieved and even exceeded its aim of being able to feed itself, and its great herds of cattle have been gradually built up again. But a lot still remains to be done. For an assessment of economic and social progress in this country that spends one third of its budget on education, the “Courier” interviewed President Traoré in Bamako.

Three main objectives

▶ *Colonel Traoré, November 1976 was the eighth anniversary of the army’s assumption of power in Mali. The army had three main goals: national reconciliation, a return to a normal constitutional situation, and economic and financial recovery. Would you comment on these three objectives, starting with national reconciliation?*

— You are doubtless aware of the fundamental reasons for the Army’s assumption of power on 19th November, 1968. We said then we were deter-

mined to make Mali a country whose citizens could live together in peace and harmony, so that everyone could devote their full energies to the task of national construction. We have always felt that our fight against underdevelopment can only be truly and lastingly successful if we have the involvement and support of a united people. Our desire for national unity is demonstrated by the fact that we have given our people the climate of peace and confidence they needed; we have also freed many political prisoners, most of whom are now back at work in our national economy. We are absolutely determined about this and have pledged to maintain this national reconciliation to the full, now that our country is moving steadily along the path back to normal constitutional life.



Colonel Moussa Traoré

Head of State, President of the Military Committee for National Liberation and of the government

► *You have adopted a new Constitution and set up a new political party, the Democratic Union of the People of Mali. Could you describe these two developments?*

— As I have stated on several occasions, the Army intervened in the political life of the country for a number of objective, and, I think, clearly understood reasons, but never intended to make its hold on power permanent.

The Military Committee for National Liberation has always said that it wishes to bring the country back to normal constitutional paths. Thus on 2 June 1974, the Army proposed a new Constitution to the people, who overwhelmingly adopted it. This Constitution provides for the creation of a single party, the UDPM. Party rules and statutes have already been published, and work on setting up party structures will be under way by the end of March 1977.

► *The third objective was economic and financial recovery. Here Mali's situation seems somewhat paradoxical: the economy is doing well, yet "the state of public finances continues to give cause for concern", to quote from your end-of-year message to the nation. Perhaps we could take agriculture first. Wasn't the 75/76 harvest a good one?*

— Economic and financial recovery has always been one of the MCNL's most important objectives. That is why one of the Committee's first moves was to work out a three-year economic and financial recovery programme. The primary sector, particularly agriculture, was given priority both in that programme and in the five-year economic and social development plan that followed. Despite the Sahel drought, lasting several years, efforts to increase agricultural production have borne fruit now that we have normal rainfall once more. In the 75/76 farm year, Mali managed to reach and even exceed the final targets in the five year plan, for both cereals and cash crops.

Self-sufficiency and diversification

► *To become self-sufficient in food you developed rice-growing, fishing and*

stock-raising. How successful have you been?

— Our goal, self-sufficiency in food, has been achieved in a way that gives us great satisfaction. Having been an importer of cereals up to 1974, Mali not only succeeded in meeting domestic needs in 1974/5, but also in exporting considerable amounts of cereals to neighbouring countries. And despite poor rainfall distribution, the upward economic trend is continuing in the current marketing year.

► *Your agricultural diversification policy is based on crops already grown in Mali, such as cotton, tobacco, dah and kenaf. How is this policy going?*

— Agriculture is one of the key elements in Mali's economic development policy.

Our country has tremendous agricultural potential; we have always endeavoured to diversify our activities in this sector as much as possible so as to avoid the disadvantages of monoculture and help our agro-industry which is promising. So besides the crops you mention, and such traditional crops as rice, millet and groundnuts, we have also been experimenting successfully with sugar-cane, tea, wheat, etc., and results to date are very promising.

Replacing livestock and providing water

► *The drought hit your livestock hard. Have you been able to build up the cattle herds again?*

— As you say, the drought took a terrible toll of our livestock, which is one of our chief resources. Average losses are estimated at 40%, with the Mopti and Gao regions, our main stockraising areas, being the worst hit.

The government acted at once to help build up herds again, and if possible,

prevent a recurrence of the situation. A huge well-sinking operation has been started throughout our Sahel border regions. A stock-raising development operation has been launched at Mopti, in the middle of the central Niger delta. A number of other projects are in hand, which will help speed up stock replacement, maintain and increase exports and provide our people with their normal supply of animal proteins.

► *You are also making considerable efforts to achieve a greater degree of control of water supplies. The recent years of drought showed how necessary this is. How is the dam-building going at Sélingué, Manantali and Tossaye?*

— One of the government's main concerns has indeed been to find ways and means of effectively managing our main waterways, so that our economy will be less vulnerable, less dependent on the weather. Encouraging progress has been made. The Sélingué dam on the Sankari is now a reality; financing has been settled, construction has started and the dam should be in operation by 1980.

The Manantali dam on the Bafing will be of great importance in opening up a poor area, amongst other things, and it is high on the list of priorities in the integrated development programme for the Senegal river basin. The technical implementation study has just started, financed by West Germany.

Then for the Tossaye dam on the Niger, the feasibility studies, financed by Libya, have been completed, and we shall have to find the finance before we can move on to the project implementation stage.

► *You recently took your first complete census of the population of Mali. Will this help government planning?*

— This is the first overall census we've taken since independence. In 1971 the MCNL and the government felt the need for a census, to provide the demographic information required for economic

and social planning. In 1973 census legislation was adopted, and administrative and technical bodies were set up to plan and carry out the census operation, which finally took place between 1-14 December last. It was thanks to the considerable contribution of the United Nations, who provided technical, material and financial assistance, that we were able to take this first census. The final figures will be published soon.

Balance of payments problems

▶ *In your recent message to the nation, you underlined the fact that the balance of payments was deteriorating "although our large cereal imports have stopped and there has even been a substantial rise in exports". Why is this?*

— The good agricultural production results achieved over the last two years, which led to our no longer requiring large cereal imports and to this increase in exports, have certainly not improved our balance of payments as we hoped.

One reason is that not all our exports earnings actually come back to Mali. If they did, our balance of payments would look much healthier. Then, of course, worldwide inflation has made our imports much more expensive. The government is aware of this paradoxical situation and is planning corrective measures which should go a long way to improving the situation.

▶ *Your state businesses don't seem to be sharing in the general upturn of the economy. What does the government mean to do about this?*

— Although state companies and enterprises made a slight overall profit in 1976, it is fair to say that they are not enjoying a full share of the generally improved economic situation. This is mainly because they are badly run. There are many bad debts, there are cash flow problems and they are overstaffed. The MCNL and the government have always been very concerned about this problem



120 000 tons of fish a year
The problem is conserving it

of poor management in state companies, particularly now that new opportunities are available to Mali in the West African sub-region with the entry into force of the CEAO treaty (Economic Community of West Africa) and the ECOWAS treaty (Economic Community of West African States). Because of this, a ministerial department was formed with particular responsibility for these companies and enterprises. The department has carried out a thorough survey and it submitted the conclusions of a diagnostic study and proposals for a series of measures to the government when the 1977 budget was being discussed. These measures aim at remedying the structural financial imbalance in the public sector, on the one hand, and, on the other, at achieving adequate, lasting and balanced financing of the development of this sector.

Apart from that, the government is improving its supervisory powers with a view to improving the moral climate in

the public sector companies. And the private sector will be called in more and more frequently to work in association with the state. The private sector, with its know-how, could provide a real impetus to development in the public sector.

One third of the budget for schooling

▶ *Mali devotes 33% of its budget to education, which is the highest percentage in West Africa. Do the results justify this?*

— The figure of 33% that you mention shows what importance we attach to education. And positive results have been obtained. For example, before independence only 12% of children went to school. Today more than 20% of our children attend schools, in spite of the

population explosion we have had in the meantime.

This progress is due to the reform of the education system in 1962, which was basically aimed at providing education suitable for all, which would still be of high quality, with teaching based on universal values and also on more specifically African and Malian values. It was intended that this approach should supply the country with the managers and executives it needed, while making the best use of time and money.

The results speak for themselves. On the eve of independence we had only about a dozen teachers, a dozen doctors, a dozen lawyers, three vets, three pharmacists, a handful of engineers. This year some 400 graduates will be leaving our higher education establishments, and the number will be up to 600 in 1978, the final year of our five year plan. Another example: in 1959/60, only 13 000 children started school; this year there were 250 000.

Regional cooperation

► *Mali is a landlocked country covering a vast area. You seem very enthusiastic about regional cooperation.*

— Well yes, there is a connexion between our great area, our lack of access to the coast and our interest in regional cooperation. It is certainly because of our landlocked position that we have concluded specific transit agreements on road and rail transport with the countries through which our access routes to the sea pass, namely our sister republics of Senegal and the Ivory Coast.

But two things should not be forgotten: these transit agreements are only part of the very wide-ranging cooperation we have with Senegal and the Ivory Coast through our joint commissions; and we have equally close and diversified relationships with other countries, generally through joint commissions such as we have with Ghana, the Gambia, Algeria and Libya. We also



Colonel Traoré

Stepping up training in the professions

have multilateral-type relationships with all our neighbours and with the other members of the Organisation of African Unity. For us, tradition, history and our deeply-felt political beliefs mean that the achievement of African unity continues to be a very fundamental aspect of Mali's foreign policy. The Mali government will always be ready to make positive contributions to this objective.

Positive results from mineral prospecting

► *What about possible mineral resources in Mali? Mauritania and Niger, for*

instance, draw a considerable proportion of their revenue from mining, and it would be surprising if such a vast country as Mali had no resources in this respect. What prospecting has there been and what is the outlook for the future in this area?

— I think it would be more accurate to talk in terms of an intensification of our mineral and oil prospecting efforts. We have in fact been making positive findings since 1960 and have been able to evaluate some of our mineral strikes.

Prospecting is continuing, for oil in particular; may be there isn't much talk of mineral and oil prospecting in the Republic of Mali in the outside world, but that is because we didn't want to say anything until we were sure there was something worth talking about. We now know that we have copper, iron, bauxite, diamonds and gold; investigation of manganese and phosphates is progressing in the north, as is oil prospecting. In other words, we have high hopes that one day our prospecting activities will produce tangible results.

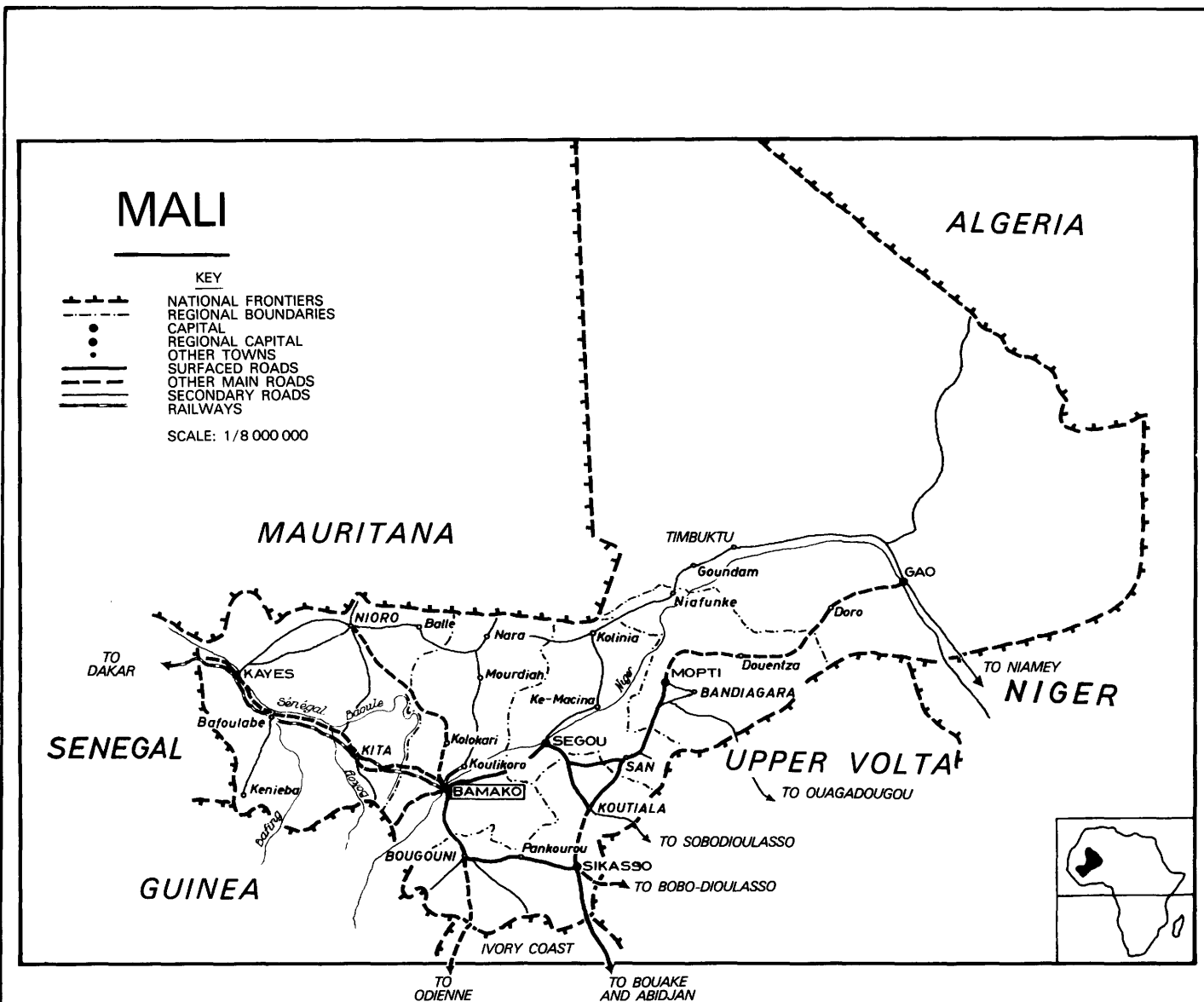
EDF financial aid has always been of great importance

► *How would you assess EDF aid to Mali over the past 15 years?*

— EDF financial aid has always played a very significant role in the economic and social development of Mali:

— first, because of the amounts involved; the EDF has always been one of our leading partners in economic and social cooperation;

— second, because of the kind of financing involved; the EDF mechanisms are very flexible and effective, the funding is non-repayable, national priorities are respected and national staff, experts and companies participate in planning and implementing the projects;



The Republic of Mali covers 1 240 000 sq km in the middle of West Africa, straddling the Niger. Mali became independent on 22 september 1960, with the break-up of the Federation of Mali which included neighbouring Senegal. Its other neighbours are Mauritania and Algeria to the north, Niger and Upper Volta to the east, the Ivory Coast to the south and Guinea to

the south-west. The route to the coast (Kayes-Dakar) is 700 km long.

The origins of the people of Mali go far back. The population was reckoned at 5 500 000 in 1973, which gives Mali one of the lowest population densities in Africa, an average of 4.3 per sq km. The distribution is very uneven, however, with most of the population concentrated in the south. Bamako, the

capital, has some 350 000 inhabitants, and the other urban centres (Kayes, Mopti, Segou, Sikasso) far less. About 90% of the working population, around half the total, are farmers or stockraisers.

The economy depends on the primary sector, which provides 43% of GDP. The manufacturing sector is embryonic (9%). Principal crops are millet

and sorghum, covering one third of the arable land, maize and rice for local consumption, and groundnuts and cotton, mainly for export. Stockraising and fishing are important activities.

The main export products (around 75% of total exports) are cotton, live-stock (cattle, sheep and goats), groundnuts and groundnut products. Exports are worth only one third of imports. The Sahel drought hit Mali very hard: apart from cotton, agriculture suffered badly, and from being an exporter of cereals Mali became an importer (350 000 tons in 1974). Stockraising was catastrophically affected. Losses were up to 100% in some northern areas of this country, which always had the most livestock of any French-speaking African country.

The effects of the drought and other handicaps, such as its landlocked position, its poor mineral resources and the lack of communications (1600 km of surfaced roads out of a total of only 7500 km, with the Niger providing 380 km of inland waterway), put Mali among the "Most Seriously Affected" (by the oil price rises) and "Least Developed" countries, which entitles it to special aid measures under the Lomé Convention. It should be noted, however, that agriculture has picked up well in the last two years, and the 1975/76 harvests were good.

The World Bank estimated the GDP to be US \$370 m in 1973, giving an income per capita of \$70. Mali belongs to a number of regional organisations, including the OAU, the OMVS (Senegal river development organisation), the CEAO (West African economic community), ECOWAS and the Niger River Commission.

The national currency is the Mali franc (FM) (*).

(*) 1 FM=0.5 CFAF.

1 EUA=552.8 FM in November 1976.

— and finally, because funds are channelled not only into priority production sectors such as agriculture, which the EDF has helped us to intensify and diversify, but also into areas in which most international sources of financing are not much interested, such as roads and urban and social infrastructure.

It would take too long to make a list of the main EDF-backed projects, but such a list would show that the projects in the various sectors have been important, effective and diverse. The effectiveness of the EDF in Mali is due to the permanent consultation procedures between the EDF authorities and the government, and also to the increasing national participation in EDF activities, which extends to management as well as project planning and execution. I should like to take this opportunity to extend my good wishes to those in positions of responsibility in the EDF and encourage them to continue the dynamic and open-minded policy which has contributed in no small way to the EDF's success.

The scope of the Lomé Convention

► *The Lomé Convention brings together a number of instruments of cooperation—financial aid, industrial cooperation, Stabex, trade promotion, etc. Which of these instruments do you feel are of most interest to Mali?*

— It is difficult to isolate any single sector of an economy for development, and the Lomé Convention, with its provisions for financial, technical, industrial, cultural and commercial cooperation and its scheme for the stabilisation of export earnings, aims at reaching many sectors of the economies of the ACP countries. These interventions in all sectors of economic and social life are complementary. The Convention has a very wide scope, then, and it is therefore difficult to pick out one particular instrument that would do most for my country.

But I think it is understandable enough that a country whose potential has not yet been fully uncovered and exploited, and which also falls into the



Planting out rice in Mali

category of least-developed countries, should give special priority to building up the economic infrastructure. And that is above all a very expensive business. You could say, then, that financial cooperation is one of the most important aspects of the Convention as far as Mali is concerned, but that the effect of this would be limited without the other provisions of the Convention, in particular commercial and industrial cooperation.

Room for improvement in Lomé II

► *Negotiations with a view to a possible Lomé Convention II will be starting next year, and both the ACP and the EEC countries are beginning to think about it. What do you see in the present convention that might be improved?*

— The Stabex system for stabilising export earnings is undoubtedly the main mechanism that the ACP and EEC countries will have to improve in the next convention.

This system is one of the most striking features of the present convention, and at the time it was considered as a revolutionary innovation. The way it works in practice, however, and its limited objectives have led to increasing dissatisfaction among the beneficiary countries. Certainly the stabilising of the rates for raw materials aims at ironing out fluctuations, which, particularly when they are downward fluctuations, can have a disastrous effect on the economies of export-dependent countries. But the underlying objective was surely to put a stop to the deterioration in the terms of trade. And in a word economy of constantly rising prices, particularly the prices for industrial products and the various transport and freight services sold by the industrial countries, stabilisation is doing nothing to prevent a worsening balance of payments situation from eating into the small resources of the developing countries.

Generally speaking, the next convention—Lomé II, as you call it—should be based on the guidelines for establishing a new international economic order. The Lomé Convention I was quoted as an

example of a possible path towards this new economic order. Lomé II will come after the sixth and seventh special sessions of the UN General Assembly and after other big international conferences, past or to come, which will make recommendations on which Lomé II must be based if it is to take a big step forward. Lomé II must look very close into the matter of fair prices for the raw materials exported by the developing countries, and will have to consider ways and means of bringing together a sufficient volume of financial, technical and technological resources to enable all the resources of the developing world to be exploited and developed.

A presidential visit

► *In two days President Giscard d'Estaing is due here on an official visit (1). He is the first French president to visit Mali since its independence from France, and the first EEC head of state to make an official visit to Mali. Is it a significant event for you?*

— Yes, this is the first time that a French or EEC head of state has visited

(1) The French president visited Mali on 13-15 February 1977.

Mali since we became independent. We naturally hope that this visit will lead to deeper and wider cooperation between France and Mali.

Towards a fair world

► *The North-South dialogue will be resuming shortly. What do you think about the difficulties it has run into?*

— The so-called North-South dialogue is grinding to a halt. The main reason is that those countries favoured by the present world economic order hesitate to make the sacrifices that will be necessary if we are to create the just and equitable world we want. This deadlock will only be broken if the governments of the favoured countries show themselves willing to take the measures necessary for bringing about the new economic order; this would mean, in particular, structural reforms, changing production policies and making financial, technical and technological resources available. Then, the activities of the transnational companies must be brought under control and these companies must be induced to operate in the general interests of the international community. □

Interview by A.L.



Colonel Traoré shows mineral samples found in Mali to Commission delegate D. Pirzio-Biroli (left) and "Courier" editor A. Lacroix

European aid to Mali

Projets under the 4th EDF

Financial cooperation has already been provided for 15 years in the 18 African countries associated with the Community; it is now being applied in 49(1) countries through the European Development Fund.

Mali provides an interesting example of what European development aid has been able to achieve.

With its 1 240 000 square kilometres, Mali is the sixth largest ACP country in area. 88 per cent of its population of 6 000 000 is engaged in agriculture. The table of financings under the three EDFs, shows that Mali has received 6.9% of the total sum granted to the associated countries—a sum of 115 840 000 units of account, one unit of account being equal to approximately one US dollar

The largest share of the budget, some 68.9%, went to rural production and to transport and communications.

In Mali there are immense areas bordering the river Niger which, thanks to flooding, offers enormous possibilities for rice growing. Two big areas where rice is grown, Ségou and Sikasso, are of particular interest and are discussed below.

Fishing, an economic sector of great importance for Mali, is receiving special aid (2), and it will be interesting to consider various aspects of the scheme to promote fishing in the stretch from Mopti to Gao.

Traditionally, Mali's main wealth lies in stock-farming and so the EDF decided to finance the setting-up of a station for breeding cattle of the N'dama breed. This scheme is located in the region of Yanfolila, in the south of the country.

Apart from these three large-scale projects financed by the EDF, this article

looks at projects for the modernization of the road network, the building of medical centres and lastly kenaf and cotton growing.

Rice

The vast Ségou rice scheme covers a development area of 44 455 hectares and involves periodic controlled flooding of the plains by the Niger. Nearby towns are Ségou and San.

Ségou, which was the capital of the Bambara kingdom, was chosen by Mali's Ministry of Production to be the site of the administrative centre for the scheme. The centre does not only comprise offices but includes a repair workshop, a fleet of vehicles and agricultural machinery of the various types used on the project.

The main action consists in developing over 45 000 hectares of rice fields under controlled flood conditions; the rice fields are divided into 16 plots and the 11 m units of account granted for the scheme from the third EDF are being used on the development of more plots and sluice-gate structures.

Dioro I is an example of such a structure; it is the most important in the area north-east of Ségou because it serves to irrigate the rice fields of Dioro and Ba-bougou.

The aim of the scheme is to increase the output of paddy rice by 65 000 t in the space of 15 years—with an average yield of 2 t/ha—thus doubling production as it was before the scheme. Implementation of this project is spread over a period of six years, from 1972 to 1978.

At San, to the east of Ségou, efforts are being concentrated on improvement of the dykes and structures already in existence, as well as on developing new plots.

Alongside these development schemes involving water engineering, the EDF is financing several centres which have been opened by the Minister for Production, accompanied by the EEC Commission delegate.

These centres have been built for several purposes, the main ones being to provide an advisory service on agricultural techniques, to make equipment available to growers, set up propagation programmes and a social service.

Concurrently with the rice scheme in the flood areas, the EDF has decided to develop 800 ha for growing dry and lowland rice in the Sikasso region.

Since the aim of the scheme is to achieve a yield of 2 t/ha, a great deal of attention is given to organizing local supervisory cadres for the farmers, making sure that weeding becomes a general practice and giving instruction in the use of farming equipment and suitable seed varieties. In order to ensure that the rice fields have enough water, modern irrigation equipment is placed at the peasants' disposal; they will no longer have to stand by as the seeds are burnt up by the sun.

Near Klela, north-east of Sikasso, a vast plain is being developed. As if agriculture in Mali did not have enough to contend with when there is a drought, floods also jeopardize the success of many projects.

Livestock

In the region of Yanfolila, the EDF is financing the setting-up of a livestock-rearing station for cattle of the N'dama breed. As nearly everywhere in West Africa, trypanosomes kill off a large proportion of the livestock. The rearing of trypanotolerant stock will enable the quality of Mali's breeding animals to be improved, and will allow the use of oxen in the southern region where their absence is a serious hindrance to agricultural development.

The campaign to control onchocerciasis, as part of the same project, is helping to remedy the health of the population in the Yanfolila region.

(1) Shortly to increase to 52.

(2) See the "Courier" No. 41, pp. 80-83.

The two and a half million units of account being spent on this project—over a period of six years—will finance all the installations necessary to operate the scheme, the watering and feeding of the animals, the purchase of agricultural equipment and a herd of 1 242 breeding animals, and technical assistance to set a herd of 1 242 breeding animals, and technical assistance to set up and manage the station and the area under supervision.

Fishing

The fishing project is taking place on the river Niger, where it bends round from Mopti to Gao. The total amount invested by the EDF in this project is 126 000 units of account.

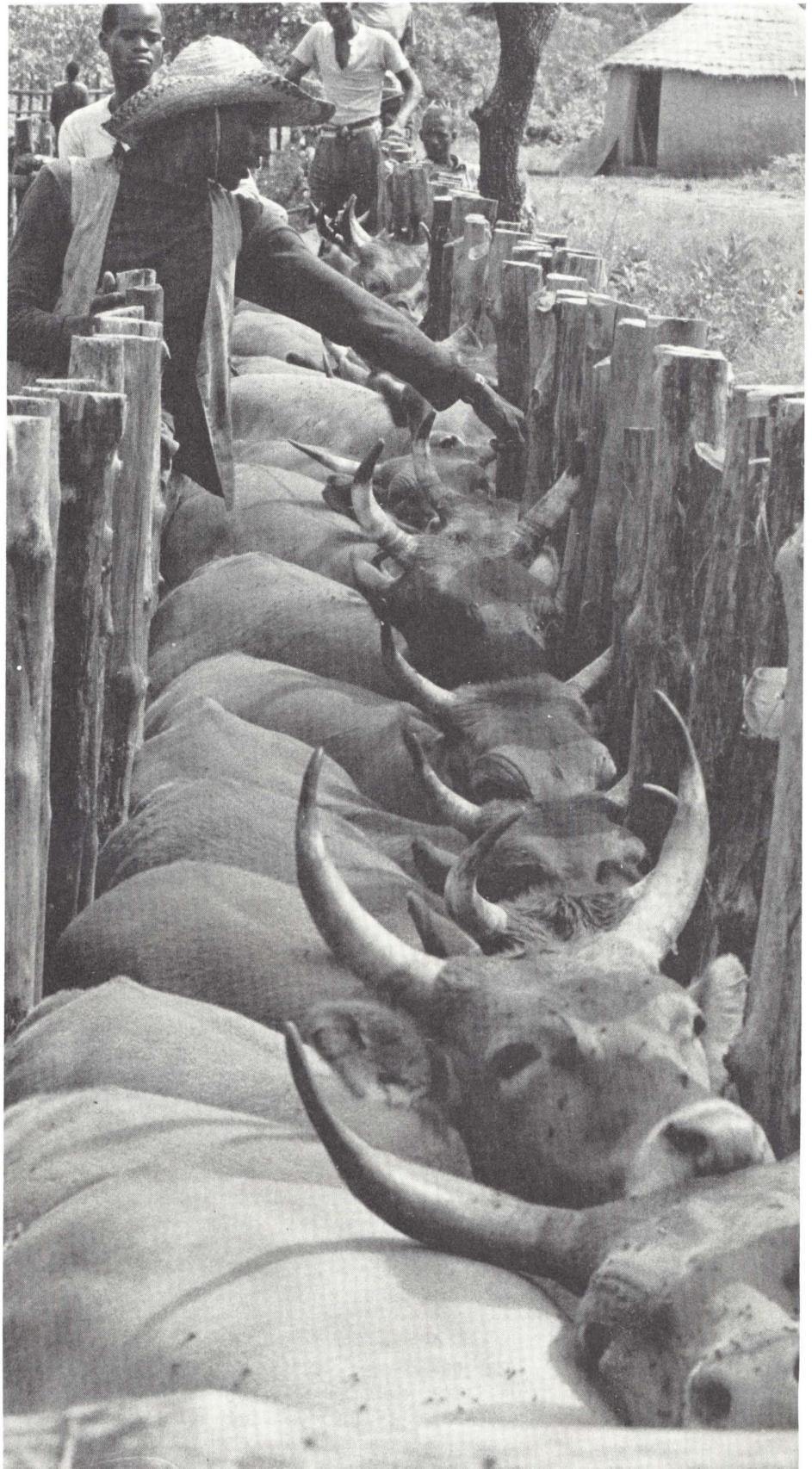
Mopti has always been the most important fishing centre in Mali. Situated where the Niger and the Bani rivers meet, a great cultural and religious centre, Mopti is a crossroads of races and ideas. The Peulh people made it their capital, sharing the town with the Bozo and Somono fisherfolk.

Nowadays, Mopti is a very important trade centre—it is there that the road and river routes cross, the river being the only practicable route to Gao during the wet season. The market at the port is one of the busiest and most colourful in the country. Most of the population in the Mopti region consists of Bozo and Somono fishermen, who live in villages bordering the Niger.

Since fishing nets are very expensive, the fishermen have to hire them at very high rates from the rich merchants in the town. Nor do they have money or tools to repair their canoes which become old and tatty, so the return on their work is bound to suffer. The archaic food preservation processes used to remove insects and smoke fish mean that a great many are lost, for it does not take the flies and parasites long to eat up the produce intended for the town market.

Having seen the precarious state of this important sector of the economy, the Mali government decided—with financial help from the EDF—to set the

The great herds of cattle that were traditionally one of Mali's main riches are being successfully built up again after the drought



EDF

fishing industry on its feet again in the central delta of the Niger.

In the marketing centres, particularly Mopti, the steps being taken concern all stages of fish preservation and marketing. The fishermen bring their catch already dried or smoked; it is sorted by the staff of the centre, who decide whether the quality of the product is good or not. Any fish which has not been properly treated in the village is rejected and the rest is wrapped up in matting which has been freed of insects and delivered to the fishmongers around the port.

For several years now a cooperative has been helping the fishermen to sell their produce at a fairer price. Fish that has not been properly smoked is sent to a modern smoke oven, where it is re-smoked and rendered saleable.

The same applies to dried fish. This oven enables several hundred kilos of fish to be dried in the space of a few minutes—an operation which would take far longer if it had to be done in the village. As well as this modern oven, the EDF is financing an advisory scheme in the village to obtain better preparation of the fish, and a campaign against fish-eating insects.

The fresh fish for sale throughout Mali is placed in a cold store, which also manufactures large quantities of ice for retail sale in the town.

A dispensary has been set up so that the fishermen, many of whom live far from any medical centre, can be given treatment on market days for minor ailments. A repair workshop has also been placed at the disposal of canoe-owners.

Health

Independently of the fishing project, the EDF has financed the building of a large health centre in Mopti.

A large-scale scheme is under way to remedy the very unhygienic conditions in the town and one of the EDF's tasks in the near future will be to construct sewers and water mains to supply the town with drinking water. At present the inhabitants only have river water to drink.

Roads

Mali is typical of those countries where the transport problem is the key

to economic development. The EDF has contributed to the rebuilding or improvement of existing internal and interstate roads so that the network can be used all the year round and can cope with constantly increasing traffic.

The EDF has also financed the infrastructure for the new international airport at Bamako.

Agriculture

As part of the programme to aid production, the EDF took part in a large-scale campaign to improve the yield of existing crops. Groundnuts have been improved with the help of selected seeds and fertilizers.

Cotton and kenaf have been the subject of special attention, since these two crops are for marketing at competitive prices. EDF money to promote cotton has gone mainly towards treatment with insecticides and the application of fertilizer.

Mali has requested EDF aid for various projects to develop kenaf growing. This constitutes the first phase of a programme to develop the cultivation of kenaf. The idea is to try introducing this crop among the rural population, to see whether it would be possible to grow enough on a family basis to supply a factory, which would weave it into sacks an wrapping material and manufacture string. The first scheme concerns an area of 600 hectares from which it is hoped to obtain an output of 600 t of fibre. The final objective is to achieve an output of 3 600 t of processed fibre, thus supplying all the packing material that Mali needs.

Social projects

To round off this survey of the EDF's activity in Mali we should mention work is going on in the social field—it ranges from school buildings to scholarships and training grants.

The EDF, which supplies about 40% of all external official assistance to Mali, is the country's largest source of financing. It has made contributions to the key sectors of Mali's economy and has demonstrated its adaptability to the special conditions of that country, as it has in all the other countries receiving EDF aid. □

TIMBUKTU

Capital of the desert

"Salt comes from the north, gold from the south and silver from the white man's land. But the word of God, ingenious things and pretty pictures are only found in Timbuktu".

16th century traveller's saying.

"Timbuktu lies in the form of a triangle, the sides of which would cover a little over a league in all.

The houses, although large, are for the most part only single-storey. A few have a small room over the front entrance. They are uniformly built of round bricks, which are made by hand and dried in the sun.

The doors are soundly made of planks and crosspieces, with fastenings, locks and even the keys made of wood, for there is little iron in this land.

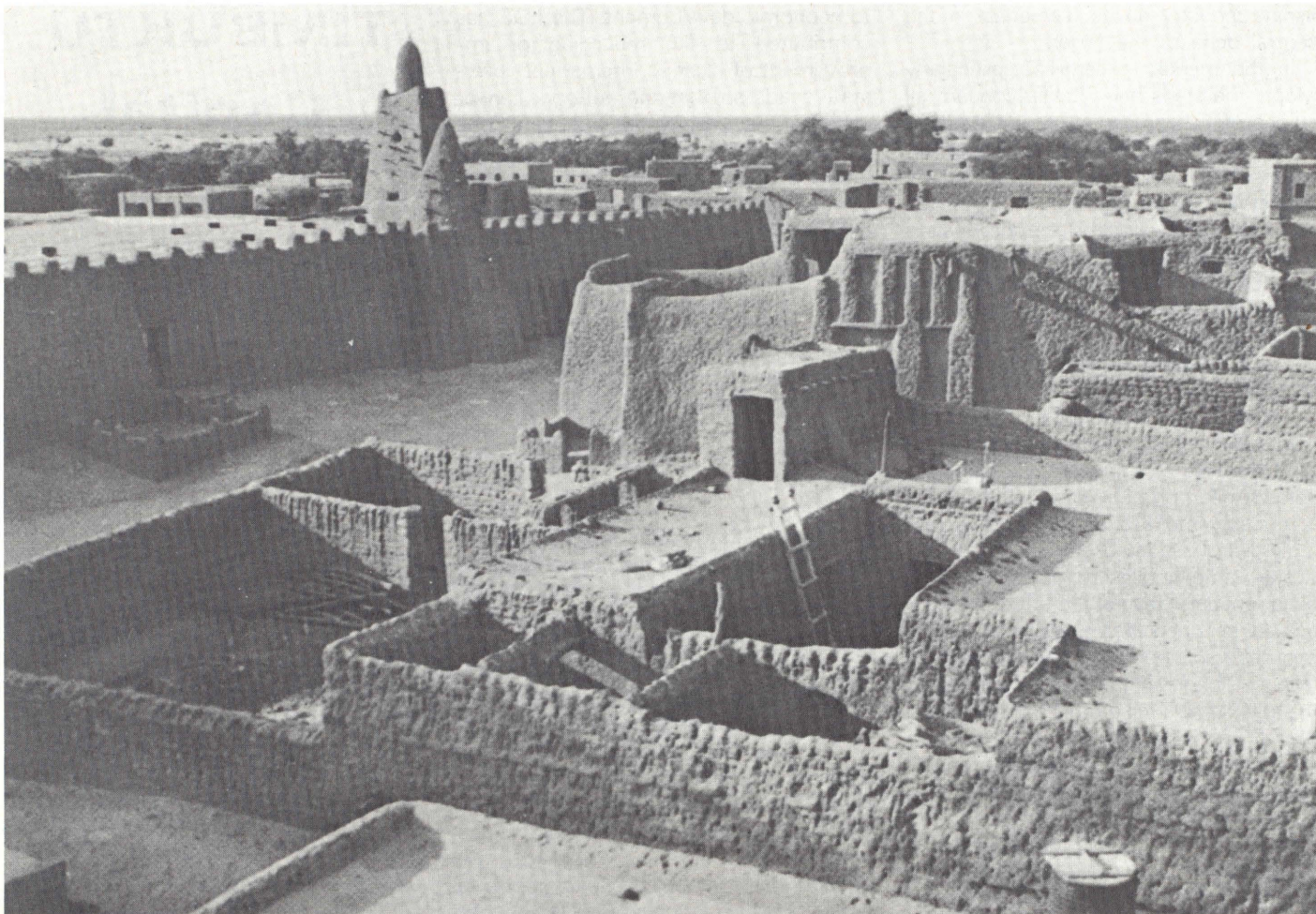
The roofs are flat terraces made of mud and wattle laid over beams of palmyra, a tree which grows to prodigious heights on the banks of the river.

Each house forms a square with two open yards surrounded by various rudimentary rooms.

The only public monuments in the town are seven mosques. Although they are built of no better materials than the private houses, one of them, the great western mosque, has a tower 50 or 60 feet high... From the platform on top of this tower, I had a view over the whole town. In its limitless setting of white sand, stretching to the horizon, the spectacle was not only of interest but indeed of some grandeur".

That description was written by René Caillé, a Frenchman who, in 1828, was the first European both to reach Timbuktu and to come back alive. Two years previously, an Englishman, Major Laing, had reached the mysterious capital of the desert, but Laing was killed soon after leaving. The houses where these two explorers lived, and that of another, the German Barth, are now tourist attractions.

Visitors today naturally do not face the same risks. On the contrary, they are



The legendary city of Timbuktu in its setting of limitless desert sand

warmly welcomed by the very hospitable population. As one of these visitors, I in turn was recently able to appreciate the fascination that drew the first Europeans to Timbuktu. The sense of history and the life of the town and of the nomads that surround it were for me more interesting than even the great mosques, Sankoré and Djingereber. As regards hospitality, I found the mayor himself willing to take guests if the little hotel was full.

President Giscard d'Estaing was expected while I was there, and for a few hours Timbuktu appeared in something of its old splendour. Hundreds of horsemen mounted guard and more than 1600 desert nomads lined the route from the airport on their camels, wearing swords and their traditional flowing robes and headgear.

Timbuktu was at the height of its influence in the 14th-16th centuries. In 1323, Kankan Moussa, Emperor of Mali,

went to Mecca escorted by tens of thousands of his people. In Cairo he left 20 tons of gold, as a result of which the price of gold in that part of the world remained low for a considerable time. On his return in 1325, impressed by the Moslem towns he had seen, he decided to build a mosque wherever he stopped in order to stay the Friday prayers. In Timbuktu he built the first part of Djingereber, the Great Mosque; the first group of Ulémas, religious teachers, was formed, and another at Djenne.

From the 14th century on, the whole Nigerian Sudan was united under one command. Within this powerful empire, the north-south trade routes began to develop; the Toghaza road taken by the salt caravans stretched beyond the Atlas range, while the river was guarded to protect trade with the south. The most important of the routes up and down the Sahara led between Morocco and

Niger via Tindouf, Toghaza and Araouane. Timbuktu grew prosperous. A natural staging post between complementary regions, the town was the point through which trade had to pass between the desert and the fertile Sudan. Gradually the merchants set up shop there, and in came silks, and other cloths, spices, Maghreb copper and tin to be traded for Mali gold, ivory, ostrich feathers—and slaves from the tropics. Meanwhile the salt trade developed throughout the Sudan and the salt caravans, the Azalais, travelled under vigilant escorts provided by the sovereign of Mali.

In the 16th century, Timbuktu shone with a special brilliance. Theologians and scientists made its reputation as a centre of learning and devotion, and the historian Leon the African recorded 20 000 students and 180 medersas (Koranic schools) in a town which then had 100 000 inhabitants.



Dancers give life and colour to the desert capital

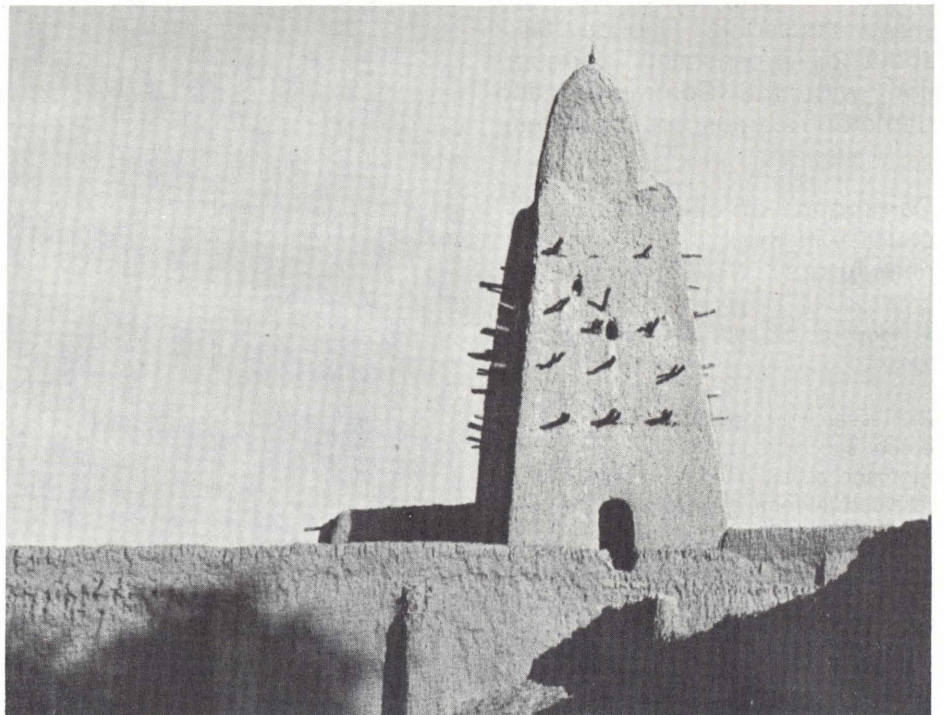
Today there are no more than 20 000, apart from the nomads, ruined by the drought which killed off their livestock, who have settled around Timbuktu in recent years. There are no more caravans, except those which bring salt from Taoudeni, 700 kilometres to the north, twice a year.

But the charm and the prestige of this town continue to be felt. In the United States, for instance, there is a club for travellers who can prove they were in Timbuktu, where they say the night sky has more stars than anywhere else, by the stamp in their passports.

The government and the commissioner-general for tourism, Filiping Sakho, are running a drive to develop tourism in Timbuktu. They are anxious to preserve its authenticity and originality, and while the annual number of visitors is presently some 1500, new buildings for the greater numbers expected in future are planned near Lake Faguibine, 50 kilometres away.

Go to Timbuktu if you can, while its remoteness still preserves it. As a Tuareg proverb has it: "better the evidence of one's own eyes than the testimony of another". □ A.L.

A view of the Djingereber mosque



CAMEROON

The economy in early 1977

An interview with Youssoufa Daouda, Minister of Economics and Planning

The first part of an exclusive interview with Cameroon's Minister of Economics and Planning, published in our last issue, dealt with the country's economic situation in early 1977, its economic policy, the state of industry and agriculture and the targets of the 4th Plan (1976/81).

In this second part of the interview, Youssoufa Daouda talks about oil prospecting, cooperation with the Community and Cameroon's transport problems.

Cameroon—an oil-producing country in the near future?

► *How is oil and mineral prospecting going?*

— Research into oil and mining in Cameroon started some time ago. At the moment, seven oil companies, with 10 research permits, are exploring the coastal sedimentary basin and further research is planned in the sedimentary basin of Lake Chad. The following results have been achieved so far:

Indications are that there is an oil field in the west of our continental shelf and

this is due to be exploited under the 4th Plan.

Large pockets of gas have been discovered at Logbaba (350 million m³), Bomodo and Rio del Rey (44 000 million m³).

The only other mining activity involves cassiterite, which is worked by the SOF-IMEC, and gold, which has so far only been found at Betare-Oya in the east of the country and has only been worked on a small scale. Other minerals, such as bauxite and iron, were discovered during previous prospection campaigns.

Two bauxite deposits have been discovered, one at Minim-Martap, to the



Youngsters in high spirits at this EDF-backed school in Cameroon

EDF

south-east of N'Gaoundere, which has estimated reserves of 700 million t of varying grade ore. A feasibility study has been carried out and financing of something like CFAF 300 000 million is being sought to work the deposit. The other bauxite deposit, so far unexplored, is at Fongo-Fongo, north of Dschang.

The largest iron deposits are in the Kribi area. Although these reserves are low (120 million t of 40% grade ore), they are nevertheless due to be exploited under the 4th Plan.

Copper of various types has been detected in the Poli region, although no economically viable deposits have so far come to light.

Sapphires have been discovered in the Cretaceous gulf of Manfe, in the south-west of the country.

In the spite of these slender results, the government remains optimistic and is collaborating with the UNDP on a mineral research project in south-east Cameroon (Dja series), where there appear to be large quantities of iron, uranium, gold and diamonds. We have also asked the EDF and FAC (1) to finance a similar project in the south-east and the 4th Plan includes CFAF 2 000 million for mineral exploration, excluding oil.



The Transcameroon terminus

EDF

EDF aid is declining, but...

► *Before going on to future cooperation between Yaoundé and the EEC, can you give us a brief run-down on the aid Cameroon has received from the EDF to date?*

— We cannot but be happy with the results of EDF schemes in our country. They have been extremely positive, although the amount of aid has decreased during the three Yaoundé Conventions. We received CFAF 13 995 million under

the 1st EDF, CFAF 10 202 million under the 2nd EDF and CFAF 8 883 million under the 3rd (2). The main projects financed under the three EDFs are:

1st EDF — The N'Gaoundere-Garoua highway (participation);
— The bridge over the Bénoué at Garoua;
— The construction of berthing wharves at the port of Douala;
— The construction of the Ecole Normale Supérieure at Yaoundé.

2nd EDF — Hospitals in south-east Cameroon;
— The Bolifumba-Banga section of the Bolifumba-Kumba highway in the south-west.

3rd EDF — The Bamenda-Bafoussam,

Banga-Kumba and Mutenguene-Bolifumba highways.

1st, 2nd and 3rd EDFs — Transcameroon Railway (participation)
Section 1 — Yaounde-Bélabo
Section 2 — Bélabo-N'Gaoundéré.

The sectoral breakdown of these amounts is as follows:

infrastructure	— 60%
social investments	— 22%
rural development projects	— 15%

The nature of the problems Cameroon has had to face since independence explains the EDF's concentration on infrastructure. National unity had to be consolidated and so priority was given to improving communications between the various regions.

(1) French bilateral aid.

(2) The amounts published in the "Courier" No. 36 (1st EDF 52.5 million u.a., 2nd EDF 54.2 million u.a., 3rd EDF 55 million u.a.) also included technical aid. — Ed.

The Lomé Convention marks a step forward

► *How do you think the Lomé Convention compares to Yaoundé I and II? And are you satisfied with EDF financing in Cameroon?*

— Lomé is an improvement on Yaoundé in that it covers all the problems affecting the setting up of a model world economic order. The main provisions of the Convention are:

— the introduction of a commodity stabilization system to enable our countries to avoid the effects of price fluctuations and the attendant implications for financial estimates in respect of development projects;

— industrial cooperation—which promotes the transfer of technology to our countries and also makes for a fairer division of labour. This should enable developing countries to get extra added value by processing commodities on the spot;

— the participation of partner countries in the programming of aid projects and the choice of investment.

Our country is pleased with 4th EDF aid—it is an improvement over previous funds in that it covers the fields to which the state wishes to give priority.

The Douala-Yaoundé railway and the road network—vital links

► *You must have the right infrastructure to attract foreign investors. The Transcameroon is not thought to be making the contribution it should because the Yaoundé-Douala section is so bad. How are the studies on these 300 km of improvements going and what is the general state of the road network in Cameroon?*

— These two kinds of communications, road and rail, are vital to Cameroon's development effort.

It is true that the Douala-Yaoundé section of the railway is a real bottleneck at the moment, which not only stops the Transcameroon being fully used but also

prevents us from fully exploiting the vast potential of the regions it serves.

The government was quick to realize this and decided to modernize the Douala-Yaoundé stretch. The cost of realignment, to bring this section down from 308 to 265 km, has been estimated at CFAF 31 000 million.

Under the 4th Development Plan, published in September 1976, work will be carried out in the following order:

— Yaoundé-Otélé: 49 km (instead of 59 km) after realignment, total investment of 10 250 million. This stage due for completion in April 1977;

— Otélé-Makak: 27.2 km (instead of 30.2 km) after realignment, total investment 12 500 million.

The total cost of both stages—i.e. 22 750 million—also includes a complete overhaul of the Yaoundé-Douala railway telecommunications network. It is also worth mentioning that the various investment projects due to be run at Edéa shortly mean that we have to speed up our search for sources of financing for modernization of the Edéa-Douala section.

As for the general state of the roads, compared to those in other countries of Africa our network is a fairly extensive one. Cameroon now has 26 866 km of roads, as compared with only 12 000 in 1960. The network comprises 4 500 km of trunk roads (of which 2 200 km are macadamized), 5 800 km of secondary roads and 12 700 km of local roads and there are thousands of kilometres of tracks which haven't been counted.

Our road-building policy has so far pursued a number of basic objectives, primarily to:

— provide permanent links between the neighbouring countries and Douala, which is their nearest port;

— set up permanent links between the Cameroon's various regions;

— open up rural areas.

The road-building programme has got well under way over the last five years and will be continued throughout the 4th Plan. The main aims are to:

— improve inter-regional links (the Lagos-Mombassa, N'Gaoundéré-Moundou and the Yaoundé-Libreville (Gabon) trans-African routes;

— upgrade the existing network;

— asphalt roads with high traffic density.

The most noteworthy recent achievements in this sector are the Mora-Waza-Maltam and the N'Gaoundéré-Garoua roads, which complete the north-south highway and are part of the combined rail-road transport network. I should also mention the building of the Tiko-Victoria road, which completes the Douala-Buea 'reunification road', the Kumba-Mamfé road, which completes the Douala-Mamfé highway, and the Lomié-Ngoila road.

But we still need the sort of comprehensive road network that will open up all our regions, and it must be maintained to a level where it can do the job it was designed for. Which brings us to the problem of the upkeep of existing roads, which is quite as important as building new ones.

The government is dealing with this by setting up a national stock of civil engineering equipment. The 4th Plan contains various schemes to make the stock fully operational, at an estimated cost of CFAF 4 500 million, and we shall do our utmost to achieve this aim. I should also mention that a thorough study of all the aspects of the road maintenance problem is being carried out at the moment and this should mean that the right structures will be set up in the near future.

Douala, Cameroon's main port

► *Are there any problems of capacity or extensions at the port of Douala?*

— Douala is much the biggest of Cameroon's ports—the other three being Victoria, Kribi and Garoua—and accounts for 90% of sea traffic.

Overall traffic in all four ports went up from 1 383 000 t in 1964 to 2 352 000 t in 1973; Douala handled 1 120 000 t in 1964 and 2 120 000 t in

1974. This gives an annual growth rate of 9% over the period for Douala, and 8% in the four ports as a whole.

This is a clear indication that Douala will reach saturation point in the near future—99.52% of berthing capacity was being used as early as 1973.

The administration is aware of it and has taken steps to cope with the most pressing needs, namely the improving and equipping of the timber storage facilities. Congestion here posed apparently insoluble problems in 1970, but they were handled in record time and exports of logs leapt up from 283 000 t in 1972 to 403 000 t in 1973. Other installations, such as an oil quay and an indus-

trial quay, have been built, warehouses have gone up and equipment (a tug and pilot launches) has been bought.

All this has pushed up the capacity of the port from two to an estimated two and a half million tonnes, although traffic would have reached—if not exceeded—this figure in 1976/77, if it were not for today's world economic recession.

This is why a second series of measures was planned to cope with the situation in the longer term. This involves a large-scale programme to extend and equip Douala to handle general merchandise, a fishing fleet, timber and so on. The access channel will be dredged

down to 7.50 m. and a tidal rise of 2 m. will mean that vessels drawing 9 m. can berth at wharves they were previously unable to reach.

The cost of this vast programme has been estimated at CFAF 24 500 million, to which the EDF will be contributing CFAF 1 100 million. It is due to begin shortly.

Finally, we have longer-term plans for a deep water port for heavy traffic such as oil tankers and ore ships. A prospective study has already suggested Cape Limboh near Victoria and Kribi as suitable sites.



The Bafoussam-Bamenda road
Communications are a precondition of development

Regional cooperation

► *Inter-ACP cooperation is vital to the development of the countries concerned and UDEAC is a good example of an attempt to achieve regional economic integration. What progress has been made by the five member countries over the last 10 years?*

— The UDEAC (Customs and Economic Union of Central Africa) treaty was signed by the heads of state of the United Republic of Cameroon, the Central African Republic, the People's Republic of the Congo, the Gabonese Republic and the Republic of Chad in Brazzaville on 8 December 1964 and came into force on 1 January 1966.

That was over 10 years ago and, like so many other organizations, we too have had our problems. The first crisis was when Chad and the Central African Republic announced their intention of withdrawing from the Union in April 1968. The CAR rejoined in December of the same year and, since that time, UDEAC has had only four members.

But, in spite of all this, UDEAC has undeniably made a good deal of headway with sub-regional cooperation and today the organization is quite rightly hailed as a model of its kind.

Some of the more outstanding achievements of the first decade have been:

- the adoption of a common customs code and the opening of an interstate customs school;
- the harmonization of national tax systems and investment codes in accordance with the joint agreement setting up the outline code;
- the coordination of transport plans and policies;
- a convention on the free movement of persons and goods and on the right of establishment within the Union;
- the strengthening of the spirit of solidarity, involving the setting up of a **solidarity fund** with fixed contributions from the member countries;
- the setting up (now in progress) of the Development Bank of Central African States.

UDEAC's attempts at establishing industrial and agricultural cooperation should be crowned with success over the next decade.

► *Are you intending to apply for EEC funds under the Lomé Convention to speed up cooperation in UDEAC?*

— Lomé contains a whole series of provisions geared to boosting inter-ACP cooperation and this is completely in line with UDEAC's economic integration programme. EEC funds will help with setting up and expanding processing industries, intermediate and finished product manufacturing industries. And 10% of EEC aid is earmarked for the financing of regional schemes.

UDEAC's new industrial policy is based on firms which are intended to constitute the Union's industrial framework. These are chosen by the state in which they are situated and agreed to by the other states, thereby obtaining UDEAC status if they meet the criteria of technical complementarity, the exploration of natural resources, size of investment and labour force and on profitability and the balanced development of both coastal and landlocked countries.

Union status gives access to the system of multinational companies (where more than one member state holds shares), loans on special terms from the Development Bank of the Central African States and to the various advan-

tages of industrial and commercial cooperation (specialization, complementarity and joint marketing). We shall certainly be seeking EEC aid in this field.

The same goes for the infrastructure projects—such as roads, bridges linking at least two of the states, waterways etc.—to which UDEAC's higher authorities have accorded Union status.

We gather that the secretariat-general of UDEAC has already submitted a dozen or so dossiers for EDF approval.

The North-South dialogue

► *Are you optimistic about the way the North-South dialogue is going? What concrete results can we expect from a conference between countries of such varying strengths and interests?*

— After the relative failure of UNCTAD IV in Nairobi, the Paris Conference on International Economic Cooperation has been the meeting point for the developing countries' hopes of establishing a new international economic order along the following lines:

— a new international division of labour would give developing countries the chance of accelerating their industrialization and would make for easier access of the processed products to the markets of the industrialized countries;

— higher prices for raw materials, particularly for the agricultural products which are the basis of the Third World's development efforts;

— the rationalization of international economic relations, leading to the transfer of real resources and technical know-how to the developing countries.

Once the CIEC had got over its teething troubles and decided how its work should be organized, there was every reason to hope that all the key problems of the Third World would be carefully discussed and that, at the very least, a consensus would emerge as to the ways and means of solving them.

However, we cannot but note that progress is very slow—particularly in the commodities commission, which, I think one can say without exaggeration, is doing no more than marking time.

The Group of 19 recently produced a new set of proposals on the subject with the intention of submitting them to the Conference when talks reopened in October 1975. The aim of all these proposals was to improve market structures for primary commodities by concentrating on, for example:

- local processing and diversification;
- transport, marketing and distribution;
- the developing countries' purchasing power via mechanisms to fix prices on the world market;
- the competitiveness of natural as compared to synthetic products;
- access to markets in the developed countries.

There are good grounds for thinking that the negotiations started since then will lead to constructive answers being found to all these questions.

And as for positive results, the fact that the whole of the international community has undertaken to discuss the problems of development is surely a step in the right direction. It proves that everyone is aware of the challenge facing the whole of mankind—to wipe out the scandalous poverty of the countries of the Third World.

But people must do more than take stock of the situation. There must be general agreement on the impediments to development and on the ways and means of removing them. And the process which will lead to the gradual improvement of the human condition in the Third World must be got under way without delay.

But I am forced to the regrettable conclusion that all these delays and the divergent interests of the great powers are holding us back—if not preventing us completely—from finding the answer to the underdeveloped state which is the lot of three-quarters of mankind. □

Interview by L.P.

The Comoros

A newcomer to the ACP group

The Comoro Archipelago, which lies between Madagascar and Africa in the Indian Ocean, comprises 4 main islands—Grande Comore (1 150 km²), Anjouan (424 km²), Mohéli (290 km²) and Mayotte (374 km²). Since 6 July 1975, the first three have formed an independent state, but in two referenda held on 8 February and 11 April 1976, Mayotte opted to retain its links with France.

The Comoros, along with the Seychelles and Surinam, joined the Lomé Convention on 13 September 1976, bringing the official number of ACP States up to 49.

Historical islands of paradise

The origins of the 300 000 Comorans, of whom 40 000 live on Mayotte, go back a long way in time. Certain recent archaeological research suggests that the people are Melano-Polynesian in origin. Later on came Chiraziens from Iran, Arabs and immigrants from the coast of Africa as well as Portuguese, Dutch and French sailors, all of whom mingled with the native population. Finally, the Comoros were dominated by the Moslem religion and organized into sultanates.

Today, the population is extremely dense—142 per km² in the three independent island and 107 per km² on Mayotte. The population as a whole, more than half of whom are under 20, is also growing fairly fast, at something



Comoro landscape

like 3% p.a. Moroni, the capital, on Grande Comore, has some 16 000 inhabitants.

The tropical climate of these green and flowery isles in the pellucid Indian Ocean is tempered by sea breezes. The islands are volcanic in structure and the soil is generally fertile, although Grande Comore sometimes has problems of water supply. The main island is dominated by Mt Karthala, which is still active and said to have the largest crater in the world (3 km in diameter). Its sides absorb any water. Both natural features and climate tend to be favourable, although the occasional cyclone does come and disturb the peace of this natural paradise.

The economy— not so bright

Some of the economic problems are due to France's withdrawal of financial

and technical aid. Others are provoked by falling prices on the world market affecting most Comoran exports. Thus, over the last few years, export earnings have become totally inadequate to cover expenditure on imported—mainly food—products.

Agriculture provides more than 90% of Comorans with their livelihood and accounts for more than 90% of exports. It is based on coprah, vanilla (the world's 2nd largest producer), cloves and various essences used to make perfume. Few women realize that an important ingredient of their favourite perfume is made from essential oils from Comoran flowers. Ylang-ylang, jasmine, vetiver and the Comoran geranium have accounted for 65% of the world market in these costly ingredients for some time now.

Local food crops and stock farming no longer produce enough to feed the population. Agriculture is a difficult business and has never been modernized, with the result that large quantities of food,

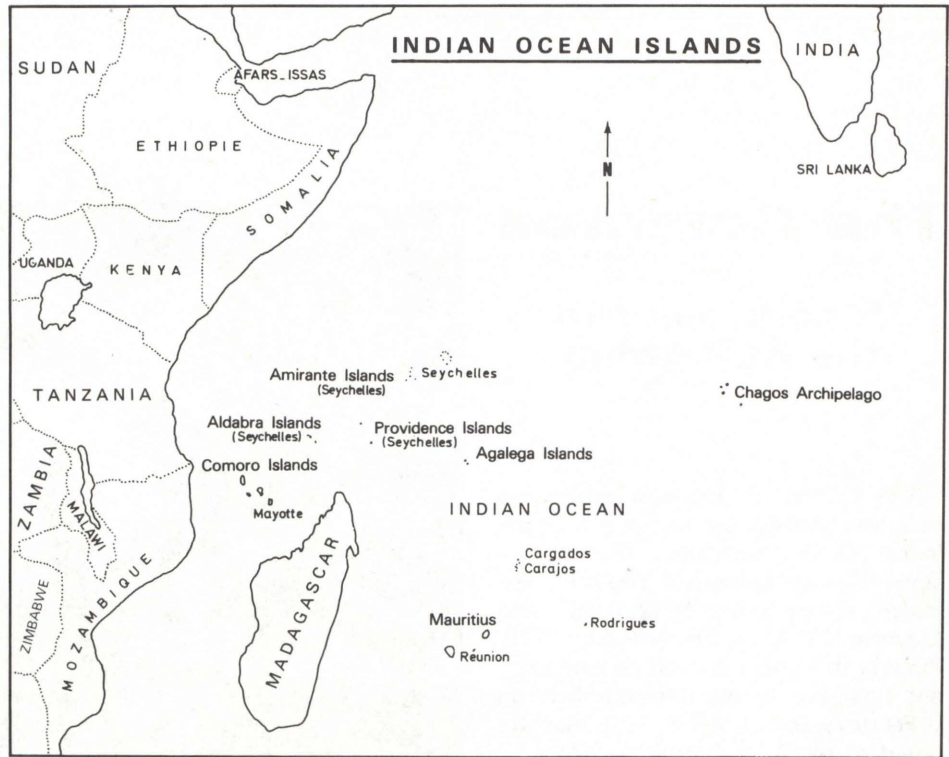
particularly rice, have to be imported. The large quantities and high market prices of these products are behind much of the Comoros' external trade deficit—and the drop in the price of export products only serves to exacerbate what is already a precarious situation.

Opportunities for development

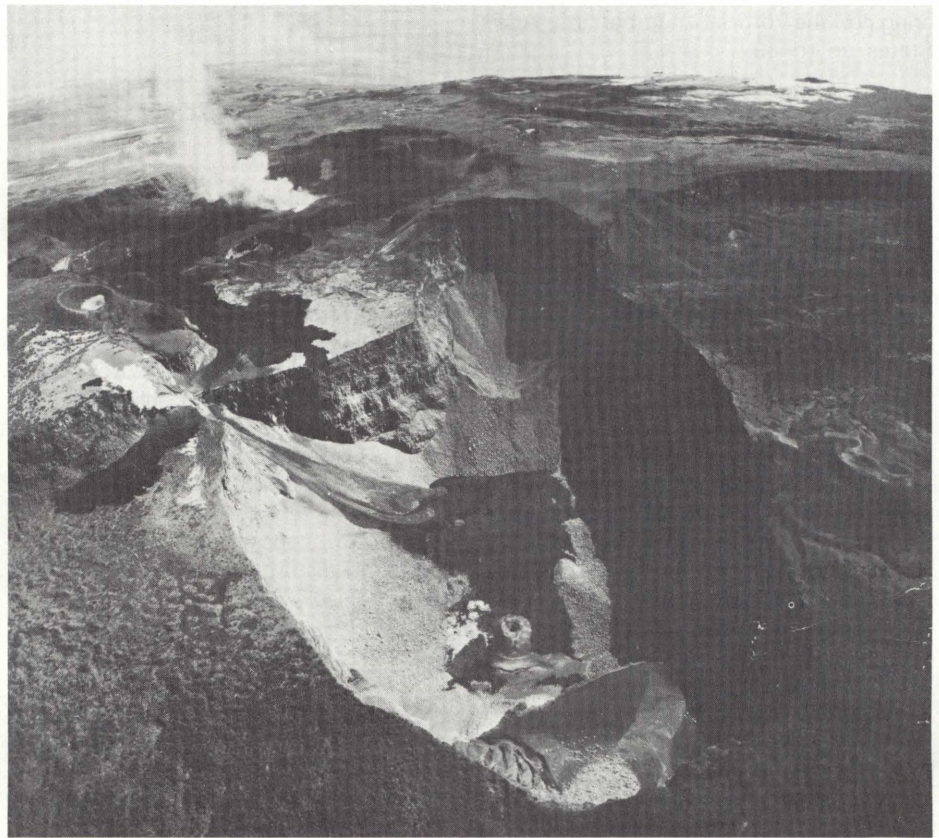
But the Comoros do hold one or two trump cards which can help them develop and acquire healthy economic and social foundations. Fishing in the surrounding waters could certainly produce higher yields. The tourist trade is a major attraction because of the natural, unspoiled beauty of all the isles and islets of the archipelago. But the situation is not without its problems—although, in the Lomé Convention, the Comorans have found neighbours and partners who can help them develop their own options and priorities. For example, the EDF has already helped lay the water supply system in Moroni, the capital, and set up a better communications network.

If the economy is really to take off, particular attention will have to be paid to air and sea communications and getting the archipelago out of its relative isolation. In the long term, the rural sector—both food production, including stock farming and fisheries, and cash crops—offers the greatest potential and optimizing agriculture will obviously be one of the Comoran government's top priorities, particularly since other sectors of the economy depend upon it. The economic and social development and the very future of this new member of the ACP family will therefore depend on the options the Comoran leaders decide on. They already have the foundations on which to build this future—an environment which would be the envy of vast numbers of people in the industrialized countries. They will be able to ask for the help of all the Community instruments of aid (including the Stabex for their coprah exports), which will be applied with the usual flexibility, and possibly in conjunction with Arab aid. □

R.D.B.



A less peaceful view of the Comores — Kartala volcano last erupted in 1973



Bureau d'Etudes et de Travaux Topographiques-Tananarive

THE GAMBIA

Making friends with the neighbours

Interview with Ebou Momar Taal, Gambian ambassador in Brussels

The Gambia, the westernmost country in Africa, is a strip of land surrounded by Senegal. Relations with Senegal and other neighbouring countries are therefore of particular importance, and Mr Taal stressed that the Gambian development strategy aimed at close regional cooperation rather than at a "colonial-type" economy based on moving raw materials out to the coast. The Gambia is a member of ECOWAS (Economic Community of West African States) and has special arrangements with its neighbours. A treaty with Senegal signed in 1965 institutionalised cooperation with the Gambia—the institutions include a permanent secretariat in Banjul—and more than 20 agreements have been signed by the two countries in the last 10 years, in areas such as transport, agriculture, fisheries and the free movement of persons.

One problem in the way of the good neighbours policy is smuggling. Senegal has sometimes felt trade encouraged by the more liberal tariff system in the Gambia to be a thorn in its side, and Mr Taal worked on the question when matters came to a head in 1968. "I don't think goods allegedly smuggled from the Gambia have been harmful to Senegal," he said. "It is difficult to establish that there is that volume of smuggling. There has always been a traditional trade between the Gambia and Senegal, indeed between any two neighbouring countries, especially where they have our peculiar geographical relationship. But I think it would be wrong to attribute any economic problems in Senegal to the type of trade which is described as smuggling in some Senegalese circles... Some of the problems of collecting taxes in Senegal were also due to their trade relations with other countries and to

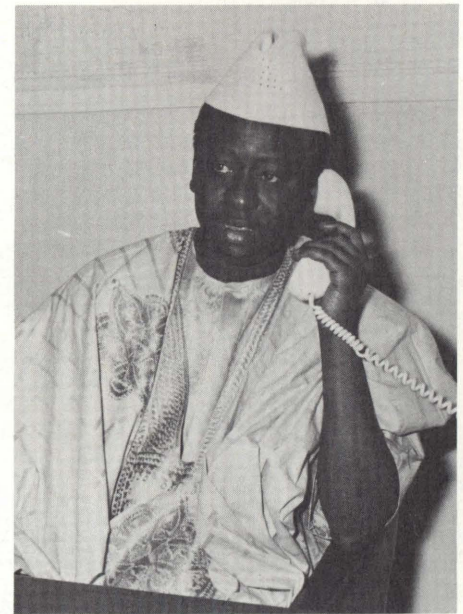
some fraud problems in the port of Dakar. I think freer trade between the Gambia and Senegal can only be beneficial to integration between the two countries," Mr Taal said.

Expanding agriculture

For all the importance of regional cooperation, the Gambia has clearly proved capable of going it alone. Mr Taal pointed to his country's stability and economic growth as "exemplary" in view of its small size. The economy is still based on groundnuts, of which 140 000 tons a year are now exported, compared to production of 60 000 tons 10 years ago. This expansion was achieved despite a reduction by half of the rainfall over five years; "but for the drought, I think our production would have been 30% higher," Mr Taal claimed. The groundnut trade is handled by the Gambia Produce Marketing Board, which the ambassador described as his country's "lifeline".

The current five year plan (1975-80) maintains the priority of agriculture, aiming to check the drift to the towns, reduce food imports and step up the processing industries, particularly to supply local markets. "With the help of our friends, we are already on the way to starting some of the projects planned. The EDF has advanced about 12 million units of account, which have been included in the development plan," Mr Taal said.

The emphasis on agricultural expansion has included livestock, fisheries, rice and cotton, which is becoming a major export product. "We expect to be self-sufficient in rice by 1980," Mr Taal said. EEC, Chinese and World Bank aid has helped the conversion of large areas of



Ebou Momar Taal

swamp to irrigation farming and the establishment of a credit scheme to encourage the farmers.

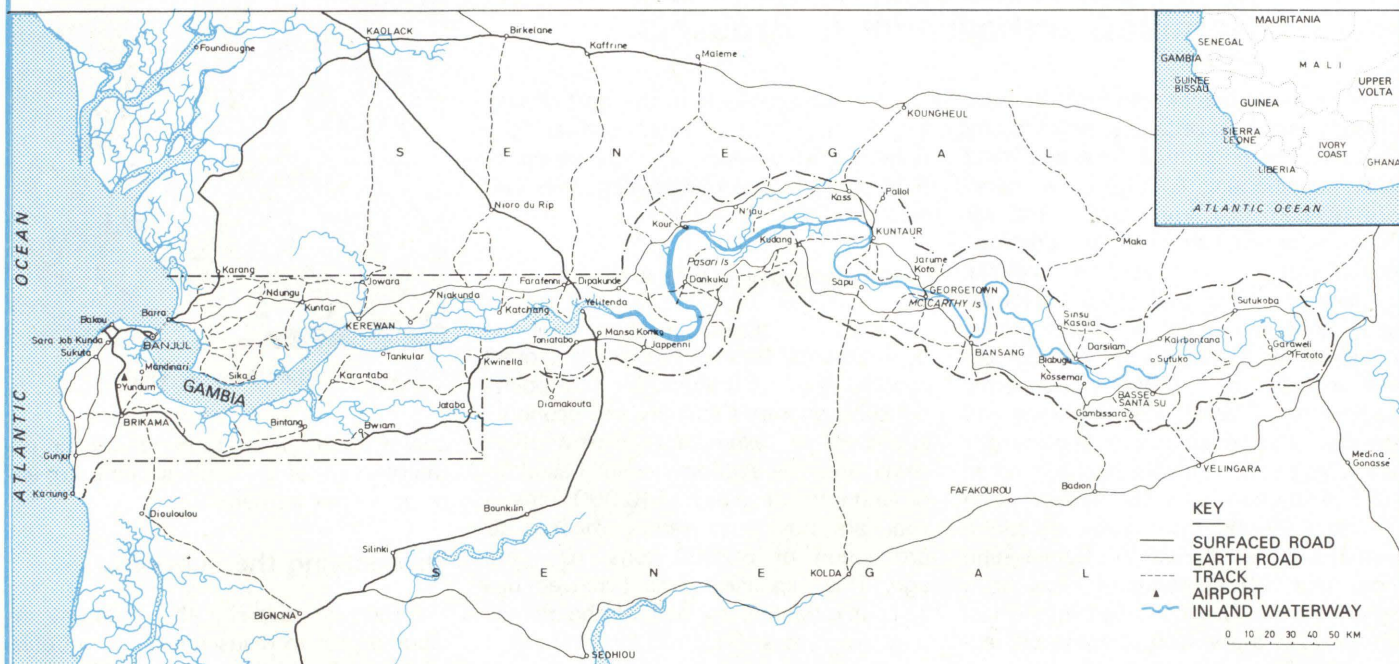
Diversifying the economy

Efforts to diversify the economy include a plan to resuscitate mining (rutile, kaolin) and a drive on tourism. "The government has spent a lot of money on the tourism infrastructure and our takings from tourism are already a substantial part of the national income," Mr Taal said. There are now 16 big hotels and more under construction, as against only one 10 years ago. The spin-off from tourism—improved services, road-building, more jobs, customers for local craftsmen, demand for different foodstuffs, etc.—has had a big effect. "Tourism has had the biggest economic effect on the Gambia in the last 10 years apart from the doubling of groundnut production," the ambassador said. More points for good neighbourliness—Senegal and the Gambia are about to bring out a joint brochure for tourists wanting to see both countries.

Lomé: cut the red tape

Discussing cooperation with the EEC, Mr Taal said he thought the Lomé Con-

THE GAMBIA



The Republic of the Gambia, with an area of only 10 400 km², is one of the smallest countries in Africa. Apart from a small coastline, the Gambia is an enclave in Senegal. It forms two strips of land no more than 25 km wide either side of the navigable part of the Gambia River, i.e. 335 km from the mouth of the river into the interior.

Total estimated population is 500 000, of whom 40 000 live in Banjul (ex-Bathurst), the capital, on the mouth of the river.

The country is a former English colony which became independent in 1965. Under the leadership of the President, Sir Dawda Jawara, who took office in 1970, the Gambia has

enjoyed marked stability, both political and economic.

The economy is based on agriculture, which employs more than 85% of the population and accounts for more than 60% of GDP.

Groundnuts are the main product. Recorded exports of groundnuts and related products account for more than 90% of total exports. Groundnut production could be boosted further and the introduction of groundnuts for eating opens further prospects. Food production is concentrated on rice and one of the targets of the agricultural policy is to make the country self-supporting in this respect.

Groundnut production and marketing

are controlled by the Gambia Produce Marketing Board.

Over the last few years, the tourist trade has considerably expanded and this, together with favourable groundnut prices, is behind the rapid growth of trade in the Gambia.

The country is on good terms with its only neighbour, Senegal, relations primarily being organized through the Senegal/Gambia secretariat, set up in 1968.

Mandinka is the commonest language, although the official language of the country is English. The national currency is now the dalasi (divided into 100 bututs), of which there are roughly 2.7 to the EUA.

vention was "the best arrangement that has so far been concluded. It is avant-garde in the sense that its provisions are way ahead of the dialogue that takes place in the UN and elsewhere on the new international economic order. I have always said we started a new international economic order in Brussels through the Lomé Convention, however imperfect the document may be."

This said, the Gambian ambassador had two main criticisms of the Convention, concerning trade provisions and project implementation. Mr Taal felt the trade arrangements under the generalized system of preferences did not give the developing countries the competitive edge they might have hoped for: "a margin of 4-5% does not necessarily give you better competitive value because there are other considerations, concerning production. I also feel strongly that the arrangements for consultation on trade matters are not satisfactory—we are usually consulted after the event, when it is too late to change," he said.

He considered financial and technical cooperation "extremely important" but attacked the lengthy procedures involved in getting projects under way. "The Lomé Convention was signed two years ago and in many countries, including mine, no project has yet been carried



Banjul, capital of the Gambia

out under it. This is nobody's fault—there are often just too many procedures—but for the least developed countries, such as the Gambia, this is a great disadvantage, because if we have to wait two years to start a project we will be overtaken by inflation and the value of the grant will diminish, maybe by as much as 20%.

"I suggest the procedures should be simplified, without sacrificing efficiency. Micro-projects, which are simple and fast, should not take more than a few months to materialize, but experience has shown that some micro-projects can be in the pipeline for over a year. This needs to be looked into by the Commission, and when we start negotiations for the next convention in 1978. I think it would be possible for the Commission delegate in each country, together with his local counterparts and with the knowledge of the national missions in Brussels, to make appraisals of some of the information required in a more authoritative manner. The problem is data. The ACP countries provide it, but the Commission wants more and more, and you get the feeling they are not speaking the same language. When you ask for x, you get x+1, or something else. I think that if a country's performance in the past has been good—and in the Gambia we have always been careful about the way we spend money—one could improve the Convention and help these countries by not insisting on having statistics down to the smallest decimal point. This could be improved right now through the involvement of the delegates, the missions and the local authorities," Mr Taal said. □



The Gambia river, from which the country takes its name and shape

A.L. and B.T.

SOMALIA

Settling the nomads after the drought⁽¹⁾

The way in which Somalia has tackled the consequences of the severe drought which struck the country particularly hard in 1974 and 1975 is unique in Africa and perhaps in the world. In contrast to other African countries which were faced with critical problems caused by the same drought, the Somali operation was not solely one of temporary aid to alleviate the suffering of the victims. Somalia tackled the situation in a radical way following up the "first-aid" operations with a programme to protect itself against natural disasters in the future. Since Somalia is a country subject to recurrent periods of drought and is still mainly inhabited by nomads, the programme of defence against natural disasters had to involve the permanent settlement in productive areas of the country of the nomadic population, whose stock-farming activities are dependent on climatic conditions. The know-how of the Somali nomads, who have been stock-farmers from time immemorial, is limited to their livestock and to the whereabouts of watering points and grazing land. The failure of the annual rains over a long period, and in particular the dreadful drought of 1974-75, deprived the livestock of the water and grazing land it required, thereby decimating the animal population, hitting the subsistence economy of the nomads and even causing considerable loss of human life. The sad result of the catastrophe of 1974-75 is 17 000 dead, with animal losses of 700 000 cattle, 200 000 camels and over two million sheep, not to mention the considerable amount of land devastated.

Faced with this grave situation, the revolutionary regime in Somalia did not lose courage at suddenly having to take on the extra burden (at the cost of important development projects envisaged under the five year plan) of more than

one million disaster victims. The nomads whose situation was the most desperate, numbering more than 250 000, were gathered together in emergency camps in which medical supplies and food were available. Throughout the country there was a popular movement of solidarity with the nomadic people and teams of young people, workers, students and soldiers set off for the areas hit by the drought—which covered a considerable proportion of the country—to carry out first-aid duties and save the largest possible number of people and animals. It was thanks to the prompt action of the revolutionary regime, the mobilization of the people and the close cooperation between the authorities and the citizens that the first phase of the assistance operation was a success. It then became a question of giving the drought victims the possibility of starting a new life free from the ever-present fear of drought. The effort involved in saving the lives of hundreds of thousands of Somali nomads would have been in vain if, after initial emergency help had been given, they had been left to cope for themselves and at the mercy of future droughts.

It was at that point that the revolutionary regime put into effect its programme to settle the hardest-hit drought victims in the productive areas of the country and to introduce them to activities which would put an end to the traditional need to wander in search of watering points and pasture land. In short, the programme of the revolutionary regime involved taking advantage of the critical situation caused by the drought to initiate a settlement operation which would take the nomads away from a life of hardship where they were at the mercy of natural disasters. This programme, which has begun with the settlement of the drought victims, will gradually be extended to all the nomadic people.

In June 1975 more than 100 000 nomads were transported by air and lorry from the emergency camps to the permanent settlement centres in the fertile regions south of Mogadishu and along the coasts. Nomadic stock farmers who had lost all their wealth as a result of the drought were thus transformed into settled farmers and fishermen grouped together in cooperatives. It was not an easy task to effect this transformation. Many of them, for example, had been engaged solely in stock farming and did not have the first idea about cultivating the land. Many nomads had never seen the sea and almost all of them, out of ingrained habit, were reluctant to taste fish. Nevertheless, as a result of patient efforts on the part of the instructors, these nomads are today skilled farmers and fishermen and have established communities which they run themselves. They no longer live in fear of drought. Hospitals and schools have been built in the centres where they have been given permanent quarters and settlement has made social progress a possibility for them. These nomads now have a different view of the world and can be sure of a better future.

This is how the revolutionary regime has tackled the specific consequences of the dreadful drought which ravaged Somalia in 1974 and 1975 and the problem of drought in general, since the programme of settlement begun with the nomadic drought victims will gradually be extended to the whole of the nomadic population. This will naturally call for increased efforts and the active support of the international community but the achievement of settling the nomads hit by the drought is a sure guarantee of the final success of the overall settlement operation. It is scarcely necessary to remark on the beneficial effects which settlement will have for the planning of Somalia's economy in view of the fact that before settlement, with nomads representing over 60% of the population, it was impossible to programme the economy. The settlement programme is therefore a vast undertaking which will turn the nomads into workers specializing in activities such as agriculture and fishing, which will be of great benefit to the nation. □

(1) Ministry of Information of the Democratic Republic of Somalia, "Publications and Press" service.

GHANA:

Independence and interdependence

A delegation from the European Parliament arrived in Ghana during a jaunt around Africa at the end of last year. They were met by Mr R.K.A. Gardiner, the Planning Commissioner of this ACP country, who spoke on EEC-Ghana relations, the Lomé Convention and the Consultative Assembly set up under it, and his government's general policy, with particular reference to regional cooperation. Extracts of Mr Gardiner's speech are reproduced below.

"This is the first time in the history of this country that we have had an official visit of a delegation from the European Parliament; it is an index of the growing links between Ghana and the European Communities following our accession to the Lomé Convention.

Ghana — EEC relations

Ghana cherishes her relations with the EEC as formalised under the Lomé Convention, because of the opportunities which the Convention affords us in the areas of economic cooperation with the EEC. The EEC as a bloc is Ghana's trading partner. More than half of our external trade is with the EEC. Besides, as I said this morning during our discussions, we have had a long tradition of partnership in other economic, financial and

technical fields with member countries of the EEC, particularly the United Kingdom, France and the Federal Republic of Germany. It was the desire on both sides to widen and strengthen this relationship which led us to negotiate and conclude the Lomé Convention together.

The Lomé Convention

The Convention has been described variously, as a "model for relations between developed and developing countries"; as a "new system of relationships in the perspective of development", as a "very close, satisfying and satisfactory relationship", as "a revolutionary agreement", as "an agreement unique in history".

It is indeed a unique agreement in the sense that this is the first time that a legally binding agreement covering such a wide variety of economic fields has been signed between such a diversity of developing countries on the one hand and such a large group of developed countries on the other. Nevertheless, being a first attempt, its scope and application are necessarily limited. I regard the Convention as an imaginative and pioneering form of co-operative arrangement and experience which may prove of wider application. It is its potential for development, its inherent capacity to make advances on the past as well as preempt the course of future

relations between the developed and developing countries which makes the Convention our greatest hope.

The European Parliament and the Consultative Assembly

If the Lomé Convention is a pioneering form of co-operate arrangement between a group of developed countries and a group of developing ones, then there is need for men of vision to foster its growth, for all pioneering endeavours require men of vision.

In the context of the Lomé Convention, we find such men of vision in many of the European parliamentarians including our distinguished guests. The European Parliament and the Commission operating through the ACP-EEC Consultative Assembly, has invariably supported the ACP cause in promoting progress, and encouraging liberal and outward looking policies. For this reason we are convinced that the Consultative Assembly, which is composed on a basis of parity of members of the European Parliament and representatives designated by ACP states, has a vital role to play in the evolution of the co-operate arrangements between the ACP and the EEC. We have no doubt that the Assembly will play a significant role in exploring and exploiting the full potential of the Lomé Convention.

A sense of urgency

Our conviction in this regard is strengthened by the sense of urgency with which preparations were made, long before the Convention came into force, for the formal launching of the Consultative Assembly. It was this same sense of urgency and purpose which led to the inaugural meeting of the Assembly in Luxembourg in June this year, just two months after the ratification of the

Convention and also to the Joint Committee meeting which our distinguished guests attended in Lomé a few days ago. We appreciate these developments and congratulate our guests on their sense of purpose and urgency.

Government policy

We would like to assure our guests that the purposeful way in which they have set about their task is fully reciprocated in the pursuit of our internal economic policies. We have chosen for ourselves a policy of self reliance, for we believe that the destiny of this country lies in our own hands. Therefore we have set out with an equal sense of urgency to mobilise all our resources for our economic development.

Our policy of self-reliance by no means implies a rejection of foreign co-operation. It simply means that we rely primarily on ourselves for our economic survival. It follows that whatever external assistance is made available to Ghana comes as a necessary supplement to our own resources.

In the course of mobilising our resources, we have naturally placed great emphasis on agricultural development, since land is one of our natural endowments. Our policy here, which derives directly from our policy of self reliance, is to grow enough food to feed our growing population and enough industrial raw material to service our industries. This twin policy we have christened "Operation Feed Yourself" and "Operation Feed Your Industries".

Without such a policy, the state of affairs in Ghana under conditions of high energy costs, domestic and externally generated inflation and global food shortage would be desperate indeed. Already, we have scored considerable successes in the pursuit of this policy.

Indicative aid programme

This morning, in our discussions with our distinguished guests, we tried to

show how EEC aid to Ghana is integrated in our economic and social development plans and programmes so that projects undertaken with the financial support of the EEC dovetail with the objectives and priorities set by ourselves. This arrangement is the best guarantee of the judicious use of Community aid to Ghana. Let me assure you, Hon. Members of Parliament, that every cedi advanced to us by the EEC will be put to very good use. It is our intention to utilise the whole of our national allocation from the EDF before the expiry of the present Convention.

“Developed countries need the raw materials which abound in developing countries, in order to be able to put their technology to practical use; and developing countries need the technology of developed countries as a means of exploiting the potential of their raw materials. The growing awareness of this interdependence is to me one of the remarkable events in the post war years. We are still far from full realisation of the implications of this awareness”.

R.K.A. Gardiner

ECOWAS

In our search for solutions to our economic problems, we have looked beyond our borders and sought co-operative efforts to solve our common problems. We have taken steps with our neighbours in the West African sub-region, as your governments have done in the context of the EEC, to establish an Economic Community of West African States (ECOWAS) comprising some 15 states. The aim of the Treaty is to: “promote co-operation and development in all fields of economic activity

particularly in the fields of industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions and in social and cultural matters for the purpose of raising the standard of living of its peoples, of increasing and maintaining economic stability, of fostering closer relations among its members and of contributing to the progress and development of the African continent”. ECOWAS envisages the achievement of our economic union among 15 countries which together cover an area slightly over 6 million square kilometres and have a total population of nearly 120 million. The protocols were signed recently in Lomé, thus setting the stage for the implementation of the provisions of the Treaty. We expect to benefit from the experience of the EEC in building up ECOWAS, in view of your pioneering role in this field.

World context

Throughout the world today, there is a constant search for unity and co-operative action. Countries are forging economic and other links together in the realisation that their survival is closely linked with the well-being of others. Developed countries need the raw materials which abound in developing countries, in order to be able to put their technology to practical use; and developing countries need the technology of developed countries as a means of exploiting the potential of their raw materials. The growing awareness of this interdependence is to me one of the remarkable events in the post war years. We are still far from full realisation of the implications of this awareness. Old habits and prejudices die hard; the developed world often tends to look upon the problems of the developing world with unconcern while the developing world tends to view the admonitions of the developed countries, with some suspicion. But throughout all this, one senses a slow but steady movement towards that kind of world community. The Lomé Convention, which our distinguished guests have helped to establish and are helping to implement, is a part of this steady movement.” □

Cooperation agreements with Egypt, Jordan and Syria

Brussels. — The signing of cooperation agreements with Egypt, Jordan and Syria on 18 January 1977 marked the end of long and complex negotiations between the three Mashreq countries and the European Community (see pp. 71-75 for details of the agreements). At the signing Claude Cheysson, the EEC's development commissioner, made the following statement:

"After months, years, of discussion we have come to the end of an important stage. Only the Lebanon is missing, whose people, we must recall, have been through a period of great suffering. Happily order there has now been restored and we can begin the process of reconstruction and look once more towards the future."

The day after the signing, discussions with the Lebanese authorities began with the objective of reaching an agreement similar to those signed with the three Mashreq countries. In his speech Mr Cheysson described the agreements as "the only ones of their kind in the world at the moment", and went on to describe their main characteristics:

- the agreements are international treaties creating obligations, some of unlimited duration, which can be neither revised nor disputed unilaterally;
- the new facilities opened to the Mashreq countries are permanent;
- the agreements demonstrate the desire of the EEC to respect the independence and freedom of choice of countries regardless of their regime, political

system or network of alliances. Europe seeks without equivocation peace, détente and cooperation between neighbouring countries within the region;

- the agreements are global and cover all the range of cooperation between industrialised and developing countries. The financial provisions and technical cooperation (270 million EUA) go hand in hand with the guarantee of free access to the largest market in the world and with numerous forms of industrial, commercial and technological promotion;

- they also represent a type of economic integration and a new model of organized relations between Europe and its partner states, based on the premise of interdependence.

"It is the policy started at Lomé which is being followed and finding its fulfilment," Mr Cheysson said. □

The new Commission gets down to work

Cheysson keeps development aid

The new President of the EEC Commission, Roy Jenkins, announced the final line-up of portfolios for his team in the early hours of 7 January 1977. They are:

Guido Brunner (Liberal, German): energy, research, science and education.

Richard Burke (Fine Gael, Irish): taxation, consumer affairs, transport, relations with the European Parliament.

Claude Cheysson (Socialist, French): development.

Etienne Davignon (Christian democrat, Belgian): internal market and industrial affairs.

Antonio Giolitti (Socialist, Italian): coordination of Community funds and regional policy.

Finn Olav Gundelach (Danish, ex-diplomat): agriculture and fisheries.

Wilhelm Haferkamp (Socialist, German): external relations.

Roy Jenkins (Labour, British): secretariat general, legal service, information and spokesman's group.

Lorenzo Natali (Christian democrat, Italian): special responsibility for enlargement questions, protection of the environment, nuclear safety, contacts

with EEC governments and public opinion on direct elections to the European Parliament.

François-Xavier Ortoli (Gaulliste, French): economics and finance, credits and investments, statistical office.

Christopher Tugendhat (Conservative, British): budget and financial control, financial institutions and taxation, personnel and administration.

Raymond Vouel (Socialist, Luxembourg): competition.

Henk Vredeling (Socialist, Dutch): employment and social affairs, tripartite conference (governments, employers, unions). □

The first session of the new EEC Commission. Around the table to the right of Roy Jenkins (arrowed) are Wilhelm Haferkamp, Henk Vredeling, Antonio Giolitti, Etienne Davignon, Raymond Vouel, Lorenzo Natali, François-Xavier Ortoli, Finn Olav Gundelach, Claude Cheysson, Richard Burke, Christopher Tugendhat and Guido Brunner. Commission Secretary-General Emile Noël is on Mr Jenkins' left



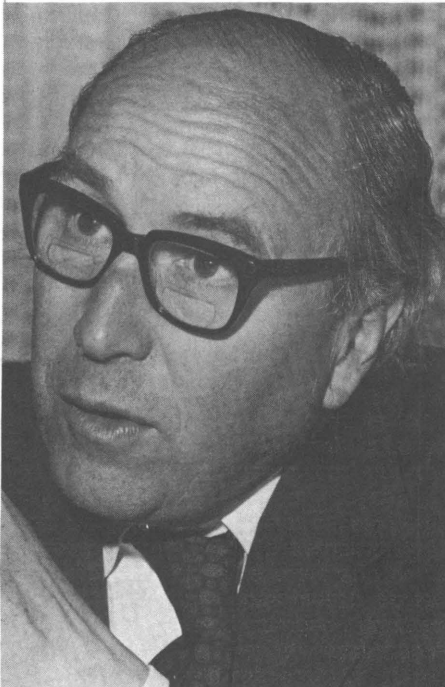
Roy Jenkins, new President of the Commission

Roy Jenkins, 57, is the son of a miner and trades unionist. Born and brought up in Wales, he got a First in philosophy, politics and economics at Balliol College, Oxford. During the war he was a Captain in the Royal Artillery before becoming an MP in 1948. Between 1964 and 1970 he held in turn the posts of Minister of Aviation, Home Secretary and Chancellor of the Exchequer in the Labour government and, between 1970 and 1972, he was deputy leader of the Labour Party. At the time of his appointment as President of the Commission he was Home Secretary in the Callaghan government. He holds honorary doctorates from several American and British universities. In 1972 he received the Charlemagne and Robert Schuman Prizes in recognition of his work for European unity. He has published various political and biographical works, including two biographies of British Prime Ministers. He is married with two sons and a daughter. □



J.L. Debaize

President Mobutu is met by Roy Jenkins, the new President of the Commission (right) and Claude Cheysson (centre), at the EEC Commission



J.L. Debaize

Roy Jenkins

"I am only part of a team and this team is only a link in the chain"

President Mobutu visits Brussels

President Mobutu met Mr Jenkins, President of the European Commission, and development commissioner Cheysson, at the Commission's headquarters in January. This was the first visit of an ACP head of state since the new Commission took office. The talks between the President of Zaire and representatives of the Commission were concerned mainly with EEC aid to Zaire under the Lomé Convention, the North-South dialogue and the stabilization of raw material prices. At a press conference, President Mobutu said: "in the case of a product such as copper, on which 80% of our exports depend, opinions differ according to whether one belongs to the industrialized 'camp' or the 'camp' of the developing countries. Some people take a short-term view, but we in Zaire hope that they will begin to think in the longer term about the price of raw materials such as copper, as this alone can enable us to plan our economic development. We do not wish to remain eternal reservoirs of raw materials", he added.

President Mobutu also discussed Zaire's problems as a landlocked country. General Nulongya Nayikusa, Zaire's State Commissioner for Mines, pointed out for his part that the closure since the events in Angola of the railway line linking Shaba, the centre of the copper industry, and the Angolan ports, had cost Zaire 80 million dollars in copper exports. Zaire is proposing a vast transport infrastructure project which would enable central African countries to emerge from their position of virtual enclavement. The EEC could assist, it was revealed, together with other international institutions, within the framework of financing regional projects of the EDF.

During his visit, the President of Zaire signed a new finance agreement for the extension of a palm plantation at Gosuma in north-west Zaire. The finance agreement, signed by Mr Claude Cheysson and Mr Bisengimana Rwema, for the Zaire government, involves a grant of 12 980 000 units of account. □

THE CONVENTION AT WORK

EDF: new financing decisions from the resources of the fourth EDF.
Following the favourable opinion delivered by the EDF Committee at its 112th, 113th and 114th meetings, these bring the total number of commitments entered into under the fourth EDF to 425 368 000 EUA

Lesotho — Exceptional aid (Fourth EDF): 1 000 000 EUA (equivalent at present rates to approximately R 960 300).

Since the independence of Transkei in October 1976, the Lesotho government has been faced with problems caused by its neighbour's decision to close their common frontier. Besides this, a number of measures taken by Transkei are obstructing the freedom of movement of persons and goods between the two countries. These difficulties are seriously disturbing 200 000 people, or 17% of the total population, living in the southern frontier zone. They are now cut off from the capital, Maseru, and the north-western regions of Lesotho, which is the most important area of the country as regards economy and population since up to now communications between the two regions had to pass outside the country, via the South African Cape Province, the Orange Free State and the two parts of Transkei.

Community aid will be used to rebuild a track at present unuseable in the rainy season which provides a direct international link between the north-west and south-east of Lesotho.

In this way a large proportion of the above difficulties will be eliminated.

Burundi — Completion of the Muramvya project (Fourth EDF): 418 000 EUA (equivalent at present rates to approximately FBu 40 997 500 000).

This grant rounds off the previous Community contribution to the project to extend tea growing in villages in the Muramvya area (second and third EDFs: 1 884 000 EUA) by setting up a number of smallholdings, amounting to 500 hectares of tea plantations in all. This is one of a series of similar schemes aimed at diversifying the country's export earnings, which, when this project was launched in 1968, came almost exclusively from coffee and cotton exports (in 1974 coffee sales accounted for 84.3% of foreign currency receipts).

The proposed financing should enable the Muramvya Tea Association to become a financially healthy concern as from 1982.

It involves aid, which will be gradually tapered off, to run the Association and additional investment:

— replanting and extending plantations (from 490 to 500 ha);
— additional technical infrastructure.

When fully operational (in 1982/83), the scheme should produce an annual 620 t of dry tea.

Chad — Establishment of an agro-industrial sugar complex at Banda, Chad (Fourth EDF): 7 550 000 EUA (equivalent at present rates to approximately CFAF 2 052 845 000).

The aim of this project is to establish a 3 360 ha industrial sugar-cane plantation and to build a sugar refinery in the Sahr region near Banda in southern Chad.

The choice of production capacity for the factory (30 000 t of refined sugar) has been dictated by the desire to satisfy the projected overall needs of the Chad market round about 1981/82.

The total cost of the project, estimated at CFAF 15 000 million (at present 56.60 million EUA), can be broken down as follows:

— agricultural investments
CFAF 4 273 million
— industrial investments
CFAF 8 400 million
— other CFAF 1 827 million
— working capital CFAF 500 million

The Community's aid contribution from the fourth EDF amounts to 7 550 000 EUA in the form of a loan on special terms (40 years, 1% interest, 10-year grace period).

The loan will be used:

— to contribute to the setting-up of the infrastructure and equipment for irrigating the plantation from the Chari river, which runs along the eastern edge of the area (motor-driven pump units and

civil engineering for setting up the pumping stations): amount involved 3 620 000 EUA;

— to contribute to land development costs: amount involved 3 930 000 EUA.

It has been granted to the Chad state itself, enabling it to provide the sugar company responsible for establishing and running the agro-industrial complex with a basic infrastructure consisting of pumping stations in working order and improved land.

The European Investment Bank has also placed a sum of 7 550 000 EUA at the disposal of the Chad state, in the form of risk capital to enable it to subscribe to the capital of this sugar company in the form of a conditional loan.

Other financial assistance needed for establishing the sugar complex is expected to come in particular from the Chad state by means of a cash contribution of CFAF 1 300 million, from the Caisse Centrale de Coopération Economique (CCCE) of CFAF 2 000 million and from a consortium of local banks, at the initiative of the Banque des Etats de l'Afrique Centrale (BEAC), to the tune of CFAF 2 000 million.

The project follows on, under the Chad sugar policy, from the setting up in N'Djamena of a factory making loaf sugar and another making confectionery, and is considered by the Chad authorities as one of the main development projects to be implemented as soon as possible because of its many economic and social repercussions. It will enable:

— domestic requirements of an essential product to be met at a price that is financially profitable for the agro-industrial complex and will enable the population to be supplied on terms at least as favourable as if the product were imported,
— current agricultural production to be diversified,
— the market value of a local raw material to be increased on an industrial basis,
— the trade balance and balance of payments to be improved,
— regional development of southern Chad to be accelerated,
— 1 700 permanent and 1 000 seasonal jobs to be created and have induced effects on the Sahr conurbation (setting-up of services, cottage industries, business, to cater for the needs of a population which increase very rapidly).

The project is to be carried through by Société sucrière du Tchad (SOSUTCH-AD), which is already running the N'Djaména loaf sugar factory, with technical assistance from the Société multinationale de développement pour les in-

dustries agricoles alimentaires (SOMDIAA), which will also have the task of training national cadres at various levels. SOMDIAA will subsequently run and manage the agro-industrial complex.

Mali — *Supplementary financing for various third EDF projects* (Fourth EDF): 2 674 000 EUA (equivalent at present rates to approximately MF 1 457 120 000).

Community aid is financing in Mali, *inter alia*, four agricultural schemes—the Ségou and the Sikasso rice projects, a seed and harvest protection scheme and the dah growing project. Because of the drought in 1972/73 and 1973/74 and particularly severe inflation since 1974, the following supplementary financing is needed for all these schemes:

- 1 437 000 EUA for the Ségou rice scheme, to enable the projected improvements to the hydro-agricultural system to be completed;
- 726 000 EUA for the Sikasso scheme, to provide the projected road bridges and equipment;
- 182 000 EUA for the seed and harvest protection programme, mainly to cover the cost of equipment;
- 293 000 EUA for the development of dah growing, to cover the costs of equipment, the seed farm and the costs of supervision.

The amount in question is less than 15% of the total outlay on all four of the financing agreements relating to these projects.

Cameroon — *First annual rural micro-project programme* (Fourth EDF): 270 000 EUA (equivalent at present rates to approximately CFAF 73 413 000).

In accordance with Article 46 of the Lomé Convention and Chapter 7 of Protocol no. 2 on the application of financial and technical cooperation, the first annual micro-project programme put forward by the Cameroonian authorities is of a rural nature, not only because the proposed projects are to be located in five rural areas of the country but also because of the kind of activities involved. These are:

- rural water engineering (wells, boreholes, water supply systems);
- rural tracks (improvement of existing tracks);
- small-scale social infrastructure for the rural population (maternity hospitals);
- development of production in agriculture and stock farming;
- improvement of the marketing of the products in question.

The annual micro-project programme was drawn up in the form of "project profiles" based on the model used by local communities to obtain state aid for small-scale rural infrastructure (PER).

The policy for subsidizing PER, implemented by presidential decree, involves an annual appropriation being entered in the state investment budget for subsidies, which the Minister for Planning distributes to local communities on the recommendation of the divisional officers. The EDF's contribution to micro-projects therefore dovetails with government policy in this field: the overall amount for the programme amounts to approximately 780 000 EUA, of which 270 000 EUA will be provided by the EDF.

The Convention requirement that the initiative for the project must stem from the local community which will benefit therefrom has also been satisfied. Moreover, since the local communities will be making the biggest contribution by providing nearly 50% of the amount of the programme overall, the state's share will be less than 20% and the EDF's contribution will not be much more than 30%.

Jamaica — *Supply of equipment and technical assistance for the construction of micro-dams and irrigation* (Fourth EDF): Grant: 1 000 000 EUA (equivalent at present rates to J\$1,004,000). Loan on special terms: 2 700 000 EUA (approximately J\$2,710,200).

For several years now Jamaica has suffered from periods of drought that have led to inadequate water supplies in all regions and to the intrusion of salt water into coastal region aquifers, the latter being due to intensive pumping from wells during the long periods without rainfall. The adverse weather conditions have seriously affected the output of root crops and vegetables, most of which are non-irrigated.

The inadequate growth of agriculture has given rise to rapid expansion of imports of agricultural products and declining agricultural self-sufficiency.

The Jamaican government has planned a series of water supply investments designed to improve the rural social situation and to increase agricultural production. The overall cost of the scheme is estimated at 10 million EUA.

Community aid will contribute by helping to purchase mechanical plant necessary for the construction of 220 micro dams to purchase pumps that will serve the irrigation schemes associated with them and to finance the technical

assistance necessary for site supervision of construction.

Tanzania — *Coffee improvement programme* (Fourth EDF): 12 677 000 EUA (equivalent at present rates to approximately T Sh 117 250 000).

This grant is designed to raise the production of the existing coffee hectare in Tanzania by instituting an intensive extension campaign supported by inputs and credit to improve the husbandry and pest control of smallholder coffee in the six main coffee growing areas of the country. Introduced simultaneously into each area, the programme will over 4 years encompass an increasing proportion of the growers until some 110 500 hectares have been included. It is anticipated that annual production will be raised by nearly 50% from its present level of 46 350 tonnes to 69 400 tonnes with a quality improvement to 25% in the top five classes from the present 15%. The increased production will have a farm gate value of T Sh 156 million, a foreign exchange value of at least T Sh 345 million and raise export taxes of T Sh 121 million.

It is intended that the programme will be a permanent part of the Tanganyika Coffee Board's activities with the costs met by a levy on production. During the first four years the levy will cover 50% of the costs and the EDF is being asked to provide a grant as a matching contribution towards the cost of capital and recurrent expenditure overseas while the programme is being developed. This will be equivalent to 12 677 000 EUA. There is no other external source of finance.

Zaire — *Extensions to the Gosuma (Oubangi) plantation of selected palms* (Fourth EDF): 12 980 000 EUA (equivalent at present rates to approximately Z 12 385 000).

This financing will enable the Gosuma plantation (selected palms) to be extended as a follow-up to the Community's aid to the project under the second EDF to boost agriculture in Oubangi (grant of 6 715 000 EUA, of which 3 573 000 EUA for the palm plantation).

Aid from the 2nd EDF is almost complete and it has enabled an industrial plantation of 2 000 ha plus 432 ha of individual plots of selected palms to be established under 4 favourable technical conditions.

The aim of the present project is to extend the industrial plantations to 4 500 ha and to increase the small-holdings to something like 1 500ha. It

will be completed by the addition of the oil plant currently being studied by the EIB.

When fully operational, i.e. in 1990, the total area of 6 000 ha (including the previous project) will produce an annual 75 000 t of clusters, corresponding to a production of some 16 500 t of palm oil and 3 400 t of palm kernels. Total production is intended for the domestic market.

Rwanda — Mukungwa hydro-electric station (Fourth EDF): 20 000 000 EUA (equivalent at present rates to approximately RF 1 986 600 000).

The purpose of this large Community contribution is the construction in Rwanda of a hydro-electric station, the power source being the waters contained by a dam to be built on the Mukungwa river.

This station will afford Rwanda a second national source of energy supply and contribute towards the efforts being made in the region to cope with the energy shortage which is expected to become acute by 1982 at the latest.

Taking into account the high cost of the project, 29 900 000 EUA, provision is made for a co-financing arrangement, the major share of which, amounting to 20 million EUA, will be contributed by the 4th EDF and the balance by the African Economic Aid and Development Bank and from the Rwandese budget.

Rwanda is one of the least-developed states in Africa and is therefore included among the countries covered by Article 48 of the Lomé Convention; the level of consumption of electricity is extremely low, being only 10 KWh per annum per head of the population, whereas the corresponding figure for the Community is 3 840 KWh (1974). In an overpopulated country such as Rwanda, with a population density of 130 inhabitants per square kilometre and an annual demographic growth of 2.8%, an increase in manpower productivity is one of the essential conditions for the country's development. Hence, the supply of electricity is a *sine qua non* for increasing productivity.

Ever since the setting-up of the second EDF, Rwanda has essentially been dependent upon Community as well as upon German aid in the matter of implementation of energy supply schemes. Since the financing of the first basic surveys in 1967 with credits supplied from the second EDF, Community aid for the development of energy resources in Rwanda has amounted to a total of 15 200 000 EUA for defraying the costs of constructing transmission lines for national and local networks and of the var-

ious surveys associated therewith, and also the technical assistance given to the government for organizing the energy sector.

There is no doubt but that the energy question can, in the long term, be solved only on a regional basis. Cooperation has already been organized in this field, particularly between Burundi, Rwanda and Zaïre, for three schemes:

— one transmission line now under construction linking the Ruzizi I hydroelectric station, situated right on the Rwandese-Zairean frontier, with the main Rwandese feed network to supply it with the energy of which it will be in urgent need as from 1978;

— the studies for the Ruzizi II station, for which the three states have formed an association; this station will not be operational, however, before 1985;

— supplying the Rwandese frontier area from the Ruzizi I source.

This project is designed to satisfy the Rwandese government's prime desire to have a minimum energy supply from its own resources, independently of any outsider, without having to wait until the producer-consumer for electricity is established on a long-term basis at regional level.

Trinidad and Tobago — Study on facilities for blending fertilizers (4th EDF): 168 000 EUA (equivalent at present rates to approximately 451 080 TT \$).

The present subvention allows the carrying-out of a market study in the Caribbean region of the need for fertilizer and types of blends so as to provide basic information to the evaluation of the socio-economical feasibility of the establishment of facilities capable of producing the most appropriate blends of fertilizers to serve the regional food plan.

The terms of reference of the market study include:

— analysis of the soil of the agricultural land with a view to crops envisaged in the Caribbean region so as to determine the optimum blend or blends of fertilizers;

— evaluation of the potential demand in the region of blends today and in the future;

— evaluation of potential sources of supply of phosphorous and potassium;

— specification of the general market conditions in the region;

— estimations of the investment cost working capital requirements and evaluation of the economic and financial viability of establishing blending facilities.

Republic of Uganda — Nutritional rehabilitation centres (4th EDF): 320 000 EUA (equivalent at present rates to approximately 242 848 U.Sh.).

In the field of public health the Ugandan authorities attach special importance to developing the facilities for protecting the health of mother and child. Their job is mainly to promote health education, control transmissible diseases and combat malnutrition in rural areas.

One method used to combat malnutrition is to set up nutritional rehabilitation centres annexed to hospitals, health centres and dispensaries. At present ten centres of this kind exist (10-20 beds each).

The staff assigned to each of these centres has the use of one light vehicle for visiting the villages in the vicinity of the centre and for direct immunization and nutrition activities in the rural communities. This mainly involves vaccination campaigns, health education, controlling transmissible diseases, increasing the people's knowledge about nutrition, educating mothers about child nutrition and the choice of foods, etc.

The purpose of these centres, which provide treatment and advice for mother and child both at the centres and in the neighbouring communities by means of home visits by health visitors, is to alter eating habits and thus reduce the incidence of malnutrition, thereby improving health and reducing the death rate, especially among children.

The present project allows the reinforcement of the services responsible for the care and protection of mother and child, as a result of:

— the construction (and equipping) of ten new nutritional rehabilitation centres (one for each province), which will bring the number of such centres in Uganda up to twenty;

— the provision of thirty light vehicles for the health officers responsible for the immunization and nutrition programme in the villages around the nutritional rehabilitation centres. Twenty vehicles will be assigned to the new centres (two per centre) and ten will go to existing centres (one per centre). The twenty nutritional rehabilitation centres in the country will thus have two vehicles each.

Ghana — Construction of the Kpong Dam (4th EDF): 8 980 000 EUA (or at present rates approximately £ 11 467 460).

The project comprises the following: — a dam reservoir at Kpong on the Volta River approximately 24 km downstream from the existing hydroelectric

dam at Akosombo; a hydroelectric power station built into the dam; high-voltage transmission lines.

It will enable electricity to be produced under the most economical conditions possible, based on an installed output from the station of 160 MW. This new output has become necessary in order, as from 1981, to supplement the present inadequate electricity supply, which is at present mainly produced by the Akosombo hydroelectric power station.

The output available in 1976 of 792 MW will, in 1981, be entirely absorbed by consumption, which has increased at an annual rate of 6.5% between 1968 and 1975 and which, according to estimates, will increase at an average annual rate of 5.2% between 1975 and 1985 when the additional capacity of the Kpong supply will be used to the full.

Furthermore, this scheme will in due course enable new areas to be used for irrigated crops covering approximately 6 000 hectares.

The idea of the project dates back to 1971, when a preliminary study was carried out by Kaiser Engineers. Later, in 1975, an economic and technical feasibility study was carried out and this was followed, in 1976, by the execution survey and the preparation of the invitation to tender dossiers, financed from Canadian aid.

Approximately 30% of the cost of the project will be financed from the Volta River Authority's (1) own capital base and 70% from external sources.

The scale of the project has caused the Ghanaian authorities to call upon several financing bodies to cooperate in providing the cash required; hence, apart from the Volta River Authority, the Saudi Arabian Fund, the Arab Bank for Economic Development in Africa (ABEDA), the IBRD, Canada, the EIB and the European Development Fund will be contributing.

The loan on special terms from the fourth EDF—amounting to 8 980 000 EUA (1%—40 years—10-years' grace period)—will be used, with the EIB's contribution and almost the whole of the IBRD's contribution, to finance part of the mechanical and electrical equipment; the contributions from the other aid bodies will be used more especially for the civil engineering works on the dam and the power station.

(1) A public body responsible for the production and distribution of electricity in Ghana.

All ACP States — Financing the programme of participation in international trade events during 1977 and 1978 (4th EDF): 6 252 000 EUA.

The Community programme of participation by the associated states in international trade events, which has been operating since 1968 for the AASM under the two Yaoundé Conventions, continued in 1976 within the new, enlarged framework of the Lomé Convention. The ACP states have stressed that the programme should be developed in the years to come and extended to events outside the EEC, i.e. in other European countries and in Africa.

This grant covers the foreseeable expenditure of the Community programme for 1977 and 1978, taking these wishes into account. It seemed advisable to draw up a two-year programme, thus following past practice, so that preparations could be made for 1978, notably by reserving in good time the best sites at trade events.

The main items to be paid for by the Community are:

- expenditure relating to the design, construction, assembly and dismantling of the stands and space rental charges—provisionally for 290 appearances in the EEC, 60 appearances in non-EEC European countries and 110 appearances in Africa;
- expenditure relating to information and publicity campaigns, market research and public relations activities carried on either at the events themselves or elsewhere;
- the cost of advanced vocational training of staff responsible in the ACP states for the marketing of products, particularly in Europe.

Republic of the Ivory Coast — Technical assistance to the Ivory Coast Centre for Foreign Trade (4th EDF): 760 000 EUA (or at present rates CFAF 212 219 200).

The trade policy adopted by the Ivory Coast calls for the use of a number of specific tools such as participation in trade events abroad, the organisation of trade missions, trade surveys and publicity campaigns, marketing and market studies, trade information, etc.

These individual specific projects are carried out by the Ivory Coast Centre for Foreign Trade (Centre Ivoirien du Commerce Extérieur — CICE), which was established in 1971 on the initiative of the Ivory Coast government with technical assistance from the EDF. In order to be fully effective, these projects need to be followed up and maintained by

means of CICE offices established abroad on a permanent basis.

This is why the Brussels, Cologne and Milan branches were set up—also with technical assistance from the EDF—and why the Ivory Coast government now wishes to add to this structure by opening two new offices in Paris and London. In this way all the Member States would be covered by the various European offices of the CICE (some being responsible for more than one Member State).

In view of the scale of the tasks entrusted to the Centre and their technical nature, the Ivory Coast government considered it essential to call on technical assistance from the Community—both for the Centre's headquarters in Abidjan and for the various offices abroad—in the context of the aid for trade promotion provided for in Title I of the Lomé Convention.

This is the aim of this project which is to provide over two years:

- for the Abidjan headquarters, one high-level marketing expert responsible for the design of trade promotion projects and one expert responsible for co-ordinating the preparation and execution of those projects, and
- for the branches, one technical adviser for each office (Brussels, Cologne, London, Milan and Paris).

Upper Volta — Rural development of the Yatenga region (4th EDF): 1 577 000 EUA (or at present rates approximately CFAF 440 298 400).

This grant is for a four-year extension of Community aid for the rural development scheme undertaken by the Yatenga Rural Development Organization (ORD) in north east Upper Volta.

The project will involve providing the Yatenga ORD with the right material and financial means for a pilot small (sheep, goats and poultry) stock farming scheme, a rational water policy, an anti-erosion campaign and a scheme to provide rural craftsmen with continuous training and set them up in business, at the same time as continuing with a programme to push up rural production, based mainly on improving traditional farming techniques.

It should be remembered that this project, and the two of which it is a continuation—which were financed for a total amount of 1 806 000 EUA from the 2nd and 3rd EDFs—are intended to complement and obtain the best returns from previous investments made in the same area under the 1st Fund (soil restoratoin and preservation in the Yatenga area).

(see page XI)

STABEX

Analysis of first year of operation

Brussels. — The services of the European Commission, in consultation with government experts from the EEC countries, are preparing decisions on the transfer of funds to the ACP countries under the system of stabilizing export receipts (Stabex). This is the second year of application of this system, set up to compensate any loss of receipts suffered by the ACP countries in 1976 involving basic products covered by Stabex.

Meanwhile, the European Commission has drawn up and passed on to the Council the "comprehensive report" on the first year of Stabex's operation, covering the transfers carried out in 1976 for losses of receipts suffered in 1975. On the whole, the first experiment was largely positive. An ad hoc statistical technique enabled the necessary data on the exports of the ACP states to be gathered considerably faster than by traditional statistical sources. 15 March 1976 had been set as the final date for the presentation of demands for transfers, but the Commission, taking into account the fact that this was the first year, extended the deadline. From a technical point of view, comparisons and cross-checking were necessary both for statistics on the volume of exports and for the calculation of prices in the various currencies. Altogether the Commission received 30 requests for transfers; 25 of these were considered justified. Before the end of August all the payments had been made.

The rejected demands failed to meet the conditions laid down by the scheme, either because of the "dependence threshold" (to be entitled to a transfer for reduction of export receipts for a product, that product must represent at least 7.5% of all export receipts of the ACP country concerned), or because of the "fluctuation threshold" (the loss of receipts must exceed a certain level). The Commission was therefore unable to consider a demand by Sierra Leone for palm nuts and kernels (below the dependence threshold) or demands by Sierra Leone and Liberia for iron ore (below the fluctuation threshold). In other

cases, the interpretation of the provisions of the system was more complicated, and the Commission concentrated on respecting the spirit of Stabex, which aims at compensating loss of receipts; in this way, Nigeria's demand relating to peanuts was upheld, although there had been no exports of peanuts in 1974 (and therefore could be no fall in receipts in 1975, compared with 1974).

A transfer of funds was not made, or was made only in part, in cases where the ACP country concerned, while experiencing a fall in receipts for its exports to the EEC, had obtained in exchange a considerable increase in export receipts to third countries: for example, Chad in the case of cotton, Cameroon in the case of cocoa-butter, and in part the Fiji Islands in the case of coconut oil (exports had been mainly to Australia). In these cases, the fall in receipts was due essentially to a change in the commercial policy of the country concerned. In the case of undressed timber, on the other hand, the Commission felt that the fall in receipts experienced by some ACP countries was mainly due to the economic recession in Europe (which led to a drop in imports), and that the commercial policy of the exporting countries had not been to blame, at least in 1975; it therefore decided to make the transfers.

Here are some figures on the first year of operation:

Total payments: 72 137 562 units of account.

Beneficiary countries:

Ivory Coast (15 million EUA; undressed timber)

Ethiopia (14.4 million; coffee and raw hides)

Congo (7.36 million; undressed timber)

Benin (approximately 7 million; 4.3 m for cotton and the remainder for oil cake, coffee and peanuts)

Nigeria (almost 6 million; 5.44 m for peanuts, the rest for raw hides)

Ghana (5.17 million; undressed timber)

Cameroon (3.6 million; undressed timber)

Togo (2.68 million; coffee)

Somalia (almost 2 million; 1.3 for bananas, the remainder for raw hides)

Tanzania (1.9 million; cotton)

Uganda (1.75 million; cotton)

Sudan (1.65 million; raw hides)

Burundi (almost 1.5 million; cotton and raw hides)

Upper Volta (850 000 units of account; peanuts and cotton)

Fiji (615 000 units of account; coconut oil)

Central African Empire (353 000 EUA; coffee)

Western Samoa (276 000 EUA; cocoa).

Repayable transfers (loans) and non-repayable transfers (grants). Of the 17 countries benefitting under the scheme, 12 belong to the less developed category of ACP countries and receive grants: Benin, Burundi, Central African Empire, Ethiopia, Upper Volta, Nigeria, Somalia, Sudan, Tanzania, Togo, Uganda, Western Samoa. The remaining five—Cameroon, Congo, Ivory Coast, Fiji and Ghana—must contribute to the reconstitution of the Stabex scheme's resources. Grants represent 40.38 million units of account (56% of the total) and loans 31.75 million (44%).

Total per product. Transfers of funds were made on the following products: more than 31 million units of account (43.17% of the total) for undressed timber; 13.5 million for coffee; 9 million for cotton; 8.4 million for raw skins; 6.6 million for peanuts; 1.3 m for bananas; 1.2 m for oil cake; coconut oil 615 000; cocoa 277 000.

Causes of the loss in export receipts. In the case of 67.4% of the total, transfers were made to compensate losses in receipts caused by the unfavourable economic situation in the Community: viz. undressed timber, leather and hides, cotton. In the case of the remaining 32.6%, the loss of receipts was caused by a fall in production attributable to natural disasters or special circumstances: crop diseases (peanuts and coffee), drought (Somali bananas), cyclone (Fijian coconut oil).

Questions to be cleared up

It has not been possible to solve all the Stabex scheme's problems or to apply in full all its provisions in its first year of life. In its report the European Commission pointed out the following questions for study:

— **Possible half-yearly payments** (a device provided for by Art. 19, para. 6, of the Lomé Convention). Only those countries for which the EEC possesses monthly export figures dating from 1972 are eligible to claim these.

— **Supervision of participation in the "reconstitution of resources" of Stabex** by ACP countries not belonging to the most deprived category and which have received transfers of funds for 1975.

— **Setting up the scheme for the ACP countries which are new members of the Lomé Convention** (Seychelles, Com-

oros, Surinam, soon to be joined by Papua New Guinea, Cape Verde and Sao Tomé Principe).

— Examination of the use made of the transfers obtained by the ACP countries.

Some of the Nine, moreover, have asked for an analysis of the effect of Stabex on the economic development of the countries benefitting from the scheme, and for the scrupulous observation of the provision under which transfers can be refused if the demanding country discriminates against the EEC in its commercial policy (eg concerning access to raw material resources).

In preparing its decisions for 1976, the EEC decided that 15th February was a suitable date for the normal deadline for presenting demands.

As for the possibility of including new products in the Stabex scheme, this question is so important that it will have to be submitted to the EEC-ACP Council of Ministers in Fiji next April. At the first ministerial meeting, on 14th and 15th July last, the ACP countries indicated their intention of presenting demands for such products as copper, vanilla, rubber, phosphates, iron pyrites, beef, and fish.

The possibility of considering changes to the list is provided for "no earlier than 12 months after the Convention comes into force". At the end of the negotiations, having agreed to the inclusion, as a special case, of iron ore on the list of products covered by the scheme, the EEC stressed that it was "firmly opposed on principle to the inclusion of mineral products" and that it "would continue to oppose the inclusion of any other minerals" (after iron ore).

Article 17 of the Lomé Convention contains the following list of products covered by Stabex: groundnut products (groundnuts, groundnut oil, groundnut oil cake); cocoa products (cocoa nibs, cocoa paste, cocoa butter); coffee products (raw or roasted coffee, coffee extract or essence); cotton products (cotton in bulk, linters of cotton); coconut products (coconuts, copra, coconut oil, coconut oil cake); palm and palm nut products (palm oil, palm nut oil, palm nut oil cake, palm nuts and kernels); skins and pelts (raw skins, leathers and cow-hides, sheep skins, goat hides); timber products (undressed timber, squared timber, timber sawn lengthways); bananas; tea; raw sisal; iron ore.

The final decisions to be made concern the following transfers:

1. Mali. Transfer of 648 503 u.a. following a loss of receipts in cotton exports.

2. Comoros. Transfer of 298 304 u.a. to compensate for a loss of receipts in copra exports.

3. New Hebrides. Transfer of 1 103 499 u.a. to compensate for a loss of receipts in copra exports.

4. French Territories of the Affars and Issas. Transfer of 256 894 u.a. to compensate for a loss of export receipts for skins and hides.

5. Belize. Transfer of 139 650 u.a. to compensate for a loss of export receipts for sawnwood.

It should be noted that this is the last time that the Comoros will benefit from a transfer as an OCT, as it has now become an ACP country.

Following the new decisions, the final accounts for the first year were as follows:

— transfers to ACP countries. Total 72 786 335 u.a. out of a possible maximum of 75 million. The remaining 2 638 000 u.a. is carried over into the 1976 budget (decisions to be taken in 1977)

— Transfers to OCT. Total 1 789 347 u.a. (out of a possible 4 million). This total includes the transfer made to the Comoros, which has in the meantime joined the ACP states. □

EIB

Ghana

Under the terms of the Lomé Convention, the European Investment Bank has provided a loan to the equivalent of 10 million EUA (12.8 million Ghanaian cedi) to help to finance the construction of a dam and hydro-electric power station on the lower Volta River in Ghana.

The loan has been granted to the Volta River Authority for 15 years; the interest rate is 6 1/2%, after deduction of a 3% interest rebate, paid from the resources of the European Development Fund, as provided for under the Convention. The loan is to be guaranteed by the Republic of Ghana.

The Volta River Authority, a public body established by legislation in 1961, is charged with developing the electric power and other resources of the Volta River and the Volta Lake.

A dam and power station (installed capacity 912 MW) are already in operation at Akosombo on the Volta River. The new project is situated 24 km down-

stream and the hydro-electric plant to be installed there will add a further 160 MW to the installed capacity of the Authority.

This is expected to be enough to cover Ghana's electricity requirements until about 1985 and also allow the Authority to continue the export of electrical power to Ghana's neighbouring countries, Togo and Benin.

The total cost of the project, which is expected to be completed by the summer of 1981, is estimated at about 243 million EUA. Part of this will be met by the Volta River Authority from its own resources; in addition the financing plan envisages contributions from the European Development Fund, the World Bank, the Arab Bank for Economic Development in Africa, the Saudi Development Fund, the Kuwait Development Fund and the Canadian International Development Agency.

1976 results

The first review of the activities of the European Investment Bank in 1976 shows a growth in financing from 1 006.5 million EUA in 1975 to 1 273 million. Of this total the amount directed to countries outside the EEC reached 187 million EUA, an increase of 98 million over 1975. This was due to the EIB extending its activities to the ACP states and the provision of financial aid to Portugal. □

ACP EMBASSIES

The President of the Council and the President of the Commission of the European Communities have accepted the credentials of three new ACP ambassadors in Brussels, Mr Callixte Habamenshi from Rwanda, Mr Mamadou Traoré from Mali, and Mrs E.B. Mathe from Botswana. All three new ambassadors are accredited to the EEC, the ECSC and the EAEC.

Rwanda

Callixte Habamenshi becomes Brussels ambassador

Mr Habamenshi was the last ACP ambassador to present his credentials to



Callixte Habamenshi presenting his credentials to the President of the Commission

the outgoing President of the Commission, François-Xavier Ortoli. He was born in 1932 and was educated in his home village of Rambura in Gisenyi district, at the secondary school at Kabgayi and finally at the Jesuit mission at Kisantu. He began his career in the Rwandan civil service in 1956 and during the 1959 revolution acted as interim head of state. In 1961 he became a deputy in the National Assembly and immediately took on ministerial responsibilities, firstly as Minister of Information and then successively Minister of Posts and Telecommunications, of Foreign Affairs, of Planning and finally as Minister of Justice. Ambassador Habamenshi has carried out numerous foreign missions, particularly at the United Nations, and in December 1973 he was nominated Rwandan ambassador to the United Nations. After three years in New York he has now taken over Rwandan relations with

the European Communities in Brussels. Mr Habamenshi is married with seven children.

Mali

Mamadou Traoré presents his credentials

Ambassador Traoré was born in Segou, Mali, in 1931 and educated at Bamako, Montpellier in France and finally at the Sorbonne in Paris, where he was awarded a diploma by the Institute of Social and Economic Development Studies. He began his diplomatic career in 1960 when he was posted to Washington as embassy secretary. A year later he was made First Councillor in Mali's permanent representation to the United Nations in New York. From 1963 to 1967 he was Mali's ambassador to the EEC in Belgium, and was also accredited to the three Benelux countries. After his service in Brussels he spent

two years as an itinerant ambassador firstly on behalf of the Minister of State responsible for planning and the coordination of economic and financial matters and subsequently as a technical advisor for the Ministry of Foreign Affairs. Between 1969 and 1976 he again took up permanent diplomatic responsibilities as Mali's ambassador to Germany (FR), Denmark, Austria and Sweden and as Mali's permanent representative in Vienna to the United Nations Industrial Development Organisation (UNIDO). Ambassador Traoré has led Malian delegations to a number of international conferences and in 1968 published a booklet called "Le Soudan Economique". He is married with five children.

Botswana

Mrs Mathe becomes ambassador to the EEC

Mrs Emeldah Mathe, who was born in 1942, comes from Mochudi in Botswana. After her primary and secondary



Mr Traoré presented his credentials to Mr Jenkins; left is Mr Krohn, Commission Director-General of development

schooling, she went to university in the United States, obtaining in 1970 a B.A. degree in biology from the State University of New York at New Paltz. Her first position in the Botswana civil service was in the Ministry of Commerce and Industry as an assistant secretary. A year later in 1971 she was appointed a member of the Gaborone Development Advisory Committee and then served on the Town and Country Planning Board. She also served on the consultative committee of the Ministry of Commerce and Industry. In 1973 she obtained a certificate in tourist administration and in January 1975 she was promoted to the post of Controller of Tourism which involved work on tourist statistics. Mrs Mathe's husband is currently at Gaborone University. They have one daughter. Among Mrs Mathe's various non-professional activities is the Presidency of the Gaborone Business and Professional Women's Club. □



Mrs Mathe presents her credentials

J.L. Debaize - EEC

committee studied the problems of sales promotion in inter-ACP trade;

On **tariff and non-tariff barriers**, those taking part in the Dakar talks thought it important to find solutions as soon as possible, particularly by providing information on economic and commercial possibilities and on the methods of taxation used in ACP countries; as for non-tariff obstacles, their elimination between the ACP countries should not automatically be of benefit to the products of the industrialized nations, suggested a delegate from Senegal. There was a recommendation to aim more for the simplification and harmonization of existing procedures on the common basis of the documents of foreign trade.

Monetary and payment questions —

The development of trade between African and ACP countries in general poses many monetary problems which cannot be solved simply by manipulation of monetary techniques. In view of the complexity of the problem, the Central Banks were asked to study the possibility of wider monetary cooperation.

Production problems —

The third committee considered the questions of production and of difficulties of commercialization and transport which form barriers to the expansion of trade between the ACP countries. It was noted that quantitative factors, some prices and the mental attitude of consumers constitute handicaps to inter-ACP trade.

Products imported from industrialized countries are sold, because of production subsidies, at very competitive prices or even at dumping prices on ACP markets. Now, the ever-increasing cost of capital goods exported by the industrialized countries limit the capacity to lower selling prices of ACP products on the domestic markets.

The conference also regretted, however, the small size of ACP markets.

Promotion of inter-ACP trade —

The fourth and final committee of the conference dealt with the promotion of inter-ACP trade. From the evidence it seems that:

— inter-country trade in goods produced or manufactured locally is at the moment hampered by regulations which restrict still further the circulation of people and goods;

— consumer habits too often favour imported products, particularly those from the industrialized countries;

— commercial distribution channels have remained unchanged from colonial

changes between the ACP countries. The aim of this meeting was to study the possibilities for development and improvement of commercial exchanges between the ACP countries linked to the EEC by the Lomé Convention. The talks were chaired by Mr Babacar Ba, the Senegalese Minister of Finance and Economic Affairs, and Mr Harry Dyett, Guyana's ambassador to Brussels and chairman of the sub-committee for inter-ACP cooperation. Mr Asante, the Ghanaian ambassador, was not present.

Four committees were formed and these examined problems concerning tariff and non-tariff barriers, monetary and payment questions, and production and commercialisation problems; the fourth

NEW ACP STATES

The EEC Council has settled the last remaining problems concerning the detailed arrangements for application of the Lomé Convention to the three former overseas countries and territories—Surinam, Seychelles and the Comoro State—which have already acceded to the Convention by depositing their acts of accession. It agreed in particular that in connection with this accession 30.6 MUA would be transferred from the OCT aid allocation to the ACP allocation.

The Council also reached agreement on all the terms for the accession of three further states to the Lomé Convention—Sao Tomé and Príncipe, Cape Verde and Papua New Guinea. It decided inter alia that in connection with this accession the financial aid granted to the ACP states would be increased overall by 22.5 MUA. □

INTER-ACP TRADE

Talks at Dakar

In cooperation with the EEC, the Senegalese government organized talks in January at Dakar on commercial ex-

days and the way they are organized favours products imported from industrialized countries more than those made in the ACP countries;

— commercial operators in the ACP countries have not been involved enough in the negotiation of the trade agreements concluded by certain ACP countries; and they have not been made sufficiently aware of the value and necessity of an expansion of inter-state trade. As things stand at the moment, the professional bodies are not so structured as to permit them to act to promote inter-country trade.

In conclusion, the Dakar conference has once more underlined the necessity of the inter-ACP cooperation which is often discussed in the "Courier". □

FOURTH EDF PROJECTS

Eleven new agreements signed

Brussels. — 14 February 1977: 11 finance agreements signed by Mr Cheysson and the ambassadors of the beneficiary ACP countries.

After months of preparation, the financial and technical cooperative provided for under the Lomé Convention has at last taken off. Development commissioner Cheysson confirmed this move forward by signing 11 finance agreements with ACP ambassadors at special signing ceremony.

The total amount of this Community commitment under EDF 4 is **87 083 000 EUA**.

The distribution of this sum among the various projects is as important as the overall amount, and can be viewed from at least three angles:

Beneficiaries:

It is not insignificant here that the amounts allotted show a balanced distribution among the old AASM (Burundi, Cameroon, Somalia and Chad) and the new ACP countries (four in Africa—Ghana, Sierra Leone, Sudan and Tanzania—and one in the Caribbean, Jamaica) which receive for various projects 34 602 000 EUA and 34 481 000 EUA respectively, that is, approximately 40% of the total for each group.

The remaining 18 000 000 EUA (20%) is allocated to a regional project which brings together two old associated states (the Ivory Coast and Togo) and a new ACP country, Ghana.

Sectors:

Allocation among the projects is as follows

- roads (2 projects):
37 652 000 EUA = 43 %
- agriculture (3 projects):
22 727 000 EUA = 26 %
- hydraulic engineering (3 projects):
14 080 000 EUA = 16 %
- telecommunications (1 project):
6 974 000 EUA = 8 %
- social (2 projects):
5 650 000 EUA = 7 %

Conditions:

One of the most striking features of these projects is the almost equal balance between:

- grants, covering 54.4% of the total finance (47 353 000 EUA),
- and loans on special conditions, covering the remaining 45.6% (39 730 000 EUA).

One of the projects has come in for both kinds of financing.

The European Investment Bank is also contributing to a certain number of the projects, from its own resources. It is encouraging to see the different funds provided under the Lomé Convention being used together in this way.

Following the favourable opinion delivered by the EDF Committee at its 113th meeting, the Commission of the European Communities took on 2 February 1977 the following decision from the resources of the 4th EDF: construction of the CIMAO clinker plant, involving the Ivory Coast, Ghana and Togo.

Fourth EDF. Loan on special terms: 18 000 000 EUA.

This loan on special terms (1% over 40 years with a 10-year grace period) is intended to help carry out a vast project costing an estimated 250 million EUA altogether.

The clinker plant for the Société des Ciments de l'Afrique de l'Ouest (CIMAO—West Africa Cement Company) is the first regional industrial project on this scale to be carried out in West Africa up to now. The aim is to build a clinker plant to produce an annual 1 200 000 t at Tabligbo in Togo. The project also includes the work on the support infrastructure such as linking the plant to the existing electrical network, providing the clinker unloading terminal at the port of Lomé, building the 50-km rail link to the port and setting up a housing estate for the workers.

The governments of Togo, Ghana and Ivory Coast have majority holdings in CI-

MAO and consider the project a top priority one, which can serve as a model for industrial cooperation at the same time as exploiting local natural resources to meet local needs. The project has been on the drawing board since 1969 and was first regarded by Togo and Ivory Coast as a means of stepping up, on an economic level, the political and financial cooperation instituted when the Conseil de l'Entente was set up in 1959. Ghana joined the project in 1975 and this made it large enough to ensure viability and bring it into line with the aims of ECOWAS (Economic Community of West African States). To this end, in 1975, the three heads of state signed a regional treaty which defines the legal and fiscal framework for the CIMAO project.

The main features were that:

- when completed, the project should provide all the clinker required by the three countries concerned;
- other African countries should be free to participate;
- the new plant should be set up in Togo;
- the staff for the plant should be recruited from any of the three countries concerned.

As far as clinker supplies are concerned, the project will be the first step towards regional centralization. At the beginning of 1981, the plant will cover between 50% and 60% of regional needs (1 200 000 t out of 2 000 000 t to 2 300 000 t); to start with, each country will have to import the rest of its requirements but it is possible that this may be taken over by a central body or by the CIMAO later on.

Under the Regional Treaty:

- Togo will take whatever clinker it needs, provided this is not more than one third of production; the remainder will be shared equally (or in any other agreed proportion) between Ghana and Ivory Coast;

- the price of clinker will be identical in all ports in all three countries and should be slightly lower (about 10%) than that of imported clinker.

The majority of the CIMAO's capital—92%—amounting to CFAF 19 300 million, is held in equal parts by the three governments; the remainder is held by Origny and two clinker-crushing firms—the SCA (Société des Ciments d'Abidjan) and the Ghana Cement Works Limited. □

Comoros

Soon after the Comoros became independent, the new state turned to the international organization for technical assistance and for help to improve the well-being of its population.

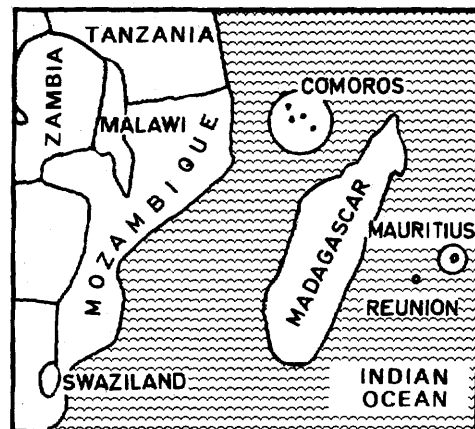
In July 1976 the Community granted a first instalment of food aid involving the delivery of 500 tonnes of milk powder.

On 8 February 1977, Mr Mouzaïr, the Foreign Minister of the Comoros, came to Brussels and, on this occasion, a further EEC commitment for the benefit of that country was undertaken, this

time under the Lomé Convention, to which the Comoros acceded on 13 September 1976.

The Community's contribution, amounting to 220 000 EUA, is to enable existing water, electric power and health installations and equipment to remain in operation. The money will enable experts and various items of equipment and other products to be provided and minor maintenance and repair work to be done.

The sum is being made available as a grant from the amount earmarked for emergency aid schemes under the fourth European Development Fund. □



GENERAL INFORMATION

Mr Moussa N'gom, Secretary-General of the West African Economic Community (CEAO), visiting Brussels in February, told "Courier" editor Alain Lacroix about this organization for regional cooperation in West Africa.

► *Secretary-General, I am very pleased to have this opportunity of meeting you, firstly because I have not had the pleasure before and also, as I have just mentioned, because we intend to include in a future issue an article on regional cooperation in the ACP countries. Within the ACP countries, the CEAO plays an important role because it groups together six West African states and because it has already been in existence for a little over four years; the Treaty was signed in 1972 and you have already had two conferences of the Heads of State since then. Another conference is due to take place in April at Abidjan. Could you tell me, Secretary-General, with the conference due to be held shortly, what problems the CEAO faces at the moment and what are the outlines for its policy?*

— The CEAO, that is, the West African Economic Community, popularly called the West African Common Market, brings together the Ivory Coast, Upper Volta, Mali, the Islamic Republic of Mau-

ritania, Niger and Senegal, that is to say, six of the eight countries which formed the old French West Africa. In 1972, when the Treaty was signed at Bamako, there were seven; Dahomey, which has since become Benin, was included. But in 1973, at Abidjan, Dahomey withdrew, and the Community was left with six members. Since then, the Community has begun to establish itself and the first conference of the six Heads of State took place in 1975 at Niamey, the second in 1976 at Dakar and the next will no doubt take place in April at Abidjan. This conference of the Heads of State has been called in order to take fundamental decisions on proposals made at preliminary meetings of specialists and ministers. The institutions were set up by my predecessor before I arrived seven months ago. The instruments of cooperation came into force from the 1st of January 1976: the regional cooperation tax which forms a system of preferential tariffs in the zone to favour consumption of the products of the six states as opposed to imports from third countries; the second instrument is the community development fund, the FCD, which automatically receives one third of the annual levies on trade and also by the subsidies we are to receive: it is, then, a self-financing instrument.

► *This fund, I think, is to be used first of all to help the least favoured states of the CEAO, that is, the countries which have most difficulties because, for example, they are landlocked. Has the fund begun to operate in this direction?*

— Yes, the fund is reserved for five years firstly for development activities in the four least industrialized countries, which are those in the interior: Upper Volta, Mali, Niger and Mauritania. In 1975, investment was 1 800 m CFAF and this year investment in these four countries has amounted again to around 800 m CFAF.

► *This means then that Senegal and the Ivory Coast have decided for the time being not to benefit from the fund.*

— Yes. This is in compensation for the positive results obtained in the marketing of their products in the other countries. Since the other states form a market for their products, it is natural that these two countries, which are net exporters, should contribute to the development of the others. This is due to an act of solidarity by the six countries. Senegal and the Ivory Coast have agreed voluntarily to waive any benefits from the community fund in favour of the four other states.

► *Could you give us one or more practical examples of investment projects financed by the community development fund?*

— There were several projects of this kind in various fields last year. In agriculture, for example, there was an operation to promote certified, selected seeds in Upper Volta; in Mauritania there were

experiments with nurseries for bananas and pineapples in the area along the Senegal river, and so on. Those are some examples of practical activities last year. Again, this year, we have paid out 206 million to Mali and Upper Volta, 76 million to Mauritania and around 106 million to Niger for projects of national priority.

► *You are, then, Secretary-General, quite optimistic about the way in which the fund, and the CEAO in general, are operating at the moment.*

— Yes, the CEAO has now reached an operational stage. The regional cooperation tax is off the ground and the community development fund is tackling operations in the less developed countries. We think that by continuing at this pace we can slowly bring about integration at the level of the six states. But this is due above all to the political will of the six states, based on their will for a common destiny.

► *It is true that the spirit of cooperation and solidarity is growing in Africa and the CEAO is a very good example of this. There are other organs of regional cooperation in the same geographical zone of West Africa. What form of cooperation is there between the CEAO and ECOWAS, the Economic Community of West African States, which includes some English-speaking nations?*

— We are members of this new community, which embraces all 15 states in the region, and it must be recognized that our organization was the driving force behind it; our experts were among those who did most to set up the agencies. Thus, these two organizations which, historically speaking, came into operation at different times, are moving towards the same goal. Nevertheless, they are at different stages of operation. Whereas ECOWAS is only now about to initiate a preliminary phase of market organization between countries which have never had an organized framework of commercial relations, this is not true of the CEAO, which has already passed beyond that phase. But there can be no duality in our relations insofar as our six CEAO countries form part of ECOWAS; they will be purely complementary and the six states wish simply to keep the links they already have on all levels to perhaps form a whole with ECOWAS, as Benelux now forms a whole with the Common Market. □

EEC-NGOs

New emphasis on informing public opinion in Europe

The annual meeting of non-governmental organisations (NGOs) specialising in development aid took place in Brussels in January and enabled the NGOs and the European Commission to discuss future cooperation.

Last year the Commission and NGOs from the nine member states of the Community cooperated on some 80 development projects in 46 countries, 22 of them members of the Lomé Convention. The Commission's 1976 contribution to joint projects of 2.5 million EUA had been initiated by the European Parliament. This sum has been raised to 4 million EUA for 1977 by decision of the Council of Ministers.

Development education

One of the main subjects on the agenda of the NGO meeting was the education of European public opinion on the problems of Third World development. This is a relatively neglected field. The NGOs and the Commission decided to hold two special meetings, the first to consider the evolution of the relationship between the industrialised and developing countries in the context of the North-South dialogue and the second to discuss ways and means of educating public opinion. The second meeting will consider possible forms of cooperation between the NGOs, the Commission and EEC governments, the needs and activ-

ities of the NGOs, and the impact that development policy has had on public opinion.

Cofinancing

The two sides also looked at cofinancing problems and considered setting up a list of priorities. It was also hoped that charge could be taken of the voluntary workers involved in cofinanced projects. There are three main guidelines for cofinanced projects between the NGOs and the Commission. They must be agreed by the developing country concerned, and favour the least well off—in this respect the emphasis should be on rural, educational and social projects. The joint finance provided should also cover the total cost for any project, and the Commission's contribution should not exceed 50%, nor be over 100 000 EUA.

Food aid

There was also discussion at the January meeting on food aid. For some years there has been cooperation between the Community and the NGOs in this field since part of the Community's food aid has been channelled through the Red Cross. During 1976, in addition to the food aid sent through the Red Cross, some 12 000 tonnes of powdered milk has been allocated to other NGOs such as Oxfam and Caritas.

The 1976 programme

The projects initiated during 1976 involved 33 non-governmental organisations in the European Community and benefitted 46 developing countries. The main beneficiaries among the ACP countries were Mali, Senegal, Tanzania, Kenya and Cape Verde. The geographical distribution of the funds is given in the table below:

Distribution by group 1976

ACP (*)	37 projects	1 019 943 EUA	40.8 %
Latin America	21 projects	719 656 EUA	28.8 %
Arab States	4 projects	94 208 EUA	3.8 %
Asia	17 projects	622 993 EUA	24.9 %
Cyprus	1 project	43 200 EUA	1.7 %
Total	80 projects +	2 500 000 EUA	100.0 %

(*) The ACP group includes 21 African countries and Papua New Guinea.

The division of the funds by sector gives the following breakdown

Sector	Number of projects	EUA	%
I. Economic development			
i) Agriculture and fishing	9	321 253	12.8 %
ii) Small firms and trade	8	242 026	9.7 %
iii) Infrastructure (irrigation, etc.)	11	436 729	17.5 %
II. Social development			
iv) Education and training	22	566 758	22.7 %
v) Health	10	267 027	10.7 %
vi) Housing, community centres and nurseries etc.	8	345 670	13.8 %
III. Integrated projects and rural development	8	320 537	12.8 %
Total	76 (*)	2 500 000	100.0 %

(*) One project was divided between five developing countries.

TROPICAL PRODUCTS

GATT

EEC concessions take effect

The EEC has notified GATT that its offer of concessions and contributions in the special, priority sector of tropical products took effect as from 1 January 1977.

The entry into force of these various measures constitutes the first substantial result of the multilateral trade negotiations, which opened in Tokyo in September 1973. The implementation of the EEC's offer on tropical products should be all the more welcome to the developing countries as it is taking place without any *quid pro quo* on their part at this stage in the negotiations.

The EEC's offer involves four sets of measures:

— The customs duties on 22 products (coffee, cocoa, tea, spices, etc.) will be suspended in respect of all countries until such time as it becomes possible to

bind them in the final round of the negotiations. As a result, the duties on green coffee will fall from 7% to 5%, those on cocoa beans from 4% to 3%, etc. The volume of Community imports from the countries benefiting under this first set of measures is worth approximately 1 200 million units of account (1974 value).

— Some 150 agricultural products included in the EEC's generalized system of preferences for 1977 will benefit from preferential tariff suspensions that are new (e.g. orchids, fish, vegetables) or more generous than in previous years (e.g. tobacco, vegetable oils, preserved fruit) in response to the request presented by the developing countries during the negotiations on tropical products that began in the spring of 1975. The volume of Community imports from the countries benefiting under this second set of measures is worth some 800 million u.a. (1974 value).

— The quantitative restrictions maintained in France and Italy on certain industrial aliphatic acids and alcohols and glycerine will be abolished.

— Certain EEC countries, which apply internal specific taxes to coffee, tea, cocoa and spices, have undertaken not to increase the level of these taxes in future, which amounts to a gradual reduction as the prices of the products in question rise.

Cocoa

Falling production

The first forecast of world cocoa production for the 1976/77 season from the London Cocoa Market Report publishers, Gill & Duffus, suggests a fall of some 9% compared with the average of the past five years. The forecast of 1 368 000 tonnes is also 14% lower than the peak of 1 582 000 tonnes in 1971/72. The decline is mainly the result of a shortfall in West Africa where three of the four main cocoa producers are expected to have crops below last year's level. Only the Ivory Coast appears to be heading for an increase this year with production rising from 231 000 tonnes to 235 000 tonnes, and even this is a disappointing result since the increase in the area planted was expected to produce a significantly higher yield. Heavy rain has been blamed for the comparatively modest increase.

For the three remaining principle producers in West Africa the forecasts are even worse. Ghana, the biggest producer, is expected to have a yield of only 330 000 tonnes, the lowest since 1959/60. Rain, which hinders drying, has also affected the Ghanaian crop and there have also been problems with finding labour to pick the crop. The Gill and Duffus forecast compares badly with the record crop produced by Ghana in 1974/75 of 566 000 tonnes.

The Nigerian estimate of 160 000 tonnes is also the worst since 1959/60 and 32% lower than the average over the last ten years. Nigeria's record year was 1970/71 when production reached 307 900 tonnes. In neighbouring Cameroon the forecast of 90 000 tonnes is 15% the average of the last ten years.

Although it is expected that there will be a decline in demand in consumer countries, Gill and Duffus forecast a deficit of 83 000 tonnes for the present season. The United States Department of Agriculture which also produces forecasts is a little more optimistic than Gill and Duffus; its forecast for Ghana, for example, is 30 000 tonnes higher. The Department lists among the reasons for the bad crop, the weather, poor cultivation practices, ageing cocoa trees, low producer prices which discourage greater output, and, associated with the prices paid, the migration of young farmers to better paid jobs in the towns. The weather is obviously beyond the control of the producing countries, but the other factors are not. Ghana, the world's main

producer, has for some time been trying to tackle the problem of old trees and improve methods of cultivation. And as for price, this season's rates, paid to the farmer, are 25% higher than last year.

Market prices

A deficit of 83 000 tonnes would clearly have an effect on the price of cocoa on the world markets. Last year the price in London, the principle market went above £ 2 000 a tonne for the first time. This was partly due to the depreciation of Sterling, but even in real terms, taking depreciation into account, the prices at the end of last year were higher than the 1974 highs. The November prices, according to Gill and Duffus, were higher even than the peak of the famous price rises of 1954, in real terms, but they conclude that it would be unwise to assume that "a further substantial deficit in 1976/77 would necessarily lead to a continuation of the upward price trend that has persisted, almost without a break, for eighteen months now".

New negotiations on price

The executive committee of the International Cocoa Organisation will meet in March 1977 to discuss the price of cocoa once again. The January meeting of the committee, which includes both producers and consumers, discussed the question of the minimum price of 39 cents US per pound (approx US\$860 or £ 500 per tonne) set by the 1975 cocoa

Principal net exporters of cocoa 1974

Country	tonnes	%
* Ghana	313 912	27.6 %
* Ivory Coast	201 772	17.7 %
* Nigeria	189 767	16.6 %
Brazil	129 931**	11.4 %
* Cameroon	88 928	7.8 %
Ecuador	68 096	6.0 %
* Papua New Guinea	33 963	3.0 %
Rest of world	112 631**	9.9 %
World total	1 139 000**	

* ACP country.

** Provisional.

Source: Gill & Duffus.

agreement. The producing countries demanded an upward revision of the minimum price at the January meeting, while the consumer countries, on the basis of a position adopted by the EEC, expressed their concern about insufficient production compared with demand, and the recent rapid rise in the price of cocoa on the markets in London, New York and Paris. Negotiations on these points will start in London in March.

Principal net importers of cocoa 1964

Country	tonnes	%
EEC total	471 200	42.3 %
of which		
German FR	151 896	13.6 %
Netherlands	114 320	10.3 %
United Kingdom	100 373	9.0 %
USSR	247 000	22.2 %
USA	203 050	18.2 %

Coir

A Round Table Conference bringing together representatives of industrial, commercial, and research interests in coir, from both India and the Community, was held in Brussels on 20 and 21 January 1977.

The conference was opened by Mr A.P. Sharma, Minister of State for Industry of the Government of India, and by Mr M. Caspari, Deputy Director-General, in the Directorate General for External Relations of the Commission.

This meeting, which was held within the framework of the new Agreement on Trade in Coir Products, negotiated between the Community and India, had as its main objective the development of direct contacts between the parties concerned on both sides. The aim of the conference was to facilitate the search for solutions to the problems facing this sector, which is of great importance to the Indian economy, and in particular, to certain of its states. The coir industry is confronted, among other things, by competition from synthetic products.

During this conference the participants first examined the questions concerning the supply of raw materials and finished products, and decided that efforts must

be made to improve the quality of the product and the regularity of deliveries, and also to improve shipping facilities. The discussions then concentrated on the possibilities for the transfer of technology and machinery, cooperation in research and development, joint promotion campaigns, and marketing.

These discussions led to a number of suggestions being drawn up for examination by the sub-committee responsible for coir products in the Cooperation Agreement between India and the Community, including identification of priority areas for joint research and development, and the drawing up of a promotion programme for coir products.

The Round Table also decided to form an Indo-EEC Committee on coir and coir products. □

ZIMBABWE

London, 31 January 1977. — The foreign ministers of the nine EEC countries in a joint statement, formally declared that Rhodesian premier Ian Smith's white minority government could not expect any assistance from the Community. The EEC foreign ministers confirmed that they will continue to comply strictly with their obligations relating to sanctions against the breakaway British colony.

The statement said that the foreign ministers expressed their deep concern that Mr Smith's rejection on 24 January of British suggestions for a transitional government "had for the time being jeopardised the British government's attempt to find an agreed basis for negotiation". The ministers deplored the "irresponsible" attitude of the illegal regime and appealed for all the parties to continue the search for a negotiated settlement designed to bring about a rapid and orderly transfer of power to the majority in Zimbabwe, the statement declared.

The foreign ministers earlier recalled that on 18 October, in a special statement, they had welcomed the British government's decision to convene the Geneva conference aimed at bringing about a transition to majority rule within two years. □

EEC 1976/77 food aid programme ('000 tonnes)

Recipient countries and bodies	Total aid	Community projects	National projects
<i>Latin America</i>			
Honduras	1	1	
Peru	8.5	7.5	1
Bolivia	2.5	2.5	
Haiti	3		3
<i>Africa</i>	42		42
Angola	11.5	10	1.5
Benin	2.5	2.5	
Botswana	0.5	0.5	
Burundi	4.5	1	3.5
Cape Verde	9.5	8.5	1
Congo	3		3
Ethiopia		2.5	
Ghana	3.5	3.5	
Guinea-Bissau	4.5	3	1.5
Guinea-Conakry	6.5	3.5	3
Lesotho	0.130	0.130	
Liberia	3	3	
Mauritius	6.5	3.5	3
Mozambique		15	
Rwanda	5	2.5	2.5
Cent. Afr. Empire	1	1	
Sao Tomé and Principe	1.5	1.5	
Senegal	11	8	3
Somalia	34	25	9
Sudan	3.5	3.5	
Tanzania	15	5	10
Tunisia	26.5	3.5	23
Zaire	15	15	
Zambia	6	6	
<i>Middle East</i>			
Egypt	150	100	50
Jordan	21	18	3
Yemen Arab Republic	6	6	
P.D.R. of Yemen	7	6	1
Lebanon	32.5	25	7.5
Syria	5	5	7.5
<i>Asia</i>			
Bangladesh	142	100	42
Indonesia	31.5	10	21.5
Laos			
Pakistan	49	25	24
Philippines	10.5	7.5	3
Sri Lanka	69.5	30	39.5
Vietnam		30	
<i>Other Countries</i>			
Malta	5.5	1	4.5
<i>Organizations</i>			
WFP	154.1	55	99.1
ICRC	15	15	
UNICEF	18	15	3
UNRWA	42.5	35	7.5
League of RC Societies	5	5	
Catholic Relief Service	15	15	
<i>Reserve</i>	183.97	78.37	105.6
<i>Total</i>	1 287	720.5	566.5

EEC FOOD AID

The 1977 programme

The Council has agreed on the 1977 cereals aid programme, involving a total quantity of 1 287 000 tonnes, of which 720 500 tonnes will be granted in the form of Community aid and 566 500 tonnes in the form of national aid. This aid is intended for the 42 countries and 6 international bodies. The Council also accorded its agreement on emergency measures for Syria (refugees) involving 5 000 tonnes of cereals, 700 tonnes of skimmed-milk powder and 500 tonnes of butteroil. □

(See table opposite)

OECD

Development Assistance Committee

Cooperation between the industrial nations and the rapidly developing Third World countries is now entering a new phase, according to Mr Maurice J. Williams, President of the Development Aid Committee (DAC) of the OECD. In a report, published on his instructions, on "Cooperation for Development", Mr Williams describes the crucial questions being faced in the area of cooperation for development. He claims that 1974-1976 marked a transition period towards "a new realism" in world affairs, although the old international order would have to change still further to reach a viable agreement on the strategy for longer term international cooperation for development, taking more account of the specific situations of the developing countries.

Mr Williams asserts that, in order to increase the stability of the international system and to reduce its vulnerability, it is essential that the nations should as far as possible reach a common viewpoint on the major objectives and broad trends of economic policy. The industrial nations must ensure a non-inflationary economic growth and eliminate the constraints which hinder the growth of the developing countries.

Comparison of aid contributions in 1975 (DAC)

Country (*)	GNP per inhabitant		Total aid (public + private)		Public aid to development					
	Dollars	Position	% GNP	Position	Net contribution		Net transfer		Equivalent gift	
					% GNP	Position	% GNP	Position	% GNP	Position
Switzerland	8 746	1	0.76	11	0.18	14-15	0.74	9	0.15	16
Sweden	8 439	2	1.09	7	0.82	1	1.15	5	0.72	1
United States	7 098	3	1.15	6	0.26	12	0.73	10	0.24	13
Norway	6 951	4	0.98	9	0.66	3	0.81	8	0.57	4
Denmark	6 937	5	0.75	12	0.58	7-8	0.68	12	0.55	5-6
Germany	6 831	6	1.17	4	0.40	10	0.83	7	0.37	10
Canada	6 664	7	1.34	3	0.58	7-8	1.16	4	0.50	8
Belgium	6 516	8	1.36	2	0.59	6	1.12	6	0.51	7
France	6 418	9	1.16	5	0.62	4	1.22	3	0.59	3
Australia	6 142	10	0.71	13	0.61	5	0.69	11	0.55	5-6
Netherlands	5 890	11	1.56	1	0.75	2	1.31	1	0.63	2
Finland	5 508	12	0.34	17	0.18	14-15	0.27	17	0.17	15
Austria	4 999	13	0.45	16	0.17	16	0.61	14	0.18	14
Japan	4 357	14	0.59	14-15	0.24	13	0.65	13	0.25	12
United Kingdom	4 110	15	1.01	8	0.37	11	1.23	2	0.38	9
New Zealand	4 044	16	(0.59)	14-15	0.52	9	0.40	15	0.31	11
Italy	3 106	17	0.95	10	0.11	17	0.28	16	0.14	17
Average DAC	5 858		(1.05)		0.36		0.81		0.33	

(*) The DAC/OECD countries are classified in the first column according to their GNP per capita in 1975.

He observes that, in spite of the perfecting of mechanisms to "finance the security of development", which are intended to compensate for differences in the balance of payments of the developing countries, the economic activity of the 40 poorest countries of the Third World suffered because they were unable to finance their trade deficits. Special efforts will have to be made to combat the economic disparity among the various developing countries.

The members of the DAC have, as a body, increased their aid effort in the last two years, their net payments having risen from 9.4 billion (American) dollars in 1973 to 13.6 billion in 1975, an increase of more than 40%. The burden of this increase, however, fell disproportionately on the EEC countries, which, while representing only 20% of the overall GNP of the group, provided about 40% of the total contribution. Mr Williams notes especially that the contributions made by the United States, Japan and, to a lesser extent, Germany were disappointing, given the strong position of their economies.

Having reviewed the various development strategies which could be adopted, Mr Williams concludes that, without a regular growth in the overall economic product and without a widening of possibilities for trade, the demographic pressure being felt in the developing coun-

tries will almost certainly make financial transfers between states even more necessary and will eventually jeopardise the prospects of a stable world order. The expansion of trade will prove more effective by contributing to the economic autonomy of the majority of developing countries. □

EUROPEAN PARLIAMENT

Questions on the North-South dialogue

In reply to an oral question from Mr Couste, Mr Tomlinson, chairing the European Council, told the European Parliament in February of developments in the North-South dialogue.

He stated that, in view of the uncertainty prevailing at the time, the ministerial session had been postponed, with the agreement of both sides, since the end of 1976. It had been postponed only, not adjourned indefinitely. The European Council defined the Community

institutions' attitude in these words: "the Community attaches the greatest importance to the success of the North-South dialogue and is prepared to make a positive contribution to this end, in so far as the development of its own economy permits".

"This conclusion was and still is the basis of our approach and of our determination", Mr Tomlinson said.

"Before work can start again, it will be necessary to solve certain procedural matters (the timetable and the preparation of ministerial sessions) and basic issues (definition of the Community's position, and that of the industrialized nations). I should like to make two points about this:

"It goes without saying that, for the ministerial session to be successful, there must be a real prospect of progress. This means that the Community and its partners in the Group of Eight will have to be prepared to make an effort. It also means that we are waiting for our friends of the Group of 19 to do likewise.

"On the other hand, any views that one might express at this stage on the reopening of the Conference for International Economic Cooperation could only be of a preliminary and flexible nature. A number of uncertainties still remain. These mainly involve the attitude of the new American administration, which needs time to re-examine the documents, the views of the Group of 19, which must also be taken into account, and the development of the international situation since last December.

"The date for the next ministerial session will, of course, have to be set with the agreement of the participants. We ourselves feel that towards the end of April or the beginning of May would be a suitable time to hold the ministers' conference. This would seem to us to take into account the probable wish of the Group of 19 for a speedy reopening of the talks, while allowing the new American administration plenty of time to study the documents. We believe that all those taking part in the conference will understand that it is in the interests of successful negotiations to allow our American friends this length of time. The end of April or beginning of May also allows for other international events, and in particular the European Council planned for 25th March 1977.

"Concerning the basic position of the Community, it is difficult for to give precise information at this stage. Work is continuing within the Community, parallel to the current consultations with the

American authorities, the new Japanese government and the other members of the Group of Eight. At yesterday's meeting we were able to hold a detailed debate. The Council hopes to finalize this discussion at its meeting on 8th March with the European Council of 25th March in view", Mr Tomlinson said. (Translated from the French). □

EURO-ARAB DIALOGUE

After all-night discussions, on Sunday morning, 13 February, the "general committee" of the Euro-Arab talks approved the final press release for its second sitting. The first part of the press release deals with political problems, and in particular with the Palestine question, while the second part is devoted to economic problems and contains, in particular, directives to the working groups and specialized commissions. Mr Ismail Khelil and Mr Richard S. Faber expressed their satisfaction with the contents of these documents, approved unanimously, stressing that the Tunis meeting had marked a "positive stage" and a "decisive step" in the talks. The Arab party especially was pleased with the progress made towards a better understanding of the Arab position on the problems of the Middle East conflict and with what they saw as some positive aspects of the European attitude towards this. The overall assessment of the economic aspects is that the new directives now make concrete action possible in a number of fields, although in other areas certain differences of view have become clear.

The existence of different opinions in both political and economic spheres has, however, been described as "normal", in the sense that the aim of the talks is to discuss, to make progress, to establish as much common ground as possible, without this implying complete agreement in all things; this was the interpretation of the Prime Minister of Tunisia, Mr Hedi Nour, who spoke to the press. In his view, to declare that the talks are going badly or that the Tunis meeting was not a success merely because opinions differed on some points would be to misrepresent the spirit of the talks. More important is the progress made, the beginnings of cooperation and the positive attitude and political will to

make concrete achievements which prevailed at the talks. The third session will be held in September-October, provisionally in Brussels (at the time when the presidency of the EEC Council falls again to Belgium in the second half of the year); meanwhile the working groups and specialized commissions will continue their work on the basis of the new directives; in some cases they have been given deadlines for their work.

The most important agreements reached, and passed on through directives to the groups concerned, are on the following matters:

1. Financial contributions. The Arab party confirmed that they are to provide 15 million dollars, while the Europeans will give an as yet unknown sum, to finance preliminary studies and feasibility studies for various projects. An ad hoc committee is to begin an immediate study of the procedures necessary to put these funds to use; it is to report by 31st July next to the EEC Commission and to the Secretariat-General of the Arab League, so that the general committee can make a decision at its autumn meeting.

2. Immediate launching of a study for a first agricultural project in Somalia. As an exceptional departure from the provisions mentioned in the previous point, the studies necessary for the development project in the Juba valley in Somalia are to begin without waiting for the general procedures for the use of funds to be drawn up. The two co-chairmen of the agriculture committee will implement this decision. Similarly, the two projects in Sudan (Damazine project on meat production and the project on the integrated rural development of the Darfour region in the south) will be given priority; the Sudanese government will provide the documentation on which the decision to launch feasibility studies will be based. The study of the potato development project in Iraq will also be speeded up.

3. Multi-lateral Euro-Arab agreement on the protection of investments. The general committee approved the findings of work already carried out on this subject and asked the financial cooperation committee to formulate them into a proposal.

4. Preparation of a sample contract in the industrial sphere. The working

group concerned had been given the task of drawing up sample clauses to serve as a reference for contracting parties.

5. Creation of a Euro-Arab centre for the transfer of technology. The general committee agreed in principle to the creation of such a centre and asked for a report on the matter by 31 July 1977, in order to make a decision at the autumn meeting. There are, however, differences of opinion on the principles and the terms of the transfer of technology.

Contrary to what was hoped, no compromise was reached on the definition of the commercial relations to be set up between the two sides.

Nor were the European countries in a position to commit themselves on the creation of a Euro-Arab centre for commercial cooperation. They noted the Arab proposal on this subject and agreed to examine its terms on the basis of additional explanations, in particular showing how such a centre would be financed.

Apart from commerce and technology, the other major area in which the European countries were unable to accept Arab requests was that of the "monetary risks" faced by Arab property in Europe as a result of inflation and currency fluctuation.

In two areas, the general commission restricted itself to the definition of a number of very general guidelines for the continuation of work: cooperation in matters of culture and information and cooperation in the fields of professional training and the living and working conditions of migrant workers.

The general committee failed to precise measures in several other areas of discussion.

A political declaration

The partly positive results on the various aspects of economic cooperation were possible in so far as a common text was able to be drawn up on political aspects. Basically, the common paragraphs state that the two sides support the establishment of a "just and lasting peace" in the Middle East, and that a solution to the Palestinian problem, based on the recognition of the legitimate rights of the Palestinian people, is essential for the conclusion of this peace.

The European side reaffirmed the principles of the declaration of 6 November 1973, recognizing in particular: — the legitimate right of the Palestinian people to give effective expression to their national identity; — its "anxieties" over the continued occupation by Israel of Arab territory, and that Europe opposes any policy directed at establishing "colonies" there, a policy "which could only result in endangering the prospects of peace". — its opposition to any attempt to change unilaterally the status of Jerusalem.

In the case of the Lebanon, the EEC countries declared themselves to be in favour of its independence, unity and territorial integrity.

They also undertook to examine, with due attention, the Arab proposal to create a "commission for political consultation". □

SUGAR

ACP sugar producers had an exchange of views during a working lunch with the European Commission on 16 February 1977, on certain controversial aspects of the application of the sugar protocols, and on the imminent negotiations on sugar prices. The meeting was in effect a ministerial meeting, but because of the shortage of time several countries were represented by ambassadors.

After their recent meeting in Barbados, the ACP sugar producers had shown their dissatisfaction with the EEC decision to reduce, or in the case of the Congo abolish completely, the guaranteed quotas for delivery to the EEC. The countries involved, Kenya, Surinam and Uganda, did not keep to the supply agreements for 1976. The ACP states say this was due to circumstances beyond their control and insist that they should be allowed to show to the Commission alone that such circumstances did, in fact, exist.

Another point of discontent among the ACP is the proposed new method of accounting drawn up by the Commission. This will come up when the negotiations on the sugar price get under

way officially during the EEC-ACP ministerial meeting in Fiji on 14 April.

The ACP group met to prepare their position from the 21 to 24 February in Kampala, Uganda. □

ECOWAS

President Houphouët-Boigny has appointed Mr Diaby Boubacar Ouattara, the Ivorian director of the International Bank of West Africa (IBWA), as Executive-Secretary of the Economic Community of West African States.

At a meeting of ECOWAS heads of state in November (see "Courier" January-February 1977) it was decided to establish the headquarters of the new community in Lagos. Its first Executive-Secretary, Mr Ouattara, 39, from the Ivory Coast, was educated in France and the United States, where he obtained a doctorate in business administration at Harvard University. □

RIVER KAGERA

Tanzania, Rwanda and Burundi have decided to set up a joint commission to run the Kagera Basin development project, official sources revealed in Dar-es-Salaam, where the project was the subject of a three-day meeting of representatives of the three countries. The River Kagera lies to the west of Lake Victoria, on the frontier of Tanzania, Rwanda and Burundi.

According to official sources, the Commission's headquarters will be in Kigali, capital of Rwanda. The development project mainly involves the river's hydro-electric potential and the mineral resources of its basin.

Official sources also state that each of the three countries will have a representative within the Commission, and this body will eventually be able to receive representatives of any country which might be interested in the Kagera Basin development project. The river flows close to the Ugandan border at one point. □

CLUB OF DAKAR

A meeting of European industrialists and members of the "Club of Dakar", representing the developing countries, largely those in Africa, will take place next May in Europe, Mr Mohamed Diawara, Ivory Coast Minister for Planning and President of the Club, announced in Abidjan.

The Club is an informal body for the study of conditions for a better balance between the developing countries and the industrialized nations, in particular by means of a new international division of industrial activities. Mr Diawara made the announcement on his return from Dakar, where he had just briefed President Léopold Sédar Senghor of Senegal, honorary co-President of the Club together with President Félix Houphouët-Boigny, on the Club's 3rd general meeting, held recently in the capital of the Ivory Coast. □

EUA

The European Unit of Account

The European unit of account (EUA) established by the Commission of the European Communities is based on a "basket" of the currencies of the nine countries which make up the Community.

The unit of account is therefore equal to DM 0.828, £ 0.085, FF 1.15, 109 Italian Lira, Hfl. 0.286, FB 3.66, FLux 0.14, DKr 0.217, £ Irish 0.00759. These figures are constant. On the basis of an initial value for the EUA of 1.20635 US \$ on 28th June 1974, its value is calculated daily using coefficients based on the GNP of the EEC countries and on intra-European trade. It was important for the weight of each national currency in the basket to express the productive and commercial capacity of the economies which make up the Community.

The fixed levels of each national currency are worked out in each of the

FAIRS AND EXHIBITIONS

List of international trade fairs and exhibitions reserved by the ACP Countries within the framework of the Community programme

GERMANY

Internationale Tourismus-Börse	Berlin	5.3 to 13.3.
IHM — Handwerksmesse — (crafts)	Munich	26.3 to 3.4.
Interzum — (wood — furniture)	Cologne	14.5. to 17.5.
Anuga — (food)	Cologne	10.9. to 15.9.
Frankfurt International Fair	Frankfurt	28.8. to 31.8.
'Partners in Progress' overseas imports fair	Berlin	21.9. to 25.9.

BELGIUM

Holidays and Tourism Exhibition	Brussels	12.3. to 20.3.
Brussels Trade Fair		23.4. to 8.5.

DENMARK

International Fair for Arts and Handicrafts	Copenhagen	28.9. to 2.10.
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FRANCE

Paris International Fair	Paris	30.4. to 15.5.
International Leather Week	Paris	8.9. to 12.9.
Marseille International Fair		23.9. to 3.10.
International ready-to-wear exhibition	Paris	22.10 to 26.10.
	Strasbourg	10.10. to 14.10.
Oceano-Expo	Bordeaux	4.10. to 8.10.

GREAT BRITAIN

Ideal Home Exhibition	London	5.3. to 30.3.
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ITALY

Milan International Fair		14.4. to 23.4.
Trieste International Fair		17.6. to 29.6.
Fiera del Levante	Bari	9.9. to 19.9.
		12.3. to 20.3.

NETHERLANDS

Hout (wood)	Rotterdam	18.10. to 22.10.
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ACP

Sitha (textiles and clothing exhibition) +seminar	Abijan	2.5. to 5.5.
Fishing exhibition	Dakar	date to be notified
Fikin International Fair + seminar	Kinshasa	9.7. to 24.7.
Saba-Saba-Dar-es-Salaam	Tanzania	July-August (?)
2nd International Fair + seminar	Lagos	end 1977

THIRD COUNTRIES

Algiers International Fair		2.9. to 17.9.
Maputo International Fair	Mozambique	28.8. to 14.9.
Barcelona International Fair		1.6. to 10.6.
Zagreb International Fair		9.9. to 18.9.

Community currencies on the basis of their official exchange rates. The exchange values are then added and the results give the value of the EUA in the various national currencies.

Every afternoon the services of the Commission calculate the value of the EUA in the nine currencies which make up the "basket" and the other major currencies. If exchange rates among the nine currencies were perfectly stable, the EUA would retain a constant value, in whichever EEC currency it was expressed. Since this is not the case, the EUA varies from day to day.

The EUA is already in use among the European Communities. It was adopted for the European Development Fund by the Council decision of 21 April 1975 and for the European Investment Bank by the decision of the EIB board on 18 March 1975. It is also used by the European Coal and Steel Community (ECSC). Community authorities are considering using the EUA for the general budget as from 1 January 1978. □

Value of the EUA (on 12.2.77)

1 EUA = US\$1.1
1 EUA = £ 0.65
1 EUA = FF 5.5

There are 33 different currencies officially in use by the ACP countries, at our last count. The "Courier" will publish the value of the European unit of account in terms of US dollars, pounds Sterling and French francs in the News Round-Up, when appropriate.

TROPICAL FORESTRY

The Abidjan talks on freight charges

"Producers, importers and transporters of tropical wood have come together for the first time for the purposes of

N.B. There will also be five fairs specializing in timber: in May in Germany, from September to December 1977 in Italy, France, Spain and Great Britain.

discussion." This is how Mr Gérard Lemaignen, chairman of the UCBT (organisation for the marketing of tropical wood in the EEC) described his delegation's meeting with the Ivory Coast authorities on 27 and 28 January at Abidjan, following the recent confirmation of freight charges for timber.

Opening the meeting, Mr Lamine Fadika, Minister for Shipping, stressed his country's "commercial will" and the importance of timber to its foreign trade (total exports for 1976: 4 300 000 t, worth more than 40 000 m CFAF). As freight costs represent some 40% of the CIF price of rough timber, consultation and cooperation were required in order to work out and adopt rates which would be compatible with the interests of all concerned, the minister said.

The chairman of the UCBT, which imports 8 million cu.m. of tropical timber, 2.7 of which come from the Ivory Coast and represent 80% of the Ivory Coast's timber exports, welcomed this special "and exemplary" meeting. Mr Lemaignen added that, to guarantee regular supplies, and therefore more regular means of transport and a degree of flexibility in loads, it was important to study freight costs at a European level, including Great Britain. Freight costs must not be allowed to push up the price of wood.

The two sides reached agreement on the following principles. (It is understood that these bilateral discussions will not jeopardize the multilateral talks. The findings will be submitted to the Maritime Conferences and to the African regions before any final decisions are taken.)

1. The meeting unanimously accepted that freight charges must be realistic; this would mean abolishing refunds, while allowing for a maximum official margin of 5%.

2. It was requested that the regulations, to be issued as soon as possible, should reflect the overall concertation and that the minimum-period of application should be 12 months with 3 months' notice.

3. All those concerned agreed not to discriminate between Atlantic and North Continent freight charges, taking into account any special technical factors. Every effort should be made to bring this about as soon as possible.

4. Following further information on the distribution ratio 40/40/20, it was agreed that it should be applied with flexibility in order to reduce as far as possible its commercial repercussions and the possible deterioration of the



A tree trunk is sawn into planks in an ACP sawmill

goods carried. The distribution of the 40% applies to all the Ivory Coast's foreign trade, on a bilateral level.

For the distribution of the part due to the shipping fleets of the Ivory Coast's trading partners, the OIC (Ivory Coast Shipping Office) does not in theory intervene, except where the distribution ratio and the transport conditions are not respected.

5. Joint efforts will have to be made by importers, exporters, transporting agents and consignees to rationalize cargoes in the interests of economy.

6. Both sides agree to continue the consultations in the future in their mutual interest. □

GROUP OF 7

The Group of 7 for economic cooperation with Africa held its half-yearly meeting in Brussels on 3 February 1977. The Group, a private industrial and commercial association in six countries of the European Community, continued its talks with ACP ambassadors on industrial cooperation under the Lomé Convention, under the chairmanship of Mr Feyerick, chairman of the Belgian CEDIOM.

Among those present were the Nigerian Ambassador, Gab Ijewere, who is chairman of the Industrial Cooperation Committee; the ambassadors of Cameroon, the Congo and Liberia; representatives of the Ivory Coast, Senegal and Sierra Leone; and Mr T. Konaté, Secretary-General of the ACP countries, who spoke of the coordinating role of the ACP secretariat. Mr R. Theisen, head of

KENYA

Credentials

The President of the Council and the President of the Commission of the European Communities have received Ambassador Joseph Muliro who presented his letters of credence in his capacity of Head of the Mission of the Republic of Kenya to the European Communities (EEC, ECSC, EAEC).

the Centre for Industrial Development, outlined a programme for this operational body as drawn up by him and his deputy-director, Mr I.K. Akinrele, while waiting for the opinion of the CID's future consultative council.

The Group of 7 elected Mr Klaus Hansen, chairman of the German "Afrika-Verein", as its new chairman. □

LEBANON

An EEC-Lebanon economic and trade agreement was finalized on 16 February 1977 and should be signed this month (March).

Mr Cheysson told the EEC Commission that there was complete agreement on the deal.

On top of the financial aid marked down in the agreement, the Lebanon intends to ask the Community and the individual EEC countries for special help in reconstruction after the recent war. □

EEC-ISRAEL

SIGNATURE OF ADDITIONAL PROTOCOLS

An extract from Mr Cheysson's statement at the signing of the additional protocols with Israel on 8th February 1977:

"We are here at the meeting which you arranged when signing the trade agreement of 11 May 1975. You expressed the hope that the agreement might be extended to cover wider areas of economic cooperation between Israel and the Nine and to include a financial protocol. The reply is in the two protocols we are about to sign.

The first extends the area of cooperation in order to foster the expansion of

production and the economic infrastructure of your country, the commercial promotion of your exports to the Common Market, industrial cooperation between your economy and our industry, cooperation in agriculture and fisheries, joint projects in the fields of science, technology and environmental protection; it provides for further meetings; your two letters point out the possible subjects for cooperation. The second protocol gives Israel access to the European Investment Bank. It is true, the finance offered is modest compared with the potential for industrialization of your country. But a start has been made and we are sure that other foreign finance will follow in its wake.

And so we are attaining that broad dimension that you were hoping for when you spoke, on 11 May 1975, of an association agreement.

Indeed, our agreements will now be submitted to the nine parliaments of the Member States for ratification, setting the seal of approval of our peoples on the policy which henceforth binds us together."

Mr Cheysson added: "Europe is Israel's main trading partner, accounting for almost 40% of its trade. This trade is in an intolerable state of imbalance, as Israel's exports to the Community only covered about 38% of its imports from the Community in 1974. In 1975, this improved to 44%. 1976 is more promising still, and it is essential for this progression to continue. The additional means provided for in today's protocols have therefore arrived at the right time.

The aim of the additional protocol is to increase cooperation, which will contribute to Israel's economic development in particular through projects in the economic, technical and financial areas.

Cooperation will take place in the following areas:

- the expansion of Israel's production and infrastructure;
- commercial promotion;
- the industrial sector;
- the agricultural and fishing sector;
- science, technology and the protection of the environment;
- the exchange of information on the economic and financial situation.

The joint committee, provided for in the 1975 agreement, will be replaced by a council for cooperation. □

Journalism and development

By LUCIEN PAGNI



The press has many roles. It can educate and train its readers, viewers and listeners through the choice and quality of the information it provides. It can inform by presenting national or international events, in as impartial a way as possible. It can analyse and seek out background information which will clarify current events.

But, in the Third World, the press has a further role to play—as an agent of development. “Development” is a term which includes all the social, as well as economic, activities of nations and it is not easy to distinguish this role of the press from the other functions mentioned above. However, even if the economy alone is considered—production and growth—the importance of the press remains considerable.

How can the press help development here? It can identify and examine the various technical and social problems resulting from economic progress and popularize possible solutions. The wider audience for broadcasting is one of the reasons why radio and television are so privileged in developing countries, often to the detriment of the written press.

But although it is widely accepted that information has an important part to play in economic and social development, the journalists' job is still the subject of controversy. This is because the development role assigned to the press tends to be considered an end in itself, distinct and separate from

the natural role of the mass media which is to describe objective facts, point out what is wrong and suggest solutions. We are today witnessing the paradoxical situation whereby there is general agreement on the crucial importance of the press in development but not on the key role of the journalist, whose job is to translate the decisions and direction of development policy into positive, critical terms.

How has this come about? The cramped position and, above all, the current practices of the development press have led to the role of the journalist being restricted as he himself becomes an “agent of development” (the term used at the Abidjan congress—see the “Courier” No. 38). Mr Biwolé (Cameroon), who spoke at the congress of French-speaking journalists in Abidjan, said that a good journalist or “agent of development” should have a first-class knowledge of his own society and be

aware of its strengths and weaknesses; be thoroughly versed in journalism and be both a creator and innovator. Fine. But it would appear that the organization and actual role of the development press today prevents the journalist from meeting these conditions because he has less and less liberty to create and innovate, and is less able to get to grips with the society he lives in and discover its strengths and weaknesses. If things are to be any different, the development press will have once more to become a faithful mirror of social realities. And the development journalist will have to become a genuine observer, free, and conscious both of his mission in society and in development. This will enable him to progress from a simple “agent of development” to an actor-creator-innovator of development.

The transformation and diversification of the development press would mean better information for the general public. It would also—and this is most important—enable the general public to inform itself, by comparing its own ideas, which are crucial, to other ideas. The development journalist, for whom greater freedom would mean greater responsibility, would draw more on his own imagination and on his own conscience in his work. With responsibility and greater awareness, he would also encourage the moderation, tolerance and greater social coherence which are among the main preconditions for development. L.P.

The Centre for Industrial Development: off to a good start

On 21 December 1976, the Centre for Industrial Development, an autonomous, operational means of boosting the ACP-EEC industrial cooperation laid down in the Lomé Convention, officially opened. At its first meeting, held the previous day, the Committee on Industrial Cooperation elected Roger Theisen (Luxembourg) director of the CID and Isaac Akirele (Nigeria) his deputy. The committee took the necessary decisions to enable the new director to get the CID, which will mainly be run with EDF financing, under way, thus implementing Articles 35 and 36 of Title III of the Lomé Convention, which specify the duties of the Committee on Industrial Cooperation and the Centre for Industrial Development.

A busy start

The first job was to organize the working of the CID. In addition to the director and deputy director, 16 other officials will have to be chosen from a number of highly-qualified applicants. These, the nucleus of the CID's activities as Mr Theisen calls them, will include technical advisers, *chargés de mission* and operational staff.

Apart from the applicants' qualifications, Mr Theisen's first considerations in choosing the team will be their experience, flair for business and good personal contacts in industrial, economic and financial circles. Personal contact is one way of cutting through the red tape from which he feels even the big industrial firms suffer. Between taking constant phone calls—a businessman in Britain, an industrialist in France, a company boss in Germany—Roger Theisen, a new figure on the ACP-EEC scene, told the "Courier" what he wants to do.

In his temporary office (1) Mr Theisen already had 82 proposals for industrial cooperation projects in his in-tray, none of which has been included in the 4th EDF indicative programmes. They gave him an immediate start on the job and the number indicates the keen interest shown in the CID by European and ACP industrialists.

A catalyst for mutual industrial interests

The functions of the CID, as described in Article 36 of the Lomé Convention, and its status and working methods, as established on 14 July 1976 by the EEC-ACP Council of Ministers, are well enough known. Mr Theisen sees the task which he has to assume officially until the Lomé Convention expires on 1 March 1980 as a "formidable challenge". But his career, first as a research worker in natural science and then in business, and the many other calls on his time show what enthusiasm he brings to the new job.

His experience in industry makes him confident as to the potential role a small work group can play as a catalyst and a unifier of the interests of economic operators, within the framework of a developing country's needs, by proposing to share the work involved and bring reciprocal advantages. Co-management by an ACP and an EEC partner is a guarantee of proper motivation and the *sine qua non* of success in setting up new industries.

Mr Theisen said the CID would not just be a contact, information and liaison organization for economic operators in the EEC and the ACP. It will also look into concrete opportunities for cooperation and take on-the-spot initiatives of its own to suggest industrial projects—either completely new ones or others which might already have been considered but not implemented—to industrialists.

This initial stage involves the identification of industrial projects, not only new projects as such but a wide range of as yet unrealized potential opportunities as well. "Many good feasibility studies have been carried out but not implemented and we must try to turn these to good effect by bringing the interested parties together", Mr Theisen said. Other activities will aim to make badly-managed projects profitable. In cases of this kind, the CID will be able to advise the ACP as to how to improve management and will suggest how assistance with this might be financed. Mr Theisen also hopes to help the ACP coordinate their various national plans so as to drop prestige industrial projects in favour of industrial cooperation between neighbouring states. This regional, even transnational, aspect also counts in the wide choice of European partners.

The CID in the overall Lomé context

Now that it has come into being, the Centre for Industrial Development assumes a role as one of the series of bodies and institutions involved in the implementation of the policy of the Lomé Convention in general and industrial cooperation in particular. Mr Theisen outlined its place among these. He felt the Committee for Industrial Cooperation would not only be the CID's supervisory body, but would be mainly concerned to define the political framework of any future tasks assigned to the CID and would lay down the overall guidelines for the CID's activities. Both outfits will have to work in close collaboration. The CID's consultative board—where the top EEC and ACP firms will be represented—will advise the director on his choice of action programme and publicize the opportunities which the CID can offer to firms in the various countries.

The main difference between the CID and the Commission departments working on the implementation of the Lomé Convention, as Mr Theisen sees it, is the socio-economic nature of the latter's

(1) as from 15 March 1977, the CID will have its offices in the "Maison des ACP" (ACP House), 451-461 avenue Georges Henri, 1050, Brussels, the future headquarters of the ACP Secretariat.



Messrs. Akinrele and Theisen
Director and deputy director of the CDI

Photo R. Heiderscheid

long-term planning, which is based on the priorities the ACP themselves have listed—particularly as regards general managerial training, to which the Commission's development directorate will continue to attach great importance.

By definition, the CID wants projects with guaranteed profitability, although it will not neglect the socio-economic side. If, for example, the problem of training managers crops up in a specific project, then an in-service course will be provided in close collaboration with the firms involved. Generally speaking, the CID will also confine itself to short pre-feasibility studies, rather than taking over the job from the firms, since, as Mr Theisen says, firms tend not to believe in a project unless they themselves have carried out a thorough feasibility study.

EIB-CID cooperation will be close, both of these bodies having economic profitability as their basic criterion.

Mr Theisen said he reckoned the CID would generally be brought into a project before the EIB. The first initiative, the definition and prior assessment of projects will all be mainly up to the CID and the European Investment Bank will take over from there, particularly when the financial details are being settled. The CID will then stay in close contact

with the EIB, in order to ensure the smooth technical execution of the projects, and will act as mediator and be responsible for the follow-up.

All these close links will be flexible, to make the most of the sort of industrial cooperation provided by the Convention.

The structure of the CID

Similar bodies have been set up in all the EEC countries and they are useful models for the CID, Mr Theisen feels. But the CID has the great advantage of being able to work in the exceptional framework offered by the Lomé Convention, which is based on a series of measures—financial aid, trade promotion, Stabex—and gives ACP products access to Europe's market of 260 million consumers. The CID's efforts will complement existing bilateral and international aid, but its particular contribution will be real co-management by ACP and EEC countries. One of Mr Theisen's main objectives is also to forge close links with existing promotion and planning bodies in the ACP, the aim being to establish a network of contacts in the field, with the CID as Europe's main coordinator.

Work has been divided according to individual projects and three different departments will cover the CID's whole programme. The first will be a department of information and coordination, the second of industrial cooperation and trade promotion and the third of training and technological and commercial management. Experts from all three departments will study each project.

Projects have already been started

Mr Theisen hopes to get the CID working to capacity as soon as possible after the officials have been appointed and have taken up their posts. The first of the 82 projects proposed are already being assessed by the CID.

Various projects are thus well into the negotiation/contact stage and, in some cases, contracts have been signed. These projects are: a regional air freight project involving a number of southern African ACP countries, and projects in particular ACPs—a textile industry project, a yeast manufacturing project and a toothpaste production and marketing project.

Mr Theisen said he hoped that at least half a dozen projects would be carried out during the first year of operation. All this means that Article 36 of the Lomé Convention is being satisfactorily implemented.

In addition to these concrete projects, Mr Theisen has already submitted two objectives for the approval of the Committee on Industrial Cooperation: CID help in national resources management and industrial planning adapted to the needs of individual ACPs; and providing ACP countries with access to technological know-how and European technological information, through the CID being linked to Euronet, the computerized information bank system. (The "Courier" will follow up these two initiatives, which could bring in millions of EUA to the ACP.)

So the work has begun. The CID has the next three years to bring dynamism, professional experience and personal contacts in economic and business circles into action so that Europe, as Mr Theisen says, "can take up its active responsibility for the industrialization of the ACP countries". □

R.D.B.

Squatter settlement upgrading — Chawama compound, Lusaka (Zambia)



Urban development in the ACP countries

By the year 2000, over half the world's population will live in cities and the urban population of the world will have increased twenty-fold in one lifetime. In 1970, four cities had over ten million inhabitants; by 1985, on present reckoning, there will be at least 17 of them, 10 in the developing countries.

The exploding Third World cities constitute the biggest human upheaval in history. In many cases, up to half the urban population now live in slum settlements that are growing twice as fast as the formal city. Hundreds of millions of people will crowd into the slums in the next decade.

Described in these terms, the problem seems clear enough. But the unstable social and ecological contexts in which the urban upheaval is taking place cover an immense range of questions, from the world-wide management of resources to the individual's right to build his own roof.

This dossier examines some of the main aspects of urban devel-

opment in the ACP countries. The recent UN Conference on Human Settlements left the sobering impression that the developed countries do not know how to put their own houses in order, let alone those of the developing countries. A basic question, therefore, is why do the ACP countries continue to build Western-style cities that are proving themselves unmanageable even in the industrial countries?

Where people cannot afford food, let alone rent, a skyscraper is not the answer to their problems. The new thinking aims at using the human resources of the sprawling squatter settlements and satisfying elementary needs—clean water, a secure place to live—instead of adopting expensive urban programmes in which most people will have no part.

Everyone has an idea of how he would like his home town to be. Few governments know how to make it possible. The more frankly this is admitted, the more ideas will be put into practice in the search for solutions.



World Bank photo, Edwin Huffman

Towns in developing countries (1975-2000)

by Michael A. COHEN (*)

Since the early '60s, the rapid growth of Third World towns has been a major concern of political leaders and planners. The drift to the towns and the uncontrolled expansion of cities as different as Lima, Manila and Nairobi raise very serious problems of creating employment and providing urban services. Although town planning is often considered as an integral part of economic development, it has not been subjected to the close scrutiny it deserves. This article shows how gigantic a task the local authorities in the towns in developing countries face between now and the end of the century.

There are four major differences between town planning in less developed countries and town planning in industrialized countries. The former differ in that:

- their population is increasing rapidly;
- the amount of arable land per head is gradually declining in some countries;
- transport and communications are getting cheaper;
- territorial boundaries are relatively stable and discourage migration between countries.

The spurt in demographic growth in the 20th century is the main difference between urbanization now and urbanization in the past. When Europe became urbanized, national population growth rates were in the region of 0.5% per annum, whereas in developing countries it is usually somewhere between 2.5 and 3%. More people are leaving rural areas and the towns in the developing countries are naturally expanding faster than they did in the countries now industrialized. The need to absorb large numbers of people by creating jobs and providing services has made urbanization qualitatively different from what it used to be and different policies must therefore be adopted.

The decline in the amount of arable land available to the poorer rural populations—who lack the means for intensive farming—has further increased demographic pressure on the towns.

There are usually many more people per unit of arable land in developing countries today than there were in Europe and America when they were at the stage of rapid urbanization. Less land has been developed for agriculture in recent years,

since the practical limits of expansion have been reached in many countries.

These limits are certainly not absolute—one needs only think of the experiments being carried out with ocean farming, jungle clearance and the development of desert regions—but the cost of such new ventures can be very high. Boosting agricultural production means pushing up yields on land already under cultivation, by irrigation, double harvests and the use of fertilizers and pesticides, for example, and by improving farm management. Otherwise, families living in expanding communities will be increasingly drawn towards the urban areas.

The spread of modern means of communication and transport also helps speed up the process of urbanization, since it encourages the population to move by letting them know what the towns have to offer and by reducing the costs of migration. This process takes place within relatively fixed territorial limits which, to be realistic, invalidate any short or medium-term political hypothesis as to the large-scale redistribution of national land and natural resources, and prevent excess population from moving on freely.

The developing countries have a more difficult task

The interaction of these four factors means that the task facing the developing countries is harder in absolute terms, because they have to urbanize more people more quickly than the developing countries.

In 25 years there will be 1 300 million more people living in towns in the developing countries, giving a total of 2 100 million—almost twice the current urban population of the developed countries, which will then have 300 million more. There were 90 towns with more than a million inhabitants in the Third World in 1975. In the year 2000, there will be nearly 300. Over a period of 25 years, the urban population of these countries will grow from 28% to more than 42% of the total population. For the first time in history, the urban population in the Third World will increase faster than the rural population. Demographic growth in urban zones will be roughly two-thirds of the total population increase.

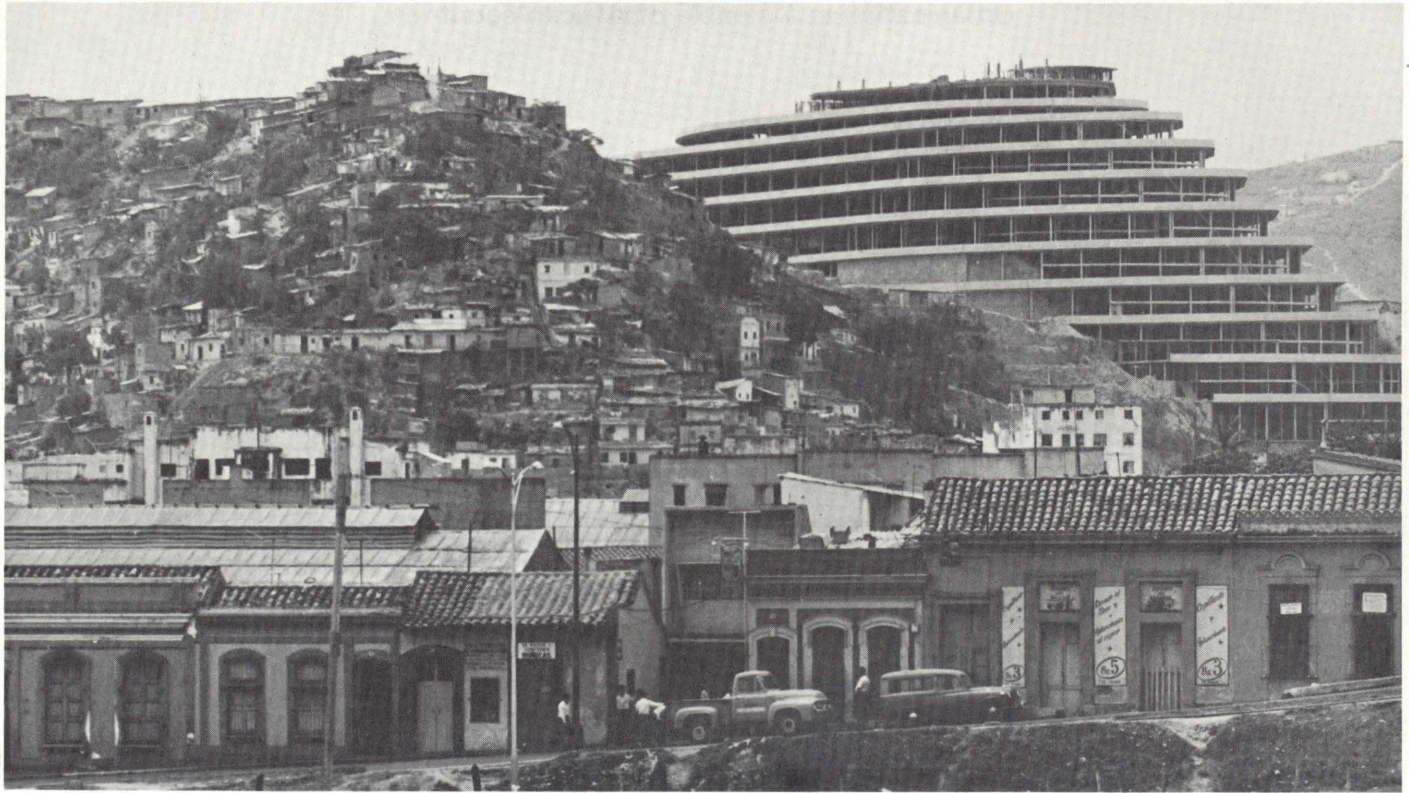
The ACP are predominantly rural countries, although they are rapidly becoming urbanized. However, in the year 2000, the majority of the population will still live in rural areas and demographic growth there will stay high. Will the race between an increasing population and the development of resources permit individual incomes to rise?

The sheer scale of the projected urban growth over the next quarter century is without precedent. Although the complex interaction of rural and urban growth means estimates and projections are not entirely reliable, there are one or two features we can already point to.

Firstly, more than 50% (and 70% or 80% in more urbanized economies) of the projected urban growth will not normally be due to migration but will be the result of the natural demographic growth of the existing urban population (1). Sec-

(*) Michael A. Cohen is an American political economist with the urban and regional development division of the World Bank's economics and development department. This article appeared in the World Bank publication "Finance and Development" (French edition).

(1) But see article "No more concrete solutions". — Ed.



Urban expansion in Caracas (Venezuela)

only, even if incomes in the rural sector went up quickly at a regular 4% p.a., the predominantly rural economies would still have very poor rural sectors in the year 2000. Slower growth rates—which are the norm—would result in the rural per capita income stagnating. If rural incomes remain stationary while urban incomes continue to rise, the move towards the towns will, in all probability, go on accelerating and may even exceed UN estimates. If urban incomes were also to mark time, then there would be less migration. Future trends depend on the current distribution of population and income between the urban and rural sectors in each of the countries.

Expanding towns

Large towns exist because they offer industry competitive advantages and economies of scale. Both factories geared to domestic consumption and those geared to exports can economize on large-scale production. Whatever the industry, money will be lost when the cost of providing local factors of production goes up.

In addition to economies of scale within each sector, there are economies derived from grouping suppliers and clients in the same urban area, making for cheaper transport, communications and training, for example. These factors encourage urban expansion.

But there are drawbacks. Spreading towns and increased population push up the cost of transport, housing and land. Greater distances between home and work push up the cost of travelling time, transport and fuel. Generally speaking, the

cost of access to goods and services is likely to go up, particularly if the town is divided into specific functional zones so that the inhabitants have to run around the whole town to obtain a full range of goods and services. Further negative factors such as congestion and pollution also make living in town more expensive. In spite of these drawbacks, which apply everywhere but only really make themselves felt in big cities, towns are not going to stop growing once they reach a certain size. There is no absolute ideal size, although each town probably has its own, based on its economic activity and natural situation. It is up to the people who live in it to decide on this optimum size. If town-dwellers have so many problems (employment and services, for example) that it is better to stay in the country, then migration will stop. But few towns in developing countries seem to have reached this stage.

Increasing the capacity for absorption

The weight of demographic pressure raises the question of how to increase a town's capacity to absorb more people. People, both as individuals and as groups, should have a better and wider range of opportunities of getting a really fair share of the means of earning an income—wages, assets and services. The towns should, above all, be able to make productive use of a larger population, thereby providing many more private incomes and increasing both national and urban productivity. The higher income from earnings should be accompanied by better access to other sources of income, such as service industries and teaching.

Urbanisation in a sample of African countries

Country	GNP per inhabitant (1972 US \$)	Population (millions)				Urban pop. as % of total		Compound rate of urban growth		Compound rate of rural growth	
		1975		2000		1975	2000	1970-75	1995-2000	1970-75	1995-2000
		urban	rural	urban	rural						
Senegal	260	1.3	3.2	3.7	5.0	28.4	42.7	3.89	4.18	1.83	1.47
Ivory Coast	340	1.0	3.9	3.7	5.9	20.4	38.7	7.02	4.46	1.51	1.54
Nigeria	130	11.4	51.5	41.0	94.0	18.2	30.3	4.67	5.10	2.07	2.36
Sudan	120	2.4	15.8	9.4	31.7	13.2	22.9	6.10	5.43	2.57	2.69
Kenya	170	1.5	11.6	6.5	24.7	11.3	20.7	6.48	5.61	3.38	2.83
Upper Volta	70	0.5	5.6	1.8	9.8	8.3	15.7	5.01	4.87	1.84	2.10

Sources: UN urban and rural projections for 1950-2000, October 1974 (average rhythm and variant); IBRD Atlas, 1974.

If the towns are to absorb more people, the offensive must be launched on two fronts—national development and urban development. At national level, it must be realized that political decisions on such things as custom tariffs or industrial investments have a direct effect on a town's capacity to create employment. Another reason for migration to the towns may be that rural areas are not so well covered by essential services. Policies concerning the growth and distribution of the population, the distribution of income and siting of investment schemes have immediate consequences for the rhythm and nature of urban development.

At the level of the towns, an attempt must be made to create employment rather than unemployment. Policy for the unofficial sector (all unprotected economic activities outside the official circuit) should encourage the development of activities which can make a significant contribution to total productivity and income in the towns.

Similarly, it is better to make urban services accessible to the majority of the inhabitants than to require that they conform to high standards. Distortions are increased by decisions on investments, by the application of elitist standards, by price policy and administrative procedures. These should be reviewed in the light of the long-term need to enable the towns to satisfy the demands of a considerably expanded population. Furthermore, as far as both services and employment are concerned, the public sector must not hold back individuals or households who try to increase their income or build houses by self-help methods.

Intervention and priorities

If the towns are to absorb more people, they must have the help of the national and local authorities. When and how they should intervene depends on circumstances, and on the time and resources at the disposal of the authorities and the planners. Not all urban anti-poverty campaigns will cover urban areas or be systematically concerned with the urban poor.

In view of the diversity of problems and the complexity of their causes, the framework for action must not just be that of the poor families alone. When we looked at the rural sector earlier and at the centrifugal and centripetal forces which result in people moving to the towns, the interdependence of town and country was made clear.

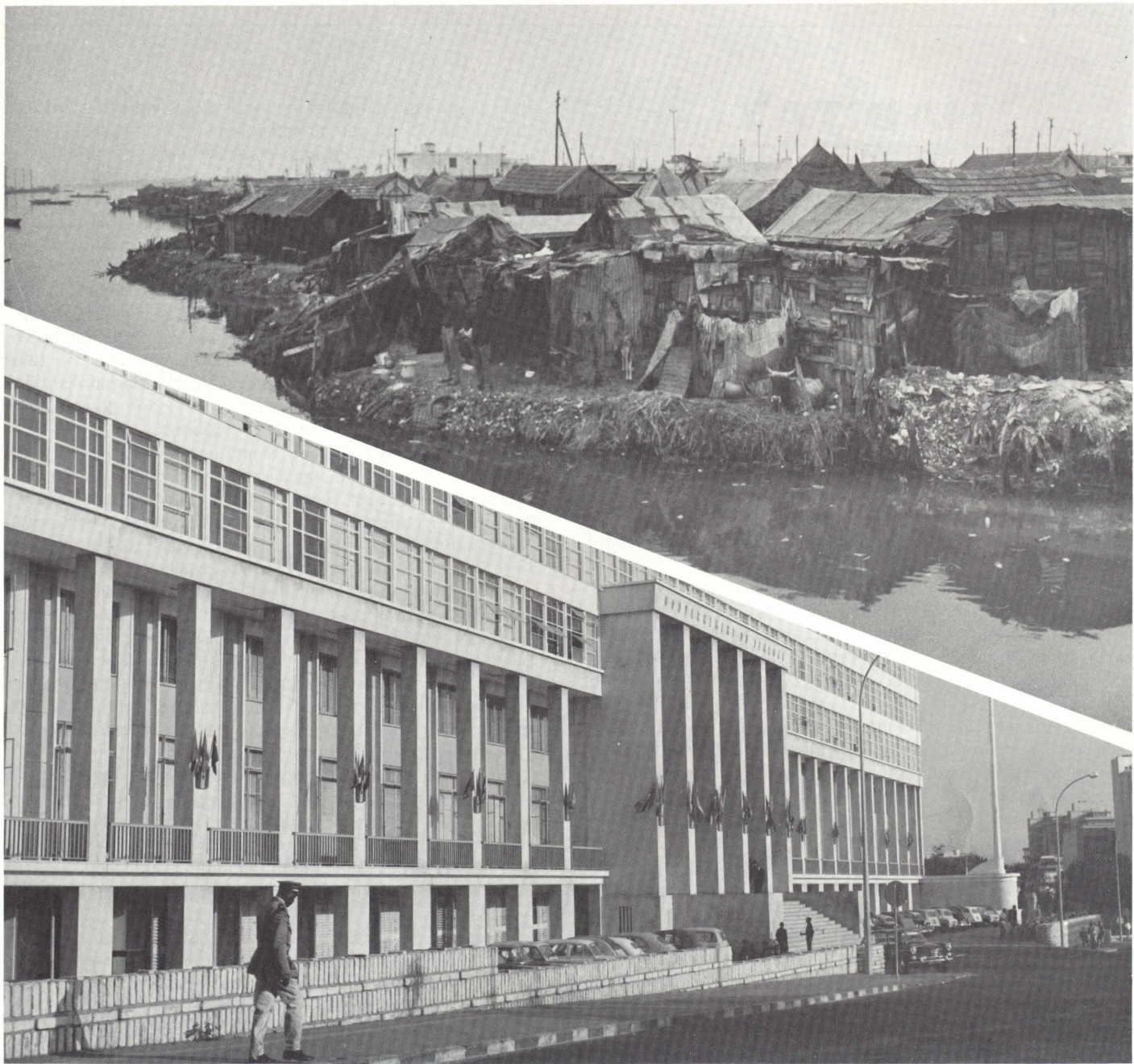
However, not all countries have the same priorities. Although the fairly rich Latin American countries may be happy to alter their urban policy by such means as improving the distribution of urban services, the very much poorer countries of Asia, such as India and Pakistan, will have to go on concentrating their efforts on national productivity, particularly in the rural areas. Between the two extremes there are dynamic economies, like those of Korea and Malaysia, where the jobs have been created but the urban services remain inadequate.

The problem is different again in Africa. Here urban development is rapid and employment and services in short supply,

Population growth in some big cities, 1950-2000 (millions)

City	1950	Average annual rate of growth	1975	Average annual rate of growth	2000
Developing countries					
Latin America		(%)		(%)	
<i>Mexico</i>	2.9	5.4	10.9	4.4	31.5
<i>Sao Paulo</i>	2.5	5.7	9.9	3.9	26.0
Asia					
<i>Peking</i>	2.2	5.8	8.9	3.7	22.0
<i>Bombay</i>	2.9	3.7	7.1	4.2	19.8
Africa					
<i>Kinshasa</i>	0.2	9.7	2.0	5.6	7.8
<i>Lagos</i>	0.3	8.1	2.1	6.2	9.4
Developed countries					
<i>New York</i>	12.3	1.3	17.0	1.3	22.2
<i>London</i>	10.2	0.2	10.7	0.7	12.7
<i>Paris</i>	5.4	2.1	9.2	1.2	12.4
<i>Tokyo</i>	6.7	3.9	17.5	2.0	28.7

Source: UN urban projections (average rhythm and variant), December 1974.



UNESCO photo, Paul Almasy

Senegal — housing near St.-Louis, government building in Dakar

but there is still the possibility of some sort of control over town planning.

Each of these forms of urbanization is the result of a particular historical context, with which the national leaders must be familiar if they are to predict the future needs of individuals, households, towns and the country as a whole.

With only a few exceptions, the growth of the towns, the unavoidable consequence of a fast-growing population, is a dynamic and positive element in the process of economic development. And if this process is to be as productive as possible

from the point of view of the political, social and economic well-being of the present and future inhabitants of these towns, then governments and local authorities must decide what positive steps they can take to ensure that development takes place under the best possible conditions. All too often, the leaders turn a blind eye to the problems or hope they will just disappear of their own accord. The result is inertia. It is the more unjustifiable in that the urban problems in the developing countries will have been identified long before the crisis comes to a head. □

HABITAT

The UN Conference on Human Settlements

The Habitat conference, held in Vancouver (British Columbia) from 31 May to 11 June 1976, brought together representatives of 131 governments to hammer out solutions to the world-wide problems of community life, from the big cities to rural villages.

The programme drawn up by the conference as a blueprint for national and international action consisted of three elements:

- A "Vancouver Declaration on Human Settlements, 1976" intended as a broad guide for bettering standards in villages, towns and cities.
- A set of 64 recommendations, addressed directly to governments, suggesting concrete ways in which people might be assured the basic requirements of human habitation—shelter, clean water, sanitation and a decent physical environment, plus the opportunity for cultural growth and the development of the individual.
- A resolution calling for action to set up new United Nations machinery concerned exclusively with human settlements, including an intergovernmental body and a central secretariat whose job would be to help countries to better the lot of their people in urban and rural communities everywhere.

The declaration maintained among its general principles that "the improvement of the quality of life of human beings is the first and most important objective of every human settlement policy. These policies must facilitate the rapid and continuous improvement in the quality of life of all people, beginning with satisfaction of the basic needs of food, shelter, clean water, employment, health, education, training, social security without any discrimination as to race, colour, sex, religion, ideology, national or social origin or other cause, in a frame of freedom, dignity and social justice."

The preamble to the declaration said the conference recognised "that the circumstances of life for vast numbers of people in human settlements are unacceptable, particularly in developing countries, and that, unless positive and concrete action is taken at national and international levels to find and implement solutions, these conditions are likely to be further aggravated." As factors aggravating the situation, the preamble singled out: inequitable economic growth; social, economic, ecological and environmental deterioration; population growth rates that will double the world's population in 25 years; uncontrolled urbanisation; rural backwardness and dispersion; and "involuntary migration, particularly politically, racially and economically motivated, relocation and expulsion of people from their national homeland."

The recommendations for national action were divided into six broad categories: settlement policies and strategies; settlement planning; shelter, infrastructure and services; land; public participation; institutions and management. The first two recommendations give an idea of how far Habitat delegates felt it necessary to go back to first steps: they call for all countries to "establish as a matter of urgency a national policy on human settlements..." and suggest that "a national policy on human settlements and the environment should be an integral part of any national economic and social development policy."

Another fundamental recommendation is that "settlement planning should reflect national, regional and local priorities and use models based on indigenous values." Mention is made of "cultural relevancy" and of the need to bring planning and planners in close contact with the people.

The conference did not aim to impose settlement on nomadic peoples: "the spatial, social, economic and cultural needs of mobile groups must receive special planning attention."

Proposing a comprehensive approach to shelter, infrastructure and services, the recommendations stressed the need for an integrated plan to make facilities available to those who need them "in the sequence in which they are needed and at a monetary or social cost they can afford". Infrastructure was defined as the networks designed to deliver or remove people, goods, energy or information, including transport and communications; services include education, health, culture, welfare, recreation and nutrition. Standards should be "compatible with local resources" and efforts should be made to reduce "dependence on foreign technologies, resources and materials."

Another key point is the recommendation that national housing policies should aim at "providing adequate shelter and services to the lower income groups, distributing available resources on the basis of greatest needs."

One of the few Habitat recommendations that sets a target date is "to provide water for urban and rural areas by 1990, if possible".

As regards the proposal to create new UN machinery to deal with human settlements, the conference finally left it to the UN General Assembly to decide whether and how this should fit into the existing structure.

Last of the super-conferences?

Habitat, then, attempted to include most aspects of development and the environment in its examination of human settlements. It was a huge conference to consider a vast subject; apart from the 131 governments, 160 non-governmental organisations, intergovernmental bodies and liberation movements represented, a parallel "forum" was held simultaneously where practically anyone could speak, in a less formal capacity. The most conspicuous and regrettable absence was that of China, a country with particularly useful experience in the field.

Perhaps the sheer size of the conference contributed to what many observers considered its failure. The final declaration, proposed by the Group of 77, was adopted by 89 votes against 15, with 10 abstentions—basically, and predic-



Slum area in El Salvador
There's no place like home

tably, the West did not accept some of its political implications (notable the condemnation of Zionism as "racist"). It is useless to ask what political implications were doing at a conference on the apparently technical problems of providing house and home; but the lacklustre Habitat debates were felt by some participants to signal the end of the giant conferences which have recently all seemed to end in the same tangle of politics, whatever their starting point. The disappointment was the greater after the 1972 Stockholm conference on the environment which led to Habitat. There the atmosphere was impetuous with the feeling that the world was on the brink of ecological disaster.

The most encouraging aspect of Habitat was perhaps that so many delegates seemed open to persuasion and anxious to learn something rather than to defend a predetermined position. Moreover, the conference obliged many governments to admit that their cities, towns and villages are in a mess and that they do not know what to do about it.

The UN General Assembly said the main purpose of Habitat «should be to serve as a practical means to exchange information about solutions to problems of human settlements against a broad background of environmental and other concerns...» The preparatory work, the mass of documents (alle-

viated by some exceptional audiovisual presentation) and the range of subjects covered did make the conference a crossroads of information for a subject on which everyone is qualified, and usually eager, to speak—the way he lives. Habitat should prove to have been the focal point of a world-wide coordination of ideas and experiences concerning human settlements.

According to the World Bank, 10% of world arms spending over 10 years would provide for all the food, drinking water, housing, sanitation and transport required by all the cities, towns and villages on Earth. Habitat merely included a paragraph on promoting disarmament in the recommendations which finally left the conference divided. No wonder world conferences meet with increasing scepticism. And yet there was unanimity on an even more fundamental question than war—the ownership of land. The conference's general principles included the following: "public ownership or effective control of land in the public interest is the single most important means of... achieving a more equitable distribution of the benefits of development while assuring that environmental impacts are considered." Habitat laid down the principal that the community, and not the individual, must decide on the use to which land is put. □

B.T.

No more concrete solutions

For an assessment of the UN Conference on Human Settlements and of its importance for the developing countries, the "Courier" talked to members of the International Institute for Environment and Development (IIED) and to John Turner of London University's Development Planning Unit.

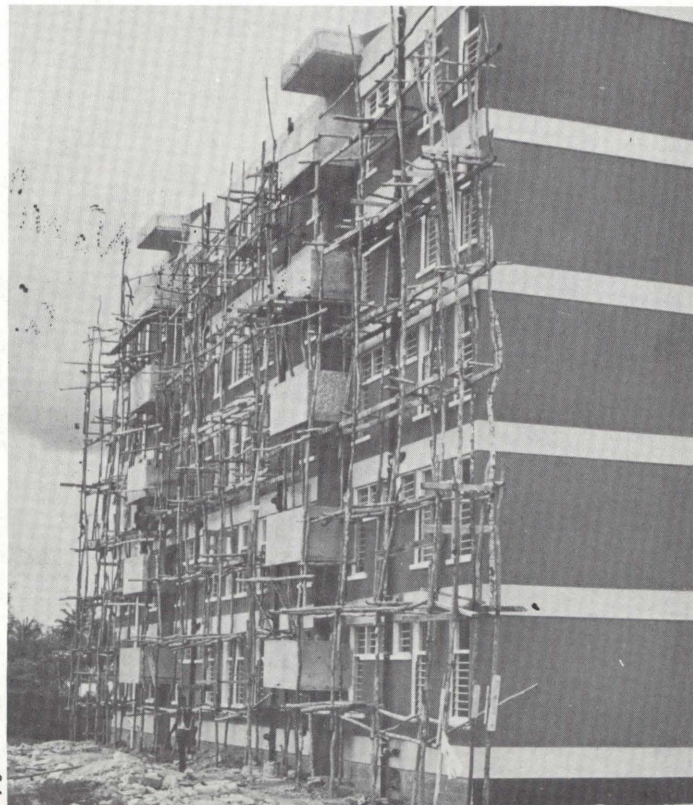
Looking back at Habitat, the key point to emerge was that urban development in the Third World cannot be considered in isolation. Firstly, because urban planning is inter-related to regional, rural, industrial, environmental and other policies which involve all the main aspects of national development. Urban planning adds a spatial dimension to political, economic and social planning. Secondly, because Third World urbanization cannot be considered in isolation from the Western cities on which it is often modelled. The big cities in the industrial countries are increasingly considered obsolescent and the near-breakdown of New York, for instance, is of worldwide significance for urban development.

John Turner said: "We are in a state of shock and confusion that is spreading around the world and altering everything in a way things have not been changed since the Middle Ages. It is increasingly realised that the way cities have been developing cannot go on much longer. There is a collapse of confidence in the urban institutions. The urban revolution is really taking place in cities like London or New York, which are the originals models of progress in which the developing countries still have confidence. They are still building cities along these lines—naturally, the last people to throw out this idea of progress are those who have not got it yet.

"A very significant-minority put this idea across at Habitat, and for this reason the conference may prove to have been a watershed. The most active thinkers and doers in the field have lost their confidence in housing and urban projects and programmes as effective means of action. More specifically, it has become clear that the housing programme is even a counter-productive instrument, because it makes excessive demands on scarce resources while inhibiting the use of resources which are plentiful. There are signs of a wish to break away from this approach, and this was recognised by a good many people at Habitat.

"But there is a widening gap between those who realise this and the powers that be, in an increasing number of countries. Third World architects studying in the developed countries feel the rug has been pulled away from beneath their feet, and it is very difficult for them back home to act against a form of urban development that they have learned is unsustainable."

IIED vice-president David Runnalls put it another way: "the normal approach at these conferences, where 96 technocrats from Washington turn up to tell the poor little black folks



*Urban development in Tanzania
High rise = high cost.*

what to do, didn't really work, because there wasn't anybody from the developed world who felt confident enough about his own solutions to tell other people what to do." Programme officer Richard Sandbrook commented, "I don't think the idea of the obsolescence of the Western city came over very strongly at Habitat because it caught the Western governments rather early in the process of realising it. Nonetheless, the recommendations that were drawn up are years ahead of policy documents in countries such as Britain. They cover comprehensively every aspect of settlement strategy." *(It may be noted here that the EEC Commission is preparing a conference on the problems of European cities for 1978).*

Rural migration

On the question of viewing urban development in the wider context of other development policies, a basic consideration is the drift from the country to the towns and the importance of rural development as a means of checking it. Researcher David Satterthwaite confirmed that rural migration was responsible for the bulk of the population growth in the sprawling Third World cities: "it seems physically impossible for the resident population to increase by more than 3% a year, whereas many cities are growing by 8-9%," he said.

"The only countries that are near solving the problems of their exploding cities are those with successful rural development policies, such as China and Tanzania," Mr Runnalls added. "Habitat placed great emphasis on regional planning. Only Europe and Japan have really appreciated the importance of this. Decentralisation is vital, but developing countries naturally tend to concentrate the benefits of government among the city elites, who are the most politically aware," he said.

The overall view

Since urban planning is so closely related to other kinds of planning, "it was a mistake", in David Runnalls' opinion, "to hold Habitat at almost the same time as UNCTAD 4 and the ILO conference on employment. These subjects get put into watertight compartments and it's very difficult to get the feel of what's going on overall. Added to that, Habitat never really achieved an intellectual focus; the conference was not designed to produce a new agency or a new action plan and it was never very clear whether the governments felt bound by the recommendations," he said.

The IIED members who attended Habitat were anxious to point out that the political issues which split the final vote were not central to the conference. "The delegates agreed on 99% of the final declaration, and some especially valuable work was done in the preparatory committees. These were attended by officials directly concerned by the subject rather than by all-purpose diplomats and there was an extremely valuable exchange of information," Mr Runnalls said. The governments present had to produce national reports which obliged them to focus attention on their urban problems.

Central issues

Habitat was designed to define approaches rather than to lay down lines of priority action. This allowed some central is-

ssues to be clarified. Apart from the importance of an integrated strategy, with particular stress on checking rural migration, these central issues included the use of land and resources, squatter settlements and self-help policies, all of which again are closely related.

"Habitat made a good, tough resolution on the use of land," Mr Sandbrook said. The land market and transport pose two of the most intractable problems in Western cities and this was recognised at Habitat. "Cities cannot be built around private transport in the foreseeable future, except in a very few cases. And if people are allowed to make exorbitant profits just because they own land needed for development, cities cannot afford to control their own growth," Mr Runnalls pointed out. Despite the difficulty of discussing private property in the ideologically divided UN, Habitat condemned speculators' profits and insisted on the necessity of communal control of land.

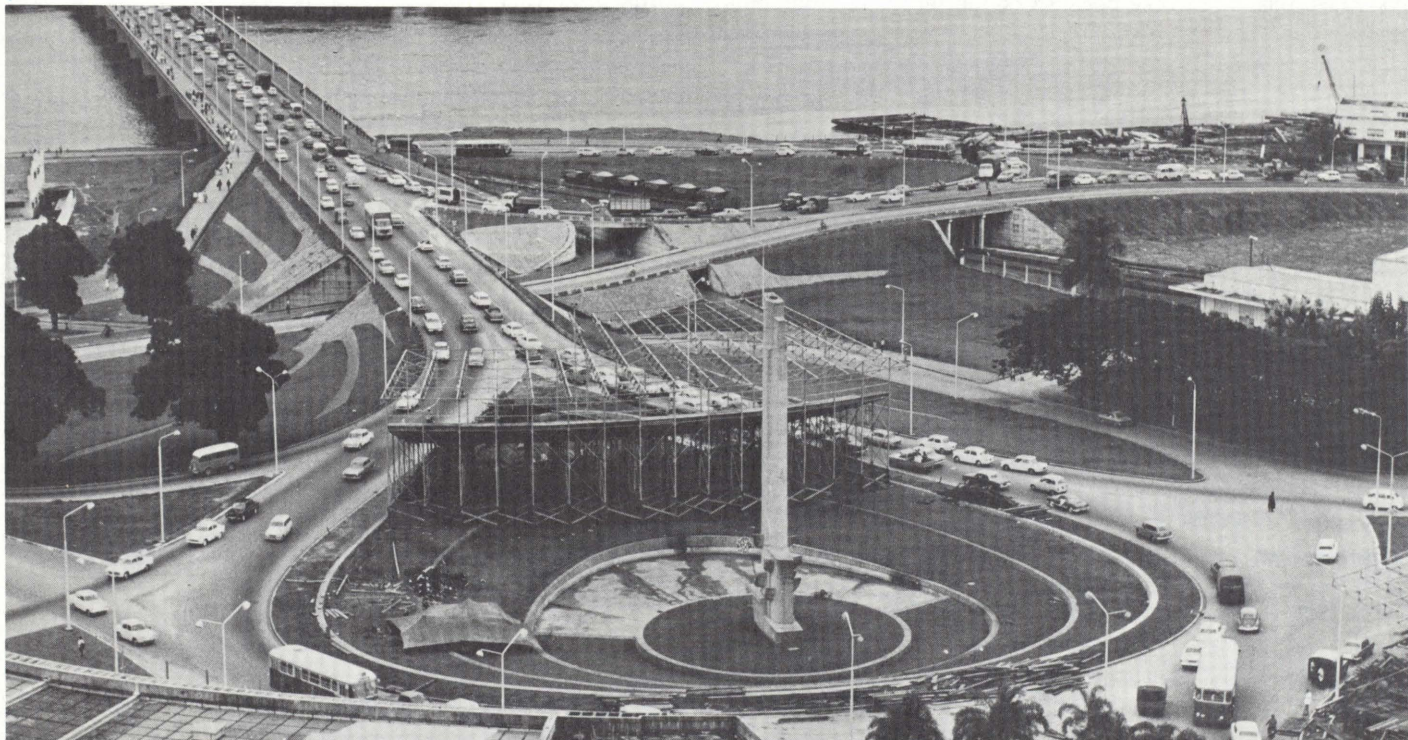
John Turner cited Tanzania as a country "where, to some extent, they are updating traditional land tenure systems. The resident community itself decides who has the rights to use. There isn't a market in land. An updated form of this would be an element in a non self-destructive society, and I take Habitat's declaration as a sign that a key issue has been identified... The Africans are great entrepreneurs, and there is no reason why the entrepreneur should not flourish where he owns the right to use the land, even if he doesn't own the land himself, as long as he has reasonable security," he said. "No one is going to invest in a house if he feels he may be cleared out at any time," Mr Sandbrook pointed out.

Self-help and squatter settlements

Habitat marked a real turning point in its recognition of the potential value of squatter settlements. "The conference was a photograph of the state of knowledge at present, and I doubt that five years ago there would have been more than

Abidjan, capital of the Ivory Coast

"Cities cannot be built around private transport in the foreseeable future"



a handful of governments in developing countries willing to admit publicly that squatter settlements were more than an unmitigated evil that should be done away with straight away," Mr Runnalls said.

The conference put forward the idea of self-help rather than slum clearance. "The truth", as David Runnalls put it, "is that there is no conceivable way to find enough funds for conventional slum clearance... in most poor countries, this should lead to the abandonment of quite substantial public housing policies on developed country lines, because there just isn't enough money."

"Concessions are now being made to squatter initiative. The squatter settlements are the seedbeds of a very different sort of society—traditional, although badly damaged—which we have to build upon, instead of importing ideas from a collapsing Western industrial system. We have to get back to basic principles," Mr Turner said.

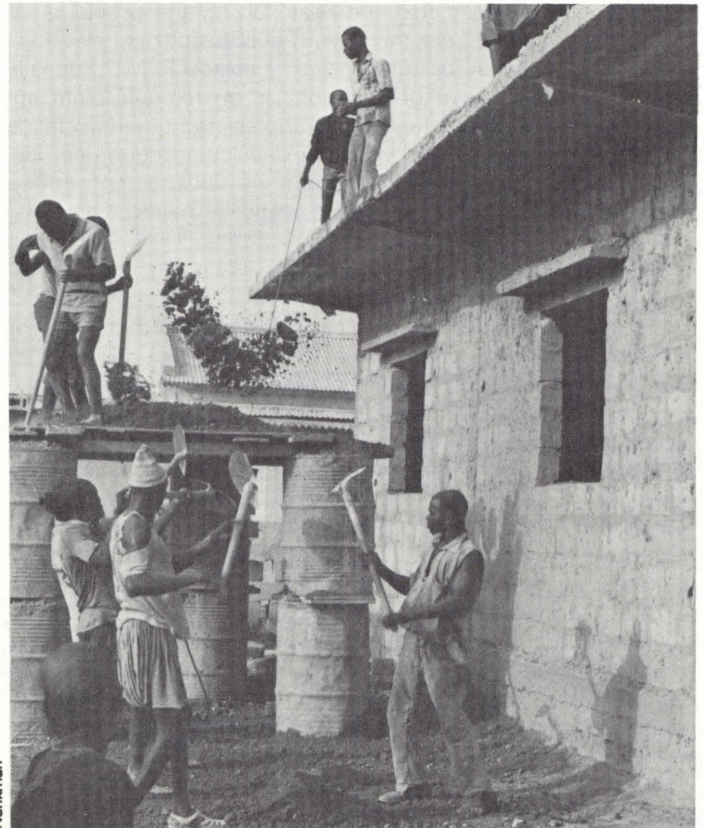
"More concrete is not the answer. People can't afford it, they can't even afford the energy for it. Planners could help in the first place by just supplying the raw materials for housing. Areas should be allocated that will not be developed under a slum clearance scheme, to give room to squatter initiative," Richard Sandbrook said. It was felt that even sites and services schemes tended to be too expensive, wrongly sited away from employment centres and badly served by transport.

The role of the architect

"The architect should be a teacher rather than an agent," in Mr Sandbrook's expression. Habitat stressed the use of local resources, both physical and human, and much of the material provided at the conference by the developing countries showed a return to traditional architectural styles. There have been some encouraging successes, particularly at village level, through the "rediscovery" and adaptation of traditional building techniques. Can an architectural style in itself be a successful foundation for a community? It can help; but, as Mr Turner pointed out, although traditional methods of building and styles of housing are being given greater value by developing countries, this is not only because of the technical arguments



Expensive light-weight concrete imported from Norway by the Ivory Coast



Nankman

Using local skills in Mauritania

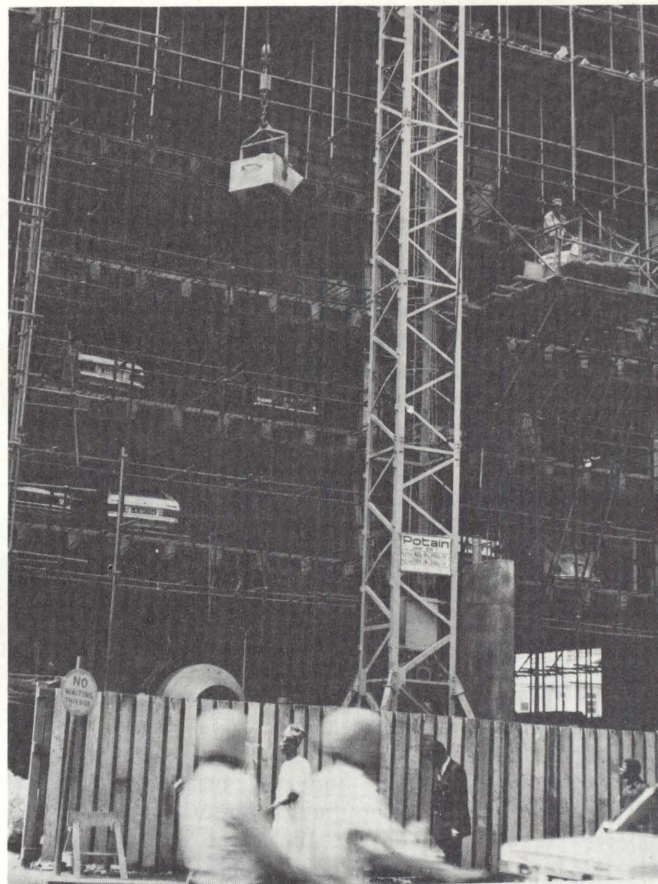
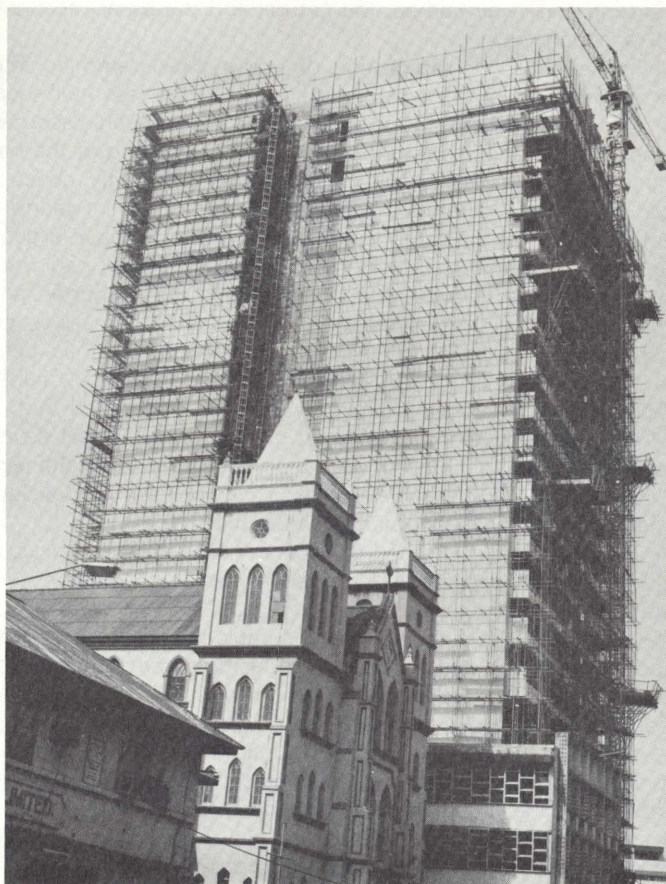
in their favour but also because traditional styles affirm national or regional identity.

"They are a reaction against the enemy of cultural homogenisation, which the world as a whole is undergoing. And the more governments are told by foreigners to adopt traditional styles, the less likely they are to do it," he said. Moreover, the rich are more likely to appreciate a traditional form of housing, largely on aesthetic criteria, than the poor, to whom it does not represent a model of progress; and first or second-generation city dwellers will have left behind the traditions their parents escaped by coming to the cities in the first place.

Technicians and politicians

"The main problems of man's relationship with his environment are brought together in human settlements. Habitat was an attempt to appreciate how these are inter-related," David Satterthwaite said. Is urban development fundamentally a technical or a political subject? "Political. It depends on decisions on the use of resources and these are taken by the existing power structure. In some ways, the problem is that it has been left too much in the hands of the technicians," John Turner felt. Richard Sandbrook concluded: "the technicians are becoming more involved in the early stages of urban planning than they were, but so many of the questions involved are straightforwardly political. If Habitat was more technical than political, one hopes that the technical side rubbed off on the politicians a bit". □

B.T.



Cars compete with people for accommodation in Lagos (starting a family business) — building a house can lead to other initiatives

Lagos: strangled by urban development?

Lagos, capital of the Federal Republic of Nigeria, an extraordinary city in full expansion. It has to be seen to be believed, for in size and development Lagos in no way looks like an African city.

Situated on the west coast, its population, at well past the three million mark, is larger than that of several independent African states. The people live crowded together, a seething human anthill that never fails to strike the visitor, whether he is arriving for the first or for the hundredth time.

It is a vast city with aggressively modern high-rise blocks overlooking endless shanty towns, a breeding ground for epidemics.

In addition to the housing problem, which is still terrible in spite of the government's great efforts to overcome it,

one of the biggest problems is transport. There are urban motorways and work is going on night and day to build express highways, but massive traffic jams have a stranglehold over Lagos and under normal conditions it takes an hour or two to drive 10 kilometres. Even during FES-TAC 77 there was no improvement, in spite of the special measures which were taken to improve the traffic situation in the town.

Even supposing that the vast road building programme now under way will solve the transport problem by 1980, the question remains the planning of the town for the future, since the predominant trend in Lagos—echoed throughout the country, in Kana, Kaduna, Ibadan, Enugu and so on—is towards huge buildings which simply are not suited to the traditional way of life—which, happily, is still followed by all classes of society, even intellectuals trained in the West.

The government is planning to move the seat of the federal institutions away to the provinces, but more than this is needed to ease the overcrowding of Lagos. □ L.P.

Developing a national housing policy

The problems of housing in developing countries are such that governments cannot expect satisfactory conditions to be met on the necessary scale without their taking an active and strategically well-chosen role. In order to develop a feasible approach it is necessary to make a thorough analysis of the problem with all its ramifications (1).

Present and future needs must be known quantitatively as well as qualitatively. National statistics are only of limited value for practical policy because houses are needed in definite places. So data concerning needs must be available at least per region. Insight must be gained into the costs involved at different levels of quality, both in terms of investments and of annually returning expenses. Furthermore, investments and annual expenses must be matched with paying potentials, not only at the micro-level (household incomes, savings and loan-potential) but also at the macro-level (national income, national savings, and loan potential).

Equations have to be solved both in financial and also in real terms, for instance, concerning the availability of materials and manpower. Breakdowns have to be made and equilibriums reached at the regional and perhaps at the local levels. Average figures will not suffice, because of variations in income and other household characteristics. Difficult and harsh decisions have to be made: for instance, concerning the amount of scarce capital that should be invested in housing, where housing has to compete with other urgent investment needs such as for agriculture, infrastructure, industry, health and education. Standards have to be scrutinized and priorities set.

Ideally, the major decisions concerning the size, cost and regional breakdown of housing production should be taken within the context of an integrated economic and physical planning system. However, nowhere has a real integration between economic and physical planning been realized so far. In this respect major problems still have to be solved. Up to now, economic planning has been mainly oriented medium-term, with a planning period of 4 to 6 years, whereas the orientation of physical planning has been towards periods of 10 years and even much longer.

At least equally serious is the lack of theoretical models for integrated economic and physical planning.

No operational methods exist leading to clear-cut decisions concerning the amounts of money to be invested in housing and in the other directions. Nobody can state what is, even from the economic point of view, the optimal investment in

housing given the human, the natural and the other resources of a country.

Furthermore, the integration of housing programming into economic development planning appears to be less than ideal in African countries. Many complaints have been recorded from African administrators responsible for housing at the national level that they had not been, or not sufficiently, consulted during the preparation of economic development plans.

In the past some rather one-sided economists have argued against investment in housing because the pay-back period on other investments such as agriculture was much shorter, and thus supplied opportunities for a much faster increase in income than investment in housing. This argument has been strongly criticised in the book by UN consultant Charles Abrams, *Housing in the Modern World*. Abrams argued that:

— Economic development cannot go on without social development including housing, and that housing, like health and education, is indispensable to the proper balance of development and to the economic activities that require it.

— The building of homes is "economic" because houses in the less developed areas are often the small production centres for the tailor, storekeeper, etc.

— Housing plays a major role in stimulating employment, direct and indirect, and helps absorb unemployment, particularly in cities, where there has been an influx of migrants. By doing so, the inflation of rents can be curbed.

— In many places, particularly in rural areas and small towns, there is scope for much "do-it-yourself" housing which does not affect the labour market or other productive apparatus.

— A housing programme can also play an important part in developing savings and in releasing productive capital into the economy. People will save for housing, even when they might not save for anything else.

— Industrial production will be hampered or stopped unless workers are sheltered.

— An environment developed by squatting proves less economic in the long run than a planned one: the descent of masses of people upon a city and their makeshift dwellings may raise the cost of installing utilities thereafter to excessive levels. Provision of the housing and utilities from the start may, therefore, prove a wise economy in the long run, particularly when the transportation routes are planned simultaneously.

Still another argument is given in the 1965-1974 development plan of Niger. When a family starts to improve its house, according to this plan, it means that in the sociological perspective the family has taken its first steps on the road of development. Such a family has accepted that the future will be different from the past, and after such a change of mind the family can transform its attitudes in many other respects.

Investment in housing in all developing countries is relatively low. Clearly an increase would open possibilities for improvement in the housing sector. However, such an increase in most cases should not be accompanied by a reduction of investment in other vital sectors such as infrastructural works, agriculture and industry. It should be noted that the arguments put forward by Charles Abrams in the beginning of the 1960's do not necessarily imply a real reduction of investment in

(1) From "Human Settlements in Africa: the role of housing and building", prepared by the United Nations Economic Commission for Africa (UNECA), April 1976.

other directions. When, for instance by means of aided self-help, productive capacities not presently used are mobilized, there will be no need for reduction of other investments. Houses being built by people in their spare time that otherwise would not have been made productive, or the employment of jobless workers in construction, may well result in an increase in investment in housing without a corresponding decrease in other investments. (In such a case the investment in housing as a percentage of GNP will, however, increase).

Because of the lack of experience concerning the optimal percentage of national income to be invested in housing, a decision in this respect, starting at the macro-level of national income to be translated from there to the micro-level, is for the time being not practical. Basically the approach should start at the other end of the decision-making chain. The investment cost of a house is closely related to the income of the household to be housed.

Experience shows that the investment for a house should not be more than 2 to 3 times the annual income of the household in need of shelter.

In many places, building a house with construction and land development costs of no more than twice the income of low income households is seen as a nearly impossible challenge.

In Togo, for instance, the price of a low-cost house in Lome is about US\$3,750. With an average occupancy of 4 persons per house this would mean an investment cost/average income ratio (f-factor) of 7.4 and a house cost per capita income ratio of 29.7. In the urban areas in Niger a minimum annual income for a four-person household would be in the order of 158 000 CFAF. The cost of a serviced site (provided with wash basin, lavatory and electricity) will be about 150 000 CFAF. In this case, the value of the f-factor is 1.

Only when building activities for middle and higher incomes can be set at a lower level than the average house-building activity will it be possible to build more houses for a given investment percentage of national income. The degree in which this might be possible has to be studied separately for each country of region. In UNECA's *Report of the Seminar on Housing Administration in Africa*, held in Copenhagen in 1971, it was recommended that allocation to housings from the Gross Na-

Dakar — the international style



tional Product should not be less than 5 per cent, instead of the prevailing 2 per cent in African countries.

BASIC DECISIONS

The housing problem will never be solved as long as no clear decisions are made on a number of basic questions. Choices in one direction or in another will have a decisive impact on the elaboration of policies.

Increase in population

Housing policy must be seen as part of a general development philosophy. As such, it has to do with the answers to a number of basic questions. The first question in this context concerns the desirability or acceptance of a continuation of an increase of population at the present rate. The question is perhaps not so much the absolute capacity of the African soils to accommodate still many more people than today, as the rate of population growth at which real improvement of living circumstances will remain possible. The solution of many housing problems would be facilitated by a decrease of population growth.

Tower blocks overshadow old houses in Conakry (Guinea)



UNESCO photo, P.A. Pittet

Brake on or alternative to migration?

The second question that has to be studied is whether migration from the countryside to the urban areas should continue in the same degree as during the past decades.

The second national development plan of Zambia, for instance, "... aims at the decentralisation of industries, despite the additional costs involved. In the absence of decentralisation, there will be an accentuation of the problem of housing shortages, water shortages and a host of other social problems which will cost the country much more than the cost of decentralisation".

Few high-cost or many low-cost houses?

With building costs what they are, self-reliance, aided self-help and expendable houses will be the main areas in which solutions can be found compatible with the hard facts of life. One principal choice is that between building a limited number of relatively high-cost houses for a small group of population or many more houses at much lower costs in order to accommodate all the people.

The upper limit for investment in housing depends on the size of the effort (in real or monetary terms) that can be made for investment in housing, given the other urgent needs to produce food, clothing and to make investments in infrastructure, agriculture, education, industry and so forth. Because the total production capacity is still low in African countries, the efforts that can be made for housing are limited. Even if 5 per cent of GNP—as recommended by United Nations conferences—could be spent on housing investment (instead of only 2-3% as actually prevailing in African countries), an annual housing production of about 8 houses per 1 000 of population can only be achieved at an average cost level of 6.0 to 7.5 times the annual per capita income. In such a context practically no room is left for subsidizing more expensive housing.

Decisions for urban housing with far-reaching consequences

Major decisions to be made concern the way the housing problem in urban areas will be met in terms of cost levels, standards, the amount of self-help, the attitude towards squatting areas, building materials, land, financing and management. Given the relationship between household incomes, costs of houses and investments in housing in terms of national income or GDP, efforts are being made everywhere to find solutions that can be borne economically. The efforts undertaken or announced so far cover a wide range, which includes:

- demolition of slums (Kenya);
- improvement of squatter settlements (Upper Volta, Uganda, Zambia);
- site and service and self-help schemes (Tanzania);
- expendable houses;
- cheap contractor-built houses;
- development of private sector in housing (Uganda);
- important role assigned to national housing or home-building corporations (Malawi);



Both traditional and modern materials provide decent housing for lower and middle income groups in Niamey (Niger)

- development of mass production methods;
- substitution of imported building materials by materials produced within the country;
- reviewing building codes in connection with local needs.

Attitudes differ from country to country, but gradually "unorthodox" solutions such as site and service schemes appear to get more emphasis.

The situation as described in the Uganda development plan is typical for many African countries. "... Only a very small proportion of the urban population can afford to rent or own what may be termed as a "standard" housing unit. This situation reflects not only the preponderance of very low income earners but also the relatively high cost of house-building. It is totally unrealistic to imagine that, in the foreseeable future, such changes in these two variables would occur as to significantly increase the capability of the low-income earners (80% or so of total urban households) to own or rent standard housing. The really relevant housing for this group must be conceived in terms of single rooms and improved traditional

units with much less than standard facilities, that is, in terms of shelter programmes."

In Malawi the main emphasis for the coming decade is set on site and service schemes for the great majority of the town dwellers who cannot afford housing made of permanent materials. Roads, water and pit latrines are provided, and tenants are left to build their own houses. "The importance of this extension to site and service, which has proved extremely successful so far, is that it is the only feasible and inexpensive (relative to permanent construction) way of deflating the problem of the growing and unplanned squatter areas, which poses a serious health hazard (besides fostering a good deal of socially undesirable behaviour)." (1)

No urban housing programme can bypass the problem of squatting. "... If construction of these units is forbidden", as stated in the Kenya development plan (1974-1978) "many mi-

(1) *Statement of Development Policies 1971-1980*, Office of the President and Cabinet Economic Planning Division, Zomba, Government Press, 1971.

grants to towns will be left with no houses at all, and—since studies show that few return to the countryside—they will crowd in with friends and relatives. On the other hand, the existence of these units constitutes an urban blight, and creates problems of disease and crime. For this reason, the Kenyan government has decided that such houses will be discouraged within city limits. Instead, during the plan period the Kenyan government will provide 60 000 self-help sites with basic services (water and sewage) and will assist people in putting up their own houses". According to the development plan, slums will be removed when satisfactory alternative housing has been found.

In Zambia it is recognized that although squatter areas are unplanned, they nevertheless represent assets both in social and financial terms. The areas require planning and services, and the wholesale demolition of good and bad houses is not a practical solution. As stated in the Zambia development plan: "First priority must be given to the acquisition of land when any unauthorised settlement on it is to be upgraded. Strict control of any further development must be enforced both inside and outside the designated area. The following services must then be provided in any upgrading exercise: piped water supplies, sewers and sewage disposals, roads and surface water drainage, street lighting and other communal services".

Clearly "supporting policies" are more and more replacing restrictive policies such as the demolition of slums and exclusion from urban services. The so-called "informal" economic activity which takes place in many slum and squatter areas absorbs much of the "formal" sector's labour surplus, provides goods and services which the urban poor can afford, and constitutes a growing portion of the urban economy. Even with the large-scale improvement of existing squatter areas and with large-scale development of new site and service schemes, situations may continue to exist where at least during a number of years it would have to be accepted that new, uncontrolled, old-style squatter settlements would develop. Even when more site and services schemes are developed, it will take time before a production level can be reached that will balance the influx of new migrants.

Some housing plans—such as, for instance, those developed for Kenya, Uganda and Tanzania—contain a mixture of approaches, including contractor-built housing, site and services and the stimulation of the population to solve their housing problems themselves. Whereas in Malawi the main emphasis is set on site and services schemes, for a minority of the urban population investments are made through the Malawi Housing Corporation in small to medium-sized permanent houses. The demand for such housing is expected to rise rapidly as a consequence of general economic development. In Zambia government funds will be channelled primarily into the provision of serviced plots and the requisite communal services. In Botswana the government's low-cost housing policy centres on the provision of serviced sites. In a number of other countries—Algeria, Cameroon, Ivory Coast, Gabon, Senegal and Togo—the development plans still concentrate on contractor-built houses for urban areas.

Given the prospects for most African countries in terms of urban growth and development of incomes in urban areas, it can be expected that nearly everywhere more and more emphasis will have to be put on site and services and aided self-

help schemes. Unless dramatic, and so far totally unexpected, changes occur in building techniques, contractor-built houses will remain too expensive to provide for the low-income majorities in the urban population to any impact-making degree. This situation has a tremendous impact in many directions.

Educational systems in a society where most of the people will have to construct or have to take part in the construction of their own houses, should be such that children will be prepared to do so and should supply them with the necessary learning and training. Since the results that can be obtained through site and services schemes and through self-help, as well as the efforts to be made for such operations, can be positively influenced by organized cooperation, the cooperative movement and community workers will find here extremely important and rewarding tasks. Specific training needs will have to be met.

The planning and the layout of towns cannot but deeply be influenced by such development. Traditional town planning as developed in Europe and the United States cannot cope with the problems which have to be dealt with in urban Africa. New design and planning systems will have to be developed in order to cope with the site and services city with built-in facilities for later improvement. Planning and building legislation will have to be brought into line with such developments. Site and services and self-reliance implies land or at least home-ownership for big groups of the population. Rental schemes do not seem possible in such a context.

Housing standards have to be brought in line. It is not accidental that in the Kenyan development plan mention is made of research into building standards. In the Ugandan development plan it has been stated that "the existing building codes are, by and large, obsolete and irrelevant".

Housing finance systems will also need to be geared to the specific conditions in urban areas in Africa. The need to rely heavily—at least for the next decades—on site and services and self-help will also influence the development of the **building materials industry** and the **construction industry**. Special emphasis will have to be laid on the development and production of elements that can be easily handled by people with limited skills in the field of building. This may well influence the development of specific building technologies.

The construction industry will, on the one hand, be directed mainly at the more complicated types of buildings such as hospitals and factories and the—limited—needs for more expensive houses, and on the other hand at the supply of some skills needed for low-cost housing that might be difficult to learn. It can be expected that small contracting firms can be developed over the years out of the many people who built—and extended—their own houses.

All these aspects make it clear that there is a distinct need for specific **research and development** efforts in order to cope with the many problems of building based on self-reliance in urban Africa. These research and development efforts not only concern building technology but also building organisation and planning systems as well as sociological, legal, financial and administration aspects. This type of research and development work will have to be in close relation with actual planning and building efforts. Application of results should receive specific attention, and this work will have to be done predominantly in Africa. □



Projection isométrique du quartier Dastoguel
 (village M'Pelongosso, nord de Kouliko, République du Mali)
 Situation en juillet 1972
 Réalisé sur le terrain et dessiné par Paul Nankman

N.B. Les arbres, et certains éléments mineurs des habitations (toits à hautes, toits de semailles, foyers, etc.) ne figurent pas sur ce plan.



Harmony of style, housing that people can afford, a sense of community, planning on the human scale, a balance between public and private places—this Minyanka village (M'Pelongosso in Mali) shows many of the good qualities so often missing from modern towns. The rural style cannot be copied literally in the different socio-economic context of the town, but its basic principles could find new expression in modern African architecture



Between clay and concrete: housing in West Africa

by Piet NANKMAN and Bonnie WALTER (*)

How can the housing market be rationalized? How can land and property speculation be halted and rents controlled? What should be done with the shanty towns? Should there be a laissez-faire market policy or state intervention? We will never have satisfactory answers to these questions if we go on refusing to recognise that a house is more than just a machine for living, the essential characteristics of which can be summarised in a few specifications and measurements. The highly specific economic, social and cultural background of the housing problem must be understood if solutions are to be found.

This article is based on findings in small and medium-sized towns and in rural areas in Mali and Mauritania, which are generally valid for other countries of French-speaking West Africa. They reveal four main types of housing: traditional houses in rural areas; modern urban housing, as represented by the villa; traditional urban housing of the medina type; and temporary urban accommodation in shanty towns (squatter settlements).

The difference between the first two types is fundamental. The concrete villa, put up by a builder, is subject to all the prevailing market laws of a modern monetary economy, whereas the traditional rural house, built of local materials by the occupant himself, is within the outmoded economic set-up, outside the monetary economy, that still exists in the rural world. The distinction is important not so much because the two sectors would pose problems in any case, but because the conflicting effects they have on the large intermediate area between them are the main causes of its inadequacy.

The medina, or traditional town plan

Much the greater part of urban housing in the medinas, and in the "traditional" areas developed along the lines of the colonial idea of the "African quarter", is somewhere between the two types, villa and rural hut.

The distinction between these traditional areas and the so-called residential areas where there are only villas is primarily one of tenancy. Here, there is no such thing as private ownership attested by a title deed, although the authorities will concede tenants rights on state land for an indeterminate period, either free of charge or against payment of a modest, one-off payment. Hence the term "concession", which is commonly used, by extension, to denote the house. In the absence

of any title deeds, buildings on land of this sort cannot increase in value or can only do so at very much below the average rate.

Planning regulations in these districts tend not to be stringent and the inhabitants have a free hand, being generally able to make their own choice of materials and style of architecture.

Lack of facilities is one of the main reasons for the deterioration of traditional housing. Even if there are sewers, they are generally only partial and open to the sky. There is no effective drainage system to cope with the rains, which turn the usually unpaved streets into quagmires or leave whole districts under water. Where there is no water supply system, the people use the numerous individual wells. Since these drain off the ground water nearer the surface, there is the risk of pollution, both because of the flooding and the extremely dense land occupation.

Outdated housing regulations

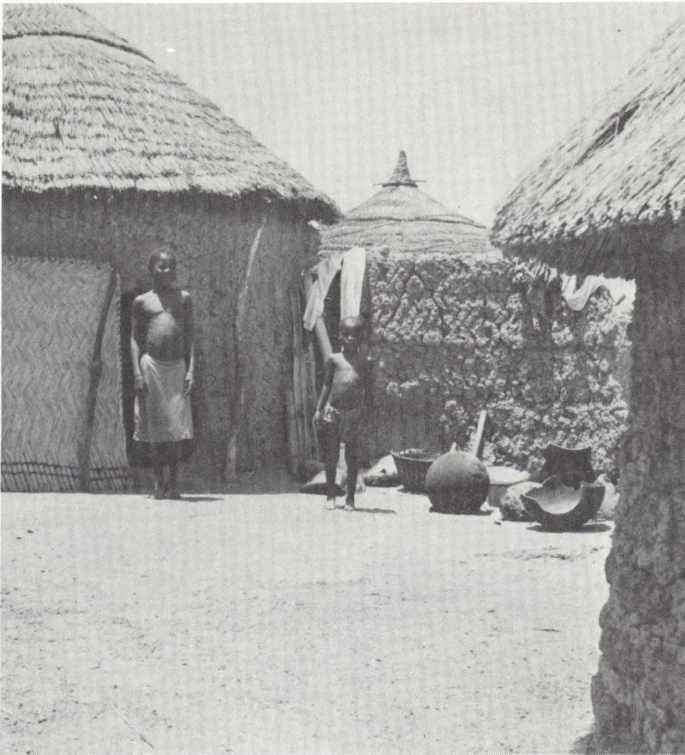
The system of land ownership, building regulations, procedures for distributing plots and the standard of equipment, i.e. the whole regulatory framework which is largely responsible for the way in which the traditional housing areas have developed, was the work of the colonial administration. At the time, it was a case of regulating and bringing a certain amount of order to the "African" quarters, which were similar to traditional villages in rural areas, and hesitantly growing up around the administrative centres. Herein lie the origins of the system of land ownership which maintains traditional tenancy rights in modern form (land concessions). Rather than stimulate the creation of a new and specifically urban type of housing, this framework of regulations was, therefore, only concerned to rubber stamp a *de facto* situation—the form in which traditional rural housing had spontaneously adapted to the urban milieu. This framework, with only one or two alterations, is still with us today. The urban population multiplied by three, four or even ten when the towns expanded so rapidly and to such an extent that, during the '60s, the living conditions of the people in them changed radically. It meant that this type of housing—which might well have been acceptable to a few hundred people in the African quarters where conditions were still very similar to those in country areas—is completely outmoded now and unacceptable to the many thousands of citizens who want all the advantages of living in a town and, particularly, the type of house that suits their standard of living and their aspirations.

The segregation behind the housing crisis

The continuing use of outmoded regulations has led to what might be called segregated housing. The system of land ownership has enabled people with villas to make profits on their homes, whereas people in traditional districts cannot do so. This, at the outset, stimulated the expansion of the villa market, which, in turn, drained off to this sector a large amount of the capital and energy that would normally have gone on

(*) M+R International consultants, Brussels.

FOUR KINDS OF HOUSING



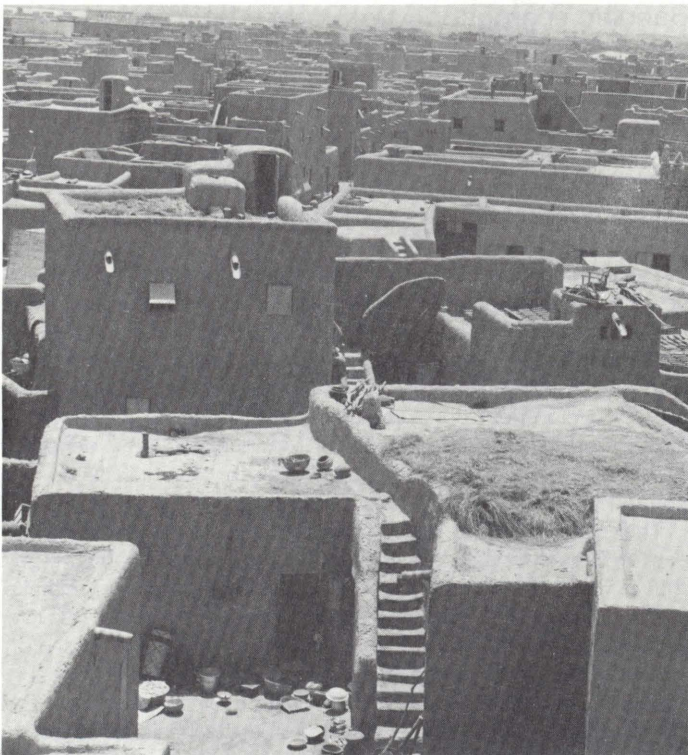
Dijkgraaf

Traditional rural houses



Renaudeau

Colonial-style villa



Naud

Medina architecture



World Bank photo, Edwin Huffman

Squatter settlement



Nankman

The result of inadequate drainage

urban improvements and building in general. This only served to accentuate the deterioration of the traditional sector to the point where, although title deeds are now optional in the latter, it is no longer enough to break the deadlock and promote housing improvements. Who would dream of asking for a title to property in such an under-equipped, down-graded area when the villa market offers infinitely more prestigious and lucrative opportunities? Most small landlords have not the money to do so. Most big landlords prefer to widen their profit margin by neglecting to maintain the many houses that have long since been paid for and which, thanks to the housing shortage, they can still rent at high prices.

This segregation of housing is currently being maintained and is even on the increase. By creating a strongly inelastic supply of housing as compared to demand, it encourages speculation, thereby becoming one of the prime reasons for the housing crisis. It also implies that housing applicants are segregated according to income—an élite, which can get villas, often at exorbitant prices, and, on the other hand, the vast majority of applicants, with various incomes, who have to be content with a far more limited range of accommodation. The average income groups, in particular, will be living in conditions which are below their requirements and financial possibilities.

If the housing crisis is to be overcome, this segregation will have to be abolished both by law and in fact, since this will cut out speculation and make for the supply of a wider range of housing. Failing this, traditional urban areas will go on deteriorating while investment in villas will soar out of all control.

Banning segregation from urban housing

A housing policy must take account of the economic, social and cultural background before embarking on a building programme, which, in any case, should never be more than one aspect of the policy. As the recent Vancouver conference on human settlements suggested, we cannot speak of homes and houses without bringing in the background of life-styles and the environment.

The first requirement is to modify the system of land ownership and this implies choosing between two extreme principles: the generalization of private land ownership or nationalization of land. The former encourages speculation in both land and housing—one of the main reasons for the disastrous urban development apparent throughout most of the industrialized world today. It would be a firm brake on the development of African towns, the rapid growth of which is due to continue throughout the next generation.

The system of land ownership that still prevails in urban areas of French-speaking West Africa has obvious advantages that it would be a pity to lose. But surely there is one mistake we can avoid—full nationalization of the land would be very likely to put paid to any initiative from the private sector, whose cooperation is vital. But the system adopted is probably less important than its uniform application, since, obviously, the coexistence of two different systems is the basis of segregation in the housing sector.

Surveys in a number of towns in Mauritania revealed that

the urban population in general is clearly dissatisfied with the conditions of its housing and that this attitude is very largely due to non-existent or inadequate urban infrastructure. It emerged that the lack of domestic facilities was the prime cause of dissatisfaction and that many people would be happy with their present accommodation if the facilities were better. They would even be prepared to put up the necessary money if the occasion arose, which suggests that the installation and extension of urban infrastructure beyond the present privileged areas would considerably improve existing accommodation and thereby contribute to improving the more traditional areas. Water, sewage and surface drainage networks are more vital than electricity supplies, although electricity supplies often get connected first. As obvious as such measures may seem, they do sometimes get left out in practice.

An effective housing policy should do its utmost to free both builders and the public from their obsession with the imported technology which leads them to reject all the useful aspects of traditional techniques and national resources. Imported technology is often misunderstood and misapplied and it is not necessarily superior to the home-grown variety; it is, of course, very much more expensive.

Similarly, architectural research should move away from the stereotyped and alienating models that are currently keeping it in a state of paralysis, and towards original models of the sort that can combine the financial capacity, taste and actual functional demands of the public.

The ineffectiveness of the social or economic housing policy as the sole answer to the housing crisis is generally recognized today. The cost of low-priced housing is still high, as it includes the builder's profits and the overheads of the management body, while existing credit systems do not usually cater for financing over long periods or on favourable conditions. This means that low-cost housing schemes very rarely have any effect on the people they are intended to help. If they are to be effective, the general standard of living has to be of a level rarely achieved in a developing country. Moreover, these

schemes often fail to meet the requirements of the population, since they are designed by experts who tend to judge by the standards of the elite to which they belong, but not necessarily of the people for whom the housing is intended.

If the national authorities are anxious to do something in the construction line, then it would be better to keep to small series of standard-type houses intended to popularize the results of technical and architectural research. But, above all, they should concentrate on providing help for people who are building their own homes, running "sites and services" programmes—i.e. well-publicized measures aimed at stimulating, encouraging and guiding the creative potential of the squatter settlements.

The squatter settlements

The sprawling communities of shacks and tents, of temporary homes built out of whatever comes to hand, have grown up spontaneously as the logical consequence of the permanent urban housing deadlock. They shelter an ever-greater number of people who are excluded from the housing market.

Squatter settlements offend because their very existence is a denunciation of the inherent contradictions in the housing market and of the inefficiency of housing policies followed hitherto. We can no longer ignore this by baldly stating that squatter settlements are one of the inevitable drawbacks of urban growth.

He who has eyes, however, can see that there is a positive answer to the housing crisis behind this obviously unattractive facade. By encouraging the squatter communities to participate in improvements and use their own creativity, the severe restrictions of their living conditions have given rise to solutions that are breaking new ground as far as techniques, design and models are concerned and are having a social impact too. The creation of new forms of solidarity and cooperation, going beyond the strict framework of housing, is not the least virtue of the squatter settlements. □

Segregation: Boghé-Escale in Mauritania. Left the administrative area; right, the poor quarter with its traditional houses. (Bottom left, the Senegal river). Scale 1:2500 (1972, Maurelec)



Houses and ways of life

In modern towns a house is a commercial asset and a source of speculation, whereas in rural areas it is usually, first and foremost, a place to live in. In older urban residential areas the two overlap, but without merging. The search for a compromise between these two, in many ways irreconcilable, approaches to housing can be clearly seen in building techniques and the typical architectural design of traditional residential areas.

In traditional areas houses are rarely put up by a contractor. The owner is always involved with construction, either actively or by taking on labourers or jobbers to do some of the work, in which case he only has to supply the materials, supervise the site and ensure coordination. He has no overall budget and jobs are done gradually as money comes in. When none is forthcoming, work stops until he has more funds. It is difficult to give a proper estimate of the costs of such houses, since there is no budget and no accounts are kept.

As with building techniques (we shall come back to these later), the design of this housing is typically hybrid. The average house in a traditional residential area is a modified version of

the traditional rural house where various buildings stand around the edge of the plot, with a courtyard, which is the main living area, in the middle. Nowadays there is an increasing tendency for many daily activities to gravitate indoors, under a fixed veranda or in a sitting room which is larger than the other rooms.

Because of this, architectural design is veering towards the villa—which inevitably makes it difficult to fit the house on the building plot. How can you put a house with windows on all sides on a plot barely twice the size of the house without appearing to divide the plot (house plus yard) or cutting down on the privacy of the family? But this is what people often try to do. And their compromise solutions are only rarely satisfactory, since they point up the contradictions.

There is a contradiction not only between the type of house people construct and the building plots they have; there is also a contradiction in the attitude of the people who live in them, since they often attempt to reconcile two radically different life-styles: the villa in its garden, designed for indoor, European-style living; and the house with a central courtyard, designed for outdoor living along traditional lines.

Functional requirements and symbolic values

The term "a solid house" is an everyday way of expressing the general public's fascination with concrete and all it stands for—the villa, land ownership and income, in a word, pros-

This family, like many others, prefers the familiar comfort of a tent to the new life-style imposed by their modern house



perity. It is not surprising that people who are generally badly-housed think of the villa as the sole alternative, this being the only example they have.

But does housing of this sort really meet the needs of the population and suit their way of life? There are obvious contradictions in the way families use the villas.

Most villas built during the colonial period for European administrators have been altered by their present occupants. In order to preserve the privacy of family life, more often outside than inside the house, the plots have been fenced round and the verandas closed in with walls or balustrades. Annexes have gone up in the yard or garden to house often large families as well as traditional cooking, toilet and shower facilities, since European-type installations inside the house are rarely used.

This contradiction between type of house and way of life does not just occur in old colonial villas, where it is understandable. It also happens in more modern constructions, in villas and houses which are much simpler versions of the old type, apparently built to the specifications of the present occupants.

The real attraction of a particular type of house is usually expressed indirectly, through apparently sound functional and technical arguments. Thus, the common and perfectly sound arguments about comfort, hygiene and the greater degree of privacy for members of the household hide a deeper-rooted motivation—the attraction of the villa, just because it is a villa, as the ideal place to live in.

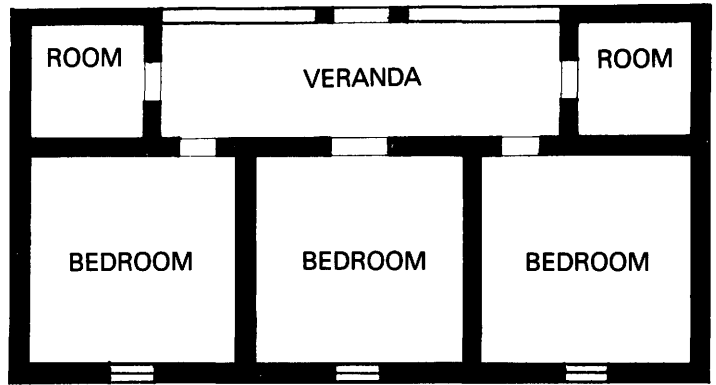
But what are the arguments that make reinforced concrete and breeze blocks better than local materials? Breeze blocks seem to be used everywhere, regardless of the fact that the high price of cement makes them expensive. They are often of poor quality when made by hand on the site because of attempts at economizing on cement. The resulting tendency to crack means that the blocks have to be used in a reinforced concrete frame. All this considerably pushes up building costs.

The use of reinforced concrete shows inadequate understanding of the strength of building materials, the lack of modular coordination and poor quality work. Normally there is no need for a frame if, as in most cases, only a one-storey house is being built.

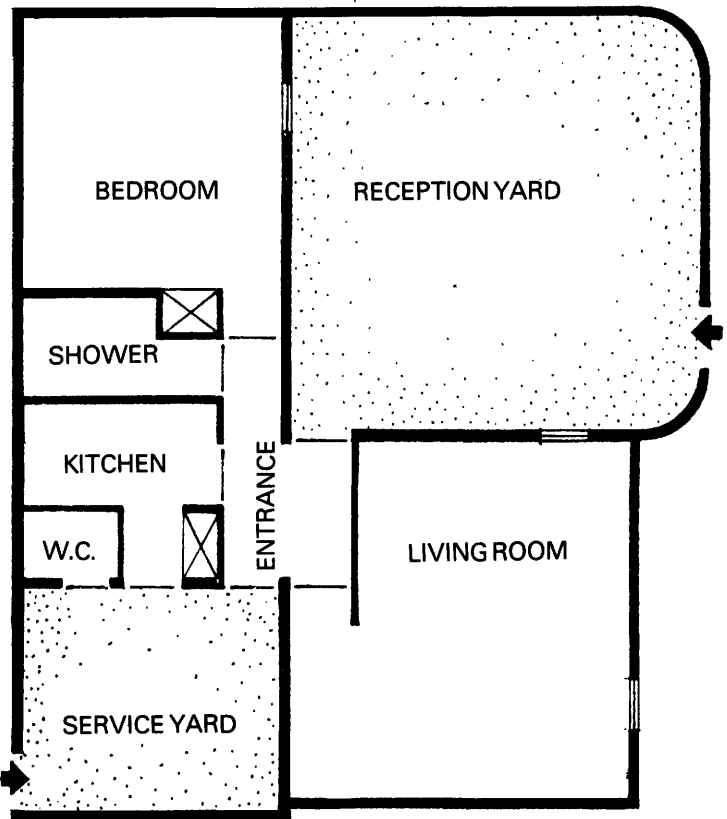
Concrete is also a poor insulator and occupants have to install air conditioning, which consumes a vast amount of costly electricity. Although corrugated iron is practical, cheap and popular, it also has the disadvantage of letting the heat in.

Aesthetic arguments are, of course, a question of taste. But it is striking that European architects are tired of concrete, weary of the "big is beautiful" approach, and fascinated by traditional African building, whereas the Africans themselves are on the opposite tack.

Any kind of housing may, and probably should, represent values other than the simply functional. These symbolic values may be harmonized with the functional requirements. But they can also contradict and even override them. This often happens in West Africa. But the phenomenon is a universal one. It is not restricted to developing societies; it is apparent in industrialized countries as well. However, the contradictions will often be more obvious in developing societies, where rapid economic and social changes have led to the neglect of traditional cultural models and a fascination for imported models whose prime attraction is simply that they are different.



A simple house plan now common in Africa, and a more elaborate plan taking local preferences into account



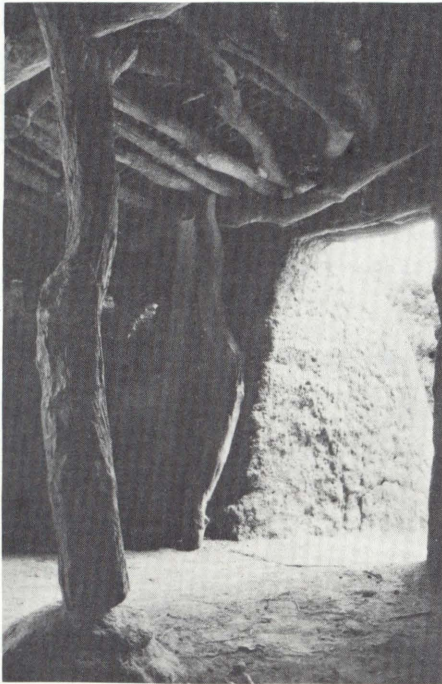
So we are left with an admittedly stereotyped pattern of two opposing types of housing. On the one hand are houses suited to a rural way of life, which the town dweller rejects, and on the other hand the model suited to the way of life of the elite, to which he aspires. Understandable though it may be, this view of the alternatives can only lead to an impasse, since it prevents the emergence of original and authentic styles of housing more in keeping with the economic and social realities. □

P.N. and B.W.

BUILDING MATERIALS

Top row, some traditional materials;
bottom row, some modern ones

Wood



Nankman

Stone



Nankman

Adobe



Nankman

A good try, but there wasn't enough cement *The ubiquitous breeze-block*

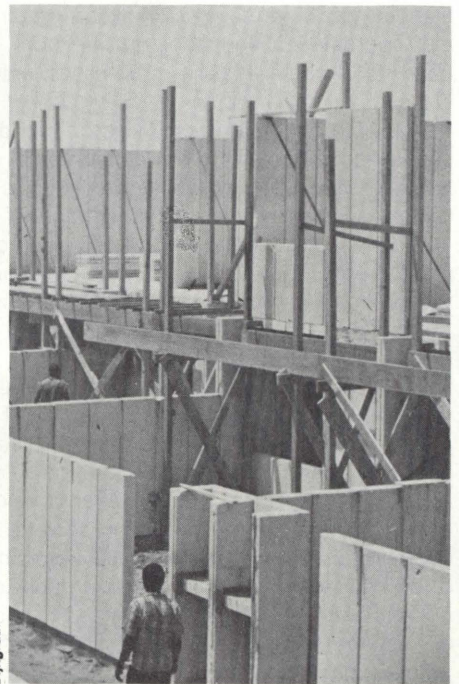


Nankman



World Bank photo, Edwin Huffman

Imported prefabricated concrete



Dijkgraaf

Teaching the planners

Are Third World architects learning the wrong techniques?

"An uncritical imitation of Western approaches to housing, building and planning will never solve settlement problems of the poor in the Third World". That statement appears in the policy plan of the Bouwcentrum, the internationally-reputed building centre in Rotterdam (Netherlands) which has been running courses for Third World architects and town planners for 20 years. Cor Dijkgraaf, director of international education at the Bouwcentrum, headed the team which prepared the UN Economic Commission for Africa report to the Habitat conference (1). The "Courier" asked him if it made sense for Third World architects and planners to study in Europe, where urban problems are set in a different context from those in the developing countries.

► *Mr Dijkgraaf, you have postgraduate students from a good many developing countries at the Bouwcentrum. What do they learn here?*

— We have two kinds of courses: on housing, building and planning, and on building materials. For the first, the students can choose from four workshops: housing policy, where they try to define the basic needs of settlements in their countries; planning, which covers both urban and rural planning; design, where they study the architectural design of buildings and houses; and building organisation, management and materials.

► *Do you share the opinion that urban problems in Third World cities are inherently the same as those of the Western cities on which they are modelled?*

— No, certainly not. That is, I think we should be very careful about implementing Western ideas in developing countries, because there are tremendous differences. In the rich countries, urban growth is steady and relatively slow; the city centres are well established and the town planners start with a solid existing structure. In the developing countries, few urban centres are established on anything like so solid a basis and the growth rate of the urban population is tremendous. We never experienced this in Europe. Another huge difference is the per capita income: on average, it's around US\$6000 a year in the West and about US\$100 in the developing countries. How much of that can be spent on urban development? Up to 90% of the people in the developing countries cannot possibly afford the contractor-built houses provided by the government.

(1) See article *Developing a national housing policy*.

► *If Western cities are so different from Third World cities, is there not some contradiction in training Third World town planners in Europe?*

— Yes, and international education in many countries and institutes is changing for that reason. It used to be aimed at teaching Third World students the techniques developed in the West. Then we started to look at the real situation in the developing countries, to see what we could usefully contribute. Now, at the Bouwcentrum anyway, we are trying to get the students to look at the real problems and find techniques that will solve them.

No ready-made solutions

► *Do they come to Europe expecting to learn how to build a Western, or let's say international, kind of city?*

— Some of them come with that idea, but we make it quite clear what our courses are about and we do refuse applicants who only want to learn how to build prefabricated housing and suchlike. Of course, we have to give the students a chance to see what they want to see, and the best thing is to let them find out for themselves that the latest Western techniques are not necessarily suited to the problems in their countries. We don't have ready-made solutions in our pockets. We only have some tools.

These considerations have led the Bouwcentrum to move some of its courses out to the developing countries themselves. This year we are setting up centres in Ghana and Indonesia, where the idea will be to assist existing institutes to run really action-oriented courses based on the local situations. We will be helping to train people in the right context, on the spot.

► *When your students go back home to work as architects or town planners, their ideas must be rather different from those of the authorities controlling the urban programmes. What happens when a bright young Third World town planner tries to introduce urban programmes for the people who can't afford government housing schemes?*

— There is a conflict. Some of them get swallowed up in the bureaucracy. Others, a few, try to work more independently. They are the exceptions. But a change is gradually coming about, and Habitat confirmed that in the last few years various governments have realised that Western solutions are not suited to urban situations in the developing countries. Zambia and the Sudan are examples. But, although this is a radical change, there is still a long way to go. In one North African town, for instance, officials told me "this is not a place where poor people should live. There is no place for slums." In such a case it becomes illegal for people to build their own homes, however capable they may be of doing so; and they have to go to government-owned or privately-owned land, although experience shows that when people can own a plot of land the



Starting a family business — building a house can lead to other initiatives

quality of the house they will build on it improves. The important factors are the infrastructure and the land tenure system. It is not necessary to bulldoze slum areas and provide contractor-built houses. The building standards are set too high for people to be able to afford them and they use up precious foreign currency instead of promoting the development of local resources.

Changing attitudes

► *It is nonetheless understandable that a developing country should want to build splendid new cities. Brasilia, for instance, raised a lot of excitement at first. How is this attitude going to change?*

— It's a slow process, but the best way is through the sort of practical training that we, for instance, hope to provide on the Bouwcentrum courses in developing countries. It's not as though nothing has been done so far, but the successful self-help projects are small and isolated. A multiplier effect is needed, and that requires more on-the-spot training and more information. Universities in most developing countries are still teaching Western techniques instead of focussing on the real needs. There is little experience of, or information about, other methods. You can buy all the textbooks you want on prefabricated housing and so on, but books on aided self-help, site-and-services projects and community participation are very rare. Information should be made available on a regional basis, so that one country can learn from another. The interest is there all right, but most of the information required is only available in organisations such as the World Bank.

► *Is it realistic to start with the technicians and hope that their more successful experiments will influence the decision-makers, or would you say a change of attitude was needed at the political level first?*

— You have to start at both ends. There is a danger that the technicians will only see the technical side of urban development and will try to improve techniques without finding out how people can be motivated to use them. For example, African research centres have come up with some excellent solutions to the problems of low-cost housing, by using new materials such as processed peanut shells and rice husks; but these have only been used at the research centres. These techniques have to be promoted. And if the building regulations prohibit the use of such materials, then of course you get nowhere.

The problems of the Third World cities will only be solved if the governments adopt a general policy to really solve them, which means recognising that most people will build their own houses, that there will be squatter settlements, and that cheap materials must be found and provided. That is where the technicians come in.

► *Are you optimistic that the governments in the developing countries want this policy and will accept lower standards?*

— There is a small chance. But the slum areas are increasing so fast and so many governments are still thinking along Western lines as regards cheap housing that I'm afraid it's going to need a revolution. □

Interview by B.T.

EEC aid in the urban sector

Before going into details of EDF aid, it would perhaps be useful to define what we mean by "the urban sector". This dossier is about towns, so this summary covers EDF aid to towns, mainly capital cities, although some smaller urban centres are also included.

Not all building in urban areas is considered as urban development. A hospital, for example, in a town centre, comes under the health sector and will not be included here. Completed buildings and roads (coming under "communications") are generally excluded and this summary covers the provision of services, such as water and electricity, and the preparation of urban land (drainage, site lay-out)(1).

By 31 December 1975, the first three EDFs had provided 114 733 million EUA for urban development. By the end of 1975, the 104 town planning projects that had been or were being carried out represented 5.35% of total EDF commitments thus far. In order of importance, urban development, in the restricted sense of the term used here, came after transport and communications, agricultural production and education.

Expenditure in this sector under the first three EDF fund was as follows (on 31 December 1975):

Areas covered and financing

The studies, technical assistance programmes and actual projects were broken down, by country, into two major sub-divisions—with the exception of Madagascar, where the construction of protective dykes was dealt with separately.

The "miscellaneous" sub-division mainly covers housing estates, electricity networks for towns, the construction of central markets and drainage systems for urban centres.

Table I gives the geographical breakdown of urban development projects in the old AASM up to 31 December 1975. Table II gives similar figures for the OCT over the same period. Overall, Chad received most aid (13 790 000 EUA), followed by Mali (10 349 000 EUA), the Central African Republic (8 949 000 EUA), Upper Volta (8 208 000 EUA) and Zaire (7 828 000 EUA).

(1) The "urban" division in the EEC's aid directorate has been restructured several times in line with different ideas of its field. The case studies that follow this article do, therefore, include a school-building scheme which was considered urban at the time. The emphasis now is on housing and site preparation.

Table I

Summary of commitments made under the first three EDFs for urban development in the ex-AASM up to 31 December 1975
(thousand EUA)

Country	Period	1st EDF	2nd EDF	3rd EDF	Total
Benin					
- water supplies		200	59	3 734	3 993
- miscellaneous		2 317	368		2 685
Burundi					
- miscellaneous		699			699
Cameroon					
- water supplies		300	26		326
Central African Republic					
- water supplies			1 782	7 167	8 949
Congo					
- water supplies		23		80	103
- miscellaneous		1 759	1 306	100	3 165
Ivory Coast					
- water supplies		1 136	1 032		2 168
- miscellaneous		1 871			1 871
Gabon					
- miscellaneous		914			914
Upper Volta					
- water supplies		1 193	2 851	2 400	6 444
- miscellaneous		1 764			1 764
Madagascar					
- water supplies		587			587
- miscellaneous		527	3 342		3 869
- protective dykes		2 256	162		2 418
Mali					
- water supplies		512	2 960	4 896	8 368
- miscellaneous			265	1 716	1 981
Mauritius					
Mauritania					
- water supplies		334	5 591	252	6 177
Niger					
- water supplies			1 632		1 632
- miscellaneous		36			36
Rwanda					
- water supplies			23		23
Senegal					
- water supplies		425	6 605		7 030
- miscellaneous				100	100
Somalia					
- miscellaneous			42		42
Chad					
- water supplies			487	11 627	12 114
- miscellaneous		1 538		138	1 676
Togo					
- water supplies		535			535
- miscellaneous		935			935
Zaire					
- water supplies				5 838	5 838
- miscellaneous		1 990			1 990
Total all countries		21 851	28 533	38 048	88 432

As regards methods of financing, only two loans on special terms were provided from EDF resources—one for the Korhogo water supply network in the Ivory Coast (2nd EDF — 1 032 000 EUA) and the other for Kinshasa's water supply network (3rd EDF — 5 803 000 EUA). This meant that the old AAsM and OCT as a whole received 107 894 000 EUA or 94.04% of total commitments under the first three Funds in the form of grants. Special loans only accounted for 5.96%.

Main projects and sectors

The 36 863 000 EUA from the first EDF went on 40 projects in the old AASM and OCT as a whole. The 35 306 000 EUA from the second EDF went on 36 projects and the 42 564 000 EUA from the third EDF went on 28 projects. The number of projects thus went down, but the importance of each individual project went up.

The main projects were—the N'Djamena water supply system (3rd Fund — 11 522 000 EUA), the Dakar water supply system (2nd Fund — 6.6 million EUA), improvements to the water distribution network (Regideso) in Kinshasa, (3rd Fund — 5 803 000 EUA as a special loan) and the Nouadhibou (Mauritania) water supply (2nd Fund — 5 591 000 EUA).

It is worth mentioning that, although most of these schemes were for the capitals and other major urban centres in the AASM and OCT, a large part of their population have in fact benefited from the vital basic infrastructure which contributes to improving their general standard of living.

The 114 733 000 EUA committed up to 31 December 1975 from the first three Funds for the ex-AASM/OCT can be broken down as follows—67.1% of the total for water supplies, 30.8% for "miscellaneous" as described above and 2.1% for protective dykes (in Madagascar).

Here are some concrete examples to show what these figures mean. By the end of December 1975, the first three EDFs had provided water supply networks in 60 towns, with a total length of 1 445 km, piping 331 000 m³ daily; a total 125 km of drainage networks in 8 towns; housing estates in 7 towns involving over 368 ha; two central markets and three dykes to protect land against flooding.

Greater attention will be paid to roads and various other networks under the 4th EDF, the aim being to provide all the basic infrastructure, such as building plots, road networks, pavements and paths, water and electricity supply systems, on which other activities can be developed. The projects planned for this fund and currently being assessed by the Commission, together with an outline of urban development policy at the moment are discussed on the next page. □ R.D.B.

Table II

Summary of commitments made under the first three EDFs for urban development in the ex-OCT up to 31 December 1975

(thousand EUA)

Country	Period	1st EDF	2nd EDF	3rd EDF	Total
Afars and Issas			679		679
– water supplies					679
– miscellaneous		727			727
Netherlands Antilles			1 982		1 982
– water supplies					1 982
– miscellaneous		1 430	2 223		3 658
Comoros				1 602	1 602
– water supplies					1 602
– miscellaneous		348	4		352
Guadeloupe				1 620	1 620
– water supplies		1 606			3 226
Martinique				1 620	1 620
– water supplies		2 509			2 509
– miscellaneous			1 269		1 269
Réunion					
– water supplies		2 174			2 174
– miscellaneous		793			793
St.-Pierre and Miquelon					
– water supplies		36	464		500
Surinam					
– miscellaneous		5 389	147	1 294	6 830
Total all countries		15 012	6 773	4 516	26 301

Table III

Urban aid under the first three EDFs up to 31 December 1975

(million EUA)

	1st EDF	2nd EDF	3rd EDF	TOTAL
Total commitments	561.612	727.502	856.486	2 144.600
Ex-AASM	21.851	28.533	38.048	88.432
OCT	15.012	6.773	4.516	26.301
All AASM and OCT as % of total	6.56 %	4.85 %	4.97 %	5.35 %

Storm drains in Cotonou (Benin) financed by the EDF



New approaches under EDF 4

Urban development projects under the Lomé Convention are marking a new approach by the European Development Fund.

In line with other big aid donors (such as the World Bank and USAID), the fourth EDF will finance schemes with a much greater stress on self-help. The new emphasis is literally on laying the foundations of urban development rather than handing over completed buildings.

John Mace, head of urban development cooperation at the EEC Commission, explained that self-help projects involved local communities more closely in smaller, decentralized projects. "The EDF is still being asked to back the same sort of projects as before, but where we can we are trying to integrate the projects more closely with the life of the community they serve," he said.

"This means we are going for:

- decentralization, including the regeneration of rural and provincial life;
- the maximum involvement of the population and mobilization of local manpower; this, for instance, means breaking up a project so that local firms can carry out bits of it;
- continuity, so that a finished project is not just left standing with no one able to run it;
- we would also like to suggest that more attention is paid to teaching trades at school; it seems unnecessary to have to send welders out from Europe, for instance.

"Housing is the one building activity which people undertake spontaneously, because they are so immediately concerned to provide a roof over their heads. We want to provide what they cannot build—the substructure—and with some instruction they can provide the superstructure for themselves, and learn a useful trade while they are about it," Mr Mace said.

Site-and-service schemes epitomise this approach. They have featured in previous EDF actions, but EDF 4 has shown a distinct increase in their number. This means that the English-speaking ACP countries in particular, coming in for EDF aid for the first time, will be the first to benefit from the new approach. All site-and-services projects put forward under EDF 4 so far are in English-speaking ACP countries: Kenya, Zambia, Swaziland, Jamaica and Ethiopia.

These projects were suggested by the countries concerned in preference to tailor-made packages, which confirms the interest shown by both developing and aid-giving countries in site-and-services schemes.

Site-and-services projects aim to provide all the basic substructure on which can be implanted a certain activity, such as industry, education, health, administration, communications or housing. For housing, the site may be divided into individual lots and provided with access ways, water, electricity and drainage, while the services may include garbage and sewage disposal, transport, maintenance, etc. A more advanced project may include foundations or rudimentary houses which can be

completed, and a "wet block" providing water facilities for a group of future houses.

Useful guidelines to site-and-services schemes have been drawn up by the British overseas development administration:

"Ideally, the schemes adopted should be based on the following considerations:

- The provision of land with security thereon for lawful occupiers;
- A properly planned physical lay-out of the area, establishing boundaries for individual plots and space for roads, social infrastructure and amenities; this area should be accessible to centres of employment and social services;
- The provision of minimal communal water, electricity and sewerage facilities;
- The provision of credit facilities for the purchase of certain basic building materials, and their supply at minimum cost through cooperatives or central buying agencies where this proves practicable;
- The provision of guidance in the construction of housing which owners can expand as time and resources permit;
- The provision of community guidance (e.g. the social worker who would help to resolve domestic and community problems and who would liaise between newcomers and urban authorities);
- Setting a level of charges for the basic facilities provided, such as to enable each scheme to be self-financing and in due course to generate surpluses with which to help start other similar schemes (1).

The primary advantage of site-and-services projects is that they mobilize the abilities of their future occupants, who themselves organize the building of the houses. Money goes much further by being spent only on essentials and people learn to help themselves, not only on the project in question but for the future as well. The savings effected may also allow the authorities to couple house-building with home-ownership schemes. Another important consideration is that local firms, even on a very modest scale, can carry out a good deal of the work. Where European firms were previously involved in most EDF-backed building projects, the new schemes are likely to be carried out largely by local entrepreneurs each dealing with a part of the work. Calls to tender are confirming this trend.

"Another advantage of site-and-services schemes is that they can be compressed so as merely to provide a starting point—clean water, for instance—and then enabled to expand as funds become available. The future superstructure on the site is not a purely haphazard affair, either. The professional lay-out of the streets, water supply and sewerage can pre-determine the possibilities of the houses to be built by self-help," Mr Mace said.

"There is also an important psychological factor. Once a man has built his own house, he will look after it. He starts to develop a sense of quality and learns how to handle money. It's quite different if he gets it ready-made", he added. □

B.T.

(1) From the ODM position paper, "Planned settlement in developing countries—housing for the lowest income groups", December 1975.

The following four reports give an idea of past and present EDF urban development projects. The new schemes for Kenya and Zambia have still to be given final approval for financing.

CHAD

N'Djaména water supply network⁽¹⁾

Urban growth in Africa inevitably comes up against the problem of water supplies.

The situation is particularly serious in N'Djaména because of the speed at which the town has grown—the resident African population increased by an average 7.4% every year from 1962 to 1970, when it reached 142 000, and statistics suggest that the rate will increase further (an estimated population of 242 000 in 1976) before slowing down a little and should reach 325 000 in 1980 and 500 000 in 1990.

The average *per capita* consumption of water is 50 litres per day, which is very low bearing in mind the climate, and a study of the consumer structure reveals a situation which is an even greater cause for concern—only 15% of current water consumption is piped to the 44 public pumps serving 90% of the population (2). These people take barely five litres per day per head from the public supply and, since standard consumption at the pumps is 20 litres per person per day, it seems likely that the majority (probably 75%) of the urban population is not served by the network at all. This is partly due to the geographical limitations of the distribution system, which only covers half the town, and partly to low pressure, and results in the population seeking extra water from shallow wells or from the River Chari. These supplies are often polluted since the wells are in family concessions near soakage pits and the Chari is tainted with bacteria. The danger of dysentery, amoebiasis and other water-borne diseases is, therefore, very real (3).

(1) Taken from the "Fonds Européen de Développement, 1960-1975", by M-H. Birindelli.
(2) The remaining 10% are served by 3000 special connections.

(3) There are no available figures on sickness in N'Djaména, but the situation in Bangui is very similar, since it has much the same demand for water and it too has received EDF aid for its supply system. In 1965, 33 000 patients in Bangui were treated for water-borne diseases and this went up to more than 76 000 in 1971—i.e. twice as fast as the population expanded.

The 20-year old water supply system has reached exhaustion point. Water production, in fact, much more than doubled between 1965 and 1974 (4) and the means of production are now being used to the full. Although losses from the network are very low (10-15%), consumption can go no higher since, in the dry season especially, the system is in use 22 hours per day and this is the absolute maximum bearing in mind that some time has to be allowed for maintenance.

In 1973, there was a shortfall (5) and maintaining the *status quo* would have meant restricting the hours during which the public pumps were turned on, barring extensions to new districts and to existing districts without supplies, creating a further deterioration for the already underprivileged population. It would also have meant that requests for connections would have been refused and people forced to obtain their water from polluted sources. It might also have meant only an intermittent supply on the network as a whole—a recognized cause of pollution in distribution networks.

Emergency and long-term schemes

This is why the Chad government asked for Community aid to finance an emergency scheme and an economic and technical study of solutions to solve the capital's water supply problems by 1990. The emergency scheme was intended to meet demand during the period from 1973 (when present installations reached saturation point) and 1977, when new facilities, of the right size and specifications, are due to be brought into service.

Financing for the emergency scheme, committed in 1973, covered the sinking and equipping of boreholes, building a water tower and strengthening the distribution network. The new boreholes will, like existing ones, supply the town from ground water within the urban area. Both these works and the study are under way, but considerable price increases (6) forced the authorities to ask the Commission for additional financing to enable them to be properly completed. This financing was granted in January 1975, at the same time as for the first stage of work on the normal post-1977 town supply (7). Stage one involves sinking three more bore holes, building three more water towers, laying a primary and a secondary network and 50 public pumps and providing the managing body, the STEE (Société Tchadienne d'Eau et d'Electricité—The Chad Water and Electricity Co.), with the wherewithal for 2000 new connections. Technical assistance to the STEE will also enable hydraulic technicians to be trained at the

(4) Production rose from 2.2 million m³ in 1963 to 4.2 million in 1971, 4.5 million in 1972 and 4.9 million in 1973. Consumption rose from 1.9 million in 1965 to 3.8 million in 1971 and 1972 and 4.1 million in 1973.

(5) The shortfall in 1973 was an estimated 0.6 million m³

(6) The cost price of building materials (concrete, steel, planking etc.) needed for civil engineering works, all of which are imported, more than doubled between June 1973 and October 1974.

(7) The Commission has thus provided more than 11.5 million u.a. for the N'Djaména water supply network.

company's in-service training centre. Further work will involve building a pumping/treatment station, which will be fed by the Chari, since the ground water will probably be inadequate after 1983.

The size of the new (stage one) installations was worked out on the basis of the increase in the population and in *per capita* consumption, which it is hoped will be 81 litres per day in 1985. This together with more public pumps, particularly in districts where the supply is poor or non-existent, will be a substantial improvement for the most deprived sections of the population. It will also mean that industrial and administrative demand, from schools, hospitals and so on, due to rise sharply by more than 50% between 1974 and 1983, can also be met.

The Chad authorities are currently studying the problem of prices. Water at the public pumps is free, so the cost to the individual consumer ought to be kept down so that potential subscribers are not discouraged and those industries that use a large amount of water are not penalized. However, the price has to be high enough to enable the STEE to balance its books and to cover any losses incurred in the supplies—provided for social reasons—to centres in the interior. The current sales price (CFAF 43 per m³) is due to be reviewed shortly and a scale of charges, which will benefit the poorer people without crippling industry, introduced. However, under no circumstances could this cover loan repayments and, since the state itself is unable to take on further debts and could not do so either, the Commission has decided to pay this amount in the form of a grant. □

CAMEROON

Urbanization and education

In 1972, the Cameroon government asked the European Development Fund to finance the construction and equipping of 300 primary school classrooms and 100 units of staff housing in the Northern Province. The authorities assessed the cost of these investments at some CFAF 1 000 million (3.6 million u.a.).

However, the project was not restricted to a simple building operation. On the contrary, it was planned in the light of the general situation in primary education in Cameroon and of the specific economic and social conditions in the province in question, as part of an educational reform plan designed to adapt education to Cameroon's social and economic needs.

How the project contributes to the success of the reform

In the past, the lack of classrooms and school furniture has been behind the mediocre primary results. It could paralyze the reform which the government is trying to promote and for which there must be a certain amount of infrastructure and equipment.

— Classrooms must meet minimum acoustic and visual standards and have the requisite material facilities to enable the teacher both to teach and guide the class.

— The teacher must be able to keep his materials (textbooks, cards, elocution and language tables) in a safe place where they will be protected from the weather and kept clean.

— However good the teacher may be, the pupils will tend to be unreceptive to active methods unless they are at least provided with desks for their school things.

— Finally, it is difficult to talk about a school for improving the standards of the community when the school building and its surroundings (plants, water points, kitchen gardens and latrines) provide no useful model for the population.

The modernization of the educational infrastructure is thus an important aspect of the reform of the primary school. The government has made a considerable effort, with the help of other aid organizations (Canadian aid, UNESCO and the World Bank), to provide training and refresher courses for teachers, research facilities and to produce teaching materials. It is unable to raise the necessary funds to improve the infrastructure by itself and this is why it has applied to the European Development Fund for help.

EDF-backed primary school in Cameroon



EDF

Size and place of project

In view of the resources available under the 3rd EDF and Cameroon's own priorities, the Cameroon authorities and the Commission earmarked 3 million u.a. for the construction of primary classrooms and staff housing.

It was agreed that the housing be kept down to the strict minimum (30 units of accommodation), so that the bulk of available funds could go for classrooms (250). This programme seems modest when compared to actual needs, but it has the dual advantage of being small enough to be covered by the operating budget of central and local government and of being adapted to the rate of progress of the reform.

The Cameroon authorities decided to concentrate the new building in the Northern Province, where socio-economic development, particularly educational infrastructure, has fallen behind.

Design of the project

Schools built with 1st EDF financing are already displaying varying degrees of deterioration, usually put down to poor maintenance. But there may be more to it than this. The users (teachers, pupils and families) do not really feel responsible for buildings to which they have made no contribution and which involve techniques and design which are completely foreign to local traditions.

This project took account of the experience gained from the 1st EDF-financed classrooms and of the aims of the educational reform.

Technical specifications

The Cameroon authorities and the technical departments of the Commission jointly agreed that the design for the buildings should be chosen on the basis of various sketch plans, which would reflect what had been learned from previous construction and the aims of the modern educational system that had emerged from the reform of the primary schools.

- The type of classroom chosen best meets the climatic demands of North Cameroon and the aims of the reform of primary education.
- The buildings are simple and tough. Total useable floorspace is some 64 m² and includes a 4 m² storeroom for school materials. The overall design is intended to keep maintenance costs to a minimum.
- Traditional school desks have been replaced by separate tables and independent seating, since this is more suitable for modern teaching methods in that various seating arrangements can be tried.
- The 'Boukarou', or round type of housing, has been chosen for the teachers. This suits North Cameroon very well and will fit in with the habits and way of life of teachers and their families. Occupants will provide their own furniture.
- The surroundings have not been neglected. The area round the school has been improved to meet educational, climatic and hygienic requirements.

Assessment of the project

An initial assessment made by members of the Commission mission to North Cameroon from 21 January to 1 February 1976 suggested that the results of the project so far were positive.

Both the Ministry of Education administrators and the teachers themselves are pleased with the design of the classrooms. Their only reservations are as to the height of the window rails and to placing of blackboards. In some cases they also complain that there were no drop ceilings.

The school buildings look well together and blend in with the surrounding countryside. The effect is enhanced by the use of certain local materials, mainly facing stones from the Mokolo area, and a careful choice of colours for the walls and door frames.

Quality of the work and cost price

Although the sites are far apart, the roads are poor, water is scarce, obtaining supplies is a long and difficult business and small firms tend to be badly organized, the site schedule has been more or less adhered to. The work has been properly carried out and the quality of the buildings is more than adequate. Contracts signed and the first accounts for jobs carried out by the public works department suggest that the fully completed classrooms will have cost about CFAF 30 000-35 000 per m². This is something like 50% lower than prices charged by expatriate firms in North Cameroon in 1974.

Effect on the economy

Although no figures are so far available, it is obvious that these investments have a considerable effect on the economy of the Province of North Cameroon. The school construction sites in the various departments employ something like a thousand people. It is also worth noting that the door/window frames and school furniture for all 250 classrooms are being supplied by two metal frame manufacturers and four furniture factories in North Cameroon.

The metal structural work and aluminium roofing are also being supplied by Cameroonian firms in Douala.

Local interest

As most of the labourers—and even the construction workers—are recruited in the villages where the schools are being built, the population has taken an interest in the work. In many of the villages this has led to unpaid volunteers coming forward to help clear the land, supply local materials to the site and, above all, plant fast-growing trees for shade (acacias) and fruit (mangoes). This work will be continued and stepped up with the help of teachers, pupils and villagers.

Training schemes for small and medium-sized firms

In order to make these local firms more efficient and productive, the technical assistants working for the project have

been running on-the-spot training schemes—mainly geared to how to buy materials (bulk buying for all sites rather than daily purchases), how to organize and supply the various sites, work out payments, etc. However, these very useful schemes are only run sporadically and it would be a good idea to widen their scope and provide a broader, better-structured training scheme once the technical assistants and builders no longer have to supervise and run the sites.

Conclusion

In spite of serious teething troubles, this whole new scheme is now running as planned, although a series of additional measures are needed to bring it to a successful conclusion:

— The delegation of sub-authorizing powers to the Governor of the Northern Province has enabled the issue of calls for tender, the signing of contracts and the payment of builders' bills to be speeded up.

— The leaders of the Northern Province are taking an interest in the project.

— The technical assistance provided for the project is of high quality.

— Finally—and this is most important—there is a good deal of collaboration and a firm team spirit between provincial authorities, technical assistance officers and the Commission delegation in Garoua.

Consequently, the project foreshadows what the provisions of the Lomé Convention should be and should now be an example for similar schemes in other ACP countries. □

KENYA

Mathare Valley site and service scheme

Mathare Valley is one of the worst slum areas of Nairobi. Population is about 85 000, of which 70 000 are living in Old Mathare, where population density is as high as 1 750 per hectare.

Two types of settlements may be distinguished:

— "company housing", i.e. timber houses set up for rental by private African companies. The average unit of about 10 m² has a corrugated iron roof, a wooden door and shutter and houses about 3 to 4 people. There is neither water nor electricity, and the proportion of the built-up surface is so high that there is usually only pedestrian access to the houses. Rents are usually at about 100 KSh (11 EUA) per month. These "company houses" were built within only 16 months in 1969/70, creating shelter for about 30 000 people in one go, but breaking totally with existing building regulations;

— "squatter houses", i.e. lowest standard shelter of various materials (e.g. cardboard, corrugated iron, mud and wattle) built unsystematically but to a very high density.

It was only after a cholera outbreak in 1973 that some water points and public toilets were built. These are, however,

completely insufficient. Human excreta, refuse and waste water is found scattered all over the settlement, with appalling consequences on hygiene and health.

The area is said to have a peculiar social structure, with a very clear-cut hierarchy, a community spirit and some suspicion of public authorities or other intruders. The Kenyan authorities have long been concerned about Mathare Valley, and after menacing to tear down all illegally-built company houses, an agreement was reached by which the companies will have to "thin out" their settlements and upgrade them so that they become compatible with basic hygiene requirements. The details of the upgrading programme are still to be determined at government level.

Upgrading of Mathare Valley will be a vast and costly operation, with delicate social implications. A study, financed by IDA, is presently under way to investigate this task in detail. Any upgrading to the standard of building regulations would probably destroy so many existing "houses" and be so expensive to replace them, that either the socio-political consequences or the amount of capital required would be unbearable. So there is a strong case for preserving as much as possible of the existing housing and reducing the cost of the upgrading investments to the strict minimum.

Whereas the initial project submitted to the EEC was essentially upgrading, Kenya now proposes a site and service scheme adjacent to the existing settlements, in order to house some of the overspill population to be generated by the upgrading programme. The project, which is presently tailored to fit into the ceiling of 14 million KSh (1.5 million EUA) would comprise:

- preparing land for 450-500 plots of 125 m² each, plus area for access and services,
- roads, footpaths and drainage,
- water supply,
- water-borne sewerage,
- contractor-built wet cores (water closets, showers, splash area) on each plot,
- one room per plot as basic shelter (either partly contractor-built or entirely self-help),
- a building materials loan per plot,
- refuse collection vehicle and containers,
- technical assistance for design, management and organisation of the project.

Total cost including a large margin for inflation and contingencies is estimated at 3 200 EUA per plot, i.e. about 1.5 million EUA for the whole project.

Kawangware improvement scheme

Kawangware is a former African village which has now become a suburb of Nairobi, with about 20 000 inhabitants.

The majority are renters living in low-standard accommodation put up by the African plot owners who live in the village.

Density is about 500 to 600 inhabitants per hectare. Houses are usually made of either timber or earth (so called mud and wattle) and a typical unit of 10 m² houses about 3 to 4 people. Monthly rents are between 40 and 100 K Sh per unit (between 5 and 11 EUA). Estimates suggest that household income is on average around 300-500 K Sh (35-55 EUA) per month, with wide variations on either side.

The major deficiency is in the field of hygiene. Only a minority of compounds are connected to a standpipe water supply. The rest of the population has to carry the water to their homes over considerable distances.

There is no organized sewage disposal system. Garbage removal is irregular. During the rainy season, storm water runoff is precarious, with ponds of stagnant water all over the village. These factors add up to completely unsatisfactory hygienic conditions, and diseases are reported to be widespread. The income and housing standards of Kawangware are by no means exceptional.

The **purpose of the project** is to upgrade the hygiene conditions of the village, through:

- road and footpath access,
- storm water drainage,
- water supply,
- water-borne sewerage,
- refuse collection,
- emergency street lighting.

The project does not comprise any housing improvement proper. It stops short of the individual plot, merely offering to plot-owners the possibilities of connecting up to the water supply and sewerage reticulations. To facilitate this, a loans scheme for financing the cost of ablution blocks (wet cores) comprising tap, toilet and shower is added to the project.

Project cost is estimated at about 19 million K Sh (2 million EUA) plus 0.15 million EUA Kenyan funds for land acquisition.

□

ZAMBIA

Site and services scheme

This project comprises the preparation of 1000 land plots for the construction of private houses in six small provincial towns of about 10 000 inhabitants each (1).

The plots are to be allocated to owner-occupants who would build their houses according to standard designs in the context of a self-help housing programme, involving advice by technical and community development personnel of the town councils, a building materials loan and a building materials store administered by the councils. However, the EEC project

(1) Mazabuka 11 000, Solwezi 8 000, Mongu 12 000, Mansa 8 000, Monze 6 000; Pemba being the exception with only 1 000 inhabitants.

as proposed would stop short of any housing construction and contain only the road and footpath access to the plots and water supply and sewerage up to the plot boundaries. On the basis of similar projects in the recent past, it is estimated that the cost per plot will be Kwacha 1 500 (about 2 000 EUA at the old exchange rate) including a sufficient margin for price increase. Wide variations of cost between the six sites are expected.

Some considerations

The **technical standards** applicable to all self-help site and service projects in Zambia are comparatively high, leading to high investment costs per plot and, accordingly, high financial charges for the individual beneficiaries. This in turn limits the affordability of the project, so that the very low-income earners cannot compete.

Suggestions as to possible lowering of standards are presently under discussion in Zambia.

The **coordination of project implementation** is likely to present some difficulties: the six project sites are scattered over the whole country, and township councils have to take over a multiple of functions (e.g. allocation of plots, advising on self-help construction, administering the building materials loans and material stores, collecting rates and mortgage reimbursement). As experience shows that the success of this type of project depends on watertight administration, technical assistance was proposed in order to strengthen the local authorities and coordinate the implementation of the project.

There appears to be some scope for linking the technical assistance with a training programme.

The **income group to be aimed** at through the project depends on the standards, i.e. the cost per plot, and on the financial arrangements to pass the cost on to the plot allottees. It will also be crucial to assure a fair and uniform allocation procedure. The criteria may have to include a means test.

Preliminary agreements reached

Revolving fund

The Zambian government has requested a grant to finance the project. It would pass on 60% of the amount in the form of a loan to the local councils (at about 7.5% interest and 30 years duration) and 40% in the form of a grant. The percentages correspond to the average proportion of "on-site" and "off-site" works respectively. (It is customary to pass only the cost of on-site works on to the users).

The reimbursement and interest payments by councils would normally be credited to the general budget. However, in order to benefit fully from the very favourable conditions of EEC finance, it was agreed that these amounts should constitute a revolving fund, to be set up with separate accounts and earmarked for purposes similar to those of the original project. The Zambian government will administer the fund (probably the Ministry of Local Government and Housing). A rough calculation shows that the fund will receive about 60 000 to 80 000 K a year starting after about three years. □

Egypt, Jordan, Syria

The Community strengthens its cooperation links with the Arab world⁽¹⁾

The cooperation agreements which have just been signed with Egypt, Jordan and Syria following the signature, in April 1976, of agreements of the same type with the Maghreb countries (Algeria, Morocco, Tunisia) are a practical expression of the commitments entered into with regard to Mediterranean policy by the EEC Heads of State or Government at the Paris Summit of October 1972:

"... the Community must... respond even more than in the past to the expectation of all the developing countries... it attaches essential importance... to the fulfilment of its commitments to the countries of the Mediterranean basin with which agreements have been or will be concluded, agreements which should be the subject of an overall and balanced approach".

Four years later the will of all concerned to embark on wide-ranging cooperation on the basis of agreements enabled the difficulties of a particularly thorny set of negotiations to be overcome, and Mr Claude Cheysson was able to state that the commitments had been honoured and that the Community's policy towards the southern Mediterranean countries had now been established. The only agreement which remains to be concluded is that with Lebanon, and negotiations on similar terms will take place as soon as circumstances permit.

In addition to constituting an aspect of the Community's Mediterranean policy and, in more general terms, forming part of EEC policy towards the developing countries, these agreements also testify to the strengthening of the cooperation links between the EEC and the Arab world.

These links will admittedly have to be made even stronger by the Euro-Arab dialogue, but the fact is that cooperation links have now been established contractually with nine of the 20 member countries of the Arab League (the six Mashreq countries, plus the Lomé Convention signatories, Mauritania, Somalia and Sudan).

These nine countries, which account for 68% of the total population of the Arab countries and absorb more than 50% of Community exports to the Arab region, are on average also the least well-off members of the League. They have the biggest investment—and therefore import—requirements, a fact which is reflected in the imbalance of their trade with the Community. In 1975, their combined trade deficit with the EEC amounted to nearly \$3 000 million (while the Community's deficit with the Arab countries as a whole was approximately \$10 000 million).

The existence of these requirements and imbalances means that an appropriate model has to be established for cooperation, offering a set of instruments (trade cooperation, greater access to the Community market, financial and technical cooperation, industrial cooperation, etc.) which have to be used in conjunction with each other to make an effective contribution not only to the development of the countries in question but also to the establishment of harmonious economic relations with the Community.

BACKGROUND

First trade agreements concluded with Lebanon in 1965, with Egypt in 1972

The first agreement concluded by the Community with a Middle Eastern country was the non-preferential trade

agreement with Lebanon, which was signed on 21 May 1965 and entered into force on 1 July 1968. This agreement, originally scheduled to last for three years, has been regularly extended. A second agreement—still restricted to trade, though of a preferential nature—was signed in December 1972 but was never ratified by the Lebanese parliament.

The first exploratory talks with the Arab Republic of Egypt took place in 1969 in order to examine its request for a trade agreement. The negotiations began in September 1970 and were completed in October 1972, the agreement being signed on 18 December 1972 and entering into force on 1 December 1973 for a period of five years. The aim of the agreement is the progressive attainment of a free trade area. Under its terms the Community made a 55% tariff cut for most industrial products subject to customs duties and cuts varying between 25% and 40% for certain agricultural products. Egypt for its part made cuts of 30% to 50% for a number of products representing around 30% of imports from the Community subject to customs duties.

Negotiations for the conclusion of cooperation agreements

At the time when these first agreements were being signed the Community, following a Commission memorandum of October 1972 and basing itself upon the guidelines laid down by the Heads of State or Government at the Paris Summit, set about defining an "overall approach" for its Mediterranean policy. It determined the geographical limits of this policy and, in the case of the southern Mediterranean countries, held out the prospect of wider cooperation which took in other aspects apart from trade and was better suited to each country's level of development and requirements.

Accordingly, reference to this prospect of wide-ranging cooperation is already to be found in the preamble to the agreement concluded with Egypt in 1972.

(1) See article on EEC-Mashreq agreements in "Courier" no. 41.

Community food aid to the Mashreq countries — an item not covered by the agreements

Total food aid for these countries for 1976 represented about 12% of the Community's food aid budget.

Food aid is determined by a unilateral decision of the Community, and is therefore not covered by the cooperation agreements. The geographical allocation of the aid takes into account the requests made by each country, and these are examined on the basis of

short-comings since 1970. Between 1970 and 1976 food aid totalled approximately 229 million u.a.

An important part of this aid—approximately 36%—has been set aside for the Palestinian refugees for free distribution (quantity allocated to UNWRA and Jordan). In 1974 the Community also participated in the UNWRA teaching programme organised

Breakdown for 1970-1976

	Cereals tonnes	Milk powder tonnes	Butteroil tonnes	Total value million u.a.
EGYPT	102 100	36 534	15 656	83.49
JORDAN	80 477	5 369	3 979	24.95
LEBANON	66 139	6 552	3 544	25.95 (1)
SYRIA	59 806	6 333	2 614	19.34
UNWRA	116 445	5 400	10 000	74.79 (2)

various objective criteria: food shortfall, per capita GNP, balance of payments deficit.

Following the negotiation of the agreements the three countries stressed the importance which they attached to the action taken by the Community in this field.

The Community has been helping to meet the Mashreq countries' food

in favour of these refugees for an amount of 6.55 m.u.a. Furthermore it contributed financial assistance totalling 9.81 m.u.a. in favour of this institution.

(*) UNWRA=United Nations Work and Relief Agency.

(1) Including emergency aids through the World Food Programme and the International Red Cross Committee.

(2) Including an aid of 26 600 tonnes of sugar.

It was, however, with the Maghreb countries that the first negotiations got under way in 1973. In April 1976, overall cooperation agreements were signed with Morocco and Tunisia (countries with which "association agreements" confined to trade arrangements had been concluded back in 1969) and with Algeria.

COOPERATION AGREEMENTS CONCLUDED IN 1976

A dynamic form of cooperation

Aimed at establishing "wide-ranging cooperation" between the parties involved, these agreements will permit the combination of various measures designed to contribute towards the economic and social development of the

Mashreq countries. These measures relate to trade and also to economic, technical and financial cooperation.

Since the agreements are of unlimited duration, they give this "overall cooperation" the necessary scope to enable development problems extending beyond the short term to be tackled. For in-

stance, only the guarantee of market access for an unlimited period can stimulate productive investment—particularly in industry—and thus achieve far more than the Community's financial contribution to such investment alone.

This forward-looking approach is a prime factor of dynamic cooperation — but a great deal of impetus can also be generated by the institutional mechanisms provided for in the agreements. These mechanisms will make it possible to assess the results obtained, define certain measures more clearly and, where appropriate, consider new schemes. The Cooperation Councils, assisted if need be by specialized committees, will enable an ongoing dialogue to take place, and a similar dialogue could also be established between representatives of the political forces. Moreover, meetings are planned to take place as from 1979 and again as from 1984 in order to examine the results of the agreements and possible improvements.

By bringing together various development instruments in a contractual relationship, in other words a stable relationship between equal partners, with a sufficiently long-term perspective and based on an ongoing dialogue, these agreements illustrate the declaration contained in the preamble whereby the partners affirm that they are "resolved to establish a new model for relations between developed and developing states, compatible with the aspirations of the international community towards a more just and more balanced economic order".

Economic, technical and financial cooperation — a vast field of action

These forms of cooperation are complementary to the efforts made by the countries concerned to attain the objectives and priorities laid down in their development plans and programmes. Special attention is devoted to regional cooperation and integrated schemes, in other words operations which combine a number of means of action (such as training, investment aid, trade promotion).

In addition to the Community's financial participation (see below) in the development of each country's production

and economic infrastructure a vast field of action has been opened up, including:

- **marketing** and sales promotion;
- **industrial cooperation**, for instance by arranging contacts between firms, facilitating the acquisition of patents on favourable terms, working towards the elimination of non-tariff barriers, etc.;
- the encouragement of **private investment**;
- cooperation on **scientific**, technological and environmental matters;
- **participation by Community firms** in programmes for the exploration, production and processing of the partner countries' resources and any activities which would develop these resources on the spot, and the proper performance of cooperation and investment contracts concluded for this purpose between their firms;
- cooperation in the **fisheries** sector.



Signing the cooperation agreements between the EEC and Egypt, Jordan and Syria

Financial resources: a direct contribution by the Community but mainly a stimulus for the mobilization of capital from other sources

million u.a.
(1 u.a. = \$1.11 US)

	Egypt	Jordan	Syria	Total
EIB loans	93	18	34	145
Loans on special terms	14	4	7	25
Grants	63	18	19	100
Total	170	40	60	270

A financial protocol defines the amount and details of the Community contribution, which will run from the time the agreements are signed until October 1981 (as in the case of the Maghreb countries).

— Bank loans are normally combined with an interest rate subsidy of 2% financed from the funds earmarked for grant aid.

— The loans on special terms are for 40 years. There is a grace period of ten years and the interest rate is 1%.

These resources are to be used for the financing or part-financing of investment projects in the production and economic infrastructure fields, for the technical preparation of such projects, and lastly for training schemes.

Financial aid is to be **granted** either

directly to the state concerned or, with their agreement, to public or private bodies, groups of producers, etc.

Agreements explicitly provide for the possibility of **joint ventures**, in which other providers of funds from the partner state, EEC countries, third countries or international finance organisations would participate alongside the Community. This provision should make it possible to promote **triangular cooperation** involving oil-producing countries which the Community is already developing in an effective way within the Lomé Convention. The Community contribution here could relate to feasibility studies, training schemes and the improvement of infrastructure, all forms of action likely to encourage investors to take industrial projects into consideration.

The fact that the Community's financial aid could stimulate the **mobilization of funds** from other sources is another indication of the dynamism of the cooperation that is getting under way. In this connection there is no doubt that potential financial backers will take the greatest account not only of the attractiveness of the projects presented but also of the **guarantee of access to the Community market**, which is of fundamental importance for making investments pay.

Trade arrangements

Opening up a large market is a major stimulus to the industrialization of the Mashreq countries.

For products other than those covered by the common agricultural policy—in other words for **raw materials and industrial products**, including ECSC products—there will be a **100% tariff cut from 1 July 1977**. Before that date there will be a cut of 80%. (Although in theory this cut should be made as from the entry into force of the agreements in practice it will be from when they are signed, since the trade arrangements are to enter into force in advance). Quantitative restrictions on imports and measures having equivalent effect will be abolished as of 1 January 1977.

There are a number of temporary exceptions to this general principle. Until the end of 1979 at the latest, certain imports will be subject to a system of ceilings. Within the limit of the ceilings—fixed initially on the basis of present exports and increased annually by 5%—access will be duty-free, but the Community may restore the duties applicable to third countries in respect of any quantities in excess of the ceilings.

It should be noted that the proportion of non-agricultural products in the three countries' exports to the Community is very high (76% for Egypt, 96% for Jordan and Syria). Furthermore, the bulk of these exports are still raw materials. In 1975 crude oil accounted for 94% of the Community's imports from Syria and 51% of imports from Egypt. Raw cotton accounted for 14% of imports from Egypt and phosphates are the main import from Jordan (approximately 70%). These products are all zero-rated in the Common Customs Tariff. It is therefore clear that one of the important aspects of the Agreements is their contribution to the progressive industrialization of these countries and in particular to the efforts made—especially with Community aid—to develop on-the-spot processing of raw materials.

Agricultural exports

The Mashreq countries' agricultural exports, unlike those of the Maghreb countries (especially Morocco and Tunisia), represent only a small proportion of total exports. They account for less than 4% of Community imports from Jordan and Syria, and only 24% of imports from Egypt.

If only products covered by the common agricultural policy are considered, the percentages are lower still: less than 1% for Syria, 2.5% for Jordan and 10% for Egypt. These countries account for only 0.15% of the Nine's total imports of the products in question from non-member countries.

Compared with other non-member countries, however, the countries in question enjoy privileged access to the Community market under the agreements.

The tariff concessions, which vary between 40% and 80%, cover the most important part of agricultural exports. However, certain precautions have been

Ceilings are fixed for the following products

(in t.)

	Egypt	Jordan	Syria
— Refined petroleum products	450 000	—	175 000
— Other woven fabrics of cotton (CCT heading No. 55-09)	3 250	100	500
— Phosphatic fertilizers	35 000	(1)	(1)
— Cotton yarn	7 000	(1)	(1)
— Aluminium	(1)	(1)	(1)

(1) No ceilings have been fixed but the Community reserves the right to introduce them.

Trade between the Community and Egypt, Jordan and Syria (1975)

million u.a.
1 u.a. = \$1.20 US

	Egypt	Jordan	Syria	Total
— EEC imports from...	299.3	7.7	436.2	743.2
— EEC exports to...	1 268.6	205.5	548.8	2 023
Index (1970 = 100)	383	419	600	—
— Community trade surplus	968	197	112	1 278

Overall cooperation agreements with the African, Caribbean and Pacific (ACP) countries and the Arab Mediterranean countries

SOME BASIC DATA

	ACP Countries (1)	Maghreb	Mashreq (2)	Total
Population (millions)	268	36	48	352
EEC exports (1975)	ACP countries (3)	Maghreb and Mashreq countries (4)		Total
— Millions u.a. (EUR) (5)	7 590	6 889		14 479
— As % of exports to all non-member countries	6.6 %	6 %		12.7 %
EEC Imports (1975)	ACP countries (3)	Maghreb and Mashreq countries (4)		Total
— Millions u.a. (EUR)	8 159	3 815		11 974
— As % of total imports	6.9 %	3.2 %		10.2 %
Community trade balance	—569	+3 074		+2 505
Financial aid	Lomé Convention (1)	Maghreb	Mashreq (6)	Total
— Duration of the Convention agreements and financial protocols	1/4/76-31/3/81	until 31/10/81		—
— Million u.a.	3 390	339	270	3 999

(1) Forty-six original signatories to the Lomé Convention.

(2) Including Lebanon.

(3) Including new signatories: the Comoros, Surinam, the Seychelles and countries which have applied for accession: Sao Tome and Principe, Cape Verde, Papua New Guinea.

(4) Including Lebanon for which a sum of 30 million u.a. has been set aside.

(5) Statistical unit of account = 1.20 US \$ (approximately).

(6) Not including Lebanon.

(7) 1 u.a. = 1.11 US \$.

taken (quotas, import timetables, observance of the rules of the common organizations of the market, safeguard clause) in order to safeguard the legitimate interest of Community producers.

Arrangements for Community exports to the Mashreq countries

These exports, which account for 1.8% of the Community's total exports, will be covered by the most-favoured-nation arrangements, though exceptions

will be made in favour of other developing countries.

The agreements, one of the objectives of which is "to promote trade between the contracting parties, taking account of their respective levels of development", do not place any immediate obligation on the Mashreq countries to reciprocate this treatment: the latter undertake to consolidate existing arrangements, while, however, retaining the right to strengthen their tariff protection to the extent necessary to meet the requirements of their industrialization and development.

The fact remains, however, that the liberalization of trade is still the ultimate objective of the agreements; the possible ways of achieving this will have to be re-examined when the gap between the levels of development has been reduced.

It should be stressed that the Arab League countries as a whole already constitute the main external market (12.6% of exports to third countries in 1975) of which approximately 6% to the Maghreb and Mashreq countries. □

ECONOMIC PROFILES

	EGYPT		JORDAN		SYRIA	
— Population (Millions)	36.4	2.5	7.1 (1974)			
● of which proportion engaged in agriculture	55 %	39 %	49 %			
— GNP (\$ million - 1973)	8 820	870	2 800			
● percapita (US \$)	250	340	400			
— External debt on 31/12/74 (Million US \$)	3 120	564	769			
— Debt service as % of exports of goods and service	32 %	4.9 %	4.9 %			

	EGYPT		JORDAN		SYRIA	
	1974	1975	1974	1975	1974	1975
Balance of payments (\$ million)						
— exports	1 674	1 569	155	153	777	930
— imports	-3 491	-4 497	-484	-729	-1 114	-1 540
— trade balance	-1 817	-2 928	-329	-576	-337	-610
— services	186	449	69	198	45	- 3
— transfers	1 305	1 079	270	438	457	706
— current balance	- 326 (1)	-1 400	10	60	165	93
— capital movements	- 156 (1)	+ 171 (1)	12	99	- 8	- 15
	+ 345 (2)	- 53 (2)				
— Reserves position	- 137	-1 281	22	159	157	78

Sources: IMF and IBRD

- (1) Capital at middle and long term.
(2) Short term bank credit.

Production of raw materials

EGYPT: crude oil: 15.8 million t. (1975)
present refining capacity: approximately 5 million t.

SYRIA: crude oil: 9.5 million t. (1975)
refining capacity: 2.7 million t.
phosphates: 850 000 t. (1975)

JORDAN: phosphates (1975): 2 million t.

The EEC and the banana trade

The European Community and its member states are the world's largest importers of bananas and therefore its thinking and policies have a considerable interest for and influence on the banana market. In round figures, banana exports in 1975 amounted to over six million tonnes, of which the Community imported over two million, the United States just under two million, and Japan slightly under one million tonnes.

The Community market

The Community's individual markets are an interesting mixture varying from the virtually free market of the Federal Republic of Germany to the highly organized national market organization of France, with the United Kingdom and part of Italy closer to the French pattern and the Benelux countries, Denmark and Ireland closer to the German pattern. At present there is no common organization for bananas but a series of national regimes which have evolved in the way they have for a variety of historical, economic and legal reasons. In round figures the Community is supplied with 60% of its bananas from Latin American sources, 25% from ACP sources and 15% from the French Overseas Departments in the Antilles. The 1975 figures showed 325 000 tonnes from Martinique and Guadeloupe, 626 000 tonnes from ACP countries and 1 080 000 tonnes from Latin America. Apart from the United Kingdom and France, the ACP figures include what Somalia supplies to the Italian market, which was down to 35 000 tonnes in 1975. These figures illustrate the balance between the preferential sources of supply and the free sources, the latter being of lower cost and, according to some tastes, better quality bananas.

The principal ACP/OCT producers are Cameroon, Ivory Coast and Madagascar, which supply approximately one third of the French market (178 000 tonnes); Jamaica and the Windward Islands which, with contributions from the Ivory Coast, Cameroon and Surinam, supply approximately two-thirds of the British market; and Somalia, which aims to increase its production so that it will eventually supply one third of the Italian market through improvements to production methods and the use of a loan it has received from the European Development Fund. As the preferential suppliers of France, Italy and the United Kingdom are unable to meet all the requirements of these countries, recourse is had to third country bananas (from Latin America) which pay 20% duty.

Imports into France from this source are minimal (14 000 tonnes in 1974) but the United Kingdom "dollar quota" has tended to increase in recent years owing to the inability of Jamaica and the Windward Islands to supply this market, and in Italy over two-thirds are supplied from third country sources. If it was not for the dollar quota, the fact of the 20% tariff and the organization of the French market, ACP and French Overseas Departments bananas would find it almost impossible to compete with Latin American bananas in the three preferential markets. For this reason it has been agreed by all concerned that, in any Community or international arrangement that may be contemplated for the future, the protection provided by Protocol 6 of the Lomé Convention must continue to be accorded to the preferential producers. Different problems will arise if and when the ACP producers raise their export availabilities, thus reducing the need for third country bananas in the preferential markets, and this will be

Bananas from the ACP countries



Documentation Française

a matter for discussion in the context of a possible international agreement for this commodity.

The problem of excess supply

In a situation of over-production and excess of export availability, one of the fundamental questions to be asked is how to increase import demand. The experts agree that the Community market has almost reached saturation point and it will therefore be necessary to look elsewhere in order to absorb the excess supplies—for example, in the planned economy countries of eastern Europe. Alternatively, it should be possible to give greater emphasis than heretofore to seeking alternative end uses for bananas apart from the consumption of fresh fruit. These might include using the fruit for animal feed stuffs, dried or chipped bananas and other possibilities that have not yet reached the development stage and therefore cannot yet be considered as serious uses of the fruit. The market for banana purée as baby food could also be extended.

International action

The FAO Intergovernmental Group on Bananas has set up a working group to consider the possibilities of such an agreement, on which are represented the Federal Republic of Germany, Italy and the United Kingdom, together with Japan and the United States on the consumer side and Jamaica and the Ivory Coast for the ACP countries on the producer side, together with Ecuador, the Philippines and a representative from the Union of Banana Exporting Countries (UPEB). France is a member, being both a producer and a consumer. The Commission is represented on the working group as an observer. Such an agreement might be based on export quotas or other appropriate economic measures in an attempt to reduce not only the over-production but also the excess of export availability which bedevils the banana market and keeps prices depressed for the producers. The first meeting was held in Rome in July, when it was agreed by both sides that the following elements might be included in such an agreement, but the list is not exhaustive:

— establishment of production and ex-



A banana comes pre-packed by nature

port goals compatible with world banana requirements;

- provision for the examination of appropriate economic measures designed to secure prices remunerative to producers and reasonable for consumers;
- improvement of the quality of bananas;
- plans to increase consumption;
- diversification schemes.

The next meeting will be held in Rome in March 1977, by which time it is hoped that a number of difficulties on the producers' side will have been resolved as well as a number of reservations on the consumer side on the efficacy of international agreements, and that it will be possible to make more progress on the discussion of some of the technical problems postulated by the FAO in their documentation.

In Nairobi in May 1976, the UNCTAD 4 passed its Resolution 93(IV) on an integrated programme for commodities, and bananas are included in the list. UNCTAD is due to hold its first preparatory meeting on this commodity in the first quarter of 1977. It is to be hoped that by that time, technical discussions will have been sufficiently advanced in the FAO group to provide a firm foundation for preparatory talks in the UNCTAD context, which may lead to the negotiation of an international agreement. The scope of this preparatory work is to propose appropriate measures and techniques, determine financial requirements and to prepare draft proposals on such items as production goals and export

quotas which would be used to defend the negotiated price ranges in an agreement.

The Lomé Convention

As far as bananas are concerned, the Lomé Convention provides Protocol 6, which is the instrument giving legal force to the protection already afforded to the ACP producers by the Community. The terms of the Protocol encompass access to markets and market advantages, financial and technical cooperation covering all stages from production to consumption and the opportunity for ACP countries to gain footholds in new Community markets. In other words, the present situation is protected and all efforts to improve their position in the future will receive positive support from the Community. There will be opportunities for the banana sector to receive financial and technical assistance as long as this appears as a priority in the development programme of the ACP state concerned. Somalia benefited from a transfer of funds in the Stabex scheme in respect of its export earnings for bananas in 1975.

At the institutional level, a permanent joint group has been established between the Community and representatives of the ACP producers to provide a forum for the discussion of problems arising from the operation of Protocol 6. This group met once in October 1975, when the ACP states agreed to submit to the Community a memorandum setting out their problems and requests. Once this has been received by the Community and considered in its institutions, the second meeting of the group will be called. Bananas featured in the recent presidential mini-summit and they are to be discussed by both sides in the context of the German Banana Protocol early in 1977.

Perspectives

In the coming year, the main Community effort will be directed towards the part it will play in the FAO and UNCTAD deliberations, where an attempt will be made to reach a common position as far as this is possible in the context of existing national arrangements. □

ROBIN SAVILLE

The African Institute of Italy

The Istituto Italo-Africano was founded in 1906 by a private group of figures within the Italian Senate, notably Fernando Martini, who shared a deep interest in Africa. The institute (1) is now a semi-state body under the foreign ministry. It began as an association, but during its more than 70 years' existence its role, policy and organization have changed. Ambassador Paolo Tallarigo, the present secretary-general, stresses that the economies of the recently of independent African states have been receiving more attention since World War II and that this is a complement to the cultural and intellectual aspects which used to predominate.

The institute's statute describes it as "a national centre for the collection and distribution of material on Italian activities on Africa, as a place for observation, study, research and participation in the problems and evolution of Africa and as a meeting place where economic and cultural relationships and friendship between Italy and Africa can be expanded and developed". These are clearly difficult and complex tasks, but they have always been taken very much to heart.

The law is fairly vague as to the activities this actually covers, but their range—at headquarters in Rome and in eight other regional or inter-regional centres in Italy—shows that the institute is an important stage for pro-African action in Italy and in the EEC in general. The activities also show the interest taken by large sections of the Italian population, particularly the young, in Africa's problems.

Institute activities are divided into three main spheres—research, study and distribution; operations and consultation; contact with the press and public relations.

(1) Headquarters: Via Ulisse Aldrovandi, 16-00197 Rome, Italy.



Mr Tallarigo at a "Group of 7" meeting

Quality periodicals and a comprehensive library

As far as research, etc., is concerned, the institute publishes periodicals and a collection of summary monographs (see the "Courier" No. 39). "Africa" is a quarterly journal of advanced scientific articles by Italian and international experts. "La voce dell'Africa" (The Voice of Africa) is a monthly publication of general economic interest covering the principal events of the previous month in Africa. Five of the "Quaderni d'informazione" series (information booklets) have so far been on African countries (Cameroon, Gabon, Nigeria, Somalia and Togo) and it would be good to see these very useful publications added to and updated.

The institute's headquarters houses a comprehensive library (including map and photo libraries). There are upwards of 50 000 volumes, 723 sets of journals now out of print and 186 subscriptions to current periodicals on Africa, all of which constitutes a rich source of information for research workers.

Meeting the need for information

In order to meet outside requests for information, the institute has opened a documentation centre. Dossiers are compiled using information (which is

checked) from available sources and, on occasion, from Italian embassies in the various countries of Africa. This means that the vast range of questions on special points, usually of economic interest, posed by the press, teachers and private and public firms, can always be answered with the most up-to-date information. Mr Tallarigo also hopes to expand the documentation centre into a consultancy for small and medium-sized Italian firms which are anxious to make market contacts in Africa but which do not have the funds to apply to a private consultancy.

Annual courses covering various aspects of African culture are now being run in 18 different centres in Italy (25 000 students, mostly postgraduates enrolled in 1975.) There are two types of course—one covering the history and geography of Africa and another covering internal and external policy and the problems of decolonization and development. Students come from all sorts of university backgrounds, but most intend to teach and, for them, the course will considerably augment their knowledge about Africa. The 92 000 books published for sale to the students in 1975 were the institute's own principal source of financing and a clear indication that an increasingly large section of the population is becoming involved. The institute also provides a certain number of study and research grants every year for young Italians anxious to complete their studies in Africa itself.

The institute also runs debates, lectures and meetings in Africa itself, attended by highly qualified Italian and foreign experts. For example—the international colloquium on the harmonization of laws in Africa, in collaboration with the International African Law Association of Great Britain (whose reports appear in English, French and Italian).

Reorganization of the museum

The headquarters also houses the "Africa Museum", which is being reorganized to put greater emphasis on exhibits and themes rather than on anthropology, which is so often to the forefront in displays of this kind.



Otumfuo Opoku Ware II, Chief of the Ashanti (Ghana), visiting the Italo-African Institute



President Bongo of Gabon (centre) with Mr Pedini (left), Italian Under-Secretary of State, and Mr Tallarigo

The main sections of the museum are devoted to pre-history and archaeology, coins and medals, ethnography, art, photography and cinematography and philately and there is also a collection of the letters and documents of Italian explorers.

The institutes' periodical exhibitions have so far been extremely successful. Over the last few years, the people of Rome have been able to visit an Arabic art exhibition put on by the Arab League in 1973, "Traditional and contemporary African art" to mark the OAU's 10th anniversary, "Italian painters for the Third World" in 1974 and "Senegalese art today" in 1975, under the patronage of the Presidents of Italy and Senegal.

The Institute and the Pedini Law

This law, which deals with technical and financial cooperation, states that the institute has to prepare and carry out a number of special cooperation projects. In particular, the institute is running a study on the reorganization and development of nomadic stock-raising and the installation of intensive cattle breeding centres as part of general research into solutions to the drought in the Sahel.

The Ministry for Foreign Affairs has also entrusted the institute with cooperation between universities in Italy and Africa and it is therefore coordinating cooperation between various facul-

ties—primarily of medicine, arts and architecture—of universities in Italy and in Somalia, Uganda, Liberia, Algeria, Zaire (Lubumbashi), Senegal (Dakar) and Kenya (Nairobi).

Health and welfare programmes

After a meeting on tropical diseases in 1973, Professor Pampiglione of the University of Bologna produced a health guide to the tropics under the auspices of the institute and with the agreement of the various African governments. The institute is currently in contact with some of these governments with a view to adapting the health guide to local conditions and printing it in the local languages. Contact has also been established with the WHO, to help boost the Italian contribution to its health and welfare schemes.

Trade fairs and the Group of 7

Wherever possible, the institute takes part in major trade fairs in Italy and abroad, i.e. wherever it feels it can be useful. A particular example of this is its promotion of the Transafrican project. More generally, it attempts to interest Italian economic operators in developing the African economy. At various fairs, including those at Palermo, Milan, Bari, Verona and Bologna, the institute has taken a close look at certain economic problems and relationships.

The new Europe/Africa relations under the Lomé Convention are extremely important in ambassador Tallarigo's eyes and he is anxious to further publicize and extend the scope of the Convention. Meetings in Rome, Milan, Florence and Verona have already been devoted to this.

The ambassador stressed the importance which the Group of 7 attaches to trade between Europe and Africa, particularly in the form of joint projects. The group comprises the Afrika Instituut (Netherlands), Afrika Verein (Germany), the Association Internationale pour le Développement Economique et l'Aide Technique (France), the Centre pour l'Etude et le Développement des Investissements d'Outre-Mer (Belgium), the East Africa and Mauritius Association (GB) and the Istituto Italo-Africano. All the bodies are anxious to help optimize the EEC-ACP industrial cooperation policy. Ambassador Tallarigo underlined the Group of 7's desire to adapt its structures so as to obtain maximum representativity of European economic operators.

Its long experience and energetic organization make the Istituto Italo-Africano a valuable source of information at a time when the European public, especially the younger generation, are increasingly realizing that the Third World is their concern. Nonetheless, more use could be made of it. New ground has still to be broken. □

R.D.B.

The International Patent Institute

Providing access to worldwide technological information

Technological information is of prime importance in the transfer of technology from developed to developing countries, as UNCTAD IV resolutions on industrial property clearly show.

Information of this sort is the concern of the International Patent Institute in the Hague (1), an international body set up by the diplomatic agreement of the Hague of 6 June 1947 and due to become the research department of the European Patent Organization (EPO) when it starts up later this year.

For 25 years, then, the IPI has been providing access to international technical documentation not only for the governments of the countries subscribing to the institute (member states), but also

(1) 2, Patentlaan, Rijswijk (Z.H.) Netherlands.

(2) The opinions expressed in this article are those of the author alone.

for industry and the general public, regardless of origin—although IPI activities to date have almost solely been on behalf of industry in the industrialized countries.

But are the technological information services which the IPI offers the public well enough geared to the needs of developing countries to be of interest to the industry which is just emerging there as well? (2)

IPI public services

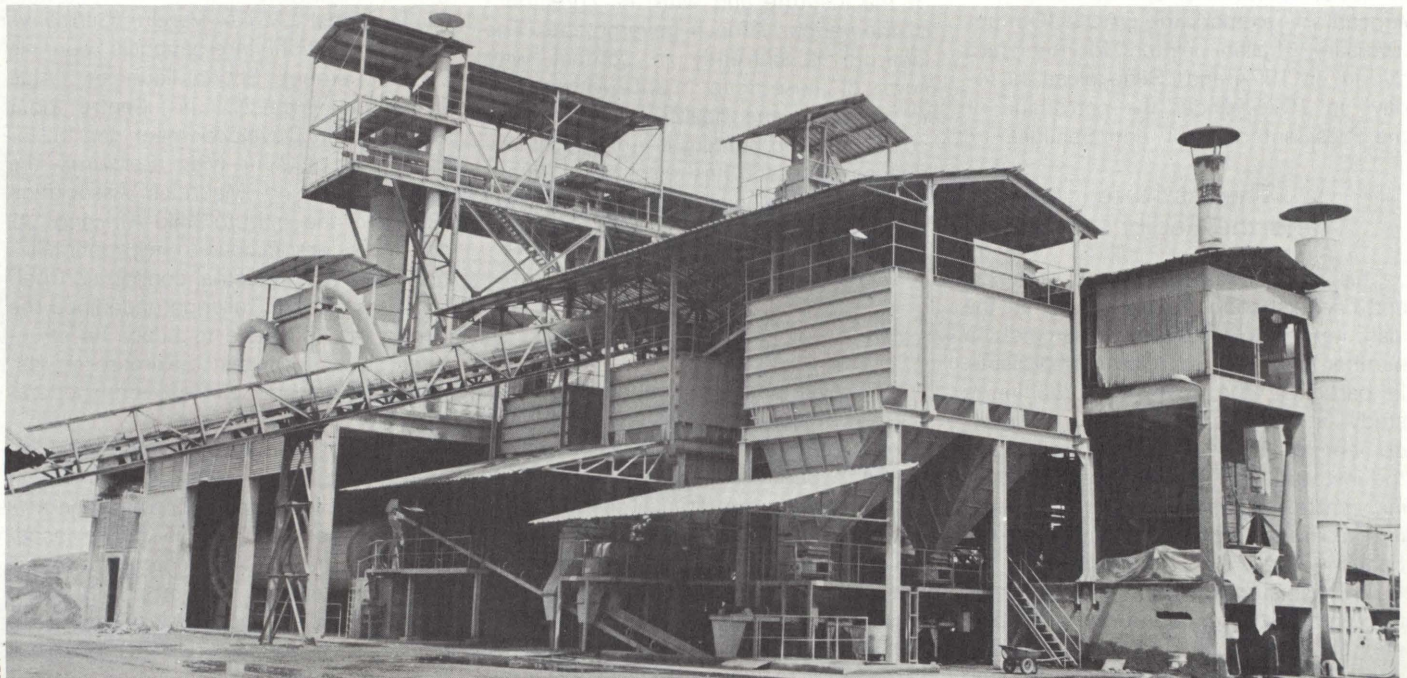
One of the main ones is to carry out documentary research into the novelty and inventiveness of applications for patents in the member states. In addition to this official job, the IPI also runs a worldwide service for the general public by putting its research apparatus and whole range of technological information facilities at the service of industry in general—large firms, small firms, inven-

tors, research workers, patent advisers and private individuals.

Research materials

Patent documents from the various countries of the world and technical and scientific publications provide the only systematic information on the use of technology in industry. The Institute's research material comprises the enormous fund of technical knowledge contained in these documents, plus the considerable means needed to gain access to it. There are 12 million documents, primarily patents or requests for patents from the major industrialized countries of the world, and there are 800 000 articles from technical journals and reports. These are the bulk of the material. The classification system divides the documents into the various branches of technology. Over and above this, there is a numbered collection of all the patents issued in most countries of the world, bringing the total number of documents housed in the 25-storey IPI headquarters in Rijswijk, on the outskirts of the Hague, to more than 30 million.

This systematically classified fund of research literature, although enormous, provides very precise information and its



Who owns the industrial know-how transferred to the Third World? (Cement works in Cameroon, financed by the EDF)

EDF

65 000 subsections have to be constantly and carefully kept up-to-date to include recent technological developments.

This, plus research proper, is the work of the 450-strong IPI team. These highly-qualified experts have been recruited from among the graduates of the major universities and colleges in many countries and they work in the Institute's four official languages—Dutch, English, French and German. They cover all branches of technology without exception and carry out a total of more than 40 000 items of documentary research every year.

An IBM 370/135 computer (central memory bank 256K plus disk files, total capacity 800.10⁶ bits) is used to organize the information and for research into some technical fields. This can immediately provide staff with whatever bibliographical data—date of application and publication, priorities claimed, etc.—they need on any patent document plus documents relating to other patents on similar subjects.

Range of services

This is, theoretically, unlimited. The fund of technical information can, of course, be used in many different ways—perhaps in the process of obtaining provisionally protected patent rights, negotiating on patent licences or know-how or ensuring protection against rival patents. Or again it may be in the course of drawing up industrial research programmes, finding the possible applications of a particular product or process or monitoring technical progress ("the state of the art") in a given sector.

This is why, in addition to issuing official reports on the state of the art for the various member states' national administrations, the IPI also carries out a variety of special tasks to the client's specifications. The most common requests are listed below.

Research into the state of the art

This, more commonly referred to as research into novelty, far too narrow a definition, is intended to reveal concessions—both as regards novelty and inventive step—in respect of an invention for which a patent has been issued or requested. Reports of this kind are normally similar to the official reports pro-

duced for national patent offices or, as is shortly due to occur, as the European Patent Office or body empowered to carry out international research by the Patent Cooperation Treaty (PCT).

Special research, differing from official research, into the state of the art is also carried out when work needs to be conducted along particular lines. For example, during opposition proceedings, the opponent may have a certain number of documents to hand but no illustration of one of the important technical aspects of his case. Research restricted to this one aspect can fill the gap. Similarly, the defending firm in infringement proceedings must know which documents will enable it to claim for the surrender of the patent which is presumed to be an infringement. The IPI can be asked to undertake thorough research in cases such as this.

It may also be useful to ask for research into the state of the art in respect of an invention, for which no patent has been issued or requested, thereby saving any expenses in respect of this application on translation, finalization to meet legal requirements, duties etc. It should be remembered that a large number of patent applications fall by the wayside at the research stage because of the existence of documents constituting concessions of priority.

Research with a view to free exploitation

Before launching a product or exploiting a process on a new market, it must be clear that the product or process in question is not already protected. The IPI then looks up which of the current protection rights in one or a number of countries are likely to preclude free exploitation.

Preliminary research for a programme of industrial study Monographs on the state of the art

Before drawing up and launching a programme of study and industrial research, it is often useful to have a selection of documents illustrating the state of the art in the sector under investigation and showing the solutions that have been applied.

Research of this kind may well involve writing monographs summarizing the

state of the art in a given sector and mentioning any trends in precise areas. In many fields, patent literature exists many years before technical realization occurs and people who have these monographs are therefore working with the most up-to-date materials there are.

Background research

The aim here is to get an overall picture of the most important publications on a given subject, at high speed and low cost. This sort of research is fairly general and intended only as a preparatory step.

Research into similar patents

The aim is to find out the members of a particular family of patents issued in various countries, according to both priority (bibliographical similarities) and content (technological similarities).

Research into patentees

The IPI lists the patents held by given individuals and firms in a certain number of countries.

Bibliography of a given subject or branch of technology

The IPI supplies lists of patent documents and non-patent literature from its research files on subjects or fields specified by the client. This may be a simple list of all the documents in one subsection of its classification system.

Automated research

In some branches of technology, which are suitable for computer treatment, automatic research systems—analogue/digital converters, control systems, telephonic communication, lubricants, plugs and sockets, electric machines, laminated products, steroids, lasers and masers, alloys and electrolysis—have been introduced.

Photocopy supply service

The IPI can supply photocopies of any documents on its files.

Developing countries' access to technological information

The IPI services are to anyone—individuals, industries or national authorities in any country. In principle, therefore, developing countries are already able to use them.

However, it may well be asked whether these services and conditions of access are the best answer to the specific needs of these countries. Will they need a special type of technical information? Should it be presented differently? Are the present methods of paying for IPI work suited to the possibilities of all who apply for it?

The IPI cannot answer these questions by itself. The answer should emerge from cooperation and coordination between the various authorities concerned with these problems and the IPI, whose principle is to adapt its services to the needs of the consumer who can then make any alterations that prove necessary.

What the PCT offers

The international office of the World Intellectual Property Organization has attempted to improve on world-wide organization of technological information by drawing up the Patent Cooperation Treaty, due to enter into effect in 1977.

In WIPO's eyes, the treaty will mean that countries party to it will no longer have to have recourse to the services of specialized technicians and technical literature in respect of documentary research into novelty and the inventive step of applications for patents. This research and any preliminary investigation will now be carried out, as part of a world-wide system of cooperation, by one of the various international research and preliminary investigation administrations set up by the Treaty. Developing countries party to the PCT will, to a certain extent, find the sort of technical/legal reception infrastructure which they need to promote the transfer of technology from the developing countries. They will be able to control the real worth of patented technological processes they are offered and will themselves be in a position to issue patents that are as reliable as those in de-

veloped countries, thereby providing considerable protection for foreign applicants and for their own inventors and industries as well.

The Treaty will also provide member countries with the most recent technical literature, classified according to branch of technology and drafted in the best-known languages. This information will comprise international requests for patent, accompanied by reports on international research and, in certain cases, reports of preliminary international investigation and technical abstracts.

The IPI, which has the relevant research facilities, agreed some years ago to become the PCT administration in charge of carrying out international research for any country which applied for it. It is likely that the European Patent Office will take over this duty. The IPI is shortly due to become the latter's first directorate-general. It will act as the central administrative body for research and as an information centre for most European countries.

This provision is of particular interest to states—the USA, Japan, the USSR and the COMECON countries—which are party to the PCT but which have no access to similar services in their own or in neighbouring territories.

The Lomé Convention context

The Centre for Industrial Development set up by the Lomé Convention will, no doubt, have a very important contribution to make to the search for the best ways of cooperating with developing countries on technological information. It will have to see whether the services the IPI is now providing do in fact meet public needs or whether they ought to be adapted.

Problems of financing

Among the problems to be solved is that of how to finance IPI work. The financial regulations covering the EPO and the IPI provide for the organization's expenditure to be covered by fees for any research carried out. This means of financing, also adopted by the PCT, should not pose any problems in cases of international research or preliminary international investigation into an appli-

cation for patent when the applicant is a firm or company in an industrialized country. However, recourse to the EPO, in its capacity as the PCT international administration, might well be an expensive undertaking for applicants from developing countries. Similarly, carrying out documentary research of any importance as part of a general technological information mission (e.g. producing and distributing monographs on the state of the art in fields of general interest to developing countries), might, in some cases, represent a considerable financial investment. There is no doubt that a solution can be found with the collaboration of international bodies, like WIPO and the EEC, which have undertaken to promote technical cooperation between developing and developed countries.

Long-term objectives

The role of the IPI and the future EPO Directorate-General for Research and Documentation should be considered as one of a whole series of cooperation and technical assistance schemes in the field of industrial property. This attempt to improve the developing countries' access to technological information would not interfere with the undertakings planned in the longer term, under the auspices of WIPO, to set up a certain number of regional centres of technical documentation. The EPO's contribution to attaining these longterm objectives—mainly as regards specialist training for the engineers, jurists, examiners, etc. that the developing countries will need to build their national or regional industrial property infrastructure—is in line with the resolution on technical assistance adopted by the diplomatic conference in Munich. This resolution invites the European Patent Organization, "in the light of the efforts of other intergovernmental organizations, to use all available resources to help developing countries, regardless of their geographical position, in the patents sector, primarily in respect of documentation, staff training and any other means of enabling these countries to close the gap between them and the highly industrialized countries". □

D. PASTUREL
IPI group leader

Barefoot technology

by Uvedale TRISTRAM ⁽¹⁾

In Africa 30 per cent of all food aid is lost through pest ravages and climatic damage in storage. Yet many of the receptacles needed to prevent the losses are too expensive for most farmers. The answer is simple devices based on improvement of local materials and methods, and on the transfer of technology between developing countries. A unit set up in Kenya is trying to provide some of the answers.

Headed by Oscar Mann, a 28-year-old Kenyan, a new Village Technology Demonstration Unit has opened 15 kilometers from Nairobi. It is the first of its kind in Africa. Its aim: to provide a wide variety of low-cost alternatives to expensive, commercially-made farming and home improvement devices.

The emphasis is on the storage of food and water. In Africa, where hunger and malnutrition are rife, more food than the continent needs could be produced by traditional agriculture—with an additional surplus for export. Yet some 30 per cent of all food aid is lost through the depredations of pests and climatic damage in storage.

At the Karen centre, farmers can see new ways of building low-cost grain storage silos. Traditional bins can be improved by lifting them off the ground. Rodent-proof sun-dried brick containers holding up to 2 1/2 tons of grain are built in under two days. A large sack filled with grass and leaves and then plastered with mud and cement becomes a water storage urn as soon as the mud and cement dries and the sack is removed. It takes two or three days to build—at a cost of only \$1.50.

One of the farmer's biggest problems in Kenya, says Oscar Mann, is obtaining a safe and cheap receptacle to store water. The widely-used 40 gallon steel drum now costs 40 Kenyan shillings (over £2). This is beyond the capital investment of most farmers. The clay-cement urn holds almost three times as much water as the drum. A 1 000 gallon tank constructed with these materials costs under £5.

Devices at Karen include a "refrigerator" which cools milk and food by the evaporation of water dripping over charcoal, food storage bins made from mud and logs, a cooking stove made from two 5 gallon oil drums and a windmill constructed of plumber's piping and tin roofing material. All have been made at the centre, using only locally available labour and materials. Simple water pumps from all over the world are being tested to see which are best suited to Kenya.

In the view of Mr Mann, who is on the staff of the UN Children's Fund



Food aid: 30 % is lost for lack of proper storage

(UNICEF), the most promising Karen development is his vegetable drier—a wooden frame covered with plastic sheet in which onion, beans, cabbage and carrots are sun-dried.

"There is little incentive for farmers to grow more than they and their families can eat. Facilities for taking produce to town are limited and so is storage. Canning is too expensive. With this frame, you simply cut up the vegetables, spread them under the plastic sheet and in one day the sun dries them," he said. The device will also be useful for the rapid drying of coffee and grain. The Karen unit is also testing simple hand-operated milling machines from Asia. If they are found suitable for Kenya's maize and other grains, they could be produced cheaply there, providing local employment.

The thinking behind the Karen centre is typified by a remark made by one African delegate to the recent UNCTAD conference in Nairobi: "What we really need is 'barefoot technology'". It is based on the practical improvement of local materials and methods, on the simplification of imported technology from the developed world and, as in the case of the Asian milling machines, on the transfer of technology between developing nations.

Jointly sponsored by UNICEF and Kenya's Ministry of Housing and Social Services, the main purpose of the Karen Unit is to enable farmers, trainee instructors in Kenya's Village Polytechnic Programme and teachers from agricultural schools to see alternatives to commercially available equipment and learn how to make them. The project will operate for the next three years on a budget of only \$65 000.

The drive for the venture comes from Oscar Mann. He is determined to pass it on to others. "I would like to 'un-magic' technology", he said. "If only 10 people get excited by these ideas, then I'll be happy. The good news will spread." □

U.T.

(1) Gemini Economic News Service feature.

TOGO

Extensions to the port of Lomé

On 10 January 1977, Ayité Gachin Mivedor, Minister of Public Works and Mines, officially accepted, on behalf of the Chief of State, the ore and oil quays constituting stage two of construction of the autonomous port of Lomé.

Stage two was financed by the Kreditanstalt für Wiederaufbau (Reconstruction Bank of Federal Germany), the European Development Fund and Togo's own investments budget.

Mr Mivedor described the new facilities and went on to praise German-Togolese cooperation. He stressed that this was the first time that EDF aid had

been provided specifically for the port of Lomé, although the considerable EDF investments in various sectors of Togo's infrastructure all contributed to making port activities more viable and more profitable. "The Togolese government's support and encouragement for ACP-EEC cooperation is fitting proof of its gratitude to the EDF", he said. René Teissonnière, EEC Commission delegate in Togo, outlined the nature and aims of this major investment in the following speech.

"The benefits of the Lomé Convention are praised throughout the world today.

Opening the new facilities for handling oil and ore in the port of Lomé



But, of course, the hopes it raises would never have seen the light of day if the way had not been properly prepared—and the way was prepared by successful development schemes, of which the port of Lomé is, undeniably, a good example.

Opening the door to industrialization

The financing was in answer to a universally-acknowledged need—coastal outlets, which are of such vital importance for both maritime and landlocked countries.

The port of Lomé was built in 1967 with bilateral German aid. Freight shipping has increased at an average 10% p.a.—250 000 t in 1965, 330 000 t in 1970, 423 000 t in 1974 and 600 000 t in 1975.

The port has had both to handle increasing traffic and to cater for the industrialization of the country, which now has a cement works, a fertilizer plant and an oil refinery. Without it, there could have been no such industrialization.

Extensions were therefore undertaken, for a total cost of 5 000 million, of which 76% was a loan from German bilateral aid, 24% an EDF grant and 184 million from the Togo national budget. The financing enabled an ore port, an oil port and a fishing port, sheltered by a 945 m jetty, to be built.

So Lomé is now one of the links in the transport chain. It is both the starting point and the finishing post of the great northern road. This is a major highway, and modernization, involving linking Lomé, Ouagadougou and Niamey, is another success of General Eyadéma's major public works policy.

What can we learn from it?

Fine feelings don't make good literature, said André Gide—nor do words and promises alone make good projects.

There had to be the political will, there had to be a thorough quantitative analysis and properly coordinated financing. And, above all, there had to be a good combination of bilateral and multilateral aid.

There had to be a balance between capital investments and expenditure covered by loans so that the conditions of the guarantee were less onerous so as not to discourage the promoters themselves, the directors of the Autonomous Port of Lomé, who have to manage the investments.

In a word, there had to harmony, so that the work could be carried out jointly—and there was in fact perfect harmony throughout the 34 months of work on site.

But, in cases such as this, the crux of the matter is neither the financial conditions nor the project execution. The essential thing is that the completed work be functional and satisfy the requirements that made it necessary.

And it is not just because the port has been built with loans or grants, or both, that it will be run properly. It will be run properly because the department responsible for it is a capable official body with the budget, technical means and managerial staff necessary to ensure that the facilities are kept in good repair.

We know the port inspector and his services, and we know that their competence, keenness and devotion to duty are the best possible guarantee that this fine technical achievement will flourish. And we know that those who use the port, now and in the future, will find it the answer to the demands of the constantly increasing traffic.

Thus, gentlemen, you will provide irrefutable proof of your country's struggle to obtain and consolidate its economic independence under the guidance of General Eyadéma.

In conclusion, if we take a rapid look at the past, the present and the future, we can see that the geography of Africa is being reshaped and refashioned before our eyes.

As to the past—many Loméans still remember when passengers used to leave the ship in a wicker basket hang-



The main jetty

ing above the waves. Crane drivers sometimes took pleasure in giving them a ducking—unless the waves did the job for them.

But today, when we look out over the port, beyond the festive banners, we are struck by the pleasant geometrical arrangements of the different buildings and by the view of the jetties enclosing the untroubled waters of the harbour, safe from the menace of the ocean. It is motionless, as if it were there for all eternity.

Let us get things clear and imagine what will happen in the future. Once the party's over, the whole port will start moving and things will change their

place and shape. I should like to borrow from Georges Duhamel who, in his "Cordial Geography of Europe" said:

"Everything is alive, a work, afloat. Look at that crane playing a frenzied game with the wagons. And that freighter—not, as it seemed, laid up for ever more—has hastened hooting off. And watch the tankers, as the hasty tugs break up their huddled conference".

This, with a little imagination, could be the port of Lomé to morrow, the lifeblood of Togo's industrialization, a crossroads for goods, clinker, oil—and a privileged meeting point for men and ideas. In a word, one of civilization's achievements". □

Appraisal of agricultural projects submitted to the Commission of the European Communities

The appraisal of agricultural projects, as carried out by the EEC Commission, follows general guidelines laid down for all projects but involves a number of special features in practice.

General guidelines for project appraisal

There are various stages in the life of an ACP project submitted to the Commission. Programming (1) is the first stage and appraisal the second. If a financing decision is taken, the project is then carried out and the final stage is an assessment of the results, made some time after completion of the work.

Programming comes before appraisal in that only projects in the "indicative programme", drawn up jointly by the ACP country in question and the Commission at the beginning of the five-year period covered by the Lomé Convention, and any projects inserted later if the list is revised (also jointly), come up for assessment.

The three basic principles behind the appraisal procedure are set out in Article 53 of the Lomé Convention. The first is that it shall be carried out "in close collaboration" by the Community and the ACP country concerned. The second is

that appraisal be thorough, "technical, social, economic, trade, financial, organizational and management aspects of such projects" being "systematically reviewed". The third is that any project for which financing is granted must meet the specific development objectives of the ACP state concerned and must be effective, profitable and viable. We shall see below how the appraisal procedure establishes whether these conditions are met. These basic principles call for a rigorous system of appraisal, with a twofold aim (2).

For the ACP countries: to ensure that the available financial and technical resources are spread as effectively as possible among the top priority projects. They are always inadequate in view of the enormous needs.

For the Commission: to ensure that the funds provided by European contributors are used to good effect, i.e. under the conditions laid down in the Convention which binds the ACP and EEC countries, in order to meet its partners' development aims.

But how is the appraisal actually made? In most cases, an ACP country submits a project dossier, which the Commission then studies both on paper and on the spot through frequent contact with the government concerned. Less often, an idea for a project emerges and the Commission then agrees to finance a study with a view to establishing a

dossier, which is later examined jointly by the ACP and the Commission representatives.

Then, in the light of the economic and social policy of the ACP state, the Commission has to check that the suggested means—i.e. the project—are in line with the prescribed aims, and meet the best economic and technical criteria.

This verification is carried out on the basis of internal Commission documents (3), which, if the ACP state concerned has no preference for any particular method of appraisal, suggests methods which will be largely based on the experience of the Commission itself and of bilateral aid from EEC countries, and on the practice of other national and international development cooperation organizations. If the ACP state prefers to use some other method with which it is more familiar—such as those used by the French Ministry for Cooperation, the British Ministry of Overseas Development, the German Kreditanstalt für Wiederaufbau or the World Bank—the Commission will of course base its assessment on the dossier it receives and will only ask for further information where necessary.

Appraisal of agricultural projects

Commission appraisal of agricultural projects is based on the idea that given needs must be met in the most suitable way possible. There are three main stages: a description of the reference situation, i.e. how things are and how they would develop if there was no project; an analysis of project contents and

(1) See "Courier" No. 31 (special edition) March 1975, a series of articles on the main provisions of the Lomé Convention, in particular p. 34 on financial cooperation.

(2) See A. Van Haeverbeke on EDF appraisal of transport projects, the "Courier" No. 30 (March-April 1975), pp. 27 et seq.

(3) These are (i) project dossiers, listing the relevant components for each category of project; (ii) a document on the general appraisal of projects by the EEC, completed by a specific document on calculating the return on agricultural projects. Other specific documents for other types of project are being drafted.



Groundnut plantation
An EDF project is drawn up and put into action

possible variations; and an examination of the anticipated effects of the project, whether quantifiable or not.

Stage one is preceded by a link-up period between programming and appraisal proper. This involves studying the place of the project in national development planning and seeing how well it fits in, thereby meeting one of the conditions of the Lomé Convention. There is not usually enough time during programming to go into the details of the projects and a thorough investigation may reveal that they are only superficially in line with development aims which could well be achieved by other, more appropriate means. Projects of this

sort are usually dropped by mutual agreement between the ACP country and the Commission and another project is brought into the indicative programme instead. For example, if one of the top priorities of planning is to balance public finances and a proposed import-substitution project costs more, at the operational stage, than the previous imports, the project does not fit in.

This preliminary period is also the time for eliminating any projects not eligible for Community financing, where this has not been done during programming, such as current administrative, maintenance and operating expenditure (Article 46 of the Lomé Convention)

which cannot be the subject of the derogation referred to in Article 11(3) of Protocol No. 2 annexed to the Convention. This derogation covers "the running costs of, or major repairs to, works previously financed by the Community which are of special importance to the economic and social development of the state concerned", provided that such expenditure "proves too great for the state" and provided that the Community financing is provided "temporarily and on a diminishing scale".

If the project is in line with the national development plan and eligible for Community aid, then appraisal proper can begin.

The reference situation

The description of the reference situation (outline of the region in question, use of land, population, employment, income, areas under cultivation, yield, categories and quality of production, methods of development, marketing and processing, prices, rural structures, etc.) is of vital importance. It is the examination of this situation "before" and "after" the project that will give a correct idea of the effects and, therefore, the value of the project. However, the "before" situation has to be described with an eye on the future—that is to say, an attempt has to be made to predict how things would develop without the project. The state of the area concerned may deteriorate initially—the soil may lose its fertility, the areas available to individual families may decrease, emigration may become necessary and so on. But there may also be progress. Certain writers suggest that Africa's rural production can increase by 2.5% p.a. in the long term (4).

This sort of thing is obviously very difficult to predict and, if there is no specific basis for calculating developments, then it is probably better to stick to the original situation—an apparently simplistic solution being better than guesswork.

A particular, but common, problem is lack of statistics. The ideal project is obviously one which is based on detailed figures (5), provided they are reliable. Two opposing attitudes, perfectionism and carelessness, are possible here, and both are dangerous. The former involves demanding all the figures for the various sectors mentioned and would probably lead to nothing since, in all but the most highly-developed countries, full, up-to-date, reliable statistics are a rarity. Considering such data as vital would, in the case of the poorest ACPs, necessitate lengthy, and therefore costly research and mean that the project, although a priority one, could not be carried out in the immediate future. Carelessness can arise from acting on a first impression or

(4) John H. Cleave: African farmers—labor use in the development of smallholder agriculture (Praeger, New York 1974).

(5) E.g. statistics on areas under production, hygrometrical measurements, censuses, market price lists, land registers, percentages of loan repayments over the year, etc.

on the basis of partial surveys, without referring to a series of figures furnished by repeated observation over many years, and may lead even the best intentioned of experts to embark on a doubtful course of action. For example, peasant farmers who are idle at certain times of the year do not necessarily spell rural unemployment. Yields worked out on the basis of one year on one farm may lead to under or over-estimation according to whether the year is a good one, whether the farmer is enthusiastic, whether he has assimilated advice from the extension service and so on.

A minimum of statistical information is therefore necessary and, of course, the better the information, the better the appraisal.

In each case, the appraisal services have to assess this minimum of information to see whether they ought to ask for more details and whether lack of data might lead them to overlook an important aspect of the project. Discussion with national governments and local leaders is vital here. It is also important that the dossier state whether the figures supplied are based on true statistics from a particular source) or whether they are just estimates.

A study of the reference situation should logically reveal exactly what need is to be met and show the bottlenecks and the potential of the area in question, i.e. it should show why a project has been planned there. In some cases, this study may be completed by an analysis of similar projects previously carried out in the area in question. The results of these projects do, in fact, provide valuable information for the new projects, provided any comparison is based on data that really are comparable (same type of soil, the same conditions of production, etc.). The existence of micro-climates inside a region may, for example, interfere with assimilation, or a selected palm grove may be more demanding than a natural one, and so on.

Once a picture of the reference situation has been obtained, the second phase of appraisal—analysis of the contents and possible variations on the project—can be started.

Project analysis

A detailed description of the economic and technical aspects of project analysis is not necessary here—the general lines are provided in the outline dossier and have to be adapted to each type of project, irrigated or dry crops (family or industrial plantations), integrated projects, land protection and reconstitution, a mass campaign for the popularization of seed treatment, etc. The main points are as follows.

The first step is to examine the studies and research (soil investigation, agronomical testing and market studies, for example) carried out prior to the drafting of the project.

The second is a detailed technical description of the aim of the project (increase in area under cultivation, unit yields, quality, total production, value at market prices) and the suggested means of implementation at both investment and operational stages—works, supplies, expatriate technical assistance, local staff, working capital and a contingency fund. The technical description must also include a precise schedule, specify methods and structures for implementing the project (management, marketing, agricultural credit, etc.) and set out any additional measures that might be needed (later investments for the industrial processing of production, labour recruitment system, legal texts, follow-up reports and so on). It should be noted that the main variants must also be discussed and their advantages, disadvantages, potential realization, schedules, costs, etc. must be assessed.

The third important aspect of the analysis is the financial study. This involves costing the investment stage of the project (estimates), costing the operational phase (provisional operating accounts) and breaking down the amounts into intermediate local consumption, imports, customs duties and values added (wages, tax and profits). It means that the cash flow has to be verified and the liquid assets situation of the project investigated. It is carried out for the project as a whole, regardless of how many different financing arrangements there are and what the sources are, and

should lead to a proposal for a financing plan. The project may only involve EDF resources, or it may include financing from other, national or foreign, sources. The amounts and terms of the financing must therefore be chosen to suit the financial situation of the country in question and the individual features of the project (6). Any subsequent take-over of the project by state or private interest should be carefully examined—particularly the operating/maintenance expenditure.

The fourth part of the analysis is the economic study. Technical and financial data are used to check that the aim of the project is achieved under the right conditions—i.e. those which are suited to both the good and the bad features of the region in question, determined during the first stage of appraisal—and are geared to the possibilities, in terms of staff and funds, of maintenance and operation in the ACP country. Determination of the effects of the project on the various economic operators concerned completes this stage. This is discussed below, in order to convey the importance of the anticipated effects of the project on the overall appraisal.

There may in some cases be a fifth stage to the analysis when the social aspects are gone into (see the discussion of the effects on the small farmer below). For example, in a project to establish peasant farmers on virgin land, the social aspects are fundamental in that they largely contribute to determining the population's attitude to, and therefore the success of, the project. Social aspects mean, over and above any considerations of employment and income, the material surroundings (e.g. housing, water supplies) of the peasant farmers where new villages are being built, the adaptation of new techniques or methods to the outlook and customs of the local population, and so on. This vital adaptation may considerably affect the time it takes to carry out the project, since the rate at which innovation can be assimilated varies widely from one

category of producers to another, being faster where farmers are already "advanced" and slower in the case of poorer areas.

This is one conclusion among many others that the Commission has drawn from nearly 20 years of experience with Community aid. And, of course, it is in the light of this constantly broadening experience that new projects are appraised.

Overall, this analysis will reveal whether the project is viable. But it still remains to be seen whether it is effective and profitable—and this is the subject of stage three, when the anticipated effects of the project are examined.

Assessment of the effects of the project

Agricultural projects are assessed at four different stages. First, the input stage (labour, fuel, fertilizer, agricultural machinery, young plants, etc.). Second, at the level of the peasant farmer concerned (small planter or wage-earner). Third, at the level of the project itself (financial return) and last, at the level of the state (economic return and non-quantifiable effects). The whole examination should reveal whether the project is a profitable one (7).

In many cases, the ACP countries are in the sort of situation where the factors of industrial production, such as fertilizer, insecticides, machinery and fuel, have to be imported and this should be borne in mind when the effects on the balance of payment are being worked out. Similarly, unemployment is frequent in rural areas and this too will affect economic profitability. If input—particularly industrial input—has to be supplied by local firms, then it must be determined whether their production capacity is adequate to meet the project's requirements without any extra investment.

Any additional investment of this kind will have to be included in the "effects" of the project, together with the cost and advantages (imports, employment, tax, etc.). These effects may well amount to a net gain, which will be attributed to the project—for example, when byproducts (which have not so far been sold locally or exported because there was no market for them or they were of low commercial value) are used to make packing cases for the produce expected from the project, with the help of hitherto unemployed local labour. It is also possible that, if the additional electricity needed for the project is to be supplied at an acceptable price (to pump irrigation water for example), the local firm will have to import more fuel, although it will be unable to put its prices up enough to cover the additional outlay. This results in a net cost which should then be offset against the project. These various advantages and disadvantages are finally integrated in the analysis at national level to calculate the overall economic return of the project.

There are two quantifiable elements at the level of the individual farmer—the net additional income—i.e. the additional income from the project (e.g. value of extra production) will be offset against his previous income, after deduction of the costs of obtaining this extra income (purchase of seed, water tax and so on). If there is a considerable gain to be made, the farmer in question will probably support the project. If there is only a small financial advantage to be had and the work involved in the project is much more arduous, the population will probably only be luke-warm in their attitude to it. The destination of the new produce (to be consumed by the grower or sold) is also important, since obtaining a cash income can be a deciding factor in some cases.

Other factors are also involved at the level of the farmer—distance of the well in a new village, possibility of sending children to school, etc. These factors cannot be assessed in conjunction with the work and income factors, but they should not be neglected.

At the level of the project itself, an analysis of the quantifiable effects is carried out and usually leads to the cal-

(6) For example: an industrial plantation project in a country which is not one of the least-favoured ACP states (Article 48 of the Lomé Convention) would be more likely to be granted financing in the form of a loan than a family plantation project in one of the ACP states listed in Article 48.

(7) When the rate of return cannot be calculated (due to lack of statistical data, for example), another indicator of profitability is admissible—the capital coefficient, cost of investments per ha or per job created, etc.

culuation of the internal rate of financial return. In this case, all costs and advantages are worked out at market prices and the annual cash flow must be established for the whole period of the project. That is to say that the annual balance (negative or positive) of income as compared to expenditure of the project must be established, regardless of whether it is at the investment or the operational stage. The principal income in an agricultural project is the value of the extra produce obtained through the project, but there may also be state grants (e.g. to cut the costs of fertilizer) and, in the final year of the project, the residual value of installations and equipment. Costs are, generally speaking, the investments and the costs of operating and trading (purchase of seeds and young plants, insecticides, fertilizers, fuel, water, electricity, spare parts, wages, equipment replacement, taxation and overheads). In addition, the working capital is considered to be a cost and is included as such the first year it is used, any remainder at the end of the project being considered as income.

The life of the project is determined by the life of its principle components. A palm plantation, for example, has a life of about 30 years before production drops to almost nothing. A dam will normally last more than 50 years. When a project only involves supervision and instruction, it will normally be run for 15 years before the services are reduced or withdrawn altogether.

The annual cash flow thus obtained is corrected by means of discounted cash flow tables and the annual balances are totalled. The rate is sought for which the total is zero. The rate which gives this result, that is to say, the rate for which the corrected income total corresponds to the corrected cost total gives the internal rate of financial return.

Practically speaking, this latter rate varies considerably from one project to the next from double to ten-fold, according to type of project and the country in which it is being carried out.

This is only an outline of the methods used. Problems may arise with such things as the inclusion of the costs of part of the investments creating roads



Improved rice-growing projects in Madagascar

intended to link the project area with the existing road network or the non-inclusion of interest and loan repayments, contingency funds to cope with inflation, and so on. These problems are studied in the various specialized documents mentioned above.

At the level of the state, economic return (i.e. the effect on the overall growth of GNP) is calculated and an attempt is made to determine the other consequences, especially the non-quantifiable effects, of the project.

In order to assess the economic return, it is convenient to start with the financial return and correct the various elements as necessary. The aim of these corrections is to express the effects of the project on the nation as a whole. The rate of financial return only took this into account at the level of the unit

or the group of individuals directly involved in the project.

The main alterations to be made to components of the rate of financial return to obtain the internal rate of economic return are the opportunity costs of land and labour, transfers, prices (especially to calculate the value of the production), input and output effects and the rate of exchange.

As far as the financial return is concerned, obtaining a plot of land is not usually a financial outlay since, in the present situation of the ACP states, it is only very rarely that land for a project has to be bought or rented. Land is used collectively or individually, but usually belongs to the state. However, as far as the rate of economic return is concerned the previous production of the land used for the project must be taken into con-

sideration since it has now been dropped in favour of that involved in the project. If the land in question was not used before the project, then the opportunity cost is zero (production to be deducted). If the land was used before the project took it over, then the net value of previous production must be deducted annually from the value of the new production.

The same principle applies to wages. Generally speaking, there is a shortage of qualified staff in the ACP countries and the opportunity cost of employment of this type of staff in the project is high. In fact, it is equal to previous or alternative wages. However, the opposite is usually the case for unskilled rural workers who usually far outnumber available jobs in the ACP countries. In this case, there is no loss of previous production when a new job is created and the costs of wages for this type of worker can be discounted.

The transfers correspond to taxes and grants. Tax is paid by the firm running the project, but it is received by the state. The opposite is true of subsidies. A simple transfer is thus being made within the national budget and, in the rate of economic return, the calculations of taxes and subsidies are left out. However, the additional charges of the project that the state has to pay must be included (extension services paid out of the budget, for example) as must any gains or losses on customs duties.

The prices, particularly as far as value of the produce is concerned, are taken to be those paid to the producer, calculated on the basis of world rather than domestic prices. If the produce is actually exported, the basis is the price f.o.b. obtained after deduction of a differential for transport, storage, packing, etc.

If the produce is consumed locally (for example, as a substitute for imported products), the value is calculated on the basis of the price c.i.f. plus transport to the consumer. Here again, specific problems may arise and are dealt with in the specialized documents.

Economic profitability must also include the "input" effects described above. The output effects of the project

after completion should also be added, if they can be calculated—transport, marketing or processing of production, for example, where these elements are not included in the project, the use of extra income created by the project (8), economics of scale, etc. The last two categories are normally exceedingly difficult to assess.

Finally, the official rate of exchange used by the country concerned may not correspond to the real cost of the foreign currency as reflected in private deals. If the actual cost can be calculated, then a weighting is worked out (usually positive in relation to the official rate) and this is added to all headings for project income and expenditure abroad.

Once these various alterations have been made, the rate of internal economic return is calculated, by correcting the figures in the same way as for the rate of financial return. It can be easily appreciated that the economic return of a project is higher than its financial return, although the level obtained varies widely according to country and project.

There is still one more stage—an analysis of sensitivity. The various parameters (cost of investments, length of project, value of production) are made to vary and the affect of these variations on profitability is observed. If one of the parameters emerges as very important (because its variation brings about a sizeable change in profitability), then an investigation must be made into the probability of this parameter actually varying. High probability of variation in an important parameter should lead to a cautious attitude towards the project if it points to a drop in the anticipated profitability.

This is not the end of the analysis of the effects of the project. Last but not least, there are the non-quantifiable effects, which may be extremely important. They include technological training for the rural population, access to the monetary economy, improved nutrition, diversification of a previously monoproducer economy, the establishment of a basis for industrial processing, income

(8) This corresponds to the secondary or induced effects.

distribution, regional development and so on.

It would obviously be convenient to be able to combine all these elements in a single equation which would allow the project to be assessed in a foolproof manner. But this is no more than a dream because of the existence of considerable non-quantifiable factors which cannot be reduced to a figure that could be used in a multi-factor analysis.

In this case, the rate of return is a factor of assessment which may well be inapplicable (if there are no statistical bases on which to calculate it) or of limited interest.

We must therefore be content with a detailed study of the various aspects of the project and a comparison with the reference situation, which will indicate whether the project is effective. According to which objective desired by the ACP state in question is stressed, emphasis will be put on the effectiveness of the project *vis-à-vis* this particular objective and it will be accepted that other aspects of the project may be less favourable. For example, if the ACP country gives priority to smallholdings, projects will be accepted that are less profitable than if the aim is to increase public finance via the creation of large-scale industrial plantations.

* * *

This method of assessment, it should be stressed, is not a theoretical one. It is the method which the Commission has used for many years with slight variations and varying success. In the past, certain elements have been ignored or little used (the exchange rate in particular), whereas others were regularly subjected to thorough investigation (effects on the small farmer, for example). Now that the EEC has so many more partners under the Lomé Convention, it seemed a good idea to insist on what is probably a new approach for certain ACP countries, the aim being to better publicize the way in which the Commission appraises the projects which the Community is asked to finance. □

M. H. BIRINDELLI



Photo Ch. Kinneer

Ethiopia, as host to the next festival, led the opening procession

The 2nd World Black and African Arts Festival

Lagos, January 15 — February 12, 1977

Lagos. — Tens of thousands of people packed the National Stadium, milled around outside it or stayed at home in front of their TV sets to watch the opening of FESTAC 77, the 2nd World Black and African Festival of Arts and Culture, here on 15 January 1977.

Nigerian head of state Lt. General Olusegun Obasanjo opened the festival in the Nigerian capital on a Saturday afternoon that launched four weeks of events, involving 46 ACP countries and black artistes from around the world, including the USA, Canada and Europe and its dependencies.

Present at the opening cere-

mony among many leading figures in politics and the arts were President Kaunda of Zambia, OAU Secretary-General William Eteki Mboumoua, Mr Hamilton Green, representing the Prime Minister of Guyana, and South African singer Miriam Makeba.

The colourful opening procession was led by the long trumpets and the dancers of Ethiopia, which is due to host the next festival. They met with a roar of welcome.

President Obasanjo spoke of the significance of FESTAC 77 and the future of black and African culture. The essential purpose of the festival was "to en-

courage and inspire black and African people", he said. "Our march towards political awareness is being confirmed by the cultural restoration of our past, which has been denigrated for so long," he added.

The festival's arts programme began the following day, with theatre, music, films, literary events and traditional dances. Discussions, shows and other happenings made up a crowded calendar, with participants representing all the countries involved as well as the liberation movements of Zimbabwe, Namibia and Azania.

In the next issue, the "Courier" will examine some of the main issues of the festival, particularly views on the expression of black cultural values. For the present, take a look at the FESTAC 77 opening ceremony in the following two-page photo report.

L.P.



Photos Ch. Kinnaer



Photos Ch. Kinnaer



FESTAC 77 begins (left to right): Brazil; President Obasanjo after the opening ceremony

Australia; Antigua; the European zone; Lesotho



Photos Ch. Kinnaer



Photos Ch. Kinnaer



Left to right: Canada, Togo, Chad, Swaziland, Chad girl dancers, war dances from Swaziland and Niger



BOOKS

Erik P. ECKHOLM. — **Losing Ground.**—
Published by W.W. Norton, 500, Fifth
Avenue, N.Y. 10036, USA. 1976.

The sub-title of this book, which is sponsored by the Worldwatch Institute and the United Nations Environment Programme, is "environmental stress and world food prospects." The author argues that man's use of the land is creating future problems, particularly for food supplies. He criticises "rampant deforestation" which is bringing in its wake soil erosion, and when it takes place on mountain slopes, disastrous flooding on the plains below. In the hotter and dryer areas he says that population growth is leading to an increase in desert zones, which in turn makes it harder for the growing population to be fed properly and accelerates the drift to often squalid and impoverished urban areas. He points to the alarming fact that even as recently as the 1930s only Western Europe of the economic zones was not self-sufficient in grain production. Today only Australia and North America are grain exporters. One by one Eastern Europe, Latin America, Asia and Africa have joined the ranks of the net importers of grain. Dr Eckholm believes that a food crisis is developing and that it is a product of population growth and agricultural and development policies which are destroying the productivity of the land. He argues that if a third of mankind are to avoid almost permanent destitution there must be reforms in peasant farming, major tree planting campaigns and a greater effort to slow-down population growth.

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Directory of resources for training for agricultural development in the Commonwealth. — Commonwealth Secretariat, Marlborough House, Pall Mall, London — 340 pp.+20 pp. index, 1976, £3.

This directory lists about 900 institutions and programmes providing training related directly or indirectly to increasing food production in the Commonwealth. It covers all countries in the Commonwealth and includes some international and regional institutions offering training to developing countries.

For each entry, brief details are given of the facilities available, and of the level and kind of training offered. Although the main purpose is to enable those concerned with training at all levels to identify opportunities in neighbouring or distant countries, descriptions are included of less advanced courses, suitable only for nationals of the country concerned, as an indication of how each Commonwealth territory has tried to solve the problem of passing on new technologies to its rural dwellers.

There is a short introductory statement to each national section describing the background and policy for agricultural development training.

The directory covers training for such development in a broad sense, including fishing and forestry, rural skills in processing farm products, technical training closely related to land use such as surveying courses, university courses in relevant subjects and opportunities for research-level training attachments.

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Louise DELAFOSSE. — **Maurice Delafosse, le Berrichon conquis par l'Afrique.** — preface by President Houphouet Boigny, postscript by President Léopold Sedar Senghor — Imprimerie F. Paillart, B.P. 109, 80 103 Abbeville Cédex, France — 480 pages plus 32 illustrations — 1976 — FF 80.

This biography of Maurice Delafosse (1870-1926), thinker, explorer, administrator and teacher, is the inside story gleaned from his personal letters. None of these have been published before.

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His daughter is best qualified to describe and explain the life of Delafosse. His first book, **Les Noirs de l'Afrique**, was dedicated to her when she was only eleven.

His eventful, often adventurous and picturesque, life illustrates both the major events and the uncomplicated day-to-day existence of the period. He was in southern Africa in 1890 and Paris at the turn of the century. Many interesting and unusual people come to life along the path the central figure follows through France and Africa.

The work also touches on what Maurice Delafosse himself considered to be the delicate problems of colonial policy, development, assimilation and so on, which are still being investigated today. It traces the writing of the many and various works produced by Delafosse—whom Senghor called one of France's greatest Africanizers. It describes the training he gave his pupils at the schools for colonial studies, oriental languages, and political science and tells of the love of Africa and the Africans that he inspired.

It is a comprehensive, well-researched and eminently readable book.

THE COURIER
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