

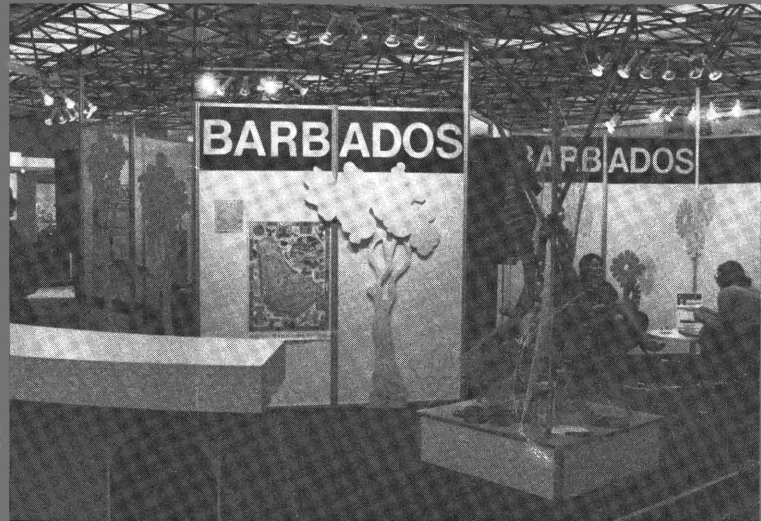


the courier

EUROPEAN COMMUNITY — AFRICA-CARIBBEAN-PACIFIC

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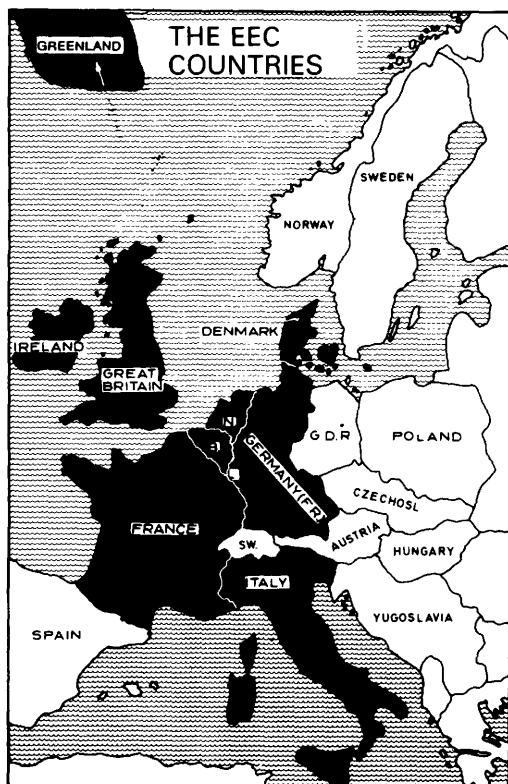
**HALFWAY THROUGH
THE LOME CONVENTION**

THE EUROPEAN COMMUNITY

**BELGIUM
DENMARK
FRANCE
GERMANY
(Federal Rep.)
IRELAND
ITALY
LUXEMBOURG
NETHERLANDS
UNITED KINGDOM**

THE ACP STATES

BAHAMAS	GHANA	RWANDA
BARBADOS	GRENADA	SÃO TOME PRINCEPE
BENIN	GUINEA	SENEGAL
BOTSWANA	GUINEA-BISSAU	SEYCHELLES
BURUNDI	GUYANA	SIERRA LEONE
CAMEROON	IVORY COAST	SUDAN
CAPE VERDE	JAMAICA	SURINAM
CENTRAL AFRICAN EMP.	KENYA	SWAZILAND
CHAD	LESOTHO	TANZANIA
COMOROS	LIBERIA	TOGO
CONGO	MADAGASCAR	TONGA
DJIBOUTI	MALAWI	TRINIDAD and TOBAGO
EQUATORIAL GUINEA	MALI	UGANDA
ETHIOPIA	MAURITANIA	UPPER VOLTA
FIJI	MAURITIUS	WESTERN SAMOA
GABON	NIGER	ZAIRE
GAMBIA	NIGERIA	ZAMBIA
	PAPUA-NEW GUINEA	



Cover: Top (from left to right): Jamaican foreign minister Percival J. Patterson, chairman of the ACP Council of Ministers; at the last ACP-EEC ministerial session in Brussels; Lise Østergaard, chairing the EEC development ministers for Denmark. Centre: sugar in Jamaica; an ACP stand at a European trade fair. Bottom row: trade (Burundi tea) and infrastructure (roads in the Congo)

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DEVELOPING WORLD

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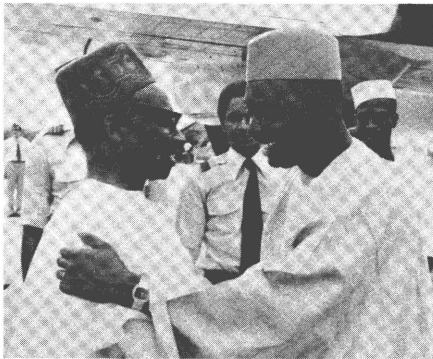
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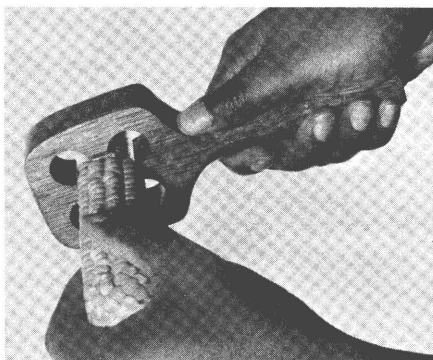
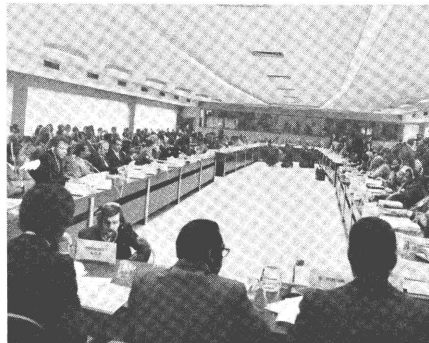
NEWS ROUND-UP (yellow pages)

Italy — Despite its current economic difficulties, a low per capita income compared with other industrialized countries and the regional development problem of the south (the "mezzogiorno"), Italy gives one of the highest European percentages of GNP in public and private development aid (around 0.87%, worth US\$ 1476 m in 1976. Official aid: \$ 226 m = 0.13%). Most goes to Africa. Mr Radi describes Italian cooperation policy. **Page 2**



The Gambia — Being a coastal country has not saved the Gambia from being hard hit by the Sahel drought of recent years. The main crop, groundnuts, has suffered badly and the economy is too limited in range to absorb the deficits. President Dawda Jawara describes the problems and outlines how the EEC can help: Lomé provides a useful framework for cooperation but, he feels, Stabex should have helped the groundnut industry. **Page 6**

Dossier — Negotiations on a new ACP-EEC pact open formally in Brussels on 24 July. The real talks will begin in autumn. The Lomé Convention will have been in operation for half its five-year duration; although the trade provisions were approved without delay, financial and technical cooperation was held up by ratification procedures and the full Convention only came into effect on 1 April 1976. With the new negotiations about to start, we sum up the Lomé Convention at half-time. **Page 16**



Appropriate technology — Cheap, low-level technology is not necessarily more useful to developing countries than the more advanced variety. Our examples this time involve some fairly sophisticated science. The important thing is to make the techniques simple to apply, however complicated they are to develop, and to make sure they are appropriate to the context in which they will be applied. Britain's Tropical Products Institute is a world leader in finding appropriate answers to the problem of post-harvest food losses. **Page 68**

The Arts — The Nigerian "synthesists" are an active school of artists whose credo is to bring together traditional and modern elements of Nigerian life, sometimes through new art forms. One of their leading figures is Bruce Onobrakpeya, who recently held a major exhibition at the Goethe Institute in Lagos. Mr Onobrakpeya describes his work and his particular technique. **Page 79**



Luciano Radi, Under-Secretary of State

“Official Italian development aid is increasing”

Despite its current economic difficulties, a low per capita income compared with other industrialized countries and the regional development problem of the south (the “mezzogiorno”), Italy gives one of the highest European percentages of GNP in public and private development aid (around 0.87%, worth US\$1476 m in 1976; official aid: \$226 m = 0.13% in 1976). Most goes to Africa.

Mr Radi describes Italian cooperation policy with the non-industrialized countries.

► *What are the general confines within which Italian development aid policy operates?*

— Of the industrialized countries which provide aid, Italy has the lowest GNP per capita. It is about one third of Switzerland's or Sweden's, less than half that of the United States or Germany, and half that of France or the Netherlands.

This fact alone would be sufficient to show the greater burden of development aid policy on our resources. Nor should it be forgotten that our domestic situation is still marked by very considerable social imbalances, the urgent problem of the industrial development of the Mezzogiorno and a serious delay in the reorganization and development of agriculture within the Community's agricultural policy.

Italy has, however, always been open and receptive in its attitude towards the Third World and resolutely in favour of integration, cooperation and solidarity — a solidarity based on a genuine convergence of interests. Though healthily realistic this attitude has resulted in a concrete effort, and it is one that is quantifiable: our aid represents 0.87% of GNP. Admittedly these resources come mainly from the private sector, but its share is decreasing while the public contribution, despite the difficulties I have described, is showing a clear upward trend and increased sig-



Luciano Radi

Under-Secretary of State for Foreign Affairs

nificantly between 1975 and 1976. We nevertheless propose to increase the funds available for use in our legislation on development cooperation.

► *On what basis is financial aid and technical cooperation organized in Italy and does it permit long-term programming?*

— Italy does not yet have a single set of rules governing the various aspects of cooperation: technical, economic and financial, and multilateral. This has resulted in some difficulties in coordinating our aid and, consequently, in improving its quality.

In 1971, however, Parliament passed an act (the late Aldo Moro was then Foreign Minister), aimed at giving a basic structure and new impetus to the whole spectrum of technical cooperation.

Under this law, a department for technical cooperation with developing countries, with its own resources and a certain degree of administrative autonomy, was set up within the Ministry of Foreign Affairs.

In addition, two important collective bodies were set up. Firstly a joint committee, which has an advisory function and is made up of representatives from

the various government departments most directly concerned, and people from the private and semi-public sectors drawn from the business, trade union and cultural spheres. Secondly we set up a steering committee, which has decision-making powers and is made up of the directors-general of the Ministry of Foreign Affairs. Both committees are chaired by the foreign minister or the under-secretary delegated by the minister. This law has yielded very positive results. There has been a marked and steady improvement in Italy's contribution to technical cooperation in particular. Not only have our operational resources increased but we also have a greater capacity to mobilize, integrate and coordinate resources and initiatives stemming from the public and private sectors, normally outside the scope of the Ministry of Foreign Affairs.

The participation of young people is an example of fruitful cooperation with private bodies. Contrary to certain pessimistic forecasts made nowadays, hundreds of young people, after submitting applications and undergoing rigorous selection procedures, are doing voluntary work under cooperation programmes in developing countries, and because the work is voluntary they are not doing it with a view to financial gain. The programmes are promoted and administered by specialized private bodies, while the Ministry of Foreign Affairs takes care of coordination and provides both financial and organizational support.

Other examples are to be found in the agricultural sector, where experience with cooperatives in certain regions of central and northern Italy has proved invaluable for major rural development schemes in a large number of developing countries. Engineering companies and many establishments specializing in vocational training have lent equally valuable support in that their structures are very well suited to the provision of apprenticeships and further training courses for the nationals of developing countries who are to replace the Italian staff in running the programmes when our assistance comes to an end.

Updating aid management

► *Is it planned to set up a specific body responsible for the overall administration of Italian cooperation policy?*

— Our favourable experience with technical cooperation has given us a clear indication of how we should set about modifying the administration of aid and further improve the quality of our assistance, particularly bearing in mind that our financial resources are bound to go on increasing only very gradually.

A draft bill has therefore been prepared with the help of all the democratic groups in Italy and is awaiting discussion and approval by Parliament: it will completely replace all the rules at present in force.

The basic innovations in the new bill do indeed involve the setting up of a new administrative body — still within the Ministry of Foreign Affairs — with powers covering all aspects of aid, ranging from the financial to the technical. This body, called a department, will replace what exists at present among various government departments, and, through appropriate liaison mechanisms, will enable the vital coordination, rationalization and technical and political programming of Italian cooperation schemes in developing countries to be carried out satisfactorily. Parliament will have greater powers of guidance and control in this fundamental sector of the country's foreign policy where the points of convergence are, incidentally, considerable.

Priority to Africa south of the Sahara

► *The lack of funds makes it necessary to concentrate aid on a limited number of countries. Which countries are these and what criteria are used to choose them?*

— The problem of priority and choice is not easily resolved in any field, and still less so in international aid. The lack of funds is, moreover, a very serious complication because it prevents the use of technical methods of surveying and appraisal, the cost of which is often disproportionate to the scale of the operation to be set up.

Specific details of the operational choices made by Italy in respect of aid can be gleaned from an examination of progress in the technical cooperation sector, which — as has been said — is unquestionably the most significant.

If we take a look at the data for the last five years of activity, a few points can be made about the way our aid is spread geographically.

There is a percentage increase of 11% in aid to the Mediterranean region and the Middle East. Political and economic factors obviously weigh heavily in the balance here.

The area accounting for the biggest commitment in absolute and percentage terms is naturally Africa south of the Sahara, which includes the poorest countries in the world. Among these is Somalia, which for a number of reasons receives a large percentage of Italian aid.

Our cooperation with Asia, however, is purely symbolic (barely 3% of the resources available). Our aid to that continent is bound to increase, but will have to be the result of rigorous selection. Another area of great interest to us is Latin America, which we believe should be allocated a growing proportion of resources.

Italy in the centre of the Mediterranean policy

► *Of the member states of the Community, Italy is the closest geographically to the Mediterranean countries. How does Italy see the development of European policy in this region and what does it think of the achievements to date?*

— Relations with the Mediterranean countries have for over fifteen years been one of the most significant features of what might be called the Community's foreign policy.

This policy, which began as a contribution to the development of countries in the Mediterranean region with a view to their subsequent membership, has since assumed greater proportions with the establishment of association links with almost all the states which gravitate economically towards the Mediterranean, and these therefore include Portugal and Jordan, which, geographically, do not border upon the Mediterranean.

As the country that is closest geographically to the Mediterranean region, Italy can only welcome the Community's commitment, even though it has often meant considerable economic sacrifices for Italy. It is hardly necessary to point out that the Mediterranean countries' products for which significant preferential tariff concessions have been made are all to some degree in competition with Italian production. In accepting agreements of this kind, Italy wished to stress the comprehensive nature of its relations with the Mediterranean countries: the links are political and cultural as well as economic, and they have been consolidated down the centuries.

The opening up of the market to agricultural products from this region



Greenhouse in Reggio di Calabria

The poverty of its southern region has not been an obstacle to Italy's development aid effort

has undoubtedly produced effects within the Community also, for it calls into question the principle of the balance between agricultural policy for Mediterranean products and that for non-Mediterranean products.

It must be well known that Italy is working actively to restore the balance between the two policies, made all the more urgent by the accession of Greece, Portugal and Spain. It is obvious that unless the present Community agricultural policy is revised, it will be much more difficult for these countries to adjust to the present members' rate of economic growth.

We therefore consider that since Italy was ready to pay an initial price for the establishment of cooperation with the Mediterranean countries, our Community partners should also make a further effort and help to ensure that the main burden of this policy — which was established by the Community as a whole — does not fall upon Italian agriculture, and in particular the agriculture of the Mezzogiorno.

The decisions taken recently by the Council of agriculture ministers on a "Mediterranean package" and the assurances received at the same time on other measures constitute a first encouraging step in that direction.

As regards the development of this

policy, we have a great deal of faith in the implementation of the financial, technical and scientific provisions which we hope will be launched shortly, once ratification of the relevant agreements has been completed. I am sure that this will help to bring the EEC and the associated Mediterranean countries even closer together in the interests of both sides, thereby helping to create in that area the climate of stability and peace which has always been a basic objective of Italian policy.

A multiple role in NIEO discussions

► *How do you see the establishment of a new world economic order, and how could Italy help bring it about?*

— A new world economic order is being established bit by bit every day: seen as a way of adapting to changing circumstances, it is an idea that is accepted by all countries, even if they often view it differently and propose different time-scales and methods for translating it into reality.

For my part, I see in this process of adaptation one of the means of overcoming the world economic crisis. I do not wish to go into explanations of the general advantages of facilitating and

encouraging the adaptation involved: for Italy these are self-evident. We are a country lacking in resources, which purchases raw materials from abroad at variable prices and is therefore subject to the effects of market forces. We have a high unemployment rate linked to the inadequacy of our processes of accumulation; our resources are not sufficient to ensure the development of the technologically advanced production structure which is necessary to offset the decrease in the labour force in our country. Lastly, our agriculture suffers from the absence of young workers, a lack of new working methods, and the failure to specialize in lines of production more suited to our climate and the nature of our land.

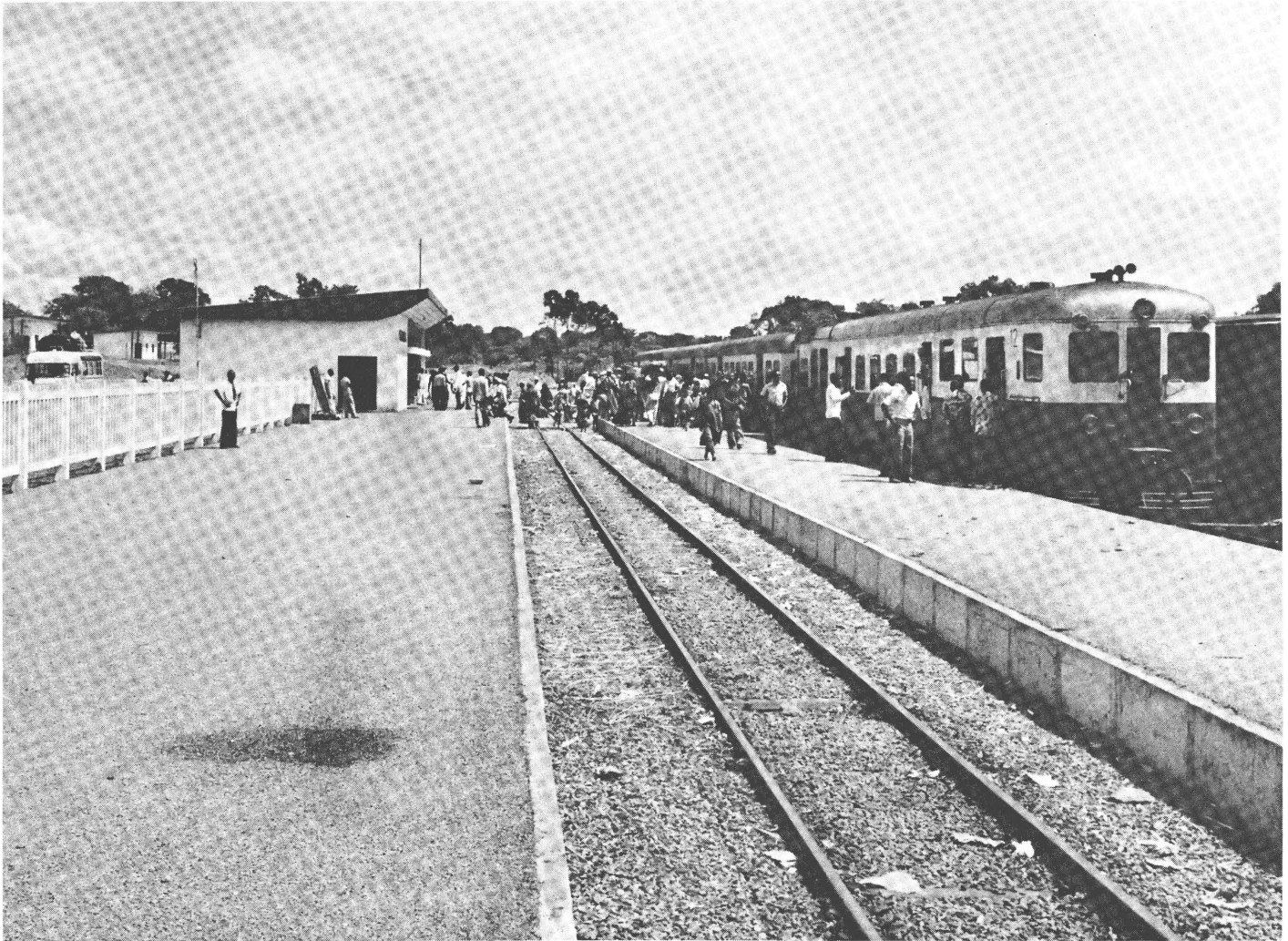
It is obvious, in these circumstances, that Italy stands to gain from stabilization of the prices of raw materials, the restructuring of its industry and agriculture and an increase in services, all these being prerequisites for the reorganization and redistribution of labour in progress at international level. If Italy can find solutions to its problems, it will also enable the developing countries to derive more benefit from the North-South dialogue. It is clear that these Italian objectives would coincide with the aspirations of the developing countries which produce raw materials — aspirations which include, however, being able, in the early phases of industrial and agricultural development, to count on stable inputs and secure all the areas of production that would be abandoned by Italian firms in search of activities with a more advanced technological content. This does not mean that we want to transfer obsolete technologies to the Third World. However, the early phases of development inevitably involve the application of less sophisticated technologies, which are of necessity more labour intensive.

This, then, is one of the points of contact between Italy's economic problems and those of the developing countries.

The other is perhaps no less fundamental, namely experience and understanding. As a result of its recent experience of industrialization, Italy can promote understanding of the development phenomenon and the requirements it entails in the more advanced 'North'. Italy knows very well that it is impossible to dictate development models or theories of social change which are not accepted by the population, which disrupt the fabric of the nation and are not based on a deep understanding of the cultural requirements of individual peoples. Italy is therefore a good "intermediary" between the South's aspirations and a



Italian construction firms have a long experience of development projects, such as this deep-water port in Mogadishu (Somalia)



Italian firms had a large hand in building the Transcameroon railway

number of shortcomings in the North's understanding.

Italy can play a significant role in the achievement of the new world economic order, not only by improving its own economic structures and adapting its instruments of international economic cooperation, but also by taking an incisive, vigorous and coherent stand in all international forums in favour of a deeper common commitment to harmonious growth in the world as a whole.

Italy's role, given the human qualities of its workers, technicians and businessmen, the heritage of universal values of which it is the custodian and mouthpiece, and its immunity from a recent colonial past, goes far beyond the financial resources that it is able to make available for its development cooperation policy. It is important to remember that not all development cooperation requirements can be expressed simply in terms of money or technological equipment. □

Interview by
ROGER DE BACKER

Recent trends in Italian development aid

Italy's total net financial aid to the developing countries in 1976 was worth US \$1476.2 m, or 0.87% of GNP (cf. 0.95% in 1975), according to the latest figures from the OECD's Development Aid Committee. With adjustment for the devaluation of the lire against the dollar, official development aid (ODA) was worth \$226 m, an increase of \$27 m over 1975. This increase (13.4% in dollars, 58% in lira) brought Italian ODA to 0.13% of GNP, as against 0.11% in 1975. Apart from the increase in bilateral official aid, the boost came mainly in the multilateral category (+20% in dollars) and figures should show that this continued last year. Multilateral ODA represented 65% of all official aid in 1976.

Further aid inputs from the public sector rose from \$148.7 m in 1975 to \$363.2 m in 1976. This was mainly in the form of financial credit and

export credit, which increased 218.7% against 1975 to reach \$357.1 m.

Inputs from the private sector were considerably down in 1976, to \$886.7 m (\$661.1 in private export credit) against a very high level in 1975: \$1292.8 m.

Most Italian aid goes to the Mediterranean basin and Africa south of the Sahara. In 1976, 28% of total expenditure went to the most seriously affected (MSA) countries and 11% to the least developed (LDC) countries.

Italy has not subscribed to the UN target of 0.7% of GNP in development aid, but has nonetheless drawn up a number of guidelines for increasing aid spending on technical assistance and contributions to international organizations.

THE GAMBIA

Democracy and development do not conflict

Interview with Sir Dawda Jawara, President of The Gambia

The Gambia's most striking geographic feature is its shape, a slender strip of land either side of the Gambia river which flows from one end of the country to the other. Yet despite the dominance of the river in The Gambia's economic life, the country has suffered severely from the Sahel drought. The President, Sir Dawda Jawara, is currently chairman of the Permanent Inter-State Committee on Drought Control in the Sahel, known by the French acronym CILSS, and as he explains in the following interview with *The Courier*, the harnessing of the River Gambia is a vital factor in the regional struggle against the drought. For a small country like The Gambia, regional cooperation offers the prospect of both greater prosperity and influence, and in the larger community of ECOWAS President Jawara sees his country playing a role similar to Luxembourg in the EEC.

Although The Gambia is diversifying its economy, it is still heavily dependent on groundnuts, which last year were once more badly affected by the drought. The Gambia's progress has slowed down as a result, but in the longer term, President Jawara, as he explains below, sees a number of ways in which his country can satisfy basic human needs:

— Like every developing nation the people of The Gambia aspire to a decent standard of living. Since independence my government has progressively been evolving policies that are geared towards meeting the basic needs of our population, guided by our philosophy of *Tesito*, which literally means self-reliance. People have at all levels been encouraged to involve themselves, through hard work and perseverance, in every aspect of national development. We cannot speak of national development in the absence of a climate which is conducive to liberating the spiritual potentialities of our people.

That is itself is a pre-condition of social and economic progress.

Progress slowed by external forces

Our first and foremost obligation in this regard, of course, is to ensure that our peoples are not faced with the permanent threat of starvation and hunger, for this reason we have at the national level, insisted on projects that relate to the development of the agricultural sector as a means of ensuring that The Gambia can produce enough to feed the nation. From a very vulnerable monoculture economy inherited from the colonial past, my government is pursuing a policy of diversification to buttress the self-reliance programme.

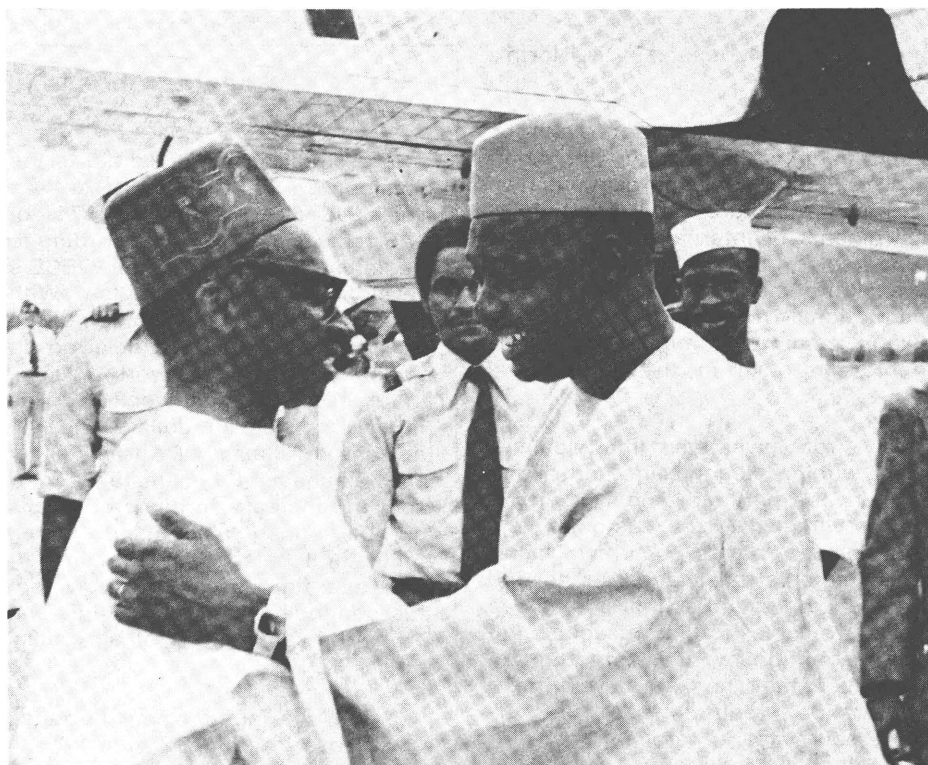
In the agricultural sector, livestock, cotton, fishing, forestry and foodcrops like rice, to name a few, have become

very important. Outside agriculture notable progress has been made in tourism, and manufacturing industries are being encouraged. The industrial estate is developing steadily. While prospects are good, it must be stated that our economic development has been slowed down by external forces. Firstly the drought we are now facing in The Gambia and in the rest of the Sahel for the second time in six years. This has cut down agricultural production this year by about 40%, which represents an irreparable loss. Another external factor is the contagion of inflation from our major trading partners in the industrialized world. This has worsened our terms of trade and therefore reduced our earnings from exports.

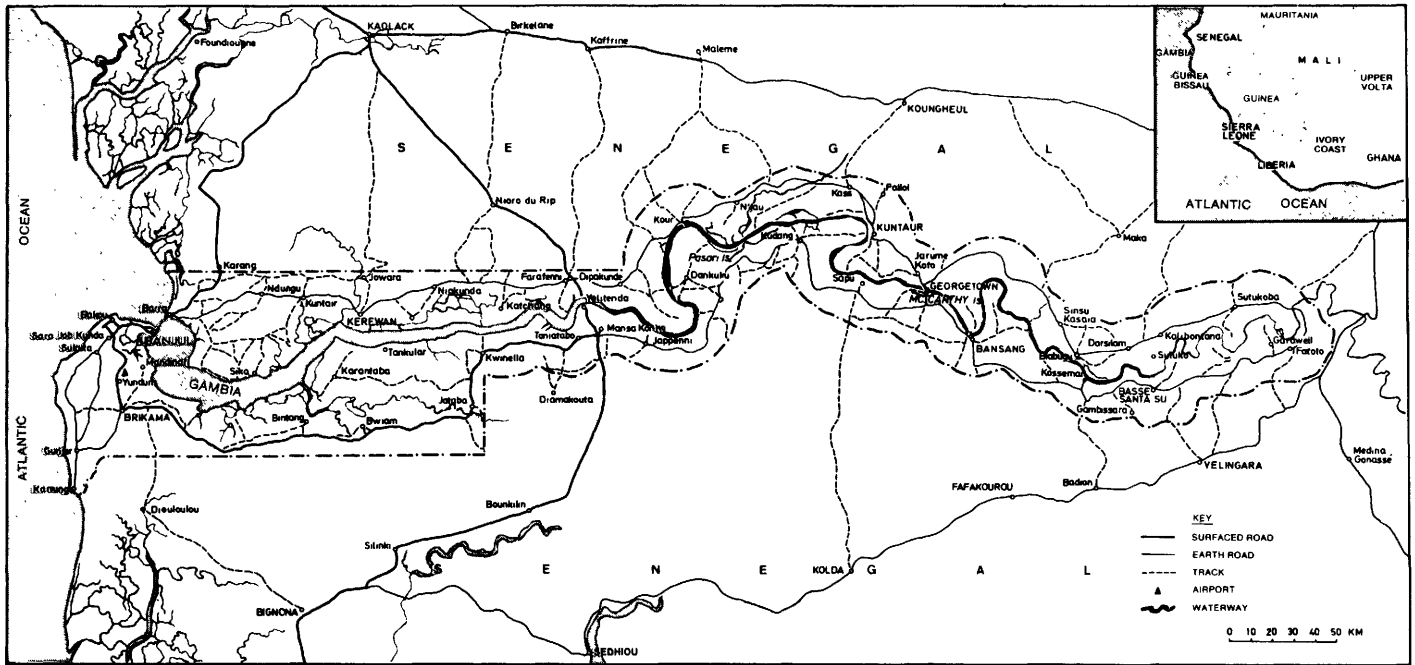
I would say, therefore, that most of our problems are external in origin but because of our discipline in economic management, due to our policy of diversification, and in view of the political stability we enjoy, I am confident that prospects in The Gambia are good.

► Which sectors of the economy do you think are most important to develop? And perhaps you could give an idea of how Community and European bilateral aid can help?

— Well, it goes without saying that the most important sector of the Gambian economy is the agricultural one.



President Dawda Jawara (left) with President Moussa Traoré at the meeting in Banjul of the Permanent Inter-State Committee on Drought Control in the Sahel



The Gambia

The country owes not only its name but to a large extent its living to the river that runs through it

In the absence of other natural resources like minerals and petroleum, our entire economy is for the moment dependent on agricultural production. We doubled groundnut production in the first ten years of nationhood and cotton has become a major income earner; last year 10000 acres of cotton were cultivated. And livestock and fisheries have developed considerably in the post-independence period.

Careful diversification

To ensure economic take-off we need industrial activities to complement our agricultural base, the setting up of agro-industries and other light industries, using our readily available labour force as a means of boosting our economic development. However, the type of industrialization we have opted for is based on our traditional social system and values. It must, of necessity, be labour intensive to ensure an improvement in living standards of a large section of our population in both the rural and urban areas. Our tourism industry is also being further developed. The Gambia, with its excellent climate, is located at the crossroads of the world and close to Europe, to America and the Middle East. The people are reputed for their friendliness, and communications and social infrastructure are being developed to the optimum. These incentives to tourism enhance The Gambia's emergence as a major international conference centre.

Community aid is in keeping with our priorities in the agricultural sector. The most important cover agricultural cre-

Basic geographical and economic outline

Area: ± 11000 sq. Km

Population: ± 525000 (actual growth rate: 3.8% per annum)

GNP per capita: US \$170 (1974)

1976/77 budget: 64 m dalasis(1)

Imports 1976/77: 222.4 m dalasis

Exports 1976/77: 115.2 m dalasis

Flow of trade:
 imports: ± 45% from Community (25% UK)
 exports: ± 80% to Community (40% UK)

Estimated work force: 230000 - of which 85% employed in agriculture

Structure of GDP: (1975/76)

agriculture and fishing:	60.8%
manufacturing:	6.5%
trade:	16.2%
transport and communications:	3.0%
other services:	13.5%
	100 %

Groundnuts are the main crop

(1) 1 dalasi = £0.25 (fixed parity).
 1 EUA = ± 2.7 dalasis.

dit of 2 million dalasis; fisheries development credits, 3.2 million dalasis, cooperative seccos (that is to store groundnuts during the trading season), 0.6 million dalasis; poultry feedmill, 100000 dalasis; animal watering points and wells amount to 100000 dalasis and a seed bank at 700000 dalasis. These are in addition to the financing of the fellowship programme of just over 1 million dalasis and, of course, food aid. Out of the national indicative programme of about 27 million dalasis, about 25% have been approved and some are already operational. This is admittedly on the low side; we are already halfway through Lomé 1 and we have only had a quarter of the indicated programme approved. I would, however, like to take this opportunity to express my gratitude and that of the government and the people of The Gambia to the Community. I hope the rest of the programme will be realized before the next convention. Bilateral aid from individual EEC members has mainly come from Britain, which is the most important source, and the Federal Republic of Germany, and to a lesser extent France. We can certainly do with more bilateral aid from other Community members as a whole, who, by the way, are our major trading partners. Other help, of course, has come from Arab and Middle East countries, for example Libya, Saudi Arabia, Kuwait, and the United Arab Emirates.

► Although in the mid' 70s the rising price of groundnuts put The Gambia's trade account into surplus for a while, this has since been eroded, particularly by rising petrol costs. Since

The Gambian economy is so dependent on groundnuts, what changes would you like to see in market conditions to assure a better reward?

— The surplus on our trade account was not due exclusively to world prices. Increased productivity of our people raised our annual crop by well over 100% by the time we celebrated our 10th anniversary of independence, so in fact you can say that increased productivity and an absolute rise in the price of groundnuts were responsible for the healthy nature of our balance of payments. One must not forget, however, the important element of judicious management of our financial resources over the years. You are quite right to assume that the spiraling oil prices of 1974/1975, coupled with international inflation of course, heavily eroded our balance of payments. In addition to all that there was the catastrophic effect of the drought which prevailed over the Sahel during that period. Both of these continued to have undesirable effects on our economy. As to what changes we wish to see in market conditions, we certainly consider the market inequitable and unfavourable to the exporters of primary products. It is a biased market which is organized against the interests of the Third World and which monopolizes the price determination process.

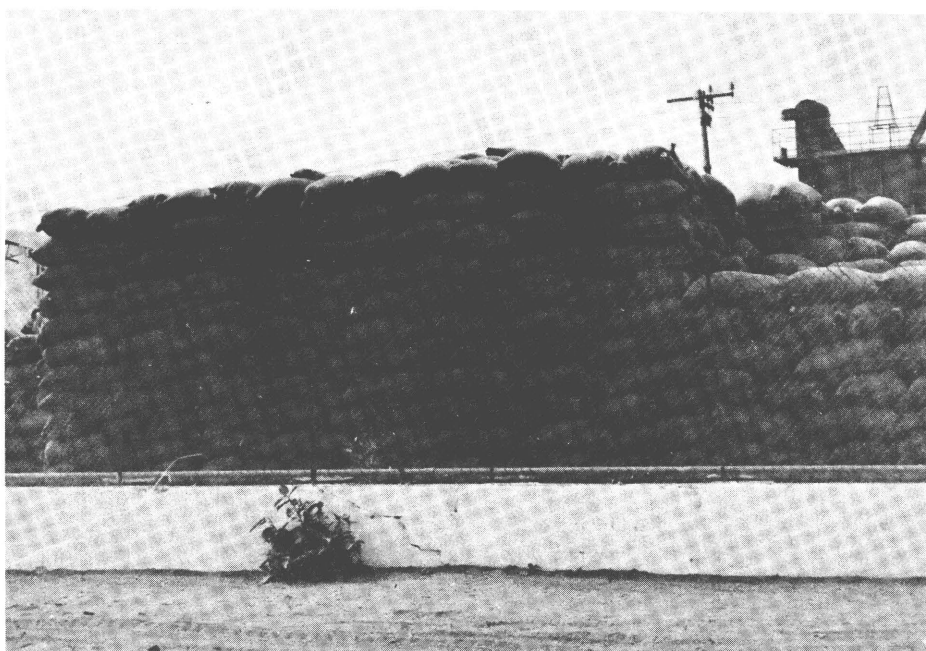
The rich control the prices

The irony is that these interests buy our produce on their own terms, arrived at on their own, and sell us their produce on their own terms, not ours, so that either way we lose. We have thought this matter over and over, and not so far been able to find a more just solution than indexation of primary products to those finished products imported from the developed countries. Indexation is the only solution that we can see to the deterioration of the terms of trade affecting the least developed countries and contributing to the widening gap between the rich and the poor nations of the world.

► *The River Gambia is an important factor in the country's economy. How will you ensure that the best use is made of its potential?*

— Indeed the River Gambia is the most important factor in the development of this entire basin. This basin extends both to the Republic of Senegal and the Republic of Guinea and I foresee important agricultural and hydro-electrical schemes burgeoning along its course, as a result of full and rational exploitation of its potential. We believe that with the real threat of being caught in a cycle of devastating

Madoun Jobe

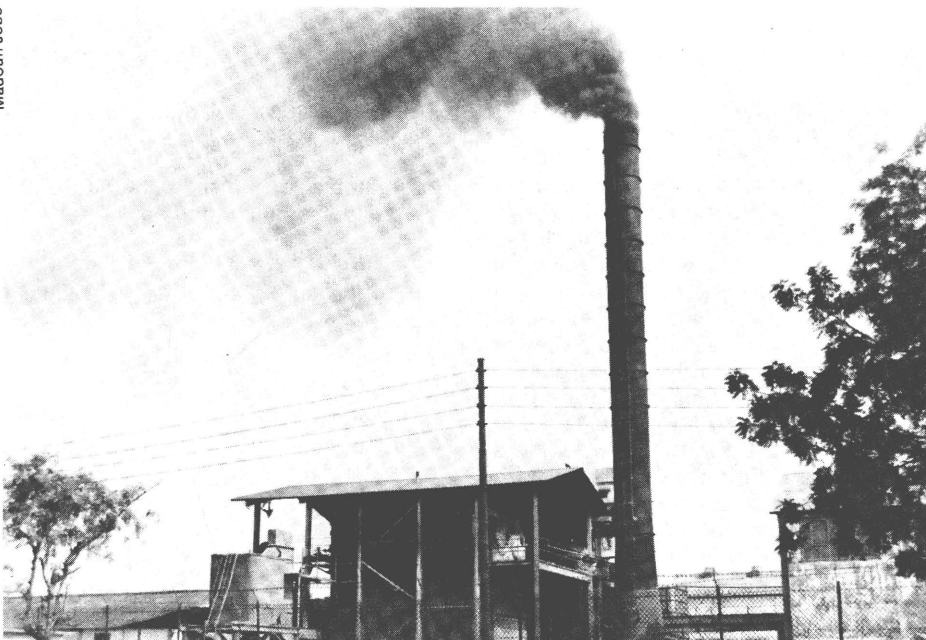


Storing groundnuts, The Gambia's main export product

droughts, countries in the Sahel have their best opportunities of survival and development by maximum rational exploitation of the water resources, fortunately abundant in the great rivers of the sub-region. The River Gambia is certainly one of the great rivers of Africa. Properly and adequately exploited, it can provide enough food and electricity for peoples and areas far removed from our national boundaries. We believe that the best way to ensure the maximum exploitation of the potential of the river is through sub-regional cooperation. I am glad to say that already there are very solid beginnings for such cooperation. The Gambia river basin studies projects, on behalf of The Gambia and Senegal, have been under way for some time now through United Nations assistance, and a number of important projects, based on the findings of the studies, have been earmarked. Notable among these are the barrage-cum-bridge across the River Gambia at Yel-

litenda and two other dams in the upper region of the river at Kekriti and Sambangalou, the result of a joint agreement between The Gambia and Senegal! The trans-Gambia barrage-cum-bridge is almost ready for construction and the two countries have been searching together for sources of finance. The Community has indicated readiness to commit 8 million European units of account to the project and the Federal German government has promised 50 million DM towards the cost. When completed, the structure should greatly increase the irrigable land for rice cultivation for large areas of The Gambia and the river basin in general. In The Gambia alone it will open up 60000 acres of land for irrigation. It would also stop the intrusion of salinity into the fresh water parts of the river. Without expedient and effective containment such saline intrusion, especially in drought years, destroys rice fields and renders large areas sterile. In a few years time agri-

Madoun Jobe



Groundnut oil mill in Banjul

cultural activity along the river banks might peter out. As you know agriculture is the life-line of this country and the principal areas of production are along the river banks. Saline intrusion has to be resisted, therefore, as a survival measure for our people. To this end the Gambia river basin authority (OMVG) has been created as a Senegal-Gambian inter-state body.

Bridging the river

Besides potential agricultural benefits, Senegal stands to be the major beneficiary from the crossing facilities, the transportation facilities, to be provided by the carriage way on top of the barrage. This will bring the northern and southern parts of Senegal within easy reach, save much time and money in travelling from one area to another, and thereby generate considerable economic activity. The bridge part of the structure would also be an important contribution to communications in our sub-region for it would link Guinea Bissau to The Gambia, Senegal, and Mauritania as part of the African highway network. As one of the most navigable waterways in our sub-region, the River Gambia has great transportation potential also for Mali, Senegal, The Gambia and other neighbouring countries.

► *Can we look at cooperation with Senegal in more detail? The Senegambian permanent secretariat exists to foster cooperation between Senegal and The Gambia. What level of cooperation exists at present and where in your view is it leading?*

— The Senegal-Gambian Permanent Secretariat celebrates its tenth anniversary in a few weeks time and during the past ten years it has been responsible for coordinating and enhancing cooperation between the two countries in areas as varied as sports and culture, transport, health, agriculture, forestry, trade and tourism, just to name a few. In all these areas very close cooperation and regular methods of consultation exist between the two countries at all levels.

As I see it this cooperation is bound to expand. It was initiated in the best interests of our peoples and I am confident that it is bringing the countries closer as a necessary contribution to meaningful regional cooperation in West Africa, and to African unity in general.

► *Apart from with Senegal, where do The Gambia's best hopes lie for regional cooperation with other West African states?*

— Given our location, of course, our best hopes of regional cooperation lie immediately within the West African sub-region. That is why we attach the



A hotel built in a local style. The Gambia relies heavily on tourism to top up the national income. (Below) Gambian dancing has a vigorous enough tradition not to degenerate into a mere tourist attraction



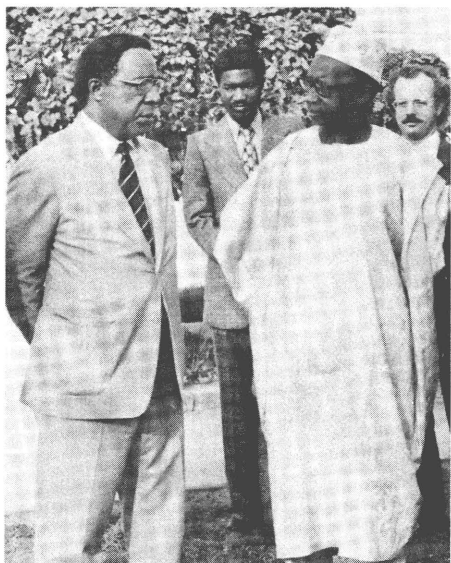
greatest importance to Ecowas, the Economic Community of West African States, which we hope will do for West Africa what the EEC has done for Europe. We hope we can benefit from your experience, as well as from other similar experiments, and thereby achieve our aims much quicker and with fewer obstacles. For a small country like the Gambia, whose situation is not very different from Luxembourg in the EEC, optimum development depends on closer regional cooperation. We are active members of other complementary regional organizations of which the CILSS is one of the most important.

This community consciousness is collateral to the very excellent bilateral relations we have with all our neighbours and all other African countries.

Chairing the CILSS

► *Could you expand on how important the CILSS is to The Gambia?*

— As you know the CILSS held its last biennial meeting here in Banjul and I was elected chairman of the Conference of Heads of State and my mandate will last until the end of 1979. This organization was formed in 1973 by the heads of state of the drought affected countries of the region in order to harmonize and integrate their actions in the fight against the disastrous effects of this calamity. The Gambia, as well as other Sahel countries, is benefiting from the assistance, both multilateral and bilateral, that the CILSS machinery and that of its sister organization, the Club du Sahel, have been able to set in motion. This assis-



President Jawara with best-selling American author Alex Haley, who traced his origins back to *The Gambia* in his novel "Roots"

tance ranges from emergency and relief measures, that help provide direct food aid to affected populations, to the elaboration and execution of projects in the basic sectors in order to achieve more permanent solutions to the problems of drought. When you recall that for Gambia, the present drought has resulted in over 60% losses in foodcrops, and about 40% in the main cash crop, which is groundnuts, you will better appreciate the dimensions of the problem and its effect on our economy. And this is the general picture in most of the other CILSS countries. That is why all of us in the Sahel attach great importance to the financing of the first generation programme of the CILSS. The programme, one of the major outcomes at the meeting in Ottawa in 1977 between the CILSS and its partners, is made up of projects in the most basic sectors of our economies and whose focus is increased food production. For us in The Gambia the only option for significantly increasing food production lies in the utilization of our river, hence our commitment to the integrated development of the Gambia river basin in collaboration with our neighbours.

Democracy and development do not conflict

► *Unlike most of your neighbours, The Gambia has maintained a multi-party parliamentary democracy. How do you explain that?*

— The basic freedoms of speech, of association, and of opinion, have always been enshrined in our constitution in line with the wish of the people. The motto of the ruling Peoples Progressive Party is "vox populi vox Dei",

Latin for 'the voice of the people is the voice of God'. So to us the maintenance of a multi-party system of government is a sacred duty.

I do not subscribe to the school of thought that a multi-party parliamentary system is incompatible with economic development or with national unity. I believe that political stability is a *sine qua non* for social and economic development, for stability can only be achieved and enjoyed if both the government and the people can freely and constructively interact. Fortunately the Gambians are by nature sensible, realistic, tolerant and law abiding. The government which springs from the masses has responded to the responsible disposition of the people by guaranteeing the democratic rights of the individual and this system is derived from our Gambian values of attachment to the group, be it the family or the village, and respect for tradition and other peoples' views.

By successfully establishing a multi-party parliamentary democracy and a peaceful and happy atmosphere we hope we can contribute to peace and progress in Africa and in the world as a whole.

► *Both the ACP group and the EEC are now preparing for the negotiations to renew the Lomé Convention and various proposals have been aired on financial and technical cooperation, Stabex, human rights, fishing and so on. What changes would you like to see, especially from the LDC point of view?*

— In the first place it must be remembered from the outset that the current Lomé Convention is the first of its kind and that it has done a great deal to bring about better understanding, and closer and better relations between the developing and the developed. The Lomé Convention represents an important contribution towards establishment of a new international economic order which is on the agen-

da of the United Nations, UNCTAD, and other international organizations. However the EEC-ACP arrangements are no more than a good start with imperfections and mistakes which need to be re-examined with a view to improving the next convention. The Gambia, being one of the smallest and least endowed of the ACP countries, would especially like to see a considerable simplification in the procedures now requisite in aid allocation, and in the release of such allocations, so that delays in the realisation of projects could be minimised and even eliminated. Experience has shown that the long time between the identification and realization of projects greatly diminishes the value of assistance because of inflation and monetary instability, especially in Europe and America. Thus it is no accident that in some cases projects run out of funds and have to be scaled down or suspended, or even abandoned, until further assistance is obtained.

The effectiveness of the Community's financial and technical assistance with the ACP will finally be judged by the number of projects completed by the end of the present Convention in less than two years from now.

Stabex: a slow response (1)

We are not altogether satisfied with Stabex; its provisions seem to assume that our main concern is to maintain a fixed level of income. We consider that the reference levels which have been fixed, even for the least developed countries, make it near impossible for any ACP country to benefit from the scheme. It seems that Stabex will only intervene when the economy of a country is almost totally ruined. For example, we in The Gambia have suffered in the past few years a loss in production and export earnings of

(1) For the overall results of Stabex in 1976 and 1977 see the relevant section of the 'Dossier'

Madoun Jobe



Ferry in Banjul

between 15% and 25% annually without qualifying for Stabex transfers.

Yet such a loss affects the total economic life of the country as it depends on groundnuts for about 86% of export revenue. We wouldn't like Stabex to be like a fire officer who will only intervene if the whole house is burning down but is reluctant to help put out the fire if only part of the house is burning.

What we need is to improve Stabex in such a way that it will be capable of remedying a situation before it is too late.

While on the subject, I should state that owing to drought conditions we have this year lost about 40% of the groundnut crop, which represents at the moment an unquantifiable loss of earnings. It will be an irony of fate if we are not compensated this time under Stabex. Stabex relates to commercial exchanges and I would like to express the view that the trade provisions in Lomé I need to be improved. The ACP need bigger preference margins to make their exports more competitive and a wider range of products need to be given free access to the Community markets. Better incentives must also be created for finished and semi-finished manufactured and industrial products originating in the ACP states.

Comprehensive human rights

Now, as regards the issue of human rights my government's position is unequivocal. My government, people and I believe in the sanctity indivisibility and universality of human rights. I should underline that our view of human rights is not confined to the narrow sense of civil and political rights which are very important and are often subject to deliberate violations. For us human rights is composite in nature and consists also of social and economic rights such as the right to have decent diet, shelter, and ready access to medical health and educational facilities.

Indeed you might say that the whole exercise in promoting international economic and development cooperation, be it in the North-South dialogue, in the United Nations system, or between the Community and the ACP is an exercise in the pursuit of comprehensive human rights in uplifting the social condition of Man. This should be the central aim of the promotion of human rights.

► Finally, you have taken a very strong stand personally on environmental and wildlife questions. Is this primarily to help the tourist industry in

Gambia or do you think it is a much wider concern?

— My stand on environmental and wildlife questions is not dictated by tourism promotion. It is a much wider concern. We benefited from a wholesome environment and a rich wildlife long before the advent of tourism in this country. It's a valid scientific thesis, for instance, that the destruction of forests and woods in the Sahelian countries is one of the main factors behind the recurrent drought conditions in the sub-region and the relentless advance of the desert. In addition to this I happen to believe that the beauty and excitement in healthy, flourishing flora and fauna cannot be matched by anything man-made. I would like to see my country preserve and even try to restore as much of the natural beauty and excitement as possible for our material benefit and enjoyment. Tourists and visitors are most welcome to The Gambia, of course, that is in keeping with our open society and policy, and we feel certain that when they come they will feel free to share fully in the many and varied benefits we expect to derive from preservation of our natural environment. □

Interview by
IAN PIPER

Revised indicative programme for EEC aid to the Gambia (1)

	Amounts in thousand EUA granted or (at current parity) programmed
1. Rural Development	
— Agricultural credit	982
— Fisheries development and credit (2)	1 365
— Feeder roads	
Kiang West roads	(2 462)
Buniadu/Albreda-Sika road	(1 500)
Sub-total	6 309
2. Social Infrastructure	
— Banjul sewerage and drainage	(1 923)
— Completion of Brikama College	1 531
Sub-total	3 454
3. Training and Technical Assistance	
— Fisheries training (2)	
— Fellowship	404
— GPMB feasibility study	90
— MWC Planning Unit	(107)
Sub-total	601
4. Micro-projects	
— Poultry feedmill	
— Animal watering points and wells	
— Cooperative seccos A	370
— Cooperative seccos B	
— Cooperative seccos C	
— Cooperative seccos D	
— Banjul market improvement	(183)
— Serrekunda market improvement	
— Bakau market improvement	
Reserve	(295)
Total	11 320

(1) Exceptional aid agreed equals an additional 800 000 EUA.
(2) Fisheries training is included in main project.

The Banjul Declaration

The Gambians are concerned for the safeguard of their environment. Last year, President Dawda Jawara personally launched an ecology campaign for the protection of his country's natural scenery and wildlife. The importance of this move is summarized in the Banjul Declaration, signed by the President, which follows (unfortunately space does not permit us to reproduce the beautiful wildlife sketches which accompanied the original document):

"It is a sobering reflection that in a relatively short period of our history most of our larger wildlife species have disappeared together with much of the original forest cover. The survival of the wildlife remaining with us and the setting aside of protected natural habitats for them is the concern of all of us. It would be tragic if this priceless natural heritage, the product of millions of years of evolution, should be further endangered or lost for want of proper concern. This concern is a duty we owe to ourselves, to our great African heritage and to the world. Thus I solemnly declare that my Government pledges its untiring efforts to conserve for now and posterity as wide a spectrum as possible of our remaining fauna and flora."

LESOTHO

Mohair, the silver fleece⁽¹⁾

Lesotho, a small independent kingdom entirely surrounded by the Republic of South Africa, is one of the top four mohair producers in the world.

Mohair is the hair of the angora goat. It has been prized by man since ancient times (the name comes from an Arabic word meaning "choice") for its looks, durability, warmth and, in its natural state, water-shedding qualities. Fabrics made from mohair compete with man-made fabrics in crease-resistance.

The great emphasis on artificial fibres since the late fifties obscured the virtues of the natural fibres for some years. Now that the world has discovered some of the drawbacks of artificial fibres, particularly since the increase in the cost of many of the raw materials needed for their production, interest is again turning to wool and mohair as a source of weaving fibre.

The angora goat, however, is a creature of temperament, and thrives only under certain conditions. The habitat it likes best is hilly or mountainous country, fairly high altitudes, plenty of water, and a diet of aromatic plants and shrubs. These conditions Lesotho provides in abundance, being a country of mountains and foot-hills, nowhere less than 1500 meters in altitude.

Lesotho has been a producer of mohair for many years, but it is only since 1970 that sustained programmes have been launched to upgrade the quality and productivity of the flocks. In recent years there have also been increased efforts to organize the scattered producers and the individual processors and weavers so as to maximize income. Field studies are regularly made to evaluate progress in these efforts.

One of the problems in Lesotho mohair production has been the lack of an overall development plan and cen-

tralized grading facilities. Mohair varies widely in quality, and a mixed clip will not bring as good a price as graded hair. Plans are underway to draw all farmers into a central mohair development scheme which will offer them extension services to upgrade their flocks and improve their animal husbandry practices.

The government is the licensing authority for the purchase of raw mohair and it is itself the largest buyer. It is also responsible for all grading, and there are plans to take over the marketing in order to maximize economic returns from the yearly clip.

Vital income

While it is still difficult to obtain reliable figures of total production (as opposed to officially recorded purchases) informed sources quote a figure between 800000 and 825000 kil-

ograms. There is a wide price range, from R 1.20 per kilogram to R 8.00 for the very highest grade. At the moment, low quality predominates in the national production and the average price paid to the producer may be as low as R 2.00 per kilogram. This is the reason for the efforts now being made to upgrade the average quality of the flocks. Even at the present low average price, raw mohair provides a vital income for the rural producer, who more often than not is a woman maintaining the farm and family in the absence of the husband or provider. At any given time, roughly half the adult male work force of Lesotho is absent, working in the mines or on the farms of South Africa. It is the government's long-term hope to draw most of these men back home permanently, but this can only be done if there is gainful employment for them. Despite the rapid growth of the industrial sector, there are not, and will not, be enough jobs for every adult male for many years to come. Further, the Basotho are a mountain people, proud of their small farms and their toughness, and only a small percentage willingly live in cities and towns. Even urban civil servants carefully differentiate between



Lesotho's goats are well-dressed: they wear mohair

(1) From the Delegation of the Commission of the European Communities in Maseru.

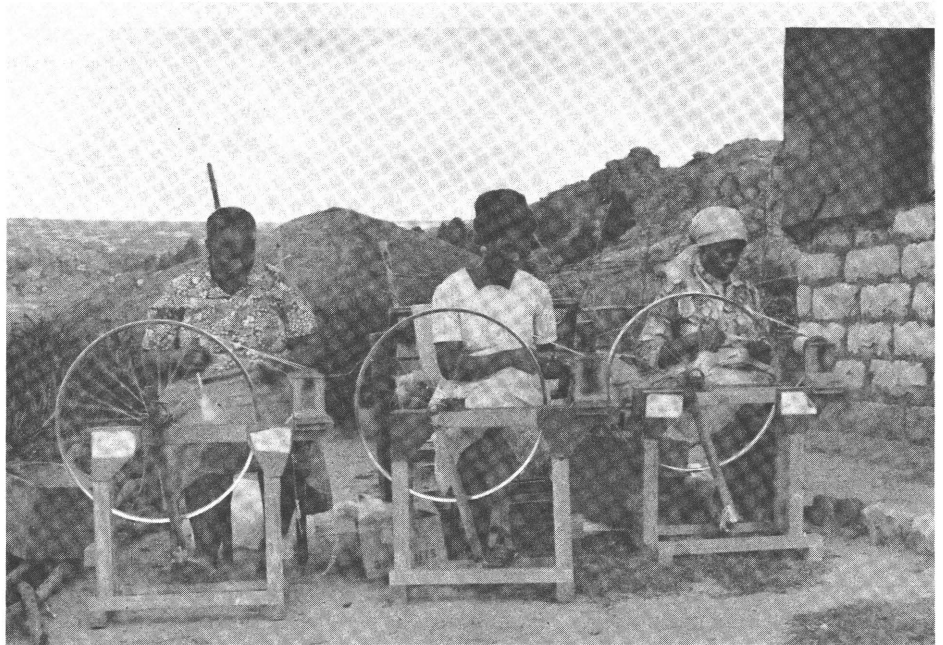
where they "stay", near or in Maseru, and where they actually "live", which is apt to be a farm in a rural area.

Building on existing traditional bases is a sensible approach to the problem of employment. Most rural families have at least a few goats, and it is the government's wish to build upon this foundation to increase the rural income wherever possible.

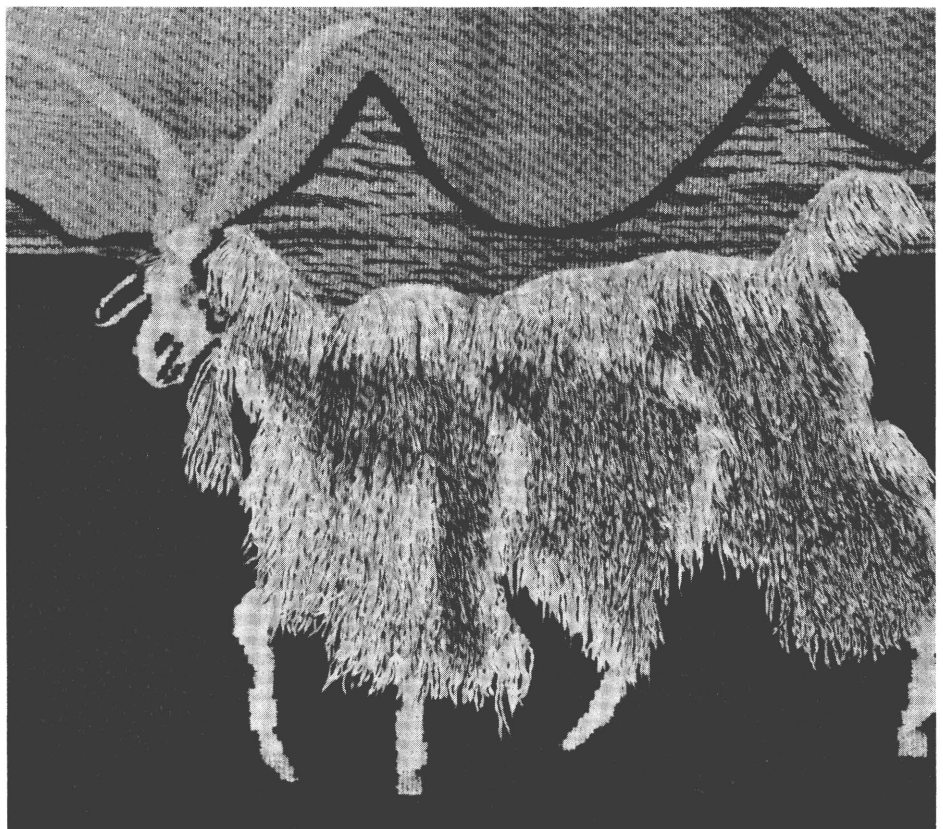
The EEC is involved in two major livestock improvement programmes: the Mphaki's project (approved by EDF in its March 7th meeting) and the Phuthiatsana River project (still under study). The former is concerned with the upgrading of livestock, reform of animal husbandry practices, improving of roadways leading to marketing centres, and provision of district warehouses and farm centres where farmers can come for advice, supplies and marketing. Both projects are heavily "self-help" oriented. Mphaki livestock owners will be given expert advice, access to top-grade stud animals and marketing assistance. Farmers will continue to live in their traditional patterns of small holdings and nucleus villages: there is no plan at this time to consolidate herds into some vast animal consortium—the geography of Lesotho itself militates against it and it is an alien concept to the Basotho smallholder. Herds are grazed together on common land after harvest, but each man owns and knows his own stock and derives not only his income but his pride from this.

Individual producers' clips tend to be small, and often ill-assorted, so that farmers do not benefit as much as they could from their production. The government's stepping into the grading and marketing of the hair should correct this problem.

Once clipped and sorted, the mohair is either sold or retained by the farmer for his own use. Most of it is sold, because whilst grass weaving is an ancient skill among the Basotho, wool and hair weaving is a relatively new occupation, and only women who have learned to weave can utilize the home-grown wool and mohair. Despite this, there are many small producers of mohair articles, the most common item being the small hand-made carpet. Often of unique design and generally of good craftsmanship, the Lesotho carpet is a thick, durable article, which serves equally well as a floor covering or a wall hanging. The hair is not scoured before production, and thus retains its natural water-shedding abilities. Women card and spin the hair or wool and then weave it on old-fashioned



Simple craft industry for spinning mohair



Mohair embroidery representing the animal that supplies the wool

upright looms, often merely a frame with warp threads stretched on it. In the remoter areas, only natural colours are used: the silvery-white of mohair, and the white, brown, grey or black of the sheep's wool.

At the commercial weaving factories, often small and producing only a few score rugs a year, modern dyes are used to produce the brilliant colours that Lesotho is beginning to be known

for—shining golds, intense greens, shimmering blues.

The natural sheen of mohair shows through the dye and gives an added dimension to the finished products. The doyen of the weavers is the Royal Lesotho Tapestry Weaving factory in Maseru. Here only the top grade hair is used. Forty-five weavers work at this modern factory, weaving to order for customers all over the world, as well as

weaving for the showroom on the premises. A professional weaver can earn as much as 50 to 60 Rand a month (R 1.00 = 1 EUA approximately) which is a good income in a country where the GNP per capita in 1974 was R 129.00.

It is not without irony that one notes that the Royal Lesotho Tapestry Weavers buy their mohair yarn from Port Elizabeth, South Africa. The reason is that until very recently, no fine-grade processed yarn could be obtained in Lesotho, and even now, little of it is available.

Royal Lesotho Tapestries are noted for their tight weave, hard finish and even texture, which cannot be obtained from local yarn. (This, however, is prized by some buyers for its hand-made look, whilst others have observed that it doesn't look hand-made enough!) Thus there is the unusual situation of a major mohair producer selling raw mohair to another producer, who processes it and sells it back, where it is then woven into a finished product and sold to tourists. A considerable amount of Royal Lesotho Tapestry's business is with tourists, and most tourists in Lesotho are from South Africa.

Despite this need to rely on South Africa for some stages in the processing, the Royal Lesotho Tapestry Weavers do their own dyeing with modern chemical dyes. About 9000 kilograms of mohair yarn are dyed and woven into distinctive tapestries each year. An accomplished weaver can complete a 2 x 3 metre tapestry or carpet in three days, depending on the intricacy of the design.

Designs are largely traditional, although custom-made tapestries and carpets are in constant demand. In 1968, Dr Sandberg, advisor to the Jer-

usalem Museum, visited the factory and the interest generated by his visit resulted in international artists such as Calder and Sugai providing designs for the weavers.

The work at Royal Lesotho Tapestry Weavers represents only a small fraction of the total spinning and weaving industry in Lesotho. There are home spinners and weavers, and quite a few small businesses, although their output and its quality vary widely. Two of the better-known weavers outside the capital are Thabong and Tullycraft.

In the rural areas, the weavers' income will depend, among other factors, on how and to whom goods are marketed. Selling by the roadside to tourists is a chancy arrangement—tourists may not come often enough, they may haggle, and in one's need for school fees, one may ask too high a price, or else part with a quality piece of work for less than its worth. Many rural weavers have no idea how to calculate the worth of their workmanship, the value of their labour, or the cost of their raw materials.

The major project for the development of the mohair industry in Lesotho at present is the small industries project operated by CARE Lesotho. The goal of this project is to train women in rural areas to card and spin mohair, and to help them form into cooperatives for greater efficiency and convenience. In the central mountains, village units operate with a total of 451 spinners. Once the women have been trained to spin, CARE teams visit monthly to buy the finished yarn and sell raw mohair, string, oil and other necessities to the spinners. Selling mohair in the mountains might sound like "coals to Newcastle", but it is necessary if all the spinners are to turn

out the same quality spun yarn that they all start with the same quality raw mohair.

Spinning wheels are made available inexpensively by CARE to the spinners, who pay back the cost to a revolving fund.

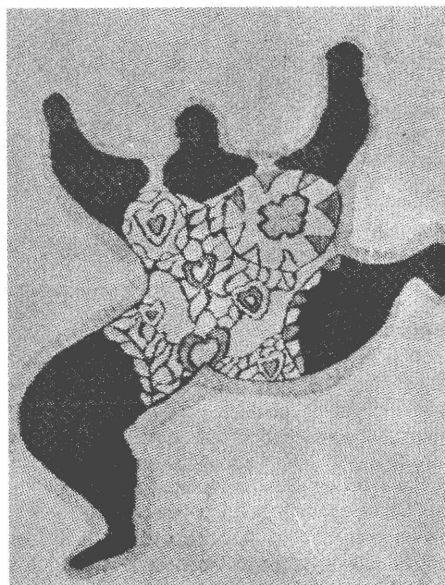
The yarn, once spun and skeined, is bought by CARE and brought to the central warehouse in Maseru. The yarn is sold to the weavers in Lesotho as well as to overseas customers. It is felt that despite offers to purchase by South African firms, it is better not to increase the already heavy dependence of Lesotho on South Africa. Despite the greater trouble and time involved, the administrators of the project feel that in the long term, a diversified overseas market is preferable to a concentrated market just over the border. A number of studies have been undertaken by consultants to identify overseas markets: the project leaders say that the time has now come to apply the studies and begin a major selling campaign in Europe and North America.

Production problems

The chief problem in the CARE mohair spinning project thus far has been production: spinners are not producing as much yarn as preliminary studies and tests had led the project leaders to expect. A sociological study is underway presently to determine why production averages only 2 kilograms of yarn per spinner per month. At a net profit of R 4.00 per kilogram, and keeping in mind the low income of the rural areas, it is difficult to understand the low output of many of the spinners.

It has been suggested that the spinners are operating to a target income—to acquire enough ready cash for immediate needs only. This may indeed be a factor influencing minimum production, but there are undoubtedly other constraints. One of these is probably the time factor. Life in the mountains is no sinecure for the woman farmer/mother/householder. Recognition of the value of women's time is one of the considerations in the village water supply project being funded by the EDF in the mountain areas. In many villages, women spend several hours a day carrying water from distant springs or rivers. Schemes to provide piped supplies in villages should result in more time being made available for productive activity such as spinning.

As mentioned, a sociological study is underway to determine the main reason for the short-fall in production by the rural spinners. A possible clue has already been isolated from the raw data: it has been observed that the "Hawthorne affect" is operating in the project. That is, when visits by the



Scenes of Lesotho life embroidered in mohair

Administration and development

by LUCIEN PAGNI

Financial and technical means are necessary for successful development. But they are not the whole story. In Africa in particular, there is a third factor, in addition to vital raw materials, which is decisive and this is the basic administrative organization which can make or break the

whole economy. Generally speaking, and in the eyes of the leaders themselves, the organization and operation of the civil service in the developing world is often a serious handicap to economic action. The open nature of their economies should lead the Third World countries to consider the major problem of having a centralized, burdensome administration acting as a brake on the economy.

This effect can clearly be seen in the industrialized countries where the administrative structures have affected the development of the economy. In those countries with centralized systems, economic development has been slow, unharmonious and highly inegalitarian. However, decentralized countries (like Germany and the US) have achieved faster and often more even progress. One explanation for the increasing trend towards economic regionalization in all centralized countries in the industrialized world today is doubtless that development based on the region is more effective than development round a central source of economic and social transformation. For ultimately, the sort of organization which centralizes development functions in the same way as a colonial economy, relying on peripheral sources of raw materials to supply the processing plants in the centre. The first consequence for the individual state of an economic and administrative structure of this kind is that national balance is upset by people deserting the regions. Decentralized economic and administrative organization means that permanent



social structures can be set up throughout each country and that the history, culture and tradition on which progress is founded can be preserved.

From a purely economic standpoint, the multinationals have long understood the point of decentralization. They have multiplied their focuses of activity while preserving their main decision-making centres by exploiting the immense possibilities of telecommunications.

But economic effectiveness is not the only reason for flexible administrative organization. It is also vital in the modern world, where there is a need to organize large enough units to stand up to certain international economic and political challenges (like the European common market) to restore to the regional communities full powers to initiate and participate in national and international economic activities.

The same goes for the Third World countries. They too are concerned with national unity, and economic and administrative decentralization contributes more to centripetal movement than one might be tempted to think. Two years ago, Robert Escarpit, a great French journalist and a great European, told the *Courier*: "I do not want Africa to make the same mistakes my country has made over the last two hundred years with its adoption of "jacobinism", the idea that a nation must be founded on the centre. This is a completely erroneous and ultimately dangerous idea."

This is a viewpoint that is not without relevance to current trends in the economic, political and social life of certain EEC member states, and of the Community itself, where regional policy seems one of the key answers to the problems created by the crisis.

□

L.P.

project advisers are frequent, and interest in the spinners is demonstrated from an external source, production and enthusiasm increase. Once the local cooperatives are on their feet and visits and visitors diminish, production falls off.

It is one thing to isolate the possible root of a problem and another to deal with it. If the Hawthorne effect proves to be the basis for the fluctuations in production, then increased visits and interest on the part of the project headquarters would seem indicated. This of course would mean a greatly increased staff, plus increased transport costs. It remains to be seen what conclusions the final report draws before any definitive answer can be offered.

Meanwhile, consistently with the government's policies aimed at maximizing incomes from its limited natural resources and generating more employment within its frontiers, projects are being designed to secure greater participation in all the processes leading to the finished mohair articles for the export market. The Lesotho National Development Corporation is presently planning a wool-scouring plant, and, in the very long term, is considering possibilities for a mohair scouring plant. Scoured mohair can be made into the finer grade luxury suitings and blankets, but a problem arises in that most textile manufacturers prefer to scour their own mohair as part of an integral process. As it will be some time before Lesotho is able to consider the larger picture of start-to-finish mohair fabric producing, there seems no need at present for a mohair scouring plant.

Lesotho seeks to free itself from the role of a seller of raw material and a buyer of processed goods. Eventually it seems likely that there will be a combining of forces in the various stages of the mohair industry. Once the rural spinning programme is firmly on its feet and producing a reliable output, increased rural income will be realized. The upgrading of farmers' flocks will result in a better raw hair to begin with, and as income from mohair rises, more men may be expected to remain at home and farm rather than join the migrant labour system. Better grade local yarn will free Basotho weavers from the necessity of buying outside the country. Finally, if a centralized marketing organisation is established, the widest exposure and the best prices will be obtainable for the finished mohair articles.

All this will no doubt come with time, but at the moment, the modernization of the mohair industry in Lesotho is in its early stages. It needs intelligent and firm support from established ACP/EEC markets if it is to expand and prosper. □

Halfway through the Lomé Convention

Negotiations for a new ACP-EEC convention are due to start officially with a formal meeting on 24 July, the talks beginning in earnest in September or October. The Lomé Convention will by then have been fully in force for 2 1/2 years. The trade provisions of the Convention came into effect without delay, but financial and tech-

nical cooperation had to wait until ratification and deposit of the instruments of ratification by both EEC and ACP signatories, so it was not until 1 April 1976 that the whole Convention came into force.

The *Courier* presents the first summary of the Lomé Convention so far.

The institutions

The provisions of the Convention on ACP-EEC institutions (Title VI) have been very successfully put into effect. In one meeting after another, the equilibrium and the harmony of Lomé institutions, as well as their dynamism, have emerged increasingly clearly.

This is true of the Council of Ministers which met in Brussels (14-15 July 1976), in Fiji (13-14 April 1977) and Brussels again (13-14 March 1978), confirming and strengthening its role as the main policy and decision-making body.

The first Brussels Council, which met three short months after the Lomé Convention came into effect, was too early to take stock of the situation, even provisionally. However, it provided the opportunity to set up the structures, particularly the Centre for Industrial Development (CID), provided for but not organized by the Convention and to welcome six countries (Sao Tomé & Príncipe, Cape Verde, Papua-New Guinea, the Comoros, Surinam and the Seychelles) which were to join the Convention later on.

The Fiji Council (13-14 April 1977) was in a better position to assess development. It took major decisions on all the main titles of the Convention, particularly on Stabex (additions to the list of eligible products) and financial and technical cooperation (an important resolution on policy).

The second Brussels Council (13-14 March 1978) brought both continuity and change: continuity because the Council

carried out its customary examination of the various aspects of the Convention; change because, in reforming its work methods, it decided to concentrate on special difficulties and essential policy matters. This decision considerably boosted the importance of the Committee of Ambassadors as far as implementation of the Convention was concerned.

Furthermore, and this is very promising for the future, Council members met outside the main discussions for informal exchanges of views on general topics of mutual interest, which shows how flexible the Lomé institutions are.

The Committee of Ambassadors has an increasingly important role to play both in the preparation of Council meetings and in carrying out any Council instructions.

The Consultative Assembly, the first of the Lomé institutions actually to be set up, held its first meeting in Luxembourg on 1-3 June 1976. The official texts make no rulings as to the organization or content of its discussions, so its meetings are held in a characteristically frank atmosphere.

At its second meeting (Luxembourg 6-10 June 1977), the Assembly adopted an important resolution on the various aspects of implementation of the Convention and on political topics such as the southern Africa issue.

The Consultative Assembly is assisted by the **Joint Committee** which holds meetings alongside plenary sessions. It also met at Lomé (1-4 December 1976), Maseru (28 November-1 December 1977) and in St George's (29 May to 1 June 1978). In Maseru a particularly frank resolution on the political situation in southern Africa was adopted.

It was also at the Luxembourg meeting of the Joint Committee, in June 1977, outside the main discussions, that an important meeting of representatives from ACP and EEC economic and social circles was held. □

The ACP-EEC Council of Ministers met in an ACP country for the first time in Fiji, in April last year



Fiji Embassy

Trade cooperation

The changing trade pattern

To have an idea of the Lomé Convention's effect on EEC-ACP trade it is necessary to compare it with the period before the signature of the Convention (February 1975). This analysis covers the pattern of overall trade flows between the Community and the ACP countries during the 1972-77 period.

EEC imports

Between 1972 and 1976, EEC imports from the ACP countries rose from 4800 million EUA to 10500 million EUA, reaching 12500 million EUA in 1977.

After a period of relative stagnation from 1970 to 1972, EEC imports from the ACP and the developing countries in general shot up over the next two years, due to the sudden price rises in oil and commodities (see table below).

In 1975, recession in the developed countries and a collapse in commodity prices led to a sharp decrease in imports from the developing countries in money terms. The average decrease was - 10%, but for the oil producing countries it was - 14% and for the ACP countries - 17%.

In 1976 the balance swung the other way and EEC imports from the developing countries picked up by + 27% (+ 20% for the ACP countries). World trade slowed in 1977, but EEC imports from the ACP countries (+ 19%) increased by a great deal more than they did from the world overall (+ 7%) and from the developing countries overall (+ 8%)(1).

The overall ACP share of the Community's imports was falling over the 1972-76 period, but it rose for the first time in 1977 and reached 7.3% (see table). The main increase concerned countries exporting cocoa and coffee. Nigeria was still the Community's principal ACP supplier, with 28%

of total ACP sales, although its relative position had been slipping since 1974. Nigeria was not behind the big increase in ACP exports to the Community in 1977, however; its exports (mainly oil) only rose by 8%.

EEC exports

EEC exports to the ACP countries rose from 4000 million EUA in 1972 to 9800 million EUA in 1976, reaching 12500 million EUA in 1977. The ACP countries took relatively less EEC exports in 1974 (5.3% of total EEC exports) than in 1972 (6.1%), reflecting the pattern for the developing countries in general (17.2% of EEC exports in 1974 as against 21% in 1972). The balance was shifting heavily towards the Persian Gulf and the Mediterranean.

In 1975 this falling trend for Community exports to the ACP countries took a considerable turn upwards. The ACP countries took 7% of all EEC exports in 1976 and 7.6% in 1977 (+ 27% in value), which represented 20% of all EEC exports to developing countries in 1977—more than to any other developing region except the Gulf states. This upturn was largely due to Nigeria and Gabon, both oil-exporters, which took 41% of EEC exports to the ACP group compared with 20% in 1972.

The trade balance

The Community's trade balance with the ACP countries was in deficit throughout the 1972-76 period (see table), mainly because of oil imports, which widened the gap in 1973-74. In 1975 the gap closed considerably and in 1977 the trade picture was even for the first time.

Again, Nigeria had a big hand in this, turning a trade surplus with the Community in 1973-74 into a deficit in 1975 which reached 1.1 million EUA in 1977.

(1) All import and export figures exclusive of intra-Community trade.

'000 EUA

	1972	1973	1974	1975	1976	1977
<i>EEC imports</i>						
from developing countries	24 451	31 927	61 379	54 976	69 865	75 137(1)
of which: OPEC	11 845	15 310		33 357	41 831	
ACP	4 814	6 159	10 491	8 697	10 474	12 460
annual increase for ACP countries		+ 28%	+ 70%	- 17%	+ 20%	+ 19%
ACP share of EEC imports	7.3%	7.3%	8%	6.9%	6.5%	7.3%
<i>EEC exports</i>						
to developing countries	19 045	22 948	35 213	44 068	50 879	61 781(1)
of which: OPEC	5 171	6 764	11 060	18 450	23 498	
ACP	4 015	4 432	6 065	8 079	9 841	12 460
annual increase for ACP countries		+ 10%	+ 37%	+ 33%	+ 22%	+ 27%
ACP share of EEC exports	6.1%	5.5%	5.3%	6.7%	7%	7.6%
<i>EEC-ACP trade balance</i>	- 800	- 1 727	- 4 426	- 618	- 634	0

(1) Not including Cuba. Source: Statistical office of the EEC.

EEC-ACP trade pattern 1972-1977

EEC imports (in million EUA)

Region/Country	1972	1973	1974	1975	1976	1977	75=100	76=100
World	137 379	174 664	246 509	242 787	308 065	339 363	140	110
Extra-EEC	65 573	84 306	130 802	125 451	159 354	171 230	136	107
Developing countries	24 451	31 927	61 379	54 976	69 865(1)	75 137(1)	137	108
ACP total	4 814.4	6 158.8	10 491.0	8 697.4	10 473.8	12 459.6	143	119
West Africa: total	2 553.2	3 042.4	5 989.4	4 785.9	5 831.9	6 785.0	142	116
Mauritania	92.4	92.0	120.1	123.1	134.5	129.1	105	96
Mali	17.2	17.0	25.6	13.8	43.5	59.8	433	137
Upper Volta	7.5	11.6	22.5	15.0	34.6	32.8	219	95
Niger	30.6	47.2	40.8	59.5	73.9	77.9	131	105
Senegal	144.6	127.3	255.1	261.4	326.5	348.8	133	167
Gambia	14.5	16.4	35.7	24.3	18.5	25.3	104	137
Guinea	9.5	6.9	25.4	29.2	82.4	98.0	336	119
Sierra Leone	87.2	104.7	110.0	81.4	78.9	85.8	105	109
Liberia	218.7	270.1	319.0	260.6	337.3	363.7	140	103
Ivory Coast	407.9	553.9	740.7	693.1	1 006.2	1 471.2	212	146
Ghana	152.1	212.9	261.3	245.9	324.5	458.6	186	141
Togo	49.4	57.5	164.5	115.7	116.5	129.8	112	111
Benin	29.2	33.1	38.0	24.9	24.8	25.2	101	102
Nigeria	1 291.7	1 491.0	3 829.9	2 837.1	3 228.6	3 474.8	122	108
Guinea Bissau	0.7	0.8	0.7	0.9	1.1	3.8	422	345
Cape Verde	0.0	0.008	0.09	0.03	0.1	0.2	NS	200
Central Africa: total	937.9	1 386.7	2 251.8	1 576.2	1 920.7	2 368.9	150	123
Cameroon	164.8	218.0	351.9	297.5	367.2	526.3	177	143
Central African Empire	24.1	25.5	32.6	29.2	51.1	67.3	230	132
Gabon	157.7	211.8	493.7	374.0	378.1	431.4	115	114
Congo	61.0	82.0	169.9	114.2	103.9	122.9	108	118
Zaire	492.9	805.1	1 135.3	693.9	911.5	1 079.6	156	118
Rwanda	8.6	8.5	16.9	21.4	32.2	49.5	231	154
Burundi	6.9	9.3	11.1	18.7	32.2	41.2	220	128
Chad	19.3	18.6	32.2	19.4	33.6	32.7	169	97
Equatorial Guinea	0.6	3.4	1.5	5.1	8.4	10.3	202	123
Sao Tome Principe	2.0	4.5	6.7	2.8	2.5	7.7	275	308
East Africa: total	862.8	1 107.8	1 444.4	1 195.5	1 539.5	1 931.4	161	125
Sudan	96.4	133.6	145.0	168.5	221.8	214.4	127	97
Ethiopia	38.4	62.2	79.5	52.7	87.7	77.0	146	58
Somalia	13.7	12.0	15.2	11.2	18.2	17.9	160	98
Kenya	122.2	158.7	200.8	177.6	270.8	520.5	243	192
Uganda	73.7	82.2	99.4	80.2	129.0	186.7	233	145
Tanzania	100.2	126.2	151.0	141.0	195.8	212.7	151	109
Botswana	8.9	25.8	6.2	21.7	41.3	65.4	301	158
Swaziland	24.2	28.2	40.2	59.5	82.0	59.0	99	72
Lesotho	0.09	0.04	1.4	1.5	2.7	2.4	160	89
Zambia	344.1	430.3	660.0	408.6	404.3	458.1	112	113
Malawi	40.9	48.6	45.7	74.0	86.2	117.3	159	136
Indian Ocean: total	141.4	155.3	222.8	333.6	337.9	388.8	117	115
Madagascar	75.0	87.7	108.6	121.7	134.5	170.1	140	126
Mauritius	63.5	62.8	106.8	207.6	193.4	213.8	103	111
Seychelles & dependencies	0.4	0.3	1.5	0.3	0.5	0.5	167	100
Comoros	2.5	4.5	5.9	4.0	9.5	4.4	110	46
Caribbean: total	232.9	328.0	391.4	554.8	631.1	676.5	122	107
Jamaica	21.6	93.2	99.5	149.7	113.4	127.2	85	112
Bahamas	15.7	43.7	34.5	85.4	147.4	228.7	268	155
Barbados	16.5	17.4	17.4	27.3	14.8	18.0	66	122
Trinidad & Tobago	63.2	50.4	84.4	103.6	137.7	100.9	97	73
Guyana	61.0	47.8	81.1	108.5	99.8	95.1	88	95
Grenada	0.0	0.0	0.0	0.0	10.1	11.4	NS	113
Surinam	54.9	75.5	74.5	80.3	107.9	95.2	119	88
Pacific: total	86.2	138.6	191.2	250.4	212.4	309.0	123	145
Fiji	24.7	23.2	42.9	91.8	41.3	74.7	81	181
Tonga	0.6	0.2	2.0	2.4	3.4	4.0	167	118
Western Samoa	2.0	1.6	4.6	3.1	2.4	5.3	171	221
Papua New Guinea	58.9	113.6	141.7	153.1	165.3	225.0	147	136

(1) Not including Cuba. NS = not significant.

EEC-ACP trade pattern 1972-1977

EEC exports (in million EUA)

Region/Country	1972	1973	1974	1975	1976	1977	75=100	76=100
World	137 725	170 703	231 290	239 571	292 213	332 494	139	114
Extra-EEC	65 754	80 673	114 224	121 212	141 086	164 140	135	116
Developing countries	19 045	22 948	35 213	44 068	50 879(1)	61 780(1)	140	121
ACP total	4 014.6	4 432.2	6 064.9	8 079.4	9 840.5	12 459.5	154	127
West Africa: total	1 901.9	2 206.4	2 972.7	4 678.5	6 052.2	7 955.1	170	131
Mauritania	39.7	48.3	69.0	106.7	109.2	132.9	125	122
Mali	33.5	43.5	50.4	71.2	78.7	89.3	125	113
Upper Volta	25.6	39.8	59.3	60.8	73.8	96.3	158	130
Niger	33.3	41.4	63.0	67.4	77.6	108.1	160	139
Senegal	184.8	188.9	252.3	274.4	356.8	396.8	145	111
Gambia	9.9	10.5	15.4	20.3	29.1	34.5	170	119
Guinea	42.7	25.6	36.2	58.0	53.3	84.7	146	159
Sierra Leone	48.8	53.9	70.5	71.6	63.1	58.7	82	93
Liberia	318.2	359.2	337.2	607.4	660.7	791.8	130	120
Ivory Coast	289.6	358.3	445.5	483.0	656.0	350.3	176	130
Ghana	93.8	146.8	278.2	241.2	329.0	407.3	170	124
Togo	48.4	52.0	67.5	115.1	129.4	157.0	134	119
Benin	47.3	50.5	62.8	81.8	100.0	114.6	140	115
Nigeria	694.3	771.2	1 148.5	2 403.6	3 316.1	4 697.5	191	139
Guinea Bissau	8.8	11.2	4.8	5.7	5.5	11.3	198	205
Cape Verde	3.2	5.3	12.1	10.3	13.9	20.0	194	144
Central Africa: total	705.1	815.9	1 188.9	1 363.6	1 542.1	1 667.7	122	108
Cameroon	160.9	173.4	238.3	285.5	330.2	426.9	150	129
Central African Empire	22.6	28.0	35.2	31.8	27.3	52.3	164	192
Gabon	90.3	120.1	208.6	335.7	448.3	453.8	135	101
Congo	72.4	84.4	110.1	140.8	219.4	161.3	115	74
Zaire	309.2	353.9	509.9	475.4	405.7	445.1	94	110
Rwanda	9.6	10.2	19.5	26.3	30.7	33.9	129	110
Burundi	11.4	12.6	19.3	19.0	23.0	28.5	150	124
Chad	24.7	30.3	41.2	43.4	52.0	61.1	141	118
Equatorial Guinea	3.2	1.7	4.8	4.7	2.4	1.8	38	75
Sao Tome Principe	0.8	1.3	2.0	1.0	3.1	5.0	NS	161
East Africa: total	767.6	802.7	1 193.0	1 257.0	1 417.2	1 892.1	151	134
Sudan	100.0	122.4	183.9	299.0	411.7	480.2	161	117
Ethiopia	64.1	74.8	107.5	87.5	104.7	136.5	156	130
Somalia	33.0	46.5	56.4	59.7	52.7	119.4	200	227
Kenya	214.3	222.0	327.5	273.0	311.1	447.7	164	144
Uganda	39.2	27.8	41.4	32.3	42.7	110.2	341	258
Tanzania	98.2	108.3	156.6	173.6	185.0	295.6	170	160
Botswana	2.6	2.1	4.2	3.3	3.2	8.0	242	250
Swaziland	2.0	1.7	2.1	2.0	2.2	2.4	120	109
Lesotho	1.7	1.0	2.9	1.6	6.4	4.1	256	64
Zambia	180.5	172.3	275.1	281.0	253.3	240.4	86	95
Malawi	32.0	23.8	35.4	44.0	44.2	47.6	108	108
Indian Ocean: total	151.0	159.4	217.7	236.5	251.9	289.6	122	115
Madagascar	103.4	100.9	122.7	137.3	134.5	49.9	109	111
Mauritius	32.9	44.8	77.4	83.9	99.4	116.0	138	117
Seychelles & dependencies	10.2	7.9	8.4	8.3	12.6	13.1	158	104
Comoros	4.5	5.8	9.2	7.0	5.4	10.6	151	196
Caribbean: total	450.9	412.7	450.2	495.4	527.3	600.0	121	114
Jamaica	132.2	128.1	148.1	154.0	116.2	93.1	60	80
Bahamas	96.6	71.2	55.6	46.7	71.3	88.8	190	125
Barbados	38.4	38.1	40.7	40.3	41.8	49.4	123	118
Trinidad & Tobago	105.8	92.8	102.7	128.4	153.2	200.8	156	131
Guyana	40.1	42.1	54.9	73.1	78.2	71.2	97	91
Grenada	0.0	0.0	0.0	0.0	5.3	7.8	NS	147
Surinam	37.8	39.4	48.2	52.9	61.3	88.9	168	145
Pacific: total	33.1	35.1	42.4	48.4	49.8	53.0	110	106
Fiji	24.7	23.5	25.4	26.4	27.5	24.7	94	90
Tonga	0.3	0.1	0.8	1.1	1.2	0.8	73	67
Western Samoa	3.2	2.9	1.4	1.6	1.2	1.6	100	133
Papua New Guinea	9.9	8.6	14.8	19.3	19.9	25.9	134	130

(1) Not including Cuba. NS = not significant.

Trade promotion

The Lomé Convention sets targets for trade promotion. In order to meet them, the Commission has been implementing most of the schemes referred to in Article 13 of the Convention. They involve:

- improving the structure and working methods of organizations, departments and firms contributing to the development of the foreign trade of ACP states, or setting up such organizations, departments or firms;
- basic training or advanced vocational training of staff in foreign trade and trade promotion;
- participation by ACP states in fairs, exhibitions, specialized international shows and the organization of trade events;
- improving cooperation between economic operators in the EEC member states and the ACP states and establishing links to promote such cooperation;
- carrying out and making use of market research and marketing studies;
- producing and distributing trade information in various forms within the Community and the ACP states with a view to developing trade.

However, for various reasons, there are often difficulties attached to the implementation of such schemes.

First, it should be noted that, in spite of the efforts of the Commission, many of the ACP countries have so far failed to fully appreciate the content of the trade promotion assistance provided for in the Convention, although directly after its entry into effect the Commission widely distributed a general note on the type of schemes that could be undertaken, explained why they were useful and how applications should be made. This failure is perhaps due to the fact that the schemes are directly concerned with the production and export sectors while the Commission's usual contacts are with the governments and authorities of the various countries.

Then, as things stand, this is still a novel type of scheme for many ACP countries. They have approved the principle (at the EEC-ACP ministerial meeting in April 1977) but they are waiting for the industrialized world in general and the Community in particular to take the first steps.

Finally, for the above reasons, most of the ACP countries have failed to allow for trade promotion in their national indicative programmes or, if they have done, have not so far proposed that they be used.

The Commission has introduced a certain number of measures to cope with these difficulties. First it has sent out officials on short missions to the new English-speaking ACP states, although action programmes have not been defined on all occasions. Then it has proposed that specialized missions be sent out to those ACP countries that so desire to identify needs and problems in the field of trade promotion and to propose solutions. The ACP countries have agreed to this. Finally, with ACP agreement, the Commission organized a working meeting in Brussels in February 1978 for its own services and the ACP heads of foreign trade and export promotion to discuss and define the right means of developing trade promotion schemes.

The main types of Community aid for each type of scheme mentioned in Article 13 are as follows:

Improving the structure and working methods of organizations

Technical assistance from the Commission has enabled CICE, the Ivory Coast's external trade centre, to favourize the creation and development of a number of industrial firms and businesses, for example the Salon Ivoirien du Textile et de l'Habillement in Abidjan, which had a turnover of CFAF 2000 million in 1977, and various factories producing household utensils, prefabricated wooden units, etc.

ACP countries participate increasingly in European trade fairs. This was Kenya's stand at the international fair in Frankfurt



Tadeusz Dabrowski — Frankfurt

Cameroon, Togo, Mauritius, Senegal, Jamaica, Kenya and Malawi have applied for Commission aid to set up or develop their external trade centres and other states will be following suit. Some of these schemes are starting this year.

Basic training or advanced vocational training of staff in foreign trade and trade promotion

A marketing seminar for the heads of ACP export marketing boards was held in Yamoussoukro (Ivory Coast) in 1977. It lasted two weeks and gave many European experts the opportunity to explain their marketing and market survey techniques. A similar seminar was held in Dublin for professionals from the English-speaking ACP countries.

As well as international trade events, the Commission also runs interprofessional sessions for African delegates to meet European businessmen.

A plan for a two-month seminar for commercial attachés in ACP embassies and representatives of external trade promotion centres is now being worked out.

In Kenya, the EEC is financing secondment of a marketing training adviser for a three-year period and will also be supplying teaching aids and resources for the training. These are only two examples of the type of aid which the EEC provides in this field.

Participation by ACP states in fairs, exhibitions

In 1976, the ACP programme of attendance at European and African trade events comprised 140 stands at 18 international fairs and specialized events, 17 of them in the EEC.

In 1977, the Commission organized 240 ACP displays at 28 specialized fairs, as well as stands at other trade events, as part of specific regional projects (such as the European promotion of little-known tropical wood and off-season fruit and vegetables), independently of this.

However, the ACP states are not taking full advantage of the commercial possibilities which trade fairs offer. Poor liaison between the national administrative departments which actually attend the fairs and the producers all too often mean that initial contacts are not followed up by practical action. However, the creation of national external trade promotion centres should go a long way to improving the situation.

The EEC has helped Nigeria organize its first international trade fair and the Ivory Coast will continue to receive assistance with organizing the international textile and clothing fair in Abidjan in 1979 and 1980.

The EEC also helped Sudan organize the first trade fair in Khartoum and it is providing the ACP countries in general with aid to enable them to attend trade fairs in Europe.

Improving cooperation between economic operators in the EEC and the ACP

As already mentioned, the Commission runs interprofessional meetings at most trade events.

It has also helped set up interprofessional liaison structures to inform producers about European markets and competition, and to give them any help with the production and running of product promotion campaigns.

These structures are the Comité de Liaison des Professionnels de la Production et de la Commercialisation des

fruits et légumes tropicaux de contre-saison (COLEACP) and the Fédération pour le Développement de l'Artisanat Utilitaire (FEDEAU).

The Commission has also proposed to the ACP countries with forestry concerns that similar structures be set up in this industry. This is vital for the harmonious development of trade between ACP producers and European importers and industrialists in the tropical wood sector, at a time when competition is increasingly strong.

Market research

There was no opportunity for market research in 1977, but with the development of industrialization in the ACP states applications may well be made fairly soon and the Commission will respond, provided that the studies requested will lead to practical action being taken.

Producing and distributing trade information

In view of the importance of commercial information for promotion, the Commission has given each ACP country the possibility of bringing out a brochure on its economy and a trade data sheet on four products in all Community languages. This has been done in 26 ACP countries.

The brochures are mainly distributed at fairs where the ACP countries have stands, although they are also used by external trade promotion services and commercial advisers at ACP embassies.

The Commission has also brought out a very detailed displays' guide in French and English, which is particularly useful as regards facilitating ACP participation in trade events.

It has also produced technical data sheets on little-known tropical woods. They are in all Community languages plus Spanish and they explain everything the potential buyer needs to know (origin, possibilities of supply, characteristics, etc.) about each type of wood. □

The real work of trade promotion is aimed at the professionals, not the general public. Here a panel of ACP timber experts meet at Cologne with the help of the EEC, represented by Jacques Thoreau (2nd from left). Beside him is Konan Soudele, director of timber sales promotion in the Ivory Coast



Application of the protocols

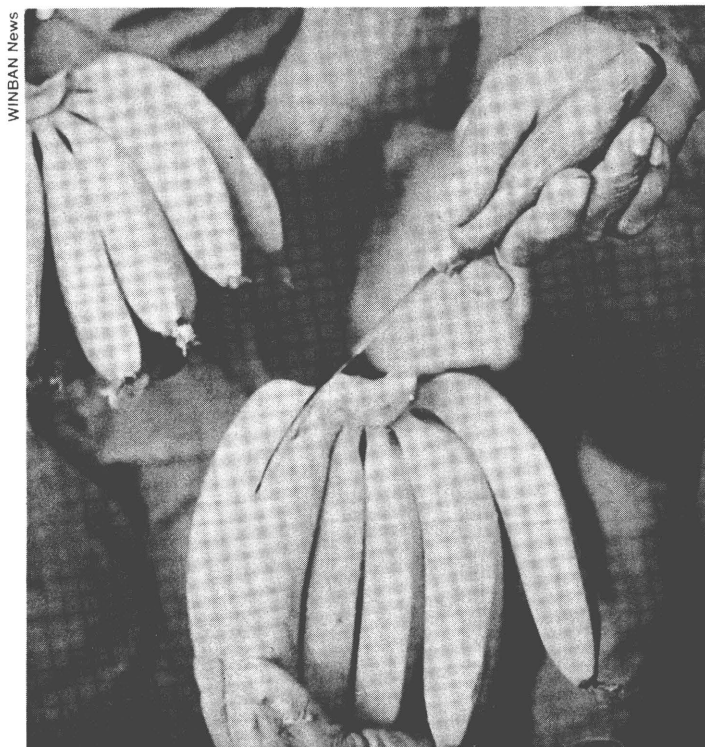
Bananas

The banana protocol is the instrument which gives legal backing to the protection already afforded to the ACP banana producers by the Community in the markets of certain member countries. Its terms encompass access to markets and market advantages.

Soon after the Convention was signed, the Permanent Joint Group provided for in the last paragraph of the protocol was set up. This group has met four times and has spent most of its time discussing memoranda drafted by one side or the other concerning the interpretation of the protocol. The ACP ministers responsible for bananas also met in Douala (Cameroon) in July 1977. This exchange of memoranda has not achieved many concrete results and has distracted both sides from the more important task of improving the situation on the ground for the ACP producers, so that their fruit improves in quality and is better able to compete with its Latin American competitors.

Both sides now better understand each other's position, even though the Community has had to say no to two of the original requests made by the ACP side—first that prices and quantities should be guaranteed in a directed, organized market, and secondly that additional financial assistance for the banana sector should be made available to ACP countries over and above the normal financial aid provided under Title IV of the Convention; the request, with which the Community is in full agreement with its partners, is that more serious attempts should be made to export ACP bananas to the six non-protected markets. The position is that priority duty-free access as well as quantitative restrictions on third-country fruit can be guaranteed for the ACPs on the three protected markets (France, UK and part of Italy) and for the other markets there is also duty-free access and the protection of the 20% tariff (except in the case of the Federal Republic of Germany), but thereafter normal commercial considerations apply and no other preferences can be granted. No extraordinary financial aid can be provided for the banana sector but sympathetic consideration will continue to be given to all banana projects featuring in individual indicative programmes aimed at improving banana infrastructures and quality. It is hoped that financial assistance from the EDF will be available for regional banana projects; for example, support for research or an exporters' group. Trade promotion is another possibility, but it is felt that no attempt should be made to initiate campaigns in Member States until fruit of the right quality is regularly available on the market concerned.

It has been agreed to set up a group of government experts to consider practical problems faced by the ACPs in the banana sector and to report to the Permanent Joint Group. This expert group should meet for the first time soon and discuss such matters as research, production, marketing, shipping, price formation and trade promotion with a view to making firm proposals for assistance that can be provided by the Community under the terms of the protocol. At the same time it is hoped that meetings will be arranged



However good the quality of ACP bananas, the big multinational suppliers, with their Latin American plantations, have a firm hold on the market in Europe

between ACP exporters and European importers in the non-protected markets, where the ACPs find themselves in a competitive situation as regards price, quality and regularity of delivery. Such exchanges of view should help to clarify the position on both sides and show the ACP exporters what they will need to do to meet the requirements of these new markets; these talks will take place between private operators.

Meanwhile the Community is awaiting with interest proposals which may emerge from the experts' meetings on research and the establishment of an exporters' group. Apart from the new plantations in Jamaica, the other ACP banana producer with definite plans for expansion of production is Cameroon. At present the ACPs themselves (leaving aside the French Overseas Territories and the three non-independent Windward Islands) supply only 16.5% of the Community's needs and they are unable to provide in full for the three protected markets. It would seem therefore that the first priority is to ensure they export to these destinations while at the time planning what measures will be needed in order to make an effective contribution to the other Community markets. □

Sugar

Protocols to the Lomé Convention cover the access to the Community market of ACP sugar and rum as well as

World sugar prices (spot prices)				
(in UA/100 kg)				
Year	Paris (white)	London (white)	London (raw)	New York (raw)(1)
Yearly averages (July-June)				
1961/62	×	×	6.16	5.79
1962/63	×	×	12.81	12.23
1963/64	×	×	23.06	19.05
1962/65	8.19	×	7.90	6.72
1965/66	5.76	×	5.57	4.44
1966/67	4.84	×	4.71	3.93
1967/68	4.98	×	5.16	4.32
1968/69	6.29	×	6.87	6.11
1969/70	7.51	×	8.24	7.38
1970/71	10.99	×	10.59	9.51
1971/72	15.75	×	13.99	13.22
1972/73	19.30	×	17.53	16.80
1973/74	37.52	×	33.53	27.34
1974/75	66.60	×	57.36	54.39
1975/76	29.47	29.35	27.39	25.74
1976/77	19.85	20.05	16.90	15.14
Monthly averages				
1975/76				
July	31.38	31.11	29.37	28.13
August	35.98	35.77	34.53	2.53
September	32.08	31.50	29.30	27.07
October	28.23	27.56	26.52	24.98
November	29.33	27.81	2.35	23.41
December	27.63	27.70	26.91	23.00
January	29.54	29.48	1.32	24.97
February	23.61	28.51	2.3	24.04
March	29.84	29.99	1.11	24.54
April	27.01	27.19	2.49	24.78
May	27.56	27.80	27.36	25.67
June	27.50	27.71	25.03	21.05
1976/77				
July	19.30	29.18	25.52	28.49
August	25.61	24.87	19.79	17.69
September	22.29	22.50	16.04	14.19
October	10.05	20.85	15.44	00.00
November	18.86	19.00	14.62	13.14
December	18.00	18.11	14.23	12.47
January	17.89	18.51	15.74	13.74
February	17.89	18.15	16.67	14.30
March	17.31	17.55	16.49	14.88
April	17.82	18.24	13.17	16.00
May	17.44	17.47	16.30	14.61
June	15.78	16.11	14.59	12.78
1977/78				
July	14.45	14.78	13.44	11.93
August	13.13	13.57	13.76	12.24
September	12.58	13.02	13.34	11.83
October	13.28	13.40	12.74	11.34
November	13.80	13.91	12.54	suspended
December	14.37	14.49	13.78	suspended
January	14.72	14.80	14.34	—
February	14.25	14.15	13.87	—
March	12.58	13.01	12.47	—
April	12.52	12.81	12.20	—
May				
June				

Paris, white sugar, FOB and stowed for designated European ports in new bags.

London, white sugar, FOB and stowed for designated European ports in new bags.

London, raw sugar, 96° CIF UK ex-hold.

New York, raw sugar, 90° FOB and stowed for Caribbean.

bananas. Under Protocol no. 3, on sugar, the Community guarantees access of some 1225000 t of cane sugar from the ACP countries and the producing countries undertake to supply the quantities fixed.

Every year, a minimum price for ACP sugar is fixed after negotiations between the Community and the producing countries. It is calculated within the range of intervention prices applied to European producers, which means that ACP producers benefit from price increases decided in the Community.

The supply situation in the Community

When the Council's new basic regulation was adopted in 1974 with a view to integrating the new Member States into the common organization of sugar markets, European producers immediately reacted by increasing the areas under sugar beet by 16.9% for 1975/76. This was because there had been record prices on the world market and a deliberate failure to deliver on the part of a certain number of countries in the Commonwealth Sugar Agreement.

However, consumption did not really rise. In 1976 it was lower than the previous year, probably because of higher prices (the price to the consumer rose by an average 38% between 1974 and 1975) and because of increased employment in the glucose syrup industry.

This suggests a Community sugar surplus of 3.8 million t in 1977/78.

The ACP situation

The (estimated) balance sheet of the sugar situation in the Community includes imports of 1.3 million t, an amount brought in under the sugar protocol and arrangements with the OCT and India. An equivalent quantity is re-exported, after processing, to the ACP countries and the OCT, but this still leaves something like 2.2 million t for export to the world market.

Then some ACP countries (Jamaica, Surinam and Tanzania) have turned to Cuba, Brazil and India for their supplies while others export extremely low-priced sugar to the world market.

The guaranteed prices (Article 5(4) of Protocol no. 3) for the period 1 May 1977 to 30 June 1978 are:

— raw sugar: 27.25 EUA per 100 kg;

— white sugar: 33.83 EUA per 100 kg.

These prices are for unpackaged sugar (standard quality as specified in the Community regulations), cif Community ports.

In view of the change in intervention prices in the EEC and of other important factors, the Community said it expected the guaranteed price for raw ACP sugar and the adoption of the special arrangements for self-balancing of contributions and refunding of storage costs for preferential sugar to enable the ACP countries to obtain a price of at least 28.20 EUA per 100 kg on the Community market during the 1977/78 delivery period.

The Community expected the guaranteed price for white ACP sugar to result in a market price of 35.60 EUA per 100 kg.

For comparison, in April 1978 the average world price was 12.20 EUA per 100 kg for raw and 12.52 EUA per 100 kg for white sugar (see table).

Article 7 of Protocol no. 3 contains provisions on the measures to be taken where ACP sugar exporters fail to deliver the agreed quantity during the delivery period. These measures differ according to whether or not the failure is for reasons of *force majeure*. In particular, if during a delivery period, "a sugar-exporting ACP state fails to deliver its agreed quantity in full for reasons other than *force majeure*, that quantity shall be reduced in respect of each subsequent delivery period by the underdelivered quantity."

At the Council of Ministers meeting in Fiji, the ACP countries brought up the question raised by the Commission's decision resulting in a reduction in the agreed quantities for sugar exports from certain ACP states (Congo, Kenya, Surinam and Uganda) which had failed to deliver the agreed quantities during the 1975/76 period. The Community said that it would re-establish the original export quotas for the countries in question, that this concession would be an autonomous, political gesture involving no backdating and that it would not affect the validity of Commission decisions. Above all, the Community felt that, by taking up this position, it was taking account of the problems the ACP countries had come up against in applying the provisions of the sugar protocol over the first year. It also said that the concession, which was a particularly important one, should not be taken as a precedent.

At the meeting of the Committee of Ambassadors on 23 November 1977, the EEC and the ACP countries tried to find a way round any difficulties involved in the Commission applying the provisions of Article 7 of Protocol no. 3 by producing a text defining the notion of *force majeure* and including a consultation procedure. □

Rum

Protocol no. 7 lays down the arrangements for importing rum, most of it from the Caribbean, into the Community. Rum, like bananas, is exempt from customs duties within the limits of the Community quota.

The Community determines the quantities to be imported from the ACP countries by fixing an annual global quota based on the largest quantities imported from the ACP to the EEC over the three previous years. In the case of eight Member States, these quantities are increased annually by 13% and in the case of the UK by 40%. The 1977/78 quota is for 173 009 hl of pure alcohol (126 030 hl for the UK and 46 979 hl for the other Member States).

The ACP countries were unable to use the full quota in 1975/76 or 1976/77 and they seem unlikely to do so in 1977/78 either. Since 1974 (the best year) was taken into account for the calculation of the last quota, the 1978/79 quota will probably be substantially lower, as imports to the Community are decreasing constantly (see table).

Last May, the Commission announced that the rum quota for 1 July 1978-June 1979 would be 161 807 hl of alcohol, in accordance with Protocol no. 7. The best (1975) of the last three years was thus increased by 40% in the case of the UK and by 13% in the case of the other Member States.

As mentioned above, the quotas for the previous years were not fully used (only 57% in 1975/76 and 68% in 1976/77), although the situation varied considerably from one country to another (100% in Benelux; high rates in France, Germany and Ireland; lower rates elsewhere).

The Commission has often pointed out that the ACP problems are largely due to the excessive supply of alcohol on the Community markets. □

Rum imported from the ACP countries

Member State	Imports 1974	Quota 1975/76	Imports 1975	Quota 1976/77	Imports 1976	Quota 1977/78	Imports 1977
Benelux	2 299	3 500	3 914	3 697	4 979	5 926	4 963
Denmark	2 608	2 900	2 720	2 700	3 349	4 000	1 942
Germany	9 153	26 000	21 724	16 620	19 666	24 000	20 169
France	11 424	6 000	8 169	12 051	5 233	11 395	5 802
Ireland	1 898	1 000	1 654	1 000	1 345	1 000	2 004
Italy	602	600	103	550	384	658	304
United Kingdom	93 056	128 000	84 676	125 395	85 474	126 030	71 168
EEC	121 140	168 000	122 960	162 013	120 430	173 009	107 168
				171 166(1)			

(1) Incl. 9 153 hl pure alcohol transferred, OCT arrangements, Surinam, 14 February 1977.

STABEX

1975 exercise: most compensation for unfavourable sales conditions

During the first year of application, 26 Stabex payments totalling 72786065 EUA were made to 18 ACP countries for nine products (see table).

The breakdown into non-repayable transfers and transfers to countries which have undertaken to contribute to the reconstitution of Stabex resources (more or less the same as that into transfers to least-favoured and to other ACP countries) is a fairly even one, the former group representing 56.4% and the latter 43.6% of total payments.

The importance of Stabex payments for the export earnings of the recipient countries varies according to losses, to how the products in question figure in overall exports and to the export pattern (Community share of total exports).

The effect of Stabex payments clearly emerges from a comparison between the transfers made for a given product and the export earnings (all destinations) derived from the same product (1974). Take the following examples:

— Burundi (cotton)	63%
— Togo (coffee)	39%
— Niger (groundnuts)	39%
— Somalia (hides and skins)	33%
— Burundi (hides and skins)	33%

These data show that the system provides a considerable guarantee for the export earnings of the ACP countries, particularly the least-favoured of them.

Payments are made where export earnings drop as a result of the unfavourable economic situation in the Community, and where exports decrease as a result of a drop in production due to natural disaster or comparable circumstances.

The products affected by the economic situation in 1975 were unsawn timber, hides and skins, and cotton which together accounted for 67.7% of total transfers. The drop for timber and hides and skins was more or less general in all the major exporting countries. However, although generally speaking the unit value of cotton decreased, there were cases (Sudan and Chad) where increased production more than made up for the drop.

A variety of local circumstances affected export earnings from other products and 32.3% of total transfers were made for cases such as these:

- blight (groundnuts in Niger, coffee in Ethiopia);
- drought (bananas in Somalia);
- cyclones (copra oil in Fiji).

The system thus fulfils its dual aim of providing protection against the economic situation and against loss of earnings due to production falling for reasons outside the control of the ACP countries.

1976 exercise: most compensation for unfavourable production conditions

During this second year, 19 transfers totalling 36287447 EUA were made to 14 ACP countries for 15 products (see table).

The breakdown into non-repayable transfers and transfers to countries which have undertaken to contribute to the reconstitution of Stabex resources (again, more or less the same as that into least-favoured and other ACP countries) shows that 76% of transfers in 1976 were grants and 24% loans. This is a considerable change over 1975 when the figures were 56% grants and 44% loans.

The figures for 1975 and 1976 combined are 63% and 37%, clearly weighted in favour of grants.

The 1976 situation as regards production was:

— products affected by the economic situation	7 477 958	20.61%;
— products affected by local circumstances	28 809 489	79.39%.

Here again, there are considerable changes over 1975. It is worth noting that there is a decrease (from 68% to 21%) in transfers for products affected by the economic situation and a very large increase (from 32% to 79%) in transfers for products affected by local conditions.

Only two products — sisal and sawn timber — were hit by the economic situation in 1976. Sawn timber was affected later than unsawn.

Local difficulties in 1976 included:

- the continuing effects of phenomena of some years' standing (diseased groundnuts in Niger, drop in copra production after a cyclone in Fiji);
- problems with cloves (particularly the biological peculiarities) in Madagascar;
- blight and poor climatic conditions affecting the cocoa industry in Cameroon;
- interruption in mining activities in Sierra Leone;
- the effects of primarily extra-economic factors on production in Benin and Uganda.

Funds not allocated in 1976 were as follows:

75 000 000 EUA
(credit, 1976)
+ 2 213 935 EUA (remainder, 1975)
— 36 287 447 EUA (transfers, 1976)

40 926 488 EUA automatically carried over and added to funds for 1977, to be paid as from 1 January 1978. □

TOTAL TRANSFERS IN 1975 AND 1976

I. Situation by country

(values in EUA)

	Product 1975	Product 1976	Amount 1975	Amount 1976	Total
Benin (1)	Groundnuts		464 330		464 330
	Coffee		1 174 883		1 174 883
	Cotton	Cotton	4 299 556	2 750 347	7 049 903
	Oil cakes		1 191 079		1 191 079
		Palm oil		765 576	765 576
	Total		7 129 848	3 515 923	10 645 771
Burundi (1)	Cotton		965 602		965 602
	Untreated hides		520 053		520 053
	Total		1 485 655		1 485 655
Cameroon	Rough timber		3 601 423		3 601 423
		Cocoa paste		463 558	463 558
	Total				4 064 981
CAE (1)	Coffee		353 108		353 108
		Cut wood		549 807	549 807
	Total				902 915
PR Congo	Rough timber		7 361 677		7 361 677
Ivory Coast	Rough timber		15 000 000		15 000 000
Ethiopia (1)	Coffee		9 339 683		9 339 683
	Untreated hides		5 080 364		5 080 364
	Total		14 420 047		14 420 047
Fiji	Coconut oil	Coconut oil	615 140	1 499 834	2 114 974
Ghana	Rough timber		5 176 408		5 176 408
Upper Volta (1)	Groundnuts		685 239		685 239
	Cotton		175 936		175 936
	Total		861 175		861 175
Mali (1)	Cotton	648 503		648 503	

(1) ACP states referred to in Article 48 of the Lomé Convention.

(continued p. 28)

(values in EUA)

	Product 1975	Product 1976	Amount 1975	Amount 1976	Total
Niger(1)	Groundnuts Untreated hides	Groundnuts Oil cakes	5 441 294 507 747	6 755 991 153 269	5 441 294 507 747 6 755 991 153 269
Total			5 949 041		6 909 260
Somalia(1)	Bananas Untreated hides		1 296 907 635 238		1 296 907 635 238
Total			1 932 145		1 932 145
Sudan(1)	Untreated hides		1 658 579		1 658 579
Tanzania(1)	Cotton	Sisal	1 887 082	5 165 208	1 887 082 5 165 208
Total					
Togo(1)	Coffee		2 680 324		2 680 324
Uganda(1)	Cotton	Cotton Tea	1 748 932	2 249 791 1 399 953	3 998 723 1 399 953
Total					3 649 744
Western Samoa(1)	Cocoa	Coprah Rough timber	276 978	1 331 544 348 993	276 978 1 331 544 348 993
Total					1 680 537
Madagascar		Sisal Cloves		1 762 943 1 139 516	1 762 943 1 139 516
Total					2 902 459
Sierra Leone		Iron ore		3 977 274	3 977 274
Guinea Bissau(1)		Groundnuts Palm nuts		4 442 437 626 966	4 442 437 626 966
Total					5 069 403
Tonga(1)		Coprah Bananas		831 721 72 719	831 721 72 719
Total					904 440
Grand total			72 786 065	36 287 447	109 073 512

(1) ACP states referred to in Article 48 of the Lomé Convention.

II. Situation by product

	1975		1976		Total	
	Amount	%	Amount	%	Amount	%
Groundnuts	6 590 863	9.06	4 442 437	12.24	11 033 300	10.13
Groundnut oil			6 755 991	18.62	6 755 991	6.19
Oil cakes	1 191 079	1.64	153 269	0.42	1 344 348	1.23
Cocoa	276 978	0.38			276 978	0.25
Cocoa paste			463 558	1.28	463 558	0.43
Coffee	13 547 998	18.61			13 547 998	12.42
Cotton	9 725 611	13.36	5 000 138	13.78	14 725 749	13.50
Coprah			2 163 265	5.96	2 163 265	1.98
Coconut oil	615 140	0.85	1 499 834	4.13	2 114 974	1.94
Palm oil			675 576	2.11	765 576	0.70
Palm nuts			626 966	1.73	626 966	0.57
Untreated hides	8 401 981	11.54			8 401 981	7.70
Rough timber	31 139 508	42.78	348 993	0.96	31 488 501	28.87
Sawn timber			549 807	1.52	549 807	0.51
Bananas	1 296 907	1.78	72 719	0.20	1 369 626	1.26
Tea			1 399 953	3.86	1 399 953	1.28
Sisal			6 928 151	19.09	6 928 151	6.35
Iron ore			3 977 274	10.96	3 977 274	3.65
Cloves			1 139 516	3.14	1 139 516	1.04
Total	72 786 065	100.00	36 287 447	100.00	109 073 512	100.00

— hit by economic situation (1)	49 267 100	67.69	7 477 958	20.61	56 745 058	52.02
— hit by local circumstances	23 518 965	32.31	28 809 489	79.39	52 328 454	47.98
Total	72 786 065	100.00	36 287 447	100.00	109 073 512	100.00

(1) Rough timber, hides and skins, cotton in 1975.
Sisal, sawn timber in 1976.

III. Type of transfer

	1975		1976		Total	
	Amount	%	Amount	%	Amount	%
Grants	41 031 417	56.37	27 444 322	75.63	68 475 739	62.78
Loans	31 754 648	43.63	8 843 125	24.37	40 597 773	37.22
Total	72 786 065	100.00	36 287 447	100.00	109 073 512	100.00

IV. Utilization of annual allocations

	1975		1976		Total	
	Amount	%	Amount	%	Amount	%
Expenditure	72 786 065	97.05	36 287 447	48.38	109 073 512	72.72
Remainder	2 213 935	2.95	38 712 553	51.62	40 926 488	27.28
Annual allocation	75 000 000	100.00	75 000 000	100.00	150 000 000	100.00

Industrial cooperation

Means available

Title III of the Lomé Convention lists the means of promoting industrialization in the ACP states. They are of two types: means connected with the financial, technical and commercial cooperation provided for elsewhere in the Convention; specific innovations in the field of industrial cooperation.

The Commission and the EIB have a wide range of means of financial intervention to meet the aims of industrial cooperation.

The Commission provides special loans and grants for the creation of infrastructure needed for industrial development, the financing of industrial projects, the access of manufactures to the Community market and for technical training schemes to help ACP firms.

Industrial cooperation also includes new means such as industrial promotion, the transfer of technology and help for small and medium-sized businesses.

Mention should also be made here of the complementary action of a new institution of the Lomé Convention. This is the Centre for Industrial Development, which complements the Commission's means of promoting industrialization.

The Centre for Industrial Development (CID)

This is an operational body which provides practical help with specific industrial ventures. It is mainly concerned with information, arranging contacts between ACP and European industrial promoters and outlining what needs to be done to ensure that projects are properly implemented and managed. The ACP and EEC countries, the Commission and the EIB guide and supervise the CID via the Committee on Industrial Cooperation. This Committee ensures that CID interventions are coordinated with other aspects of Community industrial cooperation as outlined above and in line with ACP policy on industrialization and cooperation with private industrialists from abroad. The Commission and the EIB are in close and regular contact with the CID for information and cooperation.

1977 was marked by sustained activity on the part of the Committee and this enabled the CID to start work fairly rapidly. A series of decisions were taken, following Committee discussions, on institutions (composition of the CID's consultative committee) and regulations (financial rules, employment arrangements, recruitment and the budget).

Once it got under way, in early 1977, the CID tackled the promotion of a hundred or so industrial projects, half of which came from the ACP countries themselves.

The CID comprises a department of information, a department of projects and a department of training and technology. These are its three main fields of activity.

The Commission

By making full use of the means of intervention at its disposal, the Commission has carried out a number of major operations in the sectors of manufacturing and energy. Among the most important projects in the first sector are a special loan granted to a textile firm in Tanzania and interest rate subsidies on EIB loans to cement works in Kenya and Cameroon.

The Commission has also made a large special loan for railway and social infrastructure in the CIMA (Togo cement works) regional project, which was granted an EIB loan, plus interest rebate, and risk capital in 1976.

The energy sector, to which the EDF has made substantial contributions since the beginning of the Convention, still accounts for a high percentage of Community financing in the industrial sector, although the rate has slowed down slightly. In 1977, the Commission took financing decisions for the Kpong dam in Ghana and equipment for the Nkula Falls scheme in Malawi.

Trade promotion schemes have been run for ACP exports (primarily Ivory Coast and Barbados) and for technical assistance in industry (Cameroon).

One of the innovations of the Lomé Convention is the Commission's pursuit of industrial promotion schemes. Two promotion projects (Mauritius and Senegal) have been approved and there was representation at the Investors' Forum at the Dakar International Fair in 1978.

As far as industrial information is concerned, the Commission has continued with the updating and reprinting of the collection of investment codes and other regulations on foreign investments in the ACP countries.

Transfer of technology projects will be of increasing importance. This means encouraging people to adapt technology to conditions in the ACP countries and developing the ACP capacity for industrial training and research. As well as a project to develop new forms of energy (solar energy in this case), it is also worth mentioning a regional anti-aflatoxin (a groundnut disease) campaign.

However, the most important innovation, both as regards number of projects and overall value, is the promotion of small and medium-sized businesses, involving reception infrastructure and technical and financial (via a line of credit) assistance.

In 1977, the Commission approved the first financing proposals for special loans opening lines of credit to ACP organizations which provide credit for small and medium-sized firms. Some of these loans cover no more than the line of credit for the firms (Guyana and Sierra Leone), but others are linked to complementary schemes or themselves involve parallel aid via grants for infrastructure (Botswana), technology (Botswana), the promotion and assistance of small and medium-sized firms (Mali) and training. □

Financial and technical cooperation

General situation

The Lomé Convention originally provided the ACP countries with a global sum of 3390 million EUA for financial and technical cooperation and the Stabex system, to help them with their economic and social development. This was stepped up to 3447.7 million EUA when new countries joined the Lomé "club", bringing membership up from 46 to 53 countries of Africa, the Caribbean and the Pacific.

By the end of March 1978, the sum of **1296.3 million** EUA, corresponding to 38% of the total amount, had actually been committed.

Although the situation is not outstandingly good, it is certainly satisfactory, bearing in mind the wide range of problems encountered during the early stages of the Convention. First, there were delays with ratification by the contracting parties. Then there was the implementation of programming and certain ACP countries' ignorance of EDF procedures, the Commission's inadequate knowledge of the particularities and individual situations of the new ACP countries and, last but not least, unavoidably long delays in preparing and appraising the dossiers of projects submitted for Community financing. A more detailed analysis of the rate of implementation of Lomé financial resources reveals, in particular, that:

- the average rate of commitment for programmable aid (national indicative programmes and regional cooperation) is 42%, which is satisfactory bearing in mind the above arguments;

- 63.1 million EUA has been paid out as exceptional aid to the ACP countries, more than 40% of the total funds earmarked for this type of scheme;

- microprojects which are, with Stabex, one of the innovations of the Lomé Convention, were warmly welcomed by the ACP countries; by the end of March 1978, a total 6.4 million EUA of the 20 million EUA provided by the Convention had already been committed to 16 ACP countries under this heading;

- Stabex payments have been made to 24 ACP countries, which have received total financial aid (transfers) of 110.2 million EUA;

- 40 million EUA of EIB-managed funds have been committed from risk capital (total amount available = 97 million EUA) and 20.3 million EUA as interest rate subsidies (total amount available = 100 million EUA). The EIB has also committed 126 million EUA (32.3% of funds) from own resources for financing in the ACP countries.

Situation by country

The first stage of financial and technical cooperation with the ACP countries was the establishment of individual indicative programmes of aid, in accordance with the Lomé Convention provisions on programming (Article 51).

It is worth remembering that the twofold aims of programming are to:

- help the ACP countries with the establishment of priorities and investment planning by letting them know in advance how much financing they can expect to obtain from the Community during the period of the Convention;

- ensure that Community-aided projects and action programmes are in line with the priorities which the ACP countries have themselves laid down in their development programmes.

Programming makes it easier to coordinate Community aid and bilateral aid from the Member States with aid from other financiers and international bodies and it helps to make economic and social development schemes more effective.

1976 was a year of intensive activity as far as programming was concerned; the Commission and the EIB managed to establish indicative programmes for 42 ACP countries in a relatively short time.

Since then, programming has been ticking over normally. All the indicative programmes have been adopted and, in some cases, altered at the request of the countries concerned, to take account of subsequent changes in policy and priorities.

In 1977, although programming reached a normal level, a considerable effort was begun to speed up implementation of national indicative programmes. As already mentioned, 42% of resources programmed had actually been mobilized (i.e. financing decisions had been taken) for the ACP countries by 31 March 1978.

However, the rate of commitment varies from country to country.

- in 19 of the countries, more than 42% (the average) of the indicative programme has been committed and the situation is particularly satisfactory in 11 of them (Congo, Gabon, Grenada, Jamaica, Liberia, Niger, Rwanda, Senegal, Swaziland, Chad and Togo), where at least 60% of programmable resources have been mobilized.

- 12 of the 34 ACP states with a below-average rate of commitment are noticeably behind, with rates of under 20% of the amount programmed. They are Cameroon, Fiji, Equatorial Guinea, Nigeria, Uganda, Western Samoa, Sao Tomé & Príncipe, Papua-New Guinea, the Seychelles, Surinam, Tonga and Cape Verde.

There are various reasons for the delay. There are problems with listing priorities and defining projects, some schemes are still at only an early stage of preparation, and programming, particularly in the case of countries which joined the Convention later on, is sometimes incomplete.

The Commission is monitoring the situation closely and doing its utmost to speed up the appraisal of dossiers so as to make up for lost time. □

4th European Development Fund

Commitments (situation as of 31 March 1978)

	Grants ('000 EUA)										Special loans	Total	Stabex (*)	Grants		Risk capital managed by EIB	Grand total	
	Investments	Micro-projects	Linked technical cooperation	General technical cooperation	Trade promotion	Industrial cooperation	Admin. costs	Grants		Interest rate subsidies managed by EIB								
								Exceptional aid	—									
I. ACP																		
Bahamas	—	—	55	313	30	—	—	—	—	—	—	—	—	—	—	—	—	398
Barbados	402	—	165	300	100	—	—	—	—	—	—	—	—	—	—	—	—	1 425
Benin	16 099	—	301	1 809	—	—	—	—	—	—	—	—	—	—	—	—	—	29 750
Botswana	5 111	—	88	1 360	—	1 900	—	—	—	—	—	—	—	—	1 070	—	—	10 493
Burundi	17 654	—	705	3 300	—	—	—	—	—	—	—	—	—	—	—	—	—	23 894
Cameroon	2 549	270	128	2 230	82	—	—	—	—	—	—	—	—	—	—	—	—	21 592
CAE	9 085	—	567	505	—	765	—	—	—	—	—	—	—	—	—	—	—	13 426
Chad	22 604	—	335	1 900	—	267	—	—	—	—	—	—	—	—	—	—	—	41 306
Comoros	1 900	—	460	30	—	—	—	—	—	—	—	—	—	—	—	—	—	5 595
Congo	13 381	—	79	1 100	86	—	—	—	—	—	—	—	—	—	—	—	—	27 014
Djibouti	960	—	—	340	—	—	—	—	—	—	—	—	—	—	—	—	—	1 848
Ethiopia	45 066	320	390	1 951	—	—	—	—	—	—	—	—	—	—	—	—	—	62 813
Equatorial Guinea	—	—	—	30	—	—	—	—	—	—	—	—	—	—	—	—	—	30
Fiji	—	—	—	100	—	—	—	—	—	—	—	—	—	—	—	—	—	2 462
Gabon	110	—	—	410	42	—	—	—	—	—	—	—	—	—	—	—	—	7 264
Gambia	3 808	370	160	404	—	—	—	—	—	—	—	—	—	—	—	—	—	5 442
Ghana	3 125	175	595	2 250	—	—	—	—	—	—	—	—	—	—	—	—	—	31 347
Grenada	1 640	223	20	80	—	—	—	—	—	—	—	—	—	—	—	—	—	1 963
Guinea	17 803	—	317	50	—	—	—	—	—	—	—	—	—	—	—	—	—	18 982
Guinea-Bissau	9 092	—	410	980	—	—	—	—	—	—	—	—	—	—	—	—	—	16 265
Guyana	—	—	480	545	—	140	—	—	—	—	—	—	—	—	—	—	—	2 234
Ivory Coast	3 768	—	150	3 000	1 900	—	—	—	—	—	—	—	—	—	—	—	—	32 876
Jamaica	3 790	363	59	2 790	730	—	—	—	—	—	—	—	—	—	—	—	—	15 108

Kenya	5 410	630	724	2 000	400	215	783	26 340	36 502	—	300	4 783	1 100	42 685
Lesotho	8 137	—	267	270	—	—	316	—	8 990	—	1 000	—	—	9 990
Liberia	11 630	300	483	320	—	—	470	4 800	19 003	—	—	348	286	19 637
Madagascar	15 433	2 060	769	1 900	15	—	1 410	—	21 587	2 903	1 700	—	—	26 190
Malawi	21 848	420	137	3 200	15	—	576	8 500	34 696	—	1 500	1 410	987	38 593
Mali	38 270	—	717	2 132	—	270	1 268	180	42 837	649	300	—	—	43 786
Mauritius	1 100	—	330	700	20	700	488	4 600	7 938	—	3 000	886	—	11 824
Mauritania	10 454	—	250	435	—	—	931	—	12 070	—	300	—	—	12 370
Niger	46 780	—	491	410	—	—	1 173	—	48 854	12 858	9 614	—	—	71 326
Nigeria	—	—	430	515	199	—	208	—	1 052	—	—	—	—	1 052
Rwanda	51 056	—	806	1 300	—	—	624	2 564	56 350	—	4 000	—	3 000	63 350
Senegal	16 238	340	2 171	3 527	—	—	1 573	13 813	37 662	—	300	—	—	37 962
Seychelles	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sierra Leone	8 050	300	87	1 800	—	—	529	1 000	11 766	3 977	—	—	—	15 743
Somalia	19 652	—	1 780	1 132	—	—	1 008	—	23 572	1 932	3 426	—	—	28 930
Sudan	19 424	—	1 353	350	50	344	884	—	22 405	1 659	—	—	—	24 064
Surinam	—	—	—	50	—	—	513	—	563	—	—	—	—	563
Swaziland	3 490	75	150	584	—	—	169	3 500	7 968	—	—	1 626	—	9 594
Tanzania	40 777	—	660	150	—	550	802	12 450	55 389	7 052	—	—	7 400	69 841
Togo	22 180	235	152	4 978	25	—	746	—	28 316	2 680	—	419	3 250	34 665
Tonga	—	—	150	20	33	—	69	—	272	904	200	—	—	1 376
Trinidad-Tobago	—	—	330	2 080	—	—	470	1 590	4 470	—	—	—	753	5 223
Uganda	320	—	479	2 500	—	—	598	—	3 897	5 399	—	—	—	9 296
Upper Volta	21 346	186	1 238	2 532	—	—	1 142	—	26 444	861	—	—	4 428	31 733
Western Samoa	—	105	267	110	—	—	100	—	582	1 958	—	—	—	2 540
Zaire	25 620	—	1 065	6 000	44	—	1 335	1 970	36 034	—	15 000	—	1 200	52 234
Zambia	3 995	—	1 680	400	7	—	698	3 100	9 880	—	15 500	411	706	26 497
Total	569 157	6 372	22 130	66 172	3 778	5 151	31 843	135 516	840 119	110 181	63 087	18 042	33 162	1 064 591

(*) Paid in full

4th European Development Fund

Commitments (situation as of 31 March 1978)

	Grants ('000 EUA)								Special loans	Total	Stanex (*)	Grants		Risk capital managed by EIB	Grand total
	Investments	Micro-projects	Linked technical cooperation	General technical cooperation	Trade promotion	Industrial cooperation	Admin. costs	Exceptional aid				Interest rate subsidies managed by EIB			
II. OCT-OD															
Belize	—	—	—	—	—	—	—	—	—	—	140	—	—	—	140
British Antarctic Territory	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
British Indian Ocean Territory	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
British Virgin Isles	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Brunei	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cayman Islands	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Caribbean	4 680	65	188	—	—	—	—	—	—	4 933	—	—	—	1 000	5 933
Falkland Islands	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
French Polynesia	—	—	—	—	—	—	—	—	6	6	—	—	—	—	6
French Southern & Antarctic Lands	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gilbert Islands	—	—	—	—	—	—	—	—	—	—	1 083	—	—	—	1 03
Guadeloupe	—	—	—	—	—	—	—	—	171	171	—	—	—	—	171
Guyana	465	—	—	—	—	—	—	—	—	1 550	—	—	—	—	1 550
Martinique	—	—	—	—	—	—	—	—	—	171	—	—	—	—	171
Mayotte	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Montserrat	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Netherlands Antilles	—	—	260	110	—	—	—	—	607	977	—	—	—	—	977

New Caledonia	—	—	—	—	52	—	—	—	—	52	—	—	—	—	—	52	—	—	—	
New Hebrides	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1 430	—	—	1 430
Pitcairn	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reunion	—	—	—	—	—	—	—	—	—	180	—	—	—	—	—	—	—	—	—	180
St Pierre & Miquelon	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
St Helena	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Solomon Islands	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1 274
Turks & Caicos Islands	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Tuvalu	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	65
Wallis & Futuna Islands	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	13
Total	5 145	65	448	110	110	448	110	110	1 200	1 085	1 085	8 053	3 992	3 992	—	1 000	1 000	1 000	1 000	13 045
III. Regional aid	35 869	—	2 350	4 228	8 235	3 552	—	—	—	20 000	—	74 234	—	—	2 224	—	—	—	—	82 458
IV. Undistributed aid	—	—	—	200	—	—	—	—	8 757	—	—	8 957	—	—	—	—	—	—	—	8 957
V. Total I + II + III + IV	610 171	6 437	24 928	70 710	12 013	8 703	8 703	12 013	41 800	156 601	156 601	931 363	114 173	114 173	20 266	40 162	40 162	40 162	40 162	1 169 051
Frozen Funds	—	3 439 (3)	—	10 011 (1)	—	—	—	—	—	—	—	13 450	—	—	—	—	—	—	—	14 266 (2)
Grand total	610 171	9 876	117 662	117 662	8 703	8 703	114 173	114 173	41 800	156 601	156 601	944 813	114 173	114 173	20 266	40 978	40 978	40 978	40 978	1 183 317

(1) Outstanding balance of the overall credit (accelerated procedure) which the Commission provides the Chief Authorizing Officer of the EDF for the financing by accelerated procedure of technical cooperation and trade promotion schemes
(2) Outstanding balance of the global commitment authorization for the financing from risk capital of specific studies mentioned in Article 51 of the financial regulations of the EDF.
(3) Outstanding balance of the global commitment authorization opened by the Commission for the Chief Authorizing Officer of the EDF for the financing of micro-projects.

The EIB

New techniques for greater efficiency

by Dieter HARTWICH

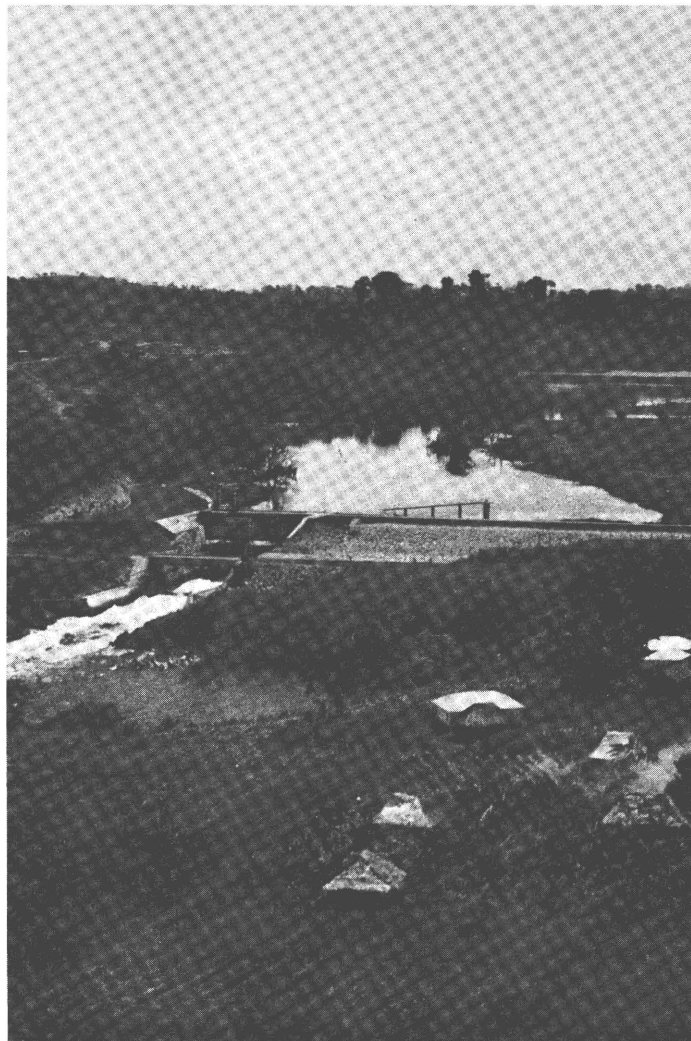
The entry into force of the Lomé Convention on 1 April 1976 broadened the scope of the activities of the EIB, the EEC banking institution which specializes in investments contributing to economic development. Since this date, it has had a more important part to play in the implementation of the Community's financial aid to the 46 original ACP countries and the seven more recently independent countries, which have joined them.

The EIB also provides aid for the overseas countries and territories (OCT) which have special links with some of the Member States and receive financing from the Community.

Although the experience of the two Yaoundé Conventions was geographically more limited, it soon made the EIB genuinely effective in carrying out its task.

The Lomé Convention and the decision on the OCT provide total aid of 3559.5 million EUA, including 400 million for loans from the Bank's own resources. In addition, the Convention enables the Bank to manage risk capital operations for which 101 million EUA have been earmarked. The sum of 100 million EUA has also been reserved from the amount of the grants, for interest subsidies at a standard rate of 3% on loans made by the Bank under the Lomé Convention and the OCT decision. This brings the amount the EIB manages and implements for development in the ACP countries and the OCT up to 601 million EUA.

The EEC Commission and the Bank share the work involved. The EIB deals mostly with productive investments in industry, mining and the tourist trade and it joins with the Commission in programming Community aid in order to ensure that EIB and Commission action is properly coordinated. However, in view of the nature of projects in the industrial sector, programming must be flexible and able to



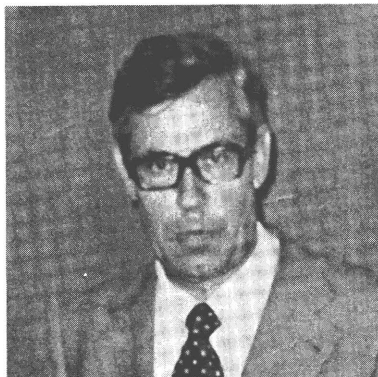
EIB help for the Bamendji hydro-electricity dam built by Cameroon's national electricity company SONEL

be modified. Here again, it is worth noting that this sectoral policy does not exclude the Bank from granting loans for economic infrastructure in countries where the development of the economic and financial situation makes such financing seem appropriate. The Bank's already significant role in the mining sector will doubtless become more important in the coming years.

During the first two years of implementation of the financial aid provided under the Lomé Convention, the EIB made full use of its resources. During the first two years of the Convention, up until 31 March 1978, the Bank granted 43 lots of financing, totalling 164.8 million EUA. This included 22 loans from own resources for 126 million EUA and 21 risk capital operations for 38.8 million EUA and covered 32 projects rates as top priority by the 15 African and Caribbean countries in which they were situated.

Four more loans were approved, but have not yet been signed. They total 19 million EUA and concern projects in three countries which have not so far received any financing from the Bank.

Direct industrial investments represent 60.4% of the amount of these loans, the production and transport of electricity 22.2% and tourist activities 2.6%. In addition, 10



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the EEC*

global loans were granted to development banks (14.8%) and since they were almost all intended to finance industrial projects, this means that some 75% of the Bank's resources under the Lomé Convention have gone to industry.

Industry

In accordance with Convention policy, the Bank's contributions have first gone to finance investments in the fields of agro-industry, building materials, chemicals, energy and the tourist trade.

The agro-industrial sector (50% of direct financing to industry) includes sugar complexes and investments in oil seeds. The sugar projects in Upper Volta, Kenya, Malawi, Swaziland and Chad will have an extremely positive effect on the balance of payments, employment and the development of the regions in which they are situated, particularly since the sugar works are often supplied by small individual planters.

With the recent expansion of oil and coconut palm production, the EIB has contributed to capitalizing on these resources by helping finance three oil mills in Cameroon, Ivory Coast and Togo and a coconut shredding plant in the Ivory Coast.

Building materials, which are vital to the development of a modern economy, are in second place for financing, with about 25% of loans in the industrial sector. In addition to aid for cement works in Cameroon, Kenya and Zaire, the Bank

The EIB helped finance construction of this clinker plant at Bonabéri, near Douala (Cameroon)



The risk capital technique

The Lomé Convention enables the EIB to use the risk capital technique, a new method of financing investments in the ACP countries. The sum of 95 million EUA (raised to 101 million when new countries acceded) was earmarked from the European Development Fund for the risk capital operations which are under EIB management.

There are two types of risk capital operation:

- Strengthening a firm's own capital directly by the Community itself acquiring holdings or indirectly via an ACP country or a national development body.
- Quasi-capital assistance for firms via a subordinated loan, which is only paid back once priority loans have been reimbursed, or by a conditional loan, which is repaid on fulfilment of certain conditions indicating that the project has overcome the inherent risks of the early stages or reached a given level of profitability.

This is a flexible method of financing and one which is well-suited to the demands of industrialization in the ACP countries. It may be used alongside an ordinary EIB loan or other grant of Community aid, or it may be the main method of financing in the least developed countries, where loans on normal terms would be inadequate.

has helped financed the CIMAO (West African Cement Works) regional complex which is situated in Togo but concerns the Ivory Coast and Ghana as well. This is a prime example of industrial and commercial cooperation between a number of countries of West Africa. The EIB has also helped carry out projects in the chemicals sector (a furfural factory in Kenya), in textiles (a canvas factory in Tanzania) and mining/metallurgy (a cassiterite foundry in Rwanda).

Global loans to development banks are a flexible and effective formula which has already been successfully used by the EIB in the EEC, in Greece and Turkey. It is a system which has been used for a large number of institutions under the Lomé Convention and it is particularly effective in the ACP countries, where a global loan can help the small and medium-sized industrial firms which are generally better adapted to the needs of what are often limited markets. The effect on the creation of employment is always very positive. Global loans also make for stable relations with national development banks, which enables the EIB to gain a better understanding of the development of industrial policy and projects in the countries in question.

The EIB has also granted loans for four investments in the energy sector. This has involved building dams and opening HEP stations in Cameroon and Ghana, improving the electricity distribution network in the Ivory Coast and boosting the capacity of a thermal power station in Mauritius. These investments have a major effect on industrial development and they save foreign exchange by increasing HEP capacity and cutting down on oil imports.

Loans in the tourist sector have helped build hotels in Cameroon and the Ivory Coast. This has increased tourist capacity and enabled tourist circuits to be opened.

The EIB has used the possibility which the Lomé Convention supplies and made a global authorization from risk

EIB interventions under the Lomé Convention

Loans approved as of 31 March 1978

(amount in million EUA — number of loans in brackets)

	Ordinary loans	Risk capital	EIB loans by sector		
			Industry	Energy	Tourism
Cameroon	18.17 (3)	2.30 (1)	4.30 (2)	13.50 (1)	2.67 (1)
Chad		7.50 (1)	7.50 (1)		
Ghana	10.00 (1)	2.00 (1)	2.00 (1)	10.00 (1)	
Ivory Coast	21.59 (4)	2.25 (2)	11.19 (4)	11.00 (1)	1.65 (1)
Kenya	27.88 (5)	1.08 (1)	28.96 (6)		
Liberia	2.50 (1)	0.29 (1)	2.79 (2)		
Malawi	9.50 (2)	0.99 (1)	10.49 (3)		
Mauritius	5.00 (2)		3.00 (1)	2.00 (1)	
Rwanda		3.00 (1)	3.00 (1)		
Swaziland	10.00 (1)		10.00 (1)		
Tanzania		7.40 (2)	7.40 (2)		
Togo	16.33 (2)	5.25 (3)	21.58 (5)		
Upper Volta		4.43 (2)	4.43 (2)		
Zaire		1.23 (3)	1.23 (3)		
Zambia	2.50 (1)(**)	0.08 (1) 0.60 (1)(**)	3.18 (3)		
Total Africa	123.47 (22)	38.40 (21)	121.05 (37)	36.50 (4)	4.32 (2)
<i>Caribbean</i>		1.00 (1)	1.00 (1)		
Jamaica		3.50 (1)	3.50 (1)(**)		
Trinidad and Tobago	5.00 (1)		5.00 (1)		
<i>Pacific</i>					
Fiji	12.50 (1)(**)			12.50 (1)(**)	
GENERAL TOTAL	140.97 (24)	42.90 (23)	130.55 (40)	49.00 (5)	4.32 (2)

(**) Operations approved but still not signed.

capital to finance studies to help with the preparation of industrial investment projects and to provide technical assistance for palm oil mills in Togo and Zaire and for a cement works project in Zambia.

Risk capital

Risk capital operations have mainly been used for investments in the least developed countries where they provide considerable support for industrialization. Furthermore, the possibility of using risk capital for holdings or quasi-capital assistance has helped balance the financing plans of many projects which would otherwise have been difficult to implement properly.

The total amount of investments to which the Bank has contributed from own resources and risk capital is 1200 million EUA and the number of jobs directly created should, once things are operating normally, be about 16000. The creation of jobs and the average cost per job created varies considerably with type of project. Agro-industrial projects tend to create proportionately more jobs.

Because of the high cost of most investments, there are many cases of cofinancing operations where the EIB joins with other bilateral and multilateral development aid bodies. As well as cofinancing with the EEC Commission, such

operations have also been carried out with the World Bank group and various bilateral aid organizations in the EEC, the African Development Bank and a number of specialized institutions in the Arab countries.

53% (87 million EUA) of EIB aid in the ACP and OCT went on investments in the ex-AASM and 47% (77.8 million EUA) went to the EEC's new partners (Kenya, Malawi, Swaziland and Tanzania) in English-speaking east and southern Africa, as well as to Ghana, Liberia and the Caribbean. This last achievement is very satisfactory, bearing in mind that the EIB had no previous experience in these countries.

The increase in EIB contributions to ACP development in the first two years of the Convention was mainly achieved via the establishment or strengthening of active cooperation with the countries concerned and with their development financing bodies. Relations, often of long standing, became stronger thanks to the many missions that went out before or after entry into force of the Convention.

From projects now being studied and those to be submitted in the coming months, it would appear that the Bank will be extending its activities to areas (the Sahel, the Caribbean and the Pacific) which have not so far received aid from the EIB and also that more financing will go to new sectors, such as development banks and mining. □ D.H.

The EDF Committee

The work of the EDF Committee has been increasing ever since it was set up. It met eight times a year during the 2nd EDF and 12 times a year, i.e. roughly once a month, during the 3rd EDF (not including the slacker transitional periods between Conventions). The Committee held 124 meetings, 20 of them for the 4th EDF, and took decisions on almost 1000 proposals for financing of or amendments to projects, between 1964 and 31 March 1978. An average of eight financing proposals, in addition to memos and other communications, were therefore discussed at each meeting.

A heavier work-load

It is important to realize that the duties of both the Committee and the Commission departments have increased considerably over the last two years and the average number of proposals examined at each meeting has gone up to 13 (as against seven over the previous 12 years).

The Committee issued a favourable opinion on almost all these proposals (more than 90% in favour).

The Committee has functioned satisfactorily and in accordance with its rules of procedure, in spite of one or two difficulties with translation and the delays involved in sending documents to the Member States in the six official languages of the Community at least three weeks before meetings. Committee members usually use this time to consult the relevant national authorities about various aspects of projects on the agenda, so that any opinion expressed reflects the position of the various departments involved in the Member States. This makes for an efficient exchange of information on each country's experience and development policy and means that aid can be coordinated to a certain extent.

The Committee's discussions generally cover the reasons for aid, requests for further information, experience of bilateral aid, special concerns like *the income of local populations, their well-being, the costs, profitability and maintenance of investments, staff training, financing agreements, awards of contracts, etc.*

Committee meetings are also an opportunity for national representatives to *compare experience of development aid when appraising the projects.*

From these meetings have gradually emerged the elements of a Community aid philosophy, pragmatically evolved on the basis of a number of principles and a number of rules of good management which the Commission tries to apply in close cooperation with the ACP states.

The Committee tries to avoid taking all its decisions on written evidence alone and makes regular information trips abroad, most recently in April/May 1978. Such visits are an opportunity for fruitful, much-appreciated exchanges of views between representatives of the Member States and ACP authorities. The Committee is therefore able to obtain a better understanding of the conditions in which projects they decide on are prepared and implemented in the various countries. In the case of completed projects, it can also judge how far the achievements are in line with the aims and see what arrangements have been made to ensure that they are properly run and maintained. □

How the EDF Committee works

The Committee, the Commission and the Council of Ministers are the three EEC instances which approve the draft programmes which recipients of Community aid submit for EDF financing.

The Committee issues an *opinion* on projects and the *Commission*, and in certain exceptional cases the *Council of Ministers*, takes the relevant *financing decisions*.

The EDF Committee was set up in 1963 by the Member States' internal agreement on the financing and management of Community aid under the first Yaoundé Convention. It continued under Yaoundé II in 1969 and Lomé in 1975. It is chaired by a representative of the Commission and consists mainly of representatives of the Member States, who alone are entitled to vote.

It gives opinions on financing proposals drawn up jointly by the relevant ACP authorities and the Commission, after appraisal of the projects in the indicative programme and before the Commission decisions.

The Committee acts, according to the internal agreement attached to the Lomé Convention, by a qualified majority of 69 votes out of 100 (which may not be made up of the votes of Germany, France and the UK alone). Member States' votes are weighted in the light of their contributions to the EDF.

When the Committee issues a favourable opinion, the proposal is submitted for a decision by the Commission. The latter has attempted to reduce the time taken to reach this decision by adopting a procedure whereby the Commissioner in charge of development policy is empowered to take the financing decision himself. However, in two main cases, (Committee opinion by qualified majority and costs of project in excess of 10 million EUA), the previous procedure, whereby projects were approved if written consultation of Commission members yielded no reservations, still stands.

Financing proposals which do not receive favourable opinions can simply be withdrawn or the Commission can put them to the Council of Ministers for a final decision.

Since the Convention has been in force, ACP countries have been able to go to an *ad hoc* committee to put their point of view to the Member States on any projects which the EDF does not accept. However, no-one has made use of this possibility so far.

The main reason for the two-tier decision process is that it is the Member States and not the Community that pay into the EDF. It is therefore understandable that, when decisions on what are often large amounts are being taken, the Member States should have some control over how the funds are spent and be able to give their views on the quality and advisability of the dossiers. This is, after all, the *raison d'être* of the EDF.

Aid contracts

The participation of EEC and ACP firms in EDF-financed contracts

This is an important aspect of our dossier for several reasons. First, we have reached the halfway mark in financial and technical cooperation under the Lomé Convention. Second, because certain aspects of this participation are little known and some of our readers and ACP nationals have asked us to clarify one or two of the more technical points. André Auclert, head of finance at the EEC development directorate, gives a general explanation of who gets the contracts and how.

► *What characterises EDF-financed contracts in the ACP states?*

— Contracts are the operational phase of EDF-financed projects and they can, to my mind, be summed up in two ways.

First, quantitatively. A breakdown of aid under the first three Funds, that is to say 1620000 million u.a. in all by 31 March 1978, shows that 70% went to works contracts, 15% to supply contracts and 15% to technical cooperation contracts, which include such things as studies, technical assistance and works supervision. Under the 4th EDF, where the first contracts were only awarded during 1977 (for a total of 264 million EUA by 31 March 1978), the figures are 67%, 16% and 17%. Works, supplies and services are the three fields where the methods of project implementation come into being. I should add that about 20% of all contracts awarded under the first three Funds went to ACP nationals and there is every reason to think that the figure will be somewhere in the region of 25% during the first year of the 4th Fund.

Qualitatively speaking, the guiding principle as far as contracts are concerned is to open invitations to tender to international competition, ensuring equal conditions for all EEC and ACP firms. This rule, which was laid down at the very beginning of the EDF and reiterated in the Lomé Convention, is primarily intended to obtain services at the most reasonable prices by inviting international competition and by making the most of the technological diversity of the EEC countries without neglecting the development of new ACP firms. This is why the international invitation to tender is the main method of attributing EDF works and supply contracts. I should also like to stress that the Commission is no beginner here, since, in February 1978, after 18 years of activity, it issued its 1400th invitation to tender.

Publicising EDF invitations to tender

► *What are the main means of publicising the EDF's international invitations to tender? And could you also tell us briefly about the work of the information offices in the Community countries, particularly the three new-comers(1),*

and what the Commission delegations in the ACP countries do?

— Our system of information revolves around the notice of invitation to tender. This has two main aspects.

First, the content, since it describes the services to be supplied, the subject, place, time schedules and so on, and states how tenders should be established. It also mentions the supporting evidence from the tenderer, the language to be used for the procedure, the price of the dossier and details on the submission and opening of tenders.

Second, the distribution. This is based on extensive publication in the six Community languages in the official journals of the EEC and the recipient ACP countries, and on communication by the ACP authorities to the relevant EEC and ACP consulates. In addition, various trade journals in the Member States always print our notices of invitations to tender.

As well as this all-important publicity to provide firms with the details they need and to avoid them having to purchase dossiers that are of no use to them, the Commission has arranged to have the invitation to tender dossier available for consultation at the EDF services in Brussels and the main European industrial centres.

The Commission's antennae, the information offices in the Member States and the delegations in the ACP countries, have an important part to play in the information network. In fact, since they are in a good position to assess the local need for information on our contracts, we leave them to run whatever publicity they think will achieve maximum response. The information offices in both the original and the new EEC countries have the invitation to tender notices and the complete dossiers for consultation. This means that the staff of these offices, who liaise closely with the central departments in Brussels, are in a position to supply the information the firms need and that the Commission delegations, who are in contact with both Brussels and the ACP authorities, are in a privileged position in this respect. Very often the delegation in the ACP country in question asks delegations in neighbouring ACPs to convey the relevant information to firms there.

► *As regards the normal rates of commitment, invitations to tender, project implementation and so on of the various bodies which finance development projects, what is the EDF's rate in a year of normal operation?*

— This varies slightly according to the stage of the procedure.

As I see it, the normal rate of commitment, i.e. the project financing decisions, is pretty satisfactory. For example, the overall rate of monthly commitments of Commission-managed aid went from 49.5 million EUA in 1976 to 57.5 million EUA in 1977 and, by 31 March 1978, two years after the Lomé Convention started, a total of almost 1200 million EUA had been committed from EDF funds.

However, at first sight the invitation to tender situation is less satisfactory. All contracts awarded amounted to some 265 million EUA on 31 March 1978, so we have not yet reached a normal rate here. The average is six invitations to tender launched per month for something like 15 million EUA, so there is obviously a discrepancy between this and the rate of commitment I have mentioned. But this discrepancy is due to the fact that many projects which are ready for appraisal are not always ready for implementation, for reasons outside the Commission's control. Nor should it be forgotten that the 4th EDF only really got under way on

1 April 1976. Experience with previous Funds suggests that the first two years are a transitional period and things only begin ticking over normally in year three. This, I think, is what will happen with the 4th EDF.

«The Lomé Convention does not break with the system used under the two Yaoundé Conventions»

► *What are the main innovations of the Lomé Convention as regards the preparation and issue of invitations to tender and the award and execution of contracts, and how far do they help ACP national firms to develop?*

— I hasten to say, quite emphatically, that as regards both procedures for competing for EDF-financed contracts and the actual principles involved, the Lomé Convention does not break with the system used under the two Yaoundé Conventions. The innovations in Lomé are much more a culmination of the trend towards increased preferences for national ACP firms.

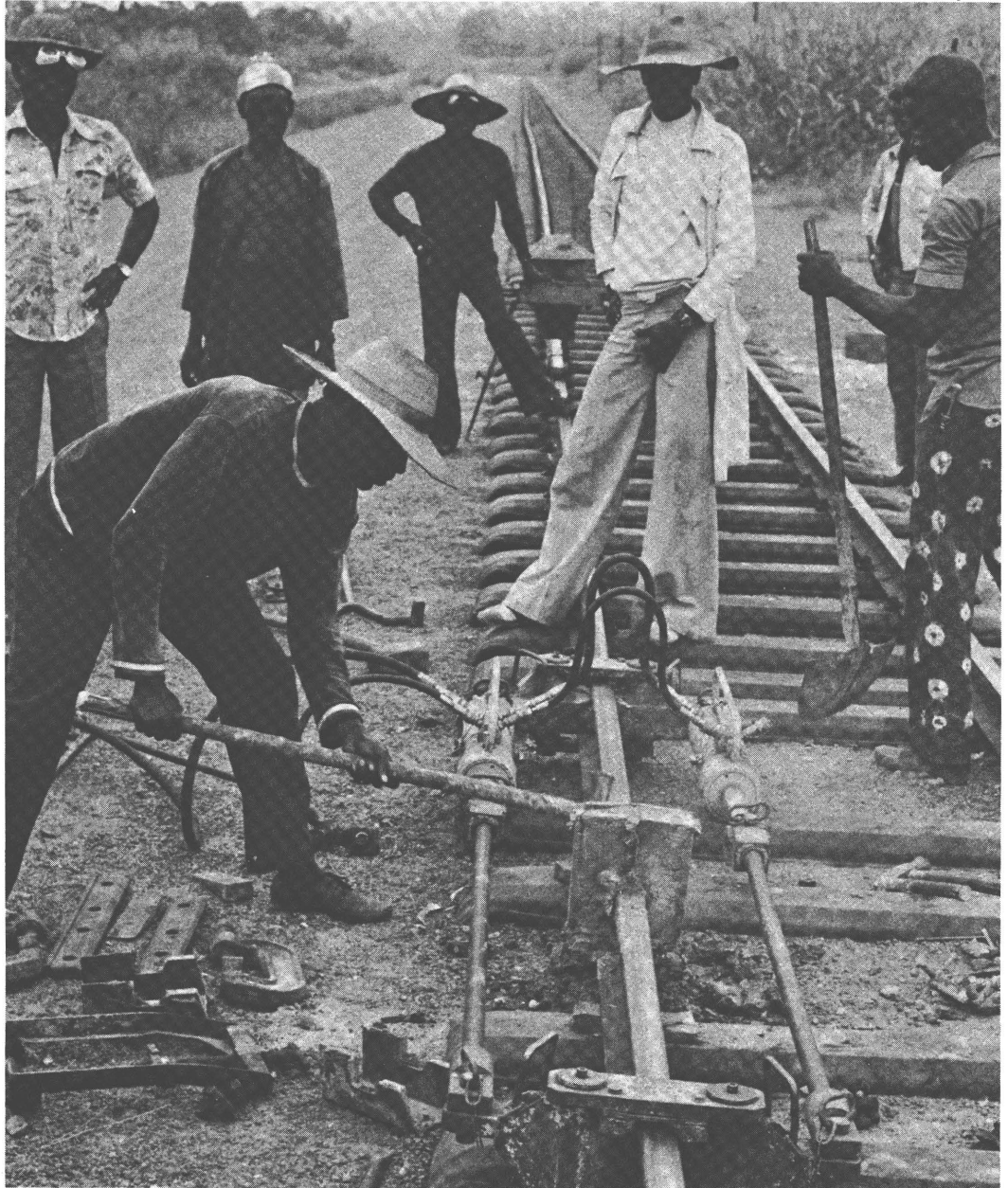
Thus, as far as the issue of invitations to tender is concerned, an accelerated procedure, whereby tenders had to be submitted quickly, was set up under the 3rd EDF in view of the European operators' relative lack of interest in competing for small works contracts. The Lomé Convention changed the system by raising the ceiling for accelerated procedure from 500 000 EUA to 2 million EUA, which has led to all 4th EDF invitations to tender below this amount resulting in contracts going to ACP firms.

Then the Convention has made two innovations as far as selection is concerned.

The first has to do with quality and involves giving preference, where two tenders are equally good, to the one which enables maximum use to be made of the physical and human resources of the ACP countries.

The second has to do with quantity and involves price preferences for work, where the inclusion of a 10% margin has been introduced in certain cases, and for supplies, where the Convention has systematized the application of the 15% margin which was used more empirically under Yaoundé II.

Finally, at the contract implementation stage, Lomé has brought in a certain number of provisions to help, not the firms, but the authorities of the ACP countries, by easing the



Companies from Upper Volta, Niger and the Ivory Coast worked on the EDF-backed project to modernize the RAN Abidjan-to-Niger railway, which links the three countries

rules for bringing in public works departments, particularly where less than 2 million EUA is involved.

All this shows, to my mind, that the Community's development policy here has not been designed to benefit just firms from states which pay into the EDF budget, but to make the most of all the resources of the countries on the receiving end of EDF aid, including those of that basic economic unit, the firm, and, to a certain extent, the administrative services as well.

Opportunities for small firms

► *Is there enough opportunity for small and medium-sized businesses in both EEC and ACP countries to really be able to get EDF contracts?*

— The size of a firm should not prevent it from participating.

In addition to the measures specifically intended to encourage tenders from ACP nationals, there are a certain number of other means to help both EEC and ACP firms find something suitable for them in the EDF contracts.

For example, EDF practice shows that a judicious division of services into lots stimulates the interest of all categories of firms, right down to the smallest which would otherwise find it difficult to meet the demands of implementing a complete project.

Nor should we forget the resources provided by the measure aimed at boosting the interfirm cooperation expressly referred to in the Lomé Convention, particularly by forming multinational groups of firms. Here again, where larger contracts are concerned, experience has shown that the pooling of the means of a firm in an ACP country and another in the EEC, for example, often results in both of them improving their technology and organization and their knowledge of local conditions, whereas separately they would have had no chance at all of being awarded a contract.

To these considerations, I should add those already outlined on the measures to ensure that firms hear about invitations to tender. The distribution of invitations, the opportunity to consult the dossiers and the active part played by Community information offices and ACP-based Commission delegates constitute important guarantees for the maintenance of fair conditions, even for the smallest potential tenderers.

► *Is enough attention paid to the need for a real transfer of technology to the ACP countries when contracts are awarded?*

— Of course. I have mentioned our concern with encouraging the formation of multinational groups, particularly those combining EEC and ACP firms. But there are other ways of achieving a genuine transfer of technology, particularly by involving ACP cadres in project implementation. This may be done directly, as where the contract expressly lays down a lump sum for staff training during implementation (carrying out the work, installing the supplies, running equipment, etc.), or indirectly, where government staff are responsible for works supervision and thereby become familiar with the technology involved.

This desire to ensure that national human resources are genuinely involved in carrying out EDF-financed project also explains why we very rarely resort to «ready-to-use» projects.

The EDF as a catalyst

► *Can you comment on the EDF's role as a catalyst in cofinancing with other international financing bodies, like the World Bank, and other Arab or national institutions, like the CCCE?*

— I think catalyst is a good term for the EDF, since in chemistry, where the word comes from, a catalyst is often a much more modest substance than all or part of the other substances in which it provokes a reaction.

The same is true of the EDF. Although the Fund often makes only small, minority contributions to large-scale projects, its mere presence is an incentive for other financing bodies with greater means at their disposal.

The main reasons for this are probably as follows. In the early stages, i.e. when cofinancing is actually being arranged, the EDF can bring in cheap credit, via its grants

and soft loans, which leaves the ACP countries a certain margin to cope with the more demanding terms of other financiers more concerned with immediate profitability.

And later on, during project implementation, the EDF procedures provide a guarantee as regards the preparation and award of contracts and the coherence of the whole operation, largely due to the presence of the Commission delegates who are on good terms with the ACP national authorities, have reliable technical advisers and are therefore valuable go-betweens in the eyes of other financiers who are less *au fait* with the situation in the countries concerned.

This explains the success of cofinancing with Arab aid sources in recent years. Then, the increasing number of schemes cofinanced with the World Bank is promising. One of the main reasons for my optimism is that the World Bank is enthusiastic about adopting the specifications used in EDF-financed projects for cofinanced contracts.

► *Under the first three Funds, general specifications were drawn up for the whole of the Yaoundé Convention group of developing countries (the AASM). Has the arrival of new ACP partners, most of them English-speaking, involved any change here?*

— It is worth remembering what the Commission's aim in this particular field is.

In the early years of the EDF, European firms interested in EDF contracts complained about the abstruse and complicated rules the Yaoundé countries had for public contracts. This resulted in unfair competition and led certain firms, particularly those with no branches in the country concerned, to overestimate their tenders or even decide not to tender at all. This was unsatisfactory because the fact that competition was not fully effective was ultimately against the interests of the AASM.

The unification and simplification of the general conditions of award and execution of contracts was therefore called for, and this is what the Commission did when it drafted and negotiated specifications for all EDF works and supply contracts with the Member States and the AASM.

The general specifications which emerged during Yaoundé II (Decision 42/71 of the Council of Association of 30 November 1971) were designed by the Community as a means of standardizing the conditions of competition.

With the enlargement of the association under Lomé and the arrival of new, mainly English-speaking ACP partners, the specifications had to be altered.

The English-speakers' greatest criticism was that the AASM specifications mainly stemmed from Roman law, with one or two French-inspired administrative provisions. These, as they stood, would never have been understood by governments or firms used to a common law system of Anglo-Saxon origin.

The criticism was one of principle, had more to do with reflex than analysis and it had to be neutralized by putting forward and negotiating new general conditions for contracts.

The Commission in fact produced three draft sets of specifications, for works contracts, supplies contracts and service contracts (technical cooperation).

This was in the interests of clarity, particularly in the minds of the users, whether ACP authorities or contractors, suppliers or consultancy offices.



European and local firms worked together to modernize the port of Douala with EDF financial aid

The works specifications have now been approved by the EEC Council and forwarded to the ACP countries. They will soon be the subject of negotiations in the ACP-EEC Council. The specifications for services are also being approved by the EEC Council and the same procedure will be used for supplies specifications.

► *Can one speak of a balancing of rights and obligations in relations between contracting firms and recipient authorities in the EDF regulations?*

— The draft specifications certainly do involve shifting the balance somewhat, to the advantage of the recipient authorities. But there was a lot of exaggeration about how high-handed the old specifications were and far too little was said about the fact that whenever the authority's prerogatives were affirmed, the winner of the contract was compensated via an indemnity, price revision or a longer implementation period.

What is new in the specifications is not so much the special provisions to provide greater protection for the rights of the successful tenderer, although there are one or two innovations in this field, as the description of the prerogatives of the works managers, which will now have to be exercised in a reasonable manner.

What was taken for granted before is now explicit.

► *Are there any basic differences between the EDF's general specifications and international rulings, primarily the FIDIC (International Federation of Consulting Engineers) clauses?*

— The FIDIC specifications, better known as the red book,

are one of the sources of the general works specifications, which is why we are familiar with them. They cover civil engineering works contracts and are well known and well considered in professional circles, particularly in countries where the Anglo-Saxon system of law is used.

On basic matters, the FIDIC and the EDF works specifications are very similar, although the wording sometimes differs. However, there is one essential difference in the EDF case and that is the place of the consultant engineer in charge of works supervision.

Under the FIDIC specifications, the consultant engineer is the ultimate independent arbiter between the works manager and the contractor, which is understandable bearing in mind that the document is from the profession.

Our aim in the EDF specifications is based on other ideas. It was essentially to adopt a more flexible and more transparent position by making it possible to use the same text for such varying situations as works supervision by the authorities themselves or by a consultancy office with or without the prerogatives of a works manager.

This meets one of the fundamental needs of EDF contracts, where the identity and profile of the works manager and the engineer in charge of works supervision can and should vary with the type, size and complexity of the project and also with the possibilities or simply the usage of the ACP countries concerned.

It should also be noted that the EDF works specifications are fuller in that they cover the execution of contracts (as the FIDIC ones do), the administrative rules for the award of contracts as well as instructions to tenderers. □

4th European Development Fund

Breakdown by sector (commitments — situation as of 31 March 1978)

Sector	Grants	Special loans	Contribution to risk capital	Total	%	%
I. Development of production				517 236	54.8	44.3
1. <i>Industrialization</i>						
10. General	10 345	2 365	8 161	20 871		
11. Mining & quarrying						
12. Metallurgy						
13. Chemicals	1 126		1 100	2 226		
14. Manufacturing	4 335	30 450	12 184	46 969		
15. Food & agriculture	530	—	252	782		
16. Energy projects	53 030	43 820	—	96 850		
17. Infrastructure as part of industrial projects	2 256	—	—	2 256		
18. Craft	289	—	—	289		
19. Mainly industrial integrated projects	6 634	13 550	18 465	38 649		
2. <i>Tourism</i>	991	—	—	991		
3. <i>Rural production</i>						
30. General	16 149	700	—	16 849		
31. Plantations	56 195	24 768	—	80 963		
32. Hydro-agricultural improvements	41 670	2 700	—	44 370		
33. Agriculture	116 907	3 600	—	120 507		
35. Stockraising	19 824	1 085	—	20 909		
36. Fishing	7 199	—	—	7 199		
37. Forestry	2 501	1 020	—	3 521		
38. Miscellaneous	6 622	—	—	6 622		
39. Mainly agricultural integrated projects	6 413	—	—	6 413		
II. Economic infrastructure				240 849	25.6	20.6
4. <i>Transport & communications</i>						
40. General	300	—	—	300		
41. Roads & bridges	196 608	16 800	—	213 408		
42. Railways	4 003	5 846	—	9 849		
43. Ports and rivers	3 587	5 147	—	8 734		
44. Airports	380	—	—	380		
45. Telecommunications	8 178	—	—	8 178		
III. Social development				172 303	18.3	14.7
5. <i>Education and training</i>						
50. General	2 470	—	—	2 470		
51. Educational infrastructure	33 449	—	—	33 449		
52. Specific projects & vocational training & of secondment instructors	1 479	—	—	1 479		
53. Study grants	63 097	—	—	63 097		
54. Courses	—	—	—	—		
6. <i>Health</i>						
60. General						
61. Infrastructure	18 351	—	—	18 351		
62. Hygiene campaign & technical cooperation						
7. <i>Water supplies, housing, etc.</i>						
70. General	1 480	—	—	1 480		
71. Village water supplies	20 653	—	—	20 653		
72. Town water supply networks	11 880	—	—	11 880		
73. Town drainage systems	7 910	3 750	—	11 660		
74. Urban planning & improvements	7 784	—	—	7 784		
IV. Trade promotion				12 183	1.3	1.1
8. <i>Trade promotion</i>						
80. General	2 709	1 000	—	3 709		
81. Commercial structures	990	—	—	990		
82. Fairs and exhibitions	8 434	—	—	8 434		
85. Commercial information	50	—	—	50		
Total I - IV	746 803	156 601	40 162	943 571	10/00	80.7
V. Exceptional aid				63 087		5.4
90. <i>Disaster</i>	63 087	—	—	63 087		
VI. Stabex	114 173			114 173		9.8
VII. Miscellaneous				48 220		4.1
0. <i>Miscellaneous</i>						
00. Information & documentation	973	—	—	973		
01. Conferences	750	—	—	750		
02. Planning & technical general cooperation	4 547	—	—	4 547		
03. General studies	150	—	—	150		
08. Supervision	41 800	—	—	41 800		
09. Administrative & financial costs						
Total I - VII	972 288	156 601	40 162	1 169 051		100.0
Frozen funds	13 450(1)		816(2)	14 266		
Grand total	985 738	156 601	40 978	1 183 317		

(1) See notes (1) and (3) on p. 35.
(2) See note (2) p. 35.

The development of agricultural production

Agriculture is a directly productive sector and as such is particularly important for the development of most ACP countries. Aid for agriculture has always been one of the main concerns of financial and technical cooperation.

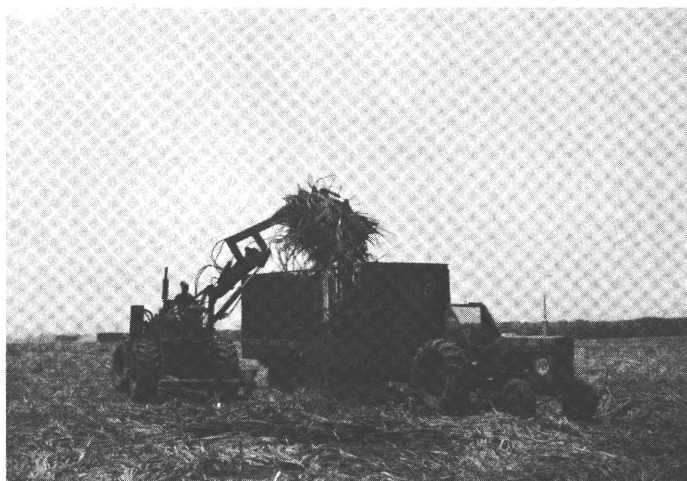
For the first ten years, Community aid was mainly geared to introducing new industrial crops (palms, rubber, tea, cotton, coffee, cocoa, pyrethrum, etc.) and to carrying out large hydro-agricultural schemes. This was in line with the wishes of the recipient countries, which were anxious to diversify their economies to a greater extent, and it had many beneficial effects on farming techniques, follow-up services and company management as well as on product processing, packaging and marketing. These schemes, most of which paid some sort of attention to food production, also helped modernize farms and considerably improve standards of living.

Later on, the EDF stepped up contributions to the financing of schemes to promote food production, particularly in the rice sector which received more than 30 million EUA under the first three Funds.

This change reflected the Commission's policy of improving the food situation in the recipient countries by producing the necessary products on the spot so as to reduce the food shortfall and cut down on imports.

This trend has continued under the Lomé Convention, since the ACP countries, which have to state their own

Tea projects in Rwanda have involved a number of European and ACP firms



Higher farm yields through mechanization

development aims, have also put the emphasis on the promotion of food production through cash crops and integrated development programmes.

Agricultural programming under the Lomé Convention

Agricultural projects proper (excluding fisheries, stock-breeding and rural water engineering schemes) in the ACP indicative programmes represent about 30% of the Community aid granted as part of financial and technical cooperation. 150 agricultural development programmes involving a total of 590 million EUA have been defined, as follows:

Type of project	No.	Amount ('000 EUA)	%
Cash crops	46	219 622	37
Integrated development	53	269 458	46
Hydro-agricultural improvements	18	85 263	14
Microprojects	33	16 326	3
Total	150	590 669	100

This clearly shows the importance which both ACP countries and the Commission attach to integrated rural development schemes that will create the right conditions for a substantial increase in food production. This integrated approach should mean that food products can become cash crops just like industrial export crops.

The success of all this relies on an integrated approach aimed at:

- increasing yield by introducing the right growing techniques (seed schemes, adhering to an agricultural calendar, adequate working of the soil, mineral fertilizer, etc.) and measures to bring down the cost price;

— improving production through paying the producer a higher price, organizing primary marketing, establishing a national storage network, introducing first-stage and industrial processing by setting up the relevant workshops;

— improving the general economic, social and health conditions of rural life.

The importance of agricultural development in aid programming has been clearly understood by the ex-AASM and the new ACP states since both have seen that it receives much the same percentage of the aid they are granted.

	Total amount programmed ('000 EUA)	Of which agricultural programmes	% of total
Ex-AASM	1 025 000	299 539	29.2
New ACP	905 000	291 130	32.2
Total	1 930 000	590 669	30.6

Implementation of indicative programmes

Now, halfway through the period of the Lomé Convention, the Commission has approved and financed 84 programmes for a total of more than 337 million EUA.

Outside these programmes, the Commission has also approved financing for around 30 technical cooperation schemes, and studies to enable certain of the ACP countries to prepare financing dossiers to submit for Community aid. Completion of this should result in the currently satisfactory rate of commitments being noticeably speeded up. This 337 million represents 57% of the amount earmarked for agricultural development.

The Commission and the delegations in the ACP countries have also made a special effort to implement programmes in

the new ACP states, where lack of knowledge of EDF procedures and requirements could well have delayed the submission of requests for financing. As the following table shows, all this has meant that it has been possible to strike a balance between financing decided for the ex-AASM and the new ACP countries.

	Programmed		Financed		Rate of commitment
	No. of projects	Amount ('000 EUA)	No. of projects	Amount ('000 EUA)	
Ex-AASM	72	299 539	39	171 551	57%
New ACP	78	291 130	45	165 405	57%
Total	150	590 669	84	336 956	57%

Generally speaking, there have been no major difficulties with implementing the indicative programmes in the various ACP countries. The rate at which projects have been submitted by the countries and approved by the Commission has led to a satisfactory rate of commitment in most ACP countries.

This shows that, of the 42 states with agricultural programmes:

- 24 have an above average (57%) rate of commitment;
- only seven have a level of less than 25%.

The situation in this second group is, however, normal, bearing in mind that in some of the countries (Zambia, Mauritius, Somalia and Uganda) programme implementation depends on the result of studies being carried out at the moment that two countries (Sao Tome and Papua-New Guinea) only joined the Lomé Convention recently. □

Level of financing of indicative programmes halfway through the Convention

75% and over		50%-75%		25%-50%		Less than 25%	
Mauritania	100%	Liberia	73%	Zaire	48%	Zambia	23%
Tanzania	100%	Ghana	69%	Cameroon	45%	Mauritius	6%
Swaziland	100%	Mali	65%	CAE	43%	Somalia	4%
Gabon	100%	Ethiopia	63%	Malawi	41%	Sao Tome	0%
Grenada	100%	Burundi	61%	Sudan	41%	Equatorial Guinea	0%
Rwanda	95%	Gambia	60%	Samoa	39%	Uganda	0%
Kenya	93%	Niger	59%	Cape Verde	32%	Papua-New Guinea	0%
Jamaica	92%	Ivory Coast	59%	Togo	29%		
Senegal	92%	Sierra Leone	57%	Benin	27%		
Lesotho	91%	Trinidad-Tobago	53%	Upper Volta	25%		
Guinea-Bissau	90%						
Guinea-Conakry	89%						
Chad	87%						
Madagascar	83%						
Comoros	75%						

Stockraising, fishing and fish-farming

Stockraising projects have mainly been concerned with improving the health of herds by running vaccination and health campaigns, improving animal production by creating

tracks and collective compounds, introducing forage crops, and particularly by involving peasant farmers in stock-fattening schemes, improving cattle marketing systems and promoting credit schemes for herdsmen.

In the fisheries sector, emphasis during the early years of the Lomé Convention was on making the most of fish resources in the lower Niger delta, fitting out a number of non-industrial concerns and promoting fish-farming.

4th EDF projects as of 31 March 1978 in the stockraising, fishing and fish-farming sectors

Country	Project	'000 EUA
Botswana	Wildlife and range assessment	697
Botswana	Wildlife training at Maun	179
Botswana	Ranch management centre	1 045
Botswana	Small stock development	1 190
Congo	Cattle-rearing ranches in the Niari Valley	1 516
Ivory Coast	Sheep-rearing development	1 868
Upper Volta	Yatenga ORD	1 577
Kenya	Cattle dips, veterinary programme	3 000
Lesotho	Livestock development — Mphaki's area	2 000
Mali	Livestock development in the south	1 820
Niger	Stock-fattening by peasant farmers	1 610
Niger	Eradication of bovine pleuripneumonia	1 420
Sudan	Jonglei Canal studies	2 100
Uganda	Improvement of artificial insemination	155
Benin	Development of fish-farming	817
Gambia	Artisanal fisheries development	1 365
Guyana	Study on the Demarara fish complex	140
Mali	Development of fisheries, stage II	4 828
Trinidad and Tobago	St-Patrick fisheries	570

The stockraising and fisheries sectors are being given increasing emphasis in development programmes, with the aim of improving diet by the addition of protein. This increase is also reflected in 4th EDF aid commitments.

	Livestock		Fisheries (1)	
	No. projects (2)	Commitments ('000 EUA)	No. projects (2)	Commitments ('000 EUA)
1st EDF	8	12 539	1	153
2nd EDF	9	14 544	—	—
3rd EDF	10	19 344	2	2 276
4th EDF	36	53 686(3)	17	28 000(3)

(1) Excluding fishing ports.

(2) Plus technical cooperation operations outside projects.

(3) Approximate amounts in indicative programmes.

Roads and bridges

There is still an immense amount of work to be done in this sector. Despite the general improvement in ACP road networks, the effort must be sustained.

Roads are a precondition of the development of the ACP countries. Road maintenance is and must continue to be a major concern of the ACP countries themselves and of external aid.

Transport in West Africa: EDF aid for infrastructure

West Africa is a vast region bounded by the Sahara in the north and the Atlantic Ocean in the west and south. To the east, there is a line across Chad and Nigeria and this forms a kind of dividing line as far as transport is concerned.

The Franc Zone countries of this region should be distinguished from those few with outlets to the ocean but practically no overland transport links with their neighbors.

The restructuring of the overland transport network, roads particularly, began when the countries of West Africa became independent. In addition to the new and greater need to transport imports and exports, was the need to link the new capital cities and open up the countries which were landlocked.

The effects of this are still apparent today. When the African road programme (Trans-African, Trans-West-Africa, etc.) was adopted in 1972 under the auspices of the UN Economic Commission for Africa, the roads for West Africa were aligned on roads previously financed with European aid.

The African road programme, the Lomé Convention and the setting up of ECOWAS gave fresh impetus to the idea of basing the region's primary network on inter-state links, particularly between certain English-speaking and French-speaking countries where practically no cross-frontier roads existed.

It is perhaps worth adding that a constant effort is being made to improve the capacity and functioning of the Atlantic ports and to ensure that constant progress is made with safe, rapid road links between the countries of the Sahel and the Mediterranean.

National and regional road programmes meet this aim.

Here are some examples:

- the Ouagadougou-Koudougou road;
- the Sikasso-Koutiala road;
- the study for the Fada N'Gourma-Niger road;
- the Sabongari-Gaya road;
- the Tchadaoua-Takieta road;
- the Kante-Upper Volta border road. □

4th EDF commitments as of 31 March 1978

Country	Project	Length (km)	'000 EUA
Senegal	Kolda-Velingara road	128	11 000
"	Tambacounda-Kedougou road (study)		460
Mali	Bankass-Upper Volta border road (study)	82	294
"	Sikasso-Koutiala road	127	16 550
Upper Volta	Ouagadougou-Koudougou road	94	12 791
"	Fada N'Gourma-Niger border road (study)	175	700(1)
Niger	Niamey-Upper Volta border road (study)	116	300(1)
"	Dosso-Madaoua road	—	4 736
"	Niamey-Dosso road (widening)	129	6 318
"	Tchadaoua-Takieta road	141	15 736
"	Sabongari-Gaya road	58	5 020(1)
Guinea Bissau	Supply of three ferryboats	—	1 080
"	Quebo-Bambadinca road (study)		200
Liberia	Tartuke-Karlocke road	61	4 800
Togo	Kante-Mango road	86	10 412
"	Mango-Upper Volta border road	109	11 800(1)
Benin	Bohicon-Savalou road	111	15 385
Chad	Maintenance equipment and materials	—	2 890
Gabon	Port Gentil-Mbine road (study)	200	1 900
Congo	Bridge over the Niari	—	1 800
CAE	Reconstruction of five bridges	—	1 195
"	Studies for bridges	—	140
"	Studies for bridges	65	3 290
Sudan	Kadugli-Tabdi road (study)	100	300
Somalia	Goluen-Gelib road	257	19 652
Rwanda	Kigali-Butare road	120	23 000
"	Butare-Burundi border road	30	6 000(1)
Burundi	Kayanza-Rwanda border road	21	5 000(1)
Tanzania	Nyanguge-Bunda road	120	21 300
"	Mufindi road (study)	72	200
Botswana	Lobatse-Ramatlabama road (study)	45	38
Malawi	Blantyre-Chikwawa road	41	5 993
"	Karonga-Chiweta road (upgrading)	88	2 475
Lesotho	Mafeteng-Mohales Hoek road (study)	59	79
"	Quthing-Quacha's Nek road	139	1 000
Madagascar	Three bridges on the east coast	—	4 620
Mauritius	Terre Rouge-Mapou road	10	5 700
Dominica	Coastal roads	36	1 960
St Lucia	Feeder roads	27	800
St Vincent	Peruvian Vale-Georgetown road	17	1 920
Grenada	East Coast road	33	1 566
Guyana	East Bank-Berbice road (study)		115

THE CONVENTION AT WORK

Joint Committee meeting in St George's at the end of May

The Joint Committee of the ACP-EEC Consultative Assembly met in St George's, the capital of Grenada, from 29 May-1 June, under the chairmanship of Mr Bersani (Christian Democrat, Italy) and Mr Kasongo (Zaire). The meeting was attended by Mr Keble Munn, Jamaica's minister for parliamentary affairs and President of the ACP Council, Mrs Lise Østergaard, Denmark's minister responsible for development and President of the EEC development Council, and Mr Claude Cheysson, EEC development commissioner.

It was the first time the Joint Committee had met in the Caribbean, as Mr Kasongo emphasized when he opened the session, saying that it was an ideal opportunity to take stock of the effect the Lomé Convention was having on men and matters.

The atmosphere of the St George's meeting was, like the one held in Maseru (Lesotho), excellent. Most of the discussion revolved around the paper Mr Guillabert (Senegal) had produced on the annual report of the ACP-EEC Council of Ministers and the situation as regards renewal of the Lomé Convention.

The Guillabert report had already been examined in Maseru and will be approved at the next meeting, in

Luxembourg, at the end of September.

The report reviews all the problems encountered in the working of the Lomé Convention, but the people at the meeting concentrated on the renewal aspect. Thirty speakers tried to show that both EEC and ACP countries had to use their experience to improve the next agreement, for which negotiation would be starting in July.

Many speakers complained about the delays in financial and technical cooperation. Prominent among them was Botswana's Mrs Mathe who deplored the situation and explained how the ACP countries suffered from it.

While Mr Cheysson agreed that some investment dossiers posed considera-

Also in the yellow pages

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ble problems, he refuted the arguments by saying that commitments had already been made for 1261 million EUA (42%) from the EDF's 3 000 million and 130 million EUA (34%) from the EIB's own resources. He felt these figures spoke for themselves. After all, the Convention had only been in force for two years and two months and projects had to be produced from scratch. Mr Cheysson felt that there was room for improvement, however. "The Commission will propose that, before the end of the present agreement, we devote one year, 1979, to preparing projects for submission for Community financing under the next convention, so as to gain a year."

Differing views on the growth of trade

Trade cooperation, Stabex and the situation of one or two particular products, like bananas and sugar, were discussed at length. It was regretted that Community trade with the ACP countries had declined. "In real terms, the ACP countries are exporting less to the Community than they were in 1974". This trend, Mr Guillabert added, was not in line with the aims of the Lomé Convention, and he asked for adequate measures to be taken forthwith to right the ACP position as far as imports to the Community were concerned. In answer to this, Mr Cheysson said that ACP exports to the Community had in fact gone up by 20% in 1977 and the increase for all developing



The joint committee at work

countries together had only been 7%. This brought ACP exports to the same global proportion of EEC imports as in 1973. "I am not ashamed", Mr Cheysson said, "to say that I think it is quite remarkable that, in four years, the gap between the ACP/non-oil producing countries and the oil producers, whose exports now cost four times as much, has been closed. This is tantamount to saying that total ACP exports have caught up total Third World exports, oil included which is far from being negligible".

"The real problem with sugar is the world market", says Claude Cheysson

The commissioner also spent some time on sugar which, he said, was a problem to be taken seriously. "Sugar cane production is vital to a number of ACP countries. But we have a terrible world market, the worst commodity market in the world at the moment. World production has gone past the 92 million t mark but consumption is only 85 million t and there is a surplus of 7 million. So the Community needs courage. In this situation and, in spite of the vehement protests of certain Member States of the EEC, the Commission has managed to get the Council of Ministers to take some extremely courageous measures to encourage Europeans producers to cut back production. This led us to reduce the guaranteed price paid to our own sugar beet producers by 3.5% from one year to the next. Our ACP partners must understand that we have embarked upon an extremely difficult policy within the Community... So we can only offer them a 2% increase expressed in units of account (which makes a 7% increase in sterling, the currency in which they sell their sugar, and 13% in US dollars). We cannot do more... No-one could offer extra-Community producers a guaranteed price for guaranteed purchases which was higher than we offer our producers for part of their production... The rest of their production is only guaranteed at 70% of this price. We try our hardest, but we are in no position to buy guaranteed quantities of sugar we don't need at a guaranteed price far in excess of the maximum we offer our own producers for part of their production".

"The real problem", Mr Cheysson went on, "is the world price. It was 274 EUA per t in London in 1975, dropped to 169 EUA per t in 1976 and the slump carried on into 1977, in spite of the world sugar agreement, when the price of world sugar went on down to 122 EUA per t. At the same time, our guaranteed price has risen slightly from 272

to 278 EUA per t. Compare the guaranteed price with the world price and you see why the sugar operation costs the Community budget more than 200 million EUA".

Human rights

As at the Joint Committee meeting in Maseru, much of the discussion centred on the possibility of including a clause on human rights in the new convention. Although all European MPs and most ACP representatives (except those from Ethiopia and Uganda) agreed on the principle, the wording was generally seen to be a considerable problem. Some ACP countries were worried about how the clause would be used. "It would be wrong for some countries to judge others", Mr Guillabert said. "Moral standards may vary considerably from one continent to another and even from one country to another and it may be dangerous to

try to apply a common set of rules". So the Committee compromised and adopted a text reflecting the fairly general agreement on including a human rights clause in the next ACP-EEC convention.

Botswana: reservations about relations with economic and social groups

The Committee also dealt with Mrs Mathe's report on closer cooperation with representatives of economic and social bodies of the ACP and EEC countries. "We know that all the EEC and ACP countries have their own internal procedures for consultation and a meeting between economic and social representatives from the Community and the ACP countries would have only limited results. It might even thwart the general effort being made by the various ACP-EEC institutions to protect the ACP interests involved in

Impressions of the St George's meeting or "There is no sea urchin without a spine"

A promise made is a promise kept, and the latest meeting of the ACP-EEC Joint Committee from 29 May to 1 June was duly held in the tropical paradise of Grenada, the smallest member of the Lomé Convention.

The 106-strong Committee usually sits in the parliament buildings of the host country, but as Grenada has only 15 MPs and 13 senators, theirs is rather along the lines of a village school. So members went off to the local Holiday Inn, in a rustling coconut grove on a sparkling white beach by an indigo sea. (This is not a glamorous travel brochure version, it is the truth).

But even the Holiday Inn could provide nothing big enough... until someone remembered the marquee, or the 'Dome', as it was pompously called, which had been put up 50 yards the hotel for a local exhibition some time previously. In a trice it was fitted out with seating, air conditioning and simultaneous translation facilities. The lot. But as soon as the cameramen turned on the spots at the inaugural session, the fuses blew and the temperature went soaring up to the nineties.

Now some people say MPs choose idyllic spots for their meetings so they can combine business with pleasure. But some people were not on Grenada. While the coconut palms rustled on the shore by the

indigo sea, etc. (see above), 106 men and women in the bakehouse of a Dome pored over the text of a joint declaration on which it was by no means easy to agree. And although there was iced punch to keep the throat from going dry, the rest of the body was not lucky and the Holiday Inn was completely out of water until a short burst of rain came to bring six month's drought to an end.

But there was more than just this sophisticated torture. By a happy coincidence, this year's Grenada carnival coincided with the Joint Committee meeting. Members were even supposed to get a free afternoon to go and watch the festivities. But as progress was slow the meeting had to continue while the colourful processions passed by outside, to the rhythm of steel bands under the rustling coconut palms by the indigo sea...

One or two of the weaker members are rumoured to have sneaked out to the beach where, out of sight behind a handy promontory, they indulged in some furtive swimming. The first aid records, in fact, mention a number of extractions of sea urchin spines from unwary feet. In their ignorance, those who had failed to survive the torment of Tantalus were afflicted during their escapade on the aptly named beach at Prickly Point. □

LOUIS C.D. JOOS
(reprinted from "30 Jours de l'Europe")

the obligations contracted by the EEC when it signed the Lomé Convention".

However, Mrs Mathe did feel it would be useful to hold informal meetings with representatives of economic and social groups of the ACP and EEC countries to enable all sides of industry to gain a better understanding of the Lomé Convention. Such a meeting could be held at the next Joint Committee session. The Committee was in favour of establishing such relations but felt the process should be a very

gradual one.

Some MPs also asked for other items to be added to the agenda, in particular the problem of revising the rules of produce and a study of what the cultural cooperation suggested by Somalia would involve. □

J.J. SCHWED(*)

(*) Head of division responsible for liaison with the parliament and the Economic and Social Committee in the secretariat-general of the Commission.

ACP-EEC: RUN-UP TO THE NEGOTIATIONS

Claude Cheysson on the forthcoming convention and the political situation in Africa

EEC development commissioner, Claude Cheysson, outlined the preparations for negotiations on the new ACP-EEC convention due to open in Brussels on 24 July, gave his impressions of the many trips he has made to Africa and the Caribbean in recent months and talked about the political situation in Africa at a press conference in Brussels on 2 June.

Negotiations

Mr Cheysson confirmed that the EEC Council of Ministers would be discussing a Commission memo on 6 June and adopting the mandate for negotiations with the ACP countries on 27 June. Although the ACP countries felt the results of the Lomé Convention were not particularly outstanding as far as things like sugar were concerned, he said, it was by far the most useful cooperation agreement between a group of industrialized countries and a group of developing ones. Lomé had enabled the ACP countries to achieve a 20% p.a. increase in their exports to the Community market, thereby closing the considerable gap between them and the oil-producing developing countries. Mr Cheysson remarked that the commercial success of the ACP countries would not move the Community to protectionism. On the contrary, he said, the Community would be maintaining a deliberate policy of opening its frontiers.

Other Lomé Convention provisions, like the Stabex system and financial cooperation, had also done a great deal for the ACP countries. There had

been no publicity for a major operation run in Somalia when the Community replaced large numbers of Russian technical assistants suddenly recalled after differences of opinion between the two countries and when it paid Somali students the grants which Russia cut off. This, Mr Cheysson felt, was a remarkable achievement as far as the EEC member states were concerned.

He emphasized his own desire to continue with and improve upon Lomé policy, which was a contrast to the North-South dialogue with its technical success but "insignificant concrete results". It was also a contrast to the current political situation in Africa, which, with the Caribbean and the

Pacific, was presenting Europe with a united front, and to the European countries which were united with the ACP countries on cooperation but acted individually in the internal affairs of the continent of Africa.

Mr Cheysson spoke about human rights in the new convention: after his many visits, the ACP countries "felt the EEC's request to be a reasonable one... although they also want Europe to say where it stands and what it is doing about southern Africa". Ultimately, he said, it was the member states of the Community which seemed unable to agree on the matter of human rights in the next convention.

The situation in Africa

Mr Cheysson was asked how dramas like the one in Shaba (Zaire) could be avoided. The commissioner gave his own opinion here, saying that he felt that certain administrative reforms were called for in this country. He pointed out that although, after the closure of the Benguela (Angola) railway along which Zaire's copper was transported the Community granted a large amount of exceptional aid so Zaire could organize the export of its main product, it took two years to release the credits. In the same way, the programme of Community aid (100 million EUA) under the Lomé Convention had developed too slowly. Zaire's administration, Mr Cheysson said, was weak.

He compared events in Zaire and Namibia, suggesting that "the European mass media should have given as much coverage to the fact that South Africa had massacred 600

Julius Nyerere with Claude Cheysson



blacks, men, women and children, all of them Namibian refugees, in Angola, actually inside the frontiers of an independent country”.

In answer to a question on Ethiopia, Mr Cheysson said the general political and agricultural situation was better than the European mass media would sometimes have it, since there had been an effective agrarian reform in that part of the country under the control of the Addis Ababa government. □

Claude Cheysson in East Africa

At the end of May the EEC's development commissioner, Claude Cheysson headed a delegation on a visit to Ethiopia, Kenya, Somalia and Tanzania to discuss the present state of advancement of the indicative programmes for each country. The talks covered all the main aspects of cooperation between the EEC and the four East African states, and in particular technical and financial assistance, commercial and industrial promotion and Stabex.

Mr Cheysson was received by President Julius Nyerere of Tanzania, Mohammed Siad Barre of Somalia, Colonel Mengistu Haile Mariam of Ethiopia and Daniel Arap Moi, vice-president of Kenya. They discussed the prospects for the negotiations of a new Lomé Convention and Mr Cheysson stressed the need for what he called an EEC-ACP "task force" to lead the negotiations and ensure that there was no break between the two conventions when the current one expired on 1 March 1980. When the long process of ratification by all the signatories was taken into account, there would be little time for long drawn out negotiations. □

MALI

An ACP first

ACP House received its first head of state on Tuesday 20 June from Colonel Moussa Traoré, the first Malian president to make an official visit to the EEC Commission in 18 years. He had asked to make the visit and talk to ACP ambassadors in their conference room. The meeting was a fruitful one.

It took place a month before the opening of Lomé II negotiations and was a particularly good opportunity to draw certain conclusions, make suggestions and give advice, and this is what Col. Moussa Traoré did in a well-received speech after ambassa-



President Moussa Traoré listening to ambassador NKowani's speech of welcome. On the left Mr Konate, secretary-general of the ACP

dorial chairman Mr W.K. NKowani, from Zambia, had bid him welcome.

"Stay united" Moussa Traoré said. "Unity gave you success in Lomé in 1975 and unity alone will make these 53 weak countries of ours respected partners in the dialogue we have decided to open with Europe." After this "appeal for unity and cohesion", the ACP guest made a number of criticisms and suggestions. As he saw it, "as a prototype, the Lomé agreement contains some startling inadequacies". President Traoré wanted "the trade provisions to be completely recast to do away with certain trade barriers which have enabled Europe to increase its ACP exports almost threefold in six years", while the ACP countries' exports have only doubled. He also wanted more products to be covered by the Stabex, the volume of financial and technical cooperation to be stepped up and industrial cooperation to "get beyond the stage of texts and institutional structures".

Human rights

The Malian head of state ended with the human rights issue. "You must not be afraid to discuss this question", he told the ACP ambassadors, "for the principles of human rights are inviolable and discussions can only deal with how to apply the concept which each of our states has already proclaimed by adhering to the UN Charter and introducing it into our various constitutions". President Traoré asked the ambassadors to:

- ensure that human rights did not open the way to interference in the internal affairs of the ACP countries;
- obtain guarantees for ACP workers in Europe;
- ensure that the "various parts of the Convention help obtain respect for the genuine basic rights of every individual: the right to exist, to live and to be respected".

James O'Neil Lewis (Trinidad and Tobago) thanked President Traoré on behalf of all the ambassadors, saying that these suggestions would be a guide for the ACP countries at the forthcoming, difficult negotiations.

Food aid

Later on at a press conference at the residence of the Malian ambassador, Col. Moussa Traoré said that he was satisfied with his talks with the EEC Commission members, particularly President Roy Jenkins and development commissioner Claude Cheysson. "Steps will be taken", he said, "to ensure that EEC food aid gets to the drought victims". Mali had produced an anti-drought programme based on the construction of the Selingué (OMVS)(1) and the Manantali dams. The President said that when the time came, the heads of state of the three OMVS members (Senegal, Mali and Mauritania) could go to the Commission in Brussels to apply for a larger EEC contribution to the financing of their projects. □

(1) Senegal river development organization.

BURUNDI

President Bagaza visits Brussels

Burundi's President Colonel Jean-Baptiste Bagaza held a press conference at the International Press Centre in Brussels on 26 May at the end of an official visit he made to Belgium to strengthen the ties of friendship and boost development cooperation between the two countries. At the press conference, Col. Bagaza spent some time explaining how Burundi had changed since he had come to power. A three-year plan of economic development had been produced, agricultural reform had been announced, a new tax system introduced and a policy of national unity adopted within the framework of UPRONA (the Unity and National Progress Party).

Burundi's head of state said he was in favour of cooperation with all countries. He was pleased with Community aid, in spite of the volume which, he said, should be increased (see *Courier* No. 49, pp 20-33). He said that Burundi would be making proposals during the negotiations on renewal of the Lomé Convention. Before leaving Brussels,

Vice-president of the Commission, Finn Olaf Gundelach, welcomes President Bagaza



Col. Bagaza visited the seat of the EEC Commission where, in the absence of Roy Jenkins, he was received by vice-president Finn Olaf Gundelach. □

EDF

The following projects were approved by the EDF Committee at its 126th meeting on 18 April 1978. The Commission therefore took the corresponding financing decisions on 27 April, 3 and 17 May 1978. Total commitments under the fourth EDF now amount to 1 264 479 000 EUA.

Exceptional aid

Under Article 59 of the Lomé Convention to:

Gambia: 500 000 EUA (grant)
Guinea: 2 735 000 EUA (grant)
Guinea-Bissau: 167 000 EUA (grant)
Mali: 500 000 EUA (grant)
Mauritania: 1 007 000 EUA (grant)
Senegal: 3 385 000 EUA (grant)

There was a very serious drought in West Africa in 1977. This led to a very late sowing season and slow crop development. The pastures are scarce and fodder crops are lacking.

Faced with this situation, the governments concerned took certain measures but international aid is essential if the consequences of the drought are to be kept to a minimum.

The Commission made an initial response to requests for aid on 10 March 1978 by granting 300 000 EUA per country.

Mali

Koutiala-Sikasso road
Grant: 13 330 000 EUA
Fourth EDF
(1 EUA = MF 576.3)

The project provides for the improvement and asphaltting of the existing Koutiala-Sikasso earth road (130 km) to produce an all-weather link and complete the last section of the north-south highway which goes down through the Ivory Coast to end at Abidjan.

The road will make it easier to transport goods between the Niger delta and the port of Abidjan. In this respect it is an important prerequisite for the

further economic development of the relatively thickly populated eastern region of Mali.

The EDF is contributing the sum of 13 330 000 EUA in the form of a grant.

Malawi

New Blantyre dairy scheme
Grant: 2 100 000 EUA
Fourth EDF
(1 EUA = MK 1)

This scheme consists of building a complete milk processing plant at Blantyre to replace urgently the existing totally inadequate pilot plant. It is designed to:

- improve considerably the milk supply to the region;
- increase producers' incomes;
- reduce spending on imported milk products.

The grant of 2 100 000 EUA is intended to build a dairy which can:

- process 20 000 l of milk daily;
- manufacture yoghurt;
- manufacture small quantities of butter.

Malawi

Building and equipping the Mangochi and Nsanje district hospitals

Grant: 4 000 000 EUA
Fourth EDF
(1 EUA = MK 1)

The subject of this project is, with the aid of the EEC, to build and equip two district hospitals at Mangochi and Nsanje.

Each pavilion-type hospital will comprise the various services which are characteristic of a general hospital in a rural environment: technical services, in-patient services and general services.

Accommodation for some of the medical staff is also to be built. The Malawi government is in this case taking short-term measures to replace the existing outdated and unsuitable buildings.

The project is estimated to cost 4 000 000 EUA, which the EDF will provide as a grant.

Guinea

Equipment and technical assistance for the Institut Polytechnique Secondaire Maritime (IPS Maritime)

Grant: 1 970 000 EUA
Fourth EDF
(1 EUA = GS 25.67)

Guinea, with a coastline of 300 km, has an area of sea which is good for all types of fishing.

The project to build a Maritime Institute therefore meets the need for development of the country's fisheries.

The Institute will have the equipment and instructors required for further training and for the training of the necessary personnel.

The cost of the project is estimated at 2 003 000 EUA. The EDF is providing a grant of 1 970 000 EUA.

Kenya

Bura irrigation settlement scheme

Loan on special terms: 10 618 888 EUA
Fourth EDF
(1 EUA = K Sh 9.867)

The Bura irrigation settlement project aims, over a period of six years, to establish a community of 65 000 people on the banks of the Tana river, 400 km east of Nairobi.

Half of the population will be settled on 6 700 ha of irrigated land and the other half will be engaged in secondary and commercial activities related to the agricultural production of the scheme. This is the first stage of a large development operation in the lower Tana valley. The government of Kenya places high priority on this project.

The EDF contribution of 10 618 000 EUA, in the form of a loan on special terms, will be used for the civil engineering works involved in the irrigation project, notably the construction of a temporary pumping station, the channels and earthworks.

Uganda

Improvement of the artificial insemination programme

Grant: 155 000 EUA
Fourth EDF
(1 EUA = U Sh 9.46)

The project aims at increasing Uganda's milk production by providing the existing Artificial Insemination Service with new equipment. The EDF will provide a lump sum for the purchase of laboratory equipment and artificial insemination equipment for an amount

of 155 000 EUA in the form of a grant.

The Ugandan government will be responsible for the rest of the cost of purchasing equipment and also for the operating costs of the service.

Mali

Development of stock-farming in southern Mali
Grant: 1 820 000 EUA
Fourth EDF
(1 EUA = MF 567.2)

The project which the EDF intends to finance involves an integrated scheme for the development of stock-farming in southern Mali.

The aim is to increase the return obtained on livestock in an area where there is a great potential for pastoral farming.

The project covers a large part of southern Mali, within a triangle formed by Bamako, Ségou and Sikasso.

The animal health components of the project are to run for four years and the livestock production and marketing components for three years.

The total cost is estimated at 2 810 000 EUA, of which 1 820 000 EUA is to be provided by the EDF as a grant, the remainder to be covered by the Malian budget and the stock-farmers concerned.

Equalization fund of the African-Malagasy Sugar Agreement

Aid for the marketing of sugar exported by the Associated States (regularization of the advance to the OCAM Equalization Fund)

Grant: 1 085 034 EUA
Third EDF

The purpose of this financing proposal is to regularize the accounts in respect of an advance from the second EDF to the equalization fund of the African-Malagasy Sugar Agreement.

The advance had been made in 1970 and should have been repaid in 1972. Meanwhile, following the *de facto* expiry of the African-Malagasy Sugar Agreement, it has become impossible to recover the debt. It is therefore necessary now to deduct the amount in question (1 085 034 EUA) in a legally acceptable manner from the third EDF and credit it to the second EDF.

EIB

Loan for a textile mill in the Sudan

Under the terms of the Lomé Convention, the European Investment Bank has lent 6.5 million units of account⁽¹⁾ to help to finance a textile mill in the Sudan.

The operation, which is the EIB's first in this country, takes the form of a conditional loan at an interest rate of 5.5%⁽²⁾.

It has been granted by the EIB, acting under mandate of the EEC, from resources which have been set aside under the Lomé Convention for different risk capital operations to be managed by the Bank.

The borrower is the Gezira and Managil Textile Company Ltd., whose majority shareholder is the Gezira and Managil Tenants Co-operative Corporation Ltd., which is owned by 96 000 cotton farmers in the region where more than half of the Sudan cotton crop is grown.

The mill is to be built at Was Medani (200 km. south of Khartoum). Annual production should amount to 12 million metres of different types of cloth which should provide 900 jobs.

Sudan has traditionally exported most of its cotton (230 000 tons per year, on average) in its raw state and imported most of its cloth requirements.

The investment which the EIB is helping to finance will bring about a substantial increase in value added by the cotton industry and make an important contribution to improving the country's balance of payments by saving foreign exchange. It also fulfils three broad aims of industrial development in the country, namely self-sufficiency in basic consumer items, better use of local raw materials and a balanced regional development.

The loan contract was signed on 27 April in Wad Medani at a joint signing ceremony with shareholders Maurer Textiles SA and the co-lenders for the project, the Sudan Development Corporation and the International Finance Corporation (IFC).

(1) Under the exchange rates employed by the EIB 1 EUA = approx. 0.44 Sudanese pounds.

(2) Repayable only after certain conditions, indicating that the project has overcome inherent risks in the start-up phase and has achieved a predetermined level of profitability, have been fulfilled.

EDF COMMITTEE

An EDF Committee delegation went to West Africa on 28 April to 12 May 1978 to visit various projects and assess progress with the indicative programmes in Liberia, Ghana and Niger. It was received by President

William Tolbert in Liberia and President Seyni Kountché in Niger.

At almost the same time, on 26 April to 13 May, another EDF Committee delegation went out to Madagascar, Mauritius, Kenya and Malawi to visit projects and hold discussions with national leaders. □



The EDF Committee visits Katumani in Kenya, the site of a small irrigation dam financed by the Community, and below the work in progress on the Niamey-Dosso road in Niger



Community exports to the ACP countries in 1977 represented 7.6% of total sales outside the Community market, compared with 7% in 1976 and 6.7% in 1975. They represented 20.2% of exports to the developing countries as a whole, compared with 19.3% in 1976. Exports particularly increased with Uganda and Somalia (doubling between 1976 and 1977), followed by the Central African Empire (+92%) and Tanzania (+60%). Nigeria is by far the most important export market, exports increasing from 3 316 million EUA in 1976 to 4 602 million in 1977. On the other hand, sales diminished in the case of Zambia (-5%), Sierra Leone (-7%), but above all Jamaica (-20%) and the Congo (-26%).

France (with a total of 3.7 billion EUA) remains the Community's most important exporter, followed by the United Kingdom (3.18 billion EUA) and Federal Germany (2.52 billion).

Community imports from the ACP States in 1977 represented 7.3% of all imports from outside the EEC and 16.6% of imports from the developing countries as a whole, compared with 51% in 1976. The most important supplier remains Nigeria with 3.5 billion EUA, 89% of which is constituted by oil. Imports from Nigeria, however, increased by only 8%, while Kenya's doubled (from 271 million to 520 million EUA), 46% for the Ivory Coast, 43% for Cameroon, 41% for Ghana, 45% for Uganda and among the smaller ACP countries, 54% for Rwanda, 58% for Botswana and 81% for Fiji. On the other hand, there is a decline for Ethiopia (-12%), Somalia (-2%), Trinidad and Tobago (-27%) and Surinam (-12%).

As in the case of exports, France (with a total of 3.28 billion EUA) is the ACPs' main customer, followed by Federal Germany (2.75 billion) and the United Kingdom (2.25 billion).

The 1977 balance of trade with the ACP countries was positive for France (+416 m EUA), Italy (+95 m), the United Kingdom (+933); it was negative for Federal Germany (-225 m EUA), the Belgium-Luxembourg Economic Union (-340 m) and above all, the Netherlands (-893 m).

The surplus in the Community balance of trade was particularly large in the case of Nigeria (+1 128 million EUA), followed by Liberia (+428) and Sudan (+266); on the other hand, there was a particularly large deficit with Cameroon (-99 million EUA), Zambia (-218 m), Papua-New Guinea (-199) and above all, Zaire (-637) and the Ivory Coast (-621 m). □

EEC-ACP TRADE

According to the initial statistics published by the Community Statistical Office on EEC-ACP trade in 1977, Community exports with the ACP as a whole increased by 27% in value compared with 1976, as opposed to a 20%

increase in exports to the other developing countries. Community imports increased by 19% in 1977, compared with only 6% for purchases from the other developing countries. Since exports and imports totalled 12.5 billion EUA, trade is practically balanced, while the Community had a substantial deficit in the previous two years (-618 million EUA in 1975 and -633 million EUA in 1976). □

ACP EMBASSIES

Three new ACP ambassadors, from Congo, Guinea-Conakry and Guyana, have presented their credentials to the presidents of the Council and of the European Commission in Brussels.

Congo

Alphonse Ongagou Datchou, who has replaced Alfred Raoul as Congolese ambassador to the EEC, is a civil servant who was trained at the Institut des Hautes Etudes d'Outre-mer in Paris. He began his career in what is now the Central African Empire, in 1957, as head of the Bacananga district, and later of Boda district. After his return to the Congo he was made prefect of Sangha in 1963, and from 1964 to 1968 was deputy director of the President's office in Brazzaville. Since then he has been ambassador to Canada, represented his country at the UN, been director of the Congolese tourist organization and of the Loutété cement works, and finally Congolese ambassador to Federal Germany and Austria. Ambassador Datchou, who at 43 is married with 8 children, holds the Congolese order of merit.

Guinea-Conakry

Sekou Top, the new Guinean ambassador to the EEC, who was born in 1939, is a specialist in commercial matters educated at the commercial institute at Le Havre in France. On this return to Guinea, ambassador Top became firstly deputy director-general in the Ministry for Economic Development, and then managing director of a floor tile factory. He then began his diplomatic career. From 1968 to 1971 he was commercial attaché at the Guinean embassy in Bonn. He then returned to Guinea as inspector of administrative and financial matters in the President's office. He was also to become a deputy director in the Guinean-Swiss company Somiga. In coming to Brussels, ambassador Top, who is married with four children, is returning to the diplomatic career he left seven years ago.

Guyana

Ambassador Samuel Insanally comes to Brussels from Caracas in Venezuela where he held the post of Guyana

ambassador from 1973. Venezuela is Guyana's western neighbour in South America and important in the country's regional relations. The new ambassador to Brussels has been in his country's diplomatic service since 1966 when he became counsellor in the Washington embassy. His earlier career was in the academic field in Kingston College, Jamaica and Queen's College, Guyana, and finally as the head of the French department in the University of Guya-

na. Ambassador Insanally, who is 42, was educated in Guyana, and took his B.A. at the University of London. He subsequently held a number of fellowships in Paris, under the foreign ministry and the Centre d'études et de Recherches diplomatiques, in Canada and at the United Nations. Mr Insanally's postings have also taken him to the UN in New York but Brussels is his first in Europe. He lists his interests as the theatre, linguistics and travel. □

President Roy Jenkins with, from top to bottom, ambassadors Alphonse Ongagou Datchou (Congo), Sekou Top (Guinea-Conakry) and Samuel Insanally (Guyana)



TRADE PROMOTION

Fairs: With financial and technical help from the Commission, 15 ACP countries took part in the Brussels trade fair and seven in the Paris fair.

Tropical wood: A project to organize permanent cooperation between African producers/exporters and European importers/users of tropical wood has been finalized with the help of the African wood organization. An *ad hoc* meeting is due to be held in January 1979.

Experts: In accordance with the recommendations made after the Brussels meeting of representatives of 43 ACP countries on 6 & 7 February 1978, experts have been sent out to Madagascar and Senegal with a view to identifying trade promotion schemes.

Berlin: The 16th Overseas Import Fair "Partners for Progress" will be held in Berlin from 30 August to 3 September 1978.

The aim of the fair is to promote exports from primarily overseas countries thus contributing to an intensification of trade relations between these countries and German and European importers. Importers, wholesalers and retailers, buyers from important department stores and mail-order houses, representatives of cooperatives as well as agents from all over Europe regular-



Fifteen ACP countries participated in the Brussels trade fair: Benin, Botswana, Burundi, Congo, Ghana, Ivory Coast, Mali, Mauritania, Niger, Rwanda, Senegal, Somalia, Sudan, Surinam and Zaire

ly visit this trade fair. They examine the offers from overseas, place their orders and agree on follow-up contacts. For manufacturers from overseas this trade fair is one of the most important starting points for successful marketing in Europe.

The majority of trade visitors come from the sector "textiles", followed by "handicrafts" and "leatherware", "foodstuffs" and "luxury food" and

from the furniture sector. 4 031 trade visitors from European import industries visited last year's Import Fair, a large percentage of them from small- and medium-sized enterprises.

Due to the contacts established, 35 per cent of exhibitors signed sales contracts during the 15th Overseas Import Fair; 76 per cent stated that they anticipated excellent follow-up business. □

Belgian cooperation minister Lucien Outers visiting the Sudanese stand at the Brussels trade fair



FOOD AID

Somalia

The Government of Somalia has requested the Commission to supply it with food aid to be distributed free of charge among the nomadic people (about 100 000 in all) presently being resettled in agricultural or fishing areas.

Taking into account the economic and food-supply situations in Somalia, the Commission proposes to supply this country with 12 000 tonnes of cereals and 500 tonnes of butteroil, which will be delivered at the port of unloading.

This aid, which amounts to an estimated 4.3 million EUA, will be covered by the reserves under the 1978 food aid programmes.

Food aid granted to Somalia under the 1977 programme comprised 25 000 tonnes of cereals, 2 750 tonnes of milk powder and 1 600 tonnes of butteroil. □

EXCEPTIONAL AID

Lesotho

Following the decisions taken recently by the authorities of the Transkei, resulting in practice in the closure of its frontier with Lesotho, the Government of Lesotho made a request to the Commission for exceptional aid under Article 59 of the Lomé Convention.

The main result of the difficulties that Lesotho nationals are having in crossing the border into the Transkei is that the south of the country is cut off from its usual sources of supplies in South Africa. In order to be able to obtain these supplies from the east of the country, the Lesotho government has requested aid from the Community and other donors for the provision of means of transport for the carriage of goods and passengers.

Consequently, the Commission has decided to grant Lesotho 230 000 EUA in exceptional aid for the purchase of ten lorries. This aid will be coordinated with a similar contribution contemplated by Federal Germany.

Tanzania

The Commission today decided to grant exceptional aid to Tanzania to

help fight a severe cholera epidemic. The aid will amount to 55 000 EUA, from funds available under the Lomé Convention, and will be used to purchase drugs and other medical supplies. □

BANANAS

The French banana market is a protected market organized with the dual aim of obtaining remunerative prices for the producer and offering the consumer quality fruit at reasonable cost.

This fairly complex trade circuit, from the producer to the shopkeeper, has become the subject of a short documentary film, "Banana Story", produced for the Interprofessional Banana Committee.

The Paris première on 23 May was rather an occasion, held in the Maison des Chambres de l'Agriculture under the honorary chairmanship of French agriculture minister Pierre Mehaignerie.

The film was screened on 25 May in Brussels for ACP representatives, including Cameroon's ambassador to the EEC, who heads the ACP banana group, various high-ranking EEC officials and Mrs Diana Willard representing Mr Gundelach, vice-president of the Commission responsible for agriculture.

A prosperous market

The French market is a prosperous one. Although France produces a great deal of fruit of its own, banana consumption at more than 9 kg per person per year is one of the highest rates in the world.

Simon Nko'o Etoungou, ambassador of Cameroon



Two thirds of France's supplies come from Martinique and Guadeloupe (about 300 000 t p.a.) and one third from the Ivory Coast and Madagascar (about 150 000 t p.a.). □

OAU-CID

The Organisation for African Unity (OAU) has given the Association of African Industrial and Technical Organisations (AAITO) responsibility for acting as the technical arm of the OAU on matters related to industrial and technical and development in Africa. At Nairobi this year AAITO defined a plan for the development and implementation of a programme of action. This programme concerns six projects:

1. Inventory of African industrial technology organisations, experts and research and development programmes;

2. AAITO Information Unit;

3. Development of industrial and technological manpower in Africa;

4. Short-term training workshops;

5. In-plant group training programmes for technicians;

6. "African Journal of Industrial Technology".

The chairman of AAITO, Dr Koleoso (acting director of research, Federal Institute of Industrial Research, Lagos) and Dr Tutuwan (consultant) paid an official visit to the Centre for Industrial Development in May to discuss the role which the Centre may play with regard to these projects.

Agreements in principle were reached on cooperation on the second and fourth of these projects.

The Centre for Industrial Development will act as an extra source of information to AAITO on Western technology. The CID is establishing access to data bases of the Community and other technologies of advanced nations in order to provide this service. If possible, the Centre will also undertake to provide training for a maximum of two documentalists who will serve at the African end of this link.

The Centre for Industrial Development undertakes to collaborate with AAITO to define and operate a minimum of two product identification workshops. These workshops, one in French, one in English, will each be held in an ACP state. The workshops will concentrate on the identification and evacuation of small to medium industrial projects likely to be suitable for the OAU member states. □

CID

The first year

New organizations can *de jure* be established overnight, but the *de facto* evolution must take a little longer: the Centre for Industrial Development is no exception to this.

During this first year of operations, the Centre has recruited its staff; evolved its policies; established its information network; and handled over 800 requests from the ACP states and a vastly greater number of enquiries.

The total strength now comprises the director, the deputy director, and 21 other staff of whom 10 are professionals.

In the industrial experience of the professional members of the staff of the Centre, new industrial ventures in any country are best equipped to succeed and to stay successful if the venture has the full and continuing support of a company with experience in the field: with access to plant and materials where necessary; and, above all, with adequate human resources ready and willing to make the new venture a success. The Centre has recognised this as one of the lynchpins of its policies, guiding its search for Community partners in ACP industry. The full and ongoing commitment of a Community partner is probably best assured when that partner has a financial stake in the new ACP venture. But of course in each ACP country, the government establishes its policy controlling equity ownership by foreigners. Where the holding of equity by foreigners is welcomed, the Centre feels that the joint venture is the approach likely to produce the best and most enduring results.

Industrial cooperation by means of joint venture may usefully be exemplified by looking at the nature and contribution of the EEC industrial partner. In a typical joint venture, the Community partner is likely to make several types of contribution. These may include all or any of the following:

Know-how and licensing

The EEC partner will be expected to have the know-how and to contribute this to the fullest extent necessary for the success of the joint venture.

Training

On-the-job training will always constitute an essential part of a joint-venture agreement and the manner of this training should be clearly spelled out.

In some cases, training at the facilities of the Community partner may be envisaged.

The supply of piece parts

If the joint venture is initially an assembly operation, then the Community partner will be responsible for supplying kits of parts.

The market

In some cases, the Community partner will accept responsibility for marketing all or part of the production—or will require the whole production for incorporation into a product.

The plant

In many cases, the Community partner may supply the major part of the capital equipment to the joint venture company.

Capital

Capital for the joint venture may be composed of loan and equity capital and it may often be appropriate for the debt/equity ratio to be higher than is customary within the Community. Depending on the wishes of the host nation and the ACP partner, the Community partner may be requested to contribute a part of the equity investment. A part of the equity will normally also be held by the ACP principal.

This concept of joint venture is not new and may present no problems to the large industrial concerns especially where the joint venture is itself of substantial size. But the Centre has a particular interest in fostering small and medium industries in the ACP. Frequently, industries of this type may find their most appropriate partner in the medium-size industry of the Community. And it is for this medium-size industry that the joint venture will pose some problems. Not the least of these is the necessity to deploy some key people overseas when they may be badly needed in the home industry.

The lifespan of the Centre has been short in industrial terms, yet 10 projects have been launched. A further 30 projects are now in an advanced state of negotiation. Of these 40 projects, over 75% are joint venture. Most of the projects have capitalisation within the range 2-9 m EUA with a few larger projects ranging up to 300 m EUA. It was perhaps to be expected that the first projects to reach an advanced state should be of this character. The Centre is developing the information base upon which it might expect to see based a large number of requests for much smaller industries. These industries will typically have capitalisation of less than 2 m EUA and perhaps be

unsuitable for joint venture and it will be necessary, together with the ACP and EEC partner, to evolve the means of handling projects of this type. □

EUROPEAN PARLIAMENT

In May the European Commission replied to a number of questions in the European Parliament of direct interest to the ACP countries.

Food aid

Replying to Mr Verhaegen the Commission gave details of the food aid programme for 1977.

The Commission is making further efforts to rationalize the food aid programme for 1978 and decisions have already been made. Priority is still for the poorest countries. The Commission said it had no knowledge of distribution problems mentioned by Mr Verhaegen. The Commission has been coordinating its food aid with the World Food Programme since 1976, and since last year with the United States.

Guiana

Giving figures of expenditure by the EEC's regional fund in Guiana (question by Mr Rivierez), the Commission said that of the total 12.72 m EUA for overseas departments, some 2.21 m EUA went to Guiana. Funds from the guidance section of the European Agricultural Guidance and Guarantee Fund have only been made available to French overseas departments since 20 July 1976. EAGGF investments totalling 5.4 m EUA have gone to 5 projects, of which 752 841 EUA went to Guiana. Under the 3rd EDF, 21.61 m EUA went to the overseas departments, 2.52 m of it to Guiana, and under the 4th EDF all 1.55 m EUA has so far gone to Guiana. Guiana also benefitted from funds for vocational training allocated by the European Social Fund.

Industrial cooperation

The Commission is aware of the setting up of the Association of African Industrial and Technical Organizations in Lagos last December, but in a reply to Lord Castle said it had as yet received no request for aid from the association.

Private investment

The Commission said in reply to Mr Normanton that no details were available of investment by Community firms in the ACP countries. However, some details of private long-term capital flows were published by the Development Assistance Committee of the OECD and a statistical abstract of these was available in the Statistical Yearbook of the ACP recently published by the EEC Statistical Office.

Trade policy

On the Tokyo Round the Commission confirmed that the timetable for the multilateral trade negotiations in Geneva would have to allow major political decisions on the general framework of the negotiations to be taken this summer; however, it adds, "it goes without saying that, in the view of the Commission, such a package must be balanced, i.e. comprise the elements of interest for the Community". □

Products	1977 Programmes			Previous programmes: quantities executed	Total quantities executed in 1977
	Quantities allocated	Quantities executed	%		
Cereals	720 500	486 532	67.5	669 000	1 155 532
Milk powder	105 000	30 132	28.7	117 989	148 121
Butteroil	45 000	17 399	38.6	36 374	53 773
Sugar	6 102	6 102	100	—	6 102

GENERAL INFORMATION

EEC COUNCIL

Special action deal signed

The agreement between the EEC and the International Development Association (IDA) on the use of the Community's contribution to the special action programme decided on at the Paris CIEC, was signed in Brussels on 2 May 1978.

It was signed for the EEC by K.B. Andersen, the foreign affairs minister of Denmark and current chairman of the EEC Council, by development commissioner Claude Cheysson, and the nine permanent representatives of the EEC member states in Brussels. Mr A. Broches, vice-president of the World Bank (IBRD), signed for the IDA.

When the CIEC closed, the industrialized countries agreed, on the initiative of the EEC on a special action programme consisting of a thousand million dollars designed to help meet the immediate needs of various low-income countries facing problems of transfer of resources.

The Community had decided to contribute a sum of \$385 m broken down as follows:

	in million US dollars
Belgium	15.90
Denmark	11.28
Federal Republic of Germany	119.08
France	56.48
Ireland	1.04
Italy	34.92
Luxembourg	0.50
Netherlands	30.80
United Kingdom	115.00
Total	385.00

The agreement signed in Brussels gives the International Development Association the responsibility for administering the EEC's contribution within a separate special account and criteria supplied by the Community. The contribution of the EEC will be used in the form of credits, additional to those of the normal IDA programme, but on the latter's usual terms: interest-free loans, repayable over 50 years, with repayment deferred for 10 years.

The Community is the only contributor to this special action to implement its contribution entirely through multilateral channels. In signing this agreement it has fulfilled the commitment it made in Paris to act speedily.

Aid to non-associated developing countries

Draft basic framework regulation

At its last meeting, in November 1977, the EEC development Council agreed in principle to prepare a framework for financial and technical aid to non-associated developing countries.

In April 1978 the Council defined the measures, the objectives and detailed arrangements for the administration of the aid. The amount of the aid is fixed every year when the Community budget is adopted.

As a general rule the aid will be made available to the poorest developing countries and in applying this principle, the Community will seek a reasonable geographical balance amongst the world's major developing regions.

The aid is intended essentially to contribute to an improvement in the living conditions of the most needy sections of the population. Rural devel-



Mr Broches (left) with the current chairman of the Council, Mr Andersen

opment and the improvement of food production assume special importance, participation in regional projects may be considered and there is provision for a reserve to cover exceptional situations (disasters).

Food aid

The FLOOD II operation to help India

In the field of food aid the Council agreed in principle to a Community contribution to the Flood II operation in India.

This is an enormous multi-annual rural development project intended to improve the living conditions of 10 million milk-producing families by creating an efficient dairy industry, together with the necessary infrastructure. The distribution network to be set up involves more than 100 large towns with a total population of 150 million people.

Flood II will be carried out not only with the assistance of the Indian government but also on the basis of a financial contribution from the World Bank—whose formal decision was expected in June—and a large Community food aid contribution consisting of 31 000 tonnes of skimmed-milk powder and 12 700 tonnes of butteroil. The effect of the Community's contribution in kind will be accentuated by the creation of counterpart funds in local currency obtained from the sale of the products in question for use as an additional source of finance.

As regards 1978, the Community has already agreed on the supply of 6 000 tonnes of skimmed-milk powder and 3 500 tonnes of butteroil as a first instalment. The formal adoption of the regulations necessary for the supply of the additional quantities for this year (25 000 tonnes of skimmed-milk powder and 9 200 tonnes of butteroil) will take place once the World Bank has itself taken a positive decision on the operation.

As regards future years, the Council stressed the desirability of ensuring that the whole operation had the continuity necessary for the attainment of the relevant objectives. With this in mind, it agreed to give favourable consideration to the annual renewal of the Community's contribution to the operation throughout its duration, on the basis of food aid possibilities existing at the time. However, the continuation of participation by the Community beyond three years might depend on continued participation by the World Bank in the second phase of the operation.

The importance of the Community's food aid contribution to the execution of this project lies not only in the substantial amounts made available to India, but also, and perhaps above all, in its novelty. In the context of Operation Flood II, food aid no longer represents solely a way of helping the developing countries to cope with their immediate food requirements, but also of directly promoting rural development in the longer term. It is as such a complete development co-operation instrument. □

OAU

The Organization of African Unity celebrated its fifteenth anniversary on 25 May 1978. It was the occasion for a reception at the Château St Anne in Brussels, the first event organized by the Brussels OAU Group. It was hosted by chairman Kodjovi Dagadou, Togolese ambassador, and general secretary Ait Chaalal, Algerian ambassador, and attended by many African and ACP ambassadors, European personalities, EEC Council and Commission representatives, delegates from Mozambique (on a visit to Brussels), the vice-chairman of ZANU (Patriotic Front) and Mrs Thérèse Gastaut, the head of the Brussels UN office.

In his speech, Mr Dagadou emphasized that the OAU's 15th anniversary coincided with African liberation day. He said he hoped that, in spite of the fact that Africa was going through a difficult period, its prime aim would still be unity which was vital if the serious problem of decolonizing the south were to be solved. "The Brussels OAU Group", Mr Dagadou said, "supports the OAU's denunciation of the odious racist system in South Africa and endorses the heroic fight for independence being carried on by the peoples of Zimbabwe and Namibia".

African liberation day

Guests also saw the UN film "Free Namibia" on Namibia's fight for independence and on SWAPO, the only internationally recognized body, which is organizing that fight. The film was presented by Mrs Gastaut, with the assistance of Mr Pierre Cros, head of press and information (development) at the EEC Commission. Michel Hauswirth, EEC Commission deputy director-general, Windsor Nkwani (Zambia) current chairman of the ACP commit-



The official emblem of International Anti-Apartheid Year

tee of ambassadors, Luis de Almeida, Angola's ambassador to Brussels, an UNCHR representative and Jacques-Roger Booh, minister/adviser at the Cameroonian embassy and author of an important legal study of Namibia (see *Courier* No. 49) also attended.

Campaign of support for Namibia

Mrs Gastaut reminded those present that, in 1966, when "faced with the pursuit and extension of South Africa's policy of apartheid and the constant violation of the physical and moral rights of the Namibians, the UN general assembly terminated Pretoria's mandate in Namibia and asked for everything to be done to intensify the campaign to support the Namibians and SWAPO, its only authentic representative. The film that you are about to see", she said "exists in both English and French in Brussels and there are other UN films on southern Africa, like *White Laager*, for example, which describes that crime against humanity, apartheid.

"Our office will be happy to lend them to any organizations interested in showing them and we will provide whatever information they require. I hope you find the film an interesting one and I hope that many of you will use it, thereby contributing to the total liberation of Africa", Mrs Gastaut concluded.

ZANU's position

On the subject of Zimbabwe, Mr Simon Muzenda, vice-president of ZANU, one of the movements in the Patriotic Front, told the *Courier* that his organization rejected "the pernicious internal settlement of Ian Smith and his accomplices, which has in fact left the centre of power exactly where it was before, since the 28 European MPs (against 72 black MPs) will have the right to veto

any decision of the parliament". Mr Muzenda said that "the Patriotic Front wants to negotiate on the basis of the Anglo-American proposal, in spite of the inadequacy of some of its provisions". □

ASEAN

The fourth meeting of the ASEAN-Commission of the European Communities Joint Study Group took place in Bangkok on 18-19 May 1978. The ASEAN delegation was led by Dr Suhadi Mongkusuwondo, director-general of Foreign Trade, Indonesia, that of the Commission by Mr Manfred Caspari, deputy director-general for external relations.

The two sides reviewed recent developments in their two regions and the growth of cooperation between the EEC and ASEAN. They noted the intensification of economic and trade relations between the two regions which had emerged in recent years and in which the meeting at ministerial level towards the end of 1978 will be an important step.

Discussions took place on developments in international forums, in particular on issues related to commodity problems.

The meeting expressed the hope that it would be possible to adhere to the time schedule laid down for the Multilateral Trade Negotiations in Geneva. On particular trade issues between ASEAN and the EEC the ASEAN delegation expressed some concern at what they saw as a trend towards protectionism on the part of the EEC. The Commission stressed its belief that expanding international trade was the most effective mechanism for the protection of global economic growth and expressed in this context its satisfaction that ASEAN exports to the EEC had trebled in the last few years.

There was a general discussion on the promotion of EEC-ASEAN industrial cooperation and practical talks on the establishment of links between the Commission's business centre and the ASEAN investment boards.

There was agreement that the second ASEAN-EEC Conference on Industrial Cooperation would be held in Jakarta on 26-28 February 1979. The aim of the Conference will be to achieve practical results in industrial cooperation between economic oper-

ators by bringing them together to discuss specific industrial projects.

The EC Commission will in 1979 extend its activities in the field of training in favour of the ASEAN countries. It was also noted that a second EEC-ASEAN seminar on the transfer of technology would be held in Kuala Lumpur on 1-20 October 1978.

It was agreed that the Commission would undertake a number of studies for ASEAN, in particular one on the long-term objectives of ASEAN trade cooperation.

In the field of development cooperation the EC Commission has agreed to provide significant financial assistance for ASEAN projects of a regional nature.

The next meeting of the Joint Study Group will take place in Brussels towards the end of 1978.

Industrial cooperation

Following recent decisions taken with the Member States of the Association of South East Asian Nations (ASEAN — Indonesia, Malaysia, Philippines, Singapore, Thailand). The Commission has announced the holding of the EEC-ASEAN Conference on Industrial Cooperation in Jakarta, Indonesia, on 26-28 February 1979.

The aim of the Conference is to bring about practical results in developing industrial cooperation between the two regions through the discussion of specific industrial projects. It follows the first conference of this type held in Brussels in April 1977 which provided European business with a general introduction to the investment prospects in the ASEAN region.

The Conference is being organized jointly by the Commission and by the ASEAN governments. In its preparations the ASEAN side is to work closely with ASEAN Chambers of Commerce and Industry and ASEAN banks.

On the European side the Commission is cooperating closely with four groups of European banks, ABECOR, EBIC, Europartners and Inter-Alpha which include a total of twenty-seven banks throughout Europe. Their cooperation with the Commission is being carried out on the basis of equality between the groups and it is the first time such cooperation has taken place. Administrative machinery has been created in order that the groups will work together with the Commission as the "European banks".

Around 200 senior European businessmen will be invited to participate in

the Conference where they will meet with over 400 ASEAN representatives who will include businessmen, bankers and senior government officials. Their discussions will be centred on projects within the following broad sectors:

- Chemical industries;
- Electrical and electronics industries;
- Industrial transformation of agricultural products;
- Machinery and metal engineering industries;
- Timber and timber-based industries;
- Precision engineering industries;
- Transport and communications equipment — manufacturing industries;
- Export crops plantations. □

EMERGENCY AID

Lebanon

At the request of UNRWA the Commission has decided to grant emergency food aid to the Palestinian refugees in Lebanon.

The aid is to provide 33 000 refugees with food rations for a period of three months and involves 1 000 tonnes of flour, 40 tonnes of butteroil and 40 tonnes of sugar.

Lebanon itself is also the recipient of large quantities of food aid. The delivery of 45 000 tonnes of cereals, 2 275 tonnes of milk powder and 1 240 tonnes of butteroil is currently under way.

Vietnam

The Commission has decided to grant emergency aid of 100 000 EUA to Vietnam.

This decision was taken in response to a request to the Community from the Vietnamese authorities for help in coping with the damage caused by a large-scale invasion of insects to tens of thousands of hectares of rice fields in the centre of the country. This emergency aid will be used to purchase and transport fungicides, insecticides and spraying equipment. The operation will be carried out via the FAO.

Vietnam has been a recipient of Community food aid in the form of cereals, milk powder and butteroil since 1975. The value of this aid, which is destined wholly for free distribution, may be estimated at 8 million EUA for 1975, 20 million EUA in 1976 and 28.3 million EUA in 1977. The 1978 programme, involving 90 700 tonnes of

cereals, 24 000 tonnes of milk powder and 5 000 tonnes of butteroil, will cost a total of 59.3 million EUA.

In addition under the 1977 programme of aid to non-associated developing countries, the Community has financed in Vietnam a scheme for the supply of brush clearance equipment costing 2.4 million EUA.

Burmese refugees in Bangladesh

Following the recent influx of Burmese refugees into Bangladesh, bringing the numbers there to over 150 000, the United Nations High Commissioner for Refugees (UNHCR) has appealed to the Community for a financial contribution, to be used initially for the purchase of blankets.

The Commission accordingly decided yesterday to grant UNWRA 50 000 EUA, to be covered by the budget appropriation for aid to civilian disaster victims.

This aid does not however cover all the needs, and so under the procedure for coordinating emergency aid adopted by the Council in November 1977, the Commission is now appealing to EEC Member States to fund the further measures that are required. □

BRANDT COMMITTEE

Meeting in Bamako

Meeting from 15 to 18 May at Bamako (it was its third meeting), the "Brandt Committee", responsible for making progress on the "North-South" file, gave priority to the problems of the least advanced countries' feeling that a "far-reaching international initiative" was needed to "open up favourable prospects for the regional development of poverty belts in Africa and Asia". In particular, the Committee:

- set up a working party chaired by Mr Dakouré (Upper Volta) to make recommendations for the fight against poverty;

- had an initial debate on basic commodities;

- expressed the hope that the next UN special session on disarmament will highlight "the interest of establishing a certain connection between resources released through a reduction in armaments spending and the needs of developing countries".

Mr Brandt told the Committee (which is to hold its next meeting in the United States between 25 and 28 August) that there would be an exchange of views at

expert level on North-South relations with the USSR and other East European countries. □

ABEDIA

The fourth annual general meeting of the Arab Bank for Economic Development in Africa was held in Riyadh, Saudi Arabia, on 19 and 20 April 1978.

Crown Prince Emir Fahd Ben Abdel Aziz, deputy prime minister, opened the inaugural session. He expressed his satisfaction at the increasingly effective collaboration uniting Africa and the Arab world and emphasized the Bank's positive contribution to the realization of the aims of Arab-African cooperation, before embarking upon a long, detailed analysis of the international economic and monetary situation and of world energy problems.

ABEDIA Chairman, Dr Chedly Ayari, then outlined the Bank's achievements and underlined the importance which Saudi Arabia accorded to the problems of development cooperation and to solidarity among the countries of the Third World. Dr Ayari also mentioned the progress of Arab-African cooperation since the Cairo summit and he was confident at the prospects of solidarity and development open to the Arab and African communities. □

FRANCO-AFRICAN SUMMIT

Economic decisions

At the Paris summit, as at all international conferences, the delegates exchanged ideas and expressed hopes. But there were concrete achievements too and this is important, although it is something which tended to escape the notice of the general public, whose attention was focussed on the drama of current events in Africa.

At the summit, heads of state agreed that the necessary measures for establishing the African solidarity fund (particularly the appointment of a director-general, proposed by Gabon, and the fixing of headquarters in Niger) should be introduced as soon as possible.

For the French, the summit was a chance to take a number of measures to help the least developed countries, mostly in the Sahel, whose geographi-

cal situation or climate puts them at a disadvantage.

Special anti-drought programme

CFAF 3 000 million will be provided in 1978 and CFAF 5 000 million in 1979.

Aid for the Senegal river area

France will be trebling its commitments to two OMVS dams from US \$17 million to \$50 million.

Greater effectiveness for FAC(1)

The financial means for FAC schemes will be increased and channelled, as a matter of priority, to the poorest countries.

French cooperation minister Robert Galley talked about the FAC in his speech to the summit. "France is in favour of cooperation, like the World Bank, the EDF, Arab funds and AID, in the field of development aid... With its aid in the preliminary phase and its participation in the bulk of the financing, the FAC is acting as a catalyst of international aid in the implementation of major projects. Its activities have a multiplier effect which often facilitates project execution." □

(1) The French development agency.

MAGHREB/MASHREQ

The EEC will negotiate a new extension of the interim agreements

The EEC Council has adopted a decision authorizing the European Commission to open negotiations with Algeria, Morocco, Tunisia, Egypt, Syria, Lebanon and Jordan, in order to extend the interim agreements with those countries. The interim agreements are intended to anticipate the commercial content of global cooperation agreements which the EEC has concluded with Maghreb and Mashreq countries; they are intended to disappear once the global agreements come into force. Two extensions have already been necessary. Parliamentary ratifications of cooperation agreements will not be completed everywhere in time for these agreements to come into force on 1 July, and a further extension of the interim agreements has become indispensable. It would be for a maximum period of six months, which means that the cooperation agreements (notably covering financial and economic cooperation) will come into force on 1 January 1979.

Still in the context of relations with Mediterranean countries, ratifications are still also in progress on financial protocols or additional protocols with Greece, Turkey, Portugal, Malta, Cyprus and Israel. □

MOZAMBIQUE

Delegation from Maputo visits the Commission

Although Mozambique is one of the two OAU countries south of Sahara which has not joined the ACP group, contact between the Maputo government and the EEC is growing. There have already been three official missions by the Commission to Mozambique. Development commissioner Claude Cheysson and the deputy director-general for development, Maurice Foley, both visited Maputo during the course of 1976, and Mr Foley made a further visit in March this year. It was during this last EEC mission that the Mozambique government said it would like to send an information mission to Brussels, and this took place at the end of May. The Mozambique delegation was made up of Mr Almeida Matos, the director-general of the Ministry of Foreign Trade, Mrs Menezes Fernandes, from the national planning commission, and Mr Issai Mongo from the Ministry of Finance.

A number of meetings

During their visit the members of the Mozambique delegation met the development commissioner, Claude Cheysson, and the director-general and three deputy directors-general of the Commission responsible for development. There were also contacts with the ACP group in Brussels including the secretary-general Tiéoulé Konaté, and Kodjovi Dagadou, ambassador of Togo and chairman of the OAU group in Brussels.

The discussions with the Commission covered the EEC's development and commercial policies both within and outside the context of the Lomé Convention. The Community has already provided food aid and emergency food aid to Mozambique.

In 1976, 5 000 tonnes of cereals, 1 050 tonnes of powdered milk and 200 tonnes of butter-oil were provided (cif) at a cost of 70 000 EUA. Food aid has also been decided for 1977 and 1978:

1977: 15 000 tonnes of cereals; 1 000 tonnes of powdered milk; 550 tonnes of butter-oil.

1978: 10 000 tonnes of cereals; 100 tonnes of butter-oil.

Emergency aid

The Commission has also just agreed a Mozambique request for emergency food aid, following severe flooding in Lower Zambezi province, of 1 500 tonnes of cereals and 350 tonnes of powdered milk. Under the Community's 70 m EUA programme for non-associated countries 3 m EUA was earmarked for Mozambique. The Maputo government has already put forward projects, aimed mainly at food production. Mozambique benefits too from the general liberalization of the Community's trade policy, but is not covered by the trade, aid, Stabex, commercial promotion and other aspects of the Lomé Convention. It would, however, benefit indirectly from road projects in Zambia, for example. If Mozambique decided to apply for accession to the Lomé Convention this year, and the application was successful, it would benefit from the second half of Lomé I and be involved in the negotiations which start this July, on Lomé II.

Observer status

Mr Almeida Matos said on leaving Brussels that joining the ACP group was a political decision for his government, but the thought Mozambique might seek observer status during the negotiations on a new ACP-EEC convention. □

NIEO

The Institut d'Etudes européennes, in collaboration with the Paul-Henri Spaak foundation and the United Nations Association is organizing an international conference on 13 and 14 October in Brussels on the New International Economic Order. It will be opened by Henri Simonet, the Belgian foreign minister, and include contributions from a number of international development experts and a round table discussion by Aait Chaalal, Willy Brandt, Claude Cheysson, Gamani Corea and P. Forthomme. Details of the conference can be obtained from Mrs C. Charlier, Institut d'Etudes européennes, Avenue F. D. Rooseveltlaan, 39, B-1050, Brussels. □

UNESCO

Unesco is asking for the return of certain works of art to their country of origin. Mr Amadou-Mathar M'Bow, the secretary-general of the organization, has formally called for the return of the most representative art treasures of the cultures concerned, those which are considered the most important and those which, from a psychological point of view, are the most missed. He emphasized that for Unesco cultural heritage is an essential part of national identity and that all peoples should have at their disposal the works of art which bear witness to such a heritage. □

CENTRAL AFRICAN EMPIRE

ACP meeting on transport and communications

A conference on the problems of transport and communications, part of inter-ACP cooperation, took place in Bangui, capital of the CAE, on 26 June-1 July.

Before leaving for the African capital, Mr Donald Rainford, Jamaican ambassador and current chairman of the inter-ACP cooperation committee, gave a press conference attended by Zambian and Central African ambassadors, Mr Nkowanji and Mr Kombot-Naguémon, and Mr Tiéoulé Konaté, secretary general of the ACP group.

A handicap

According to Mr Rainford, "the lack of adequate transport and communication facilities in the ACP countries and between them and the outside world is a great handicap to their development." 15 of the ACP countries are islands and 13 entirely and two almost entirely landlocked, so they are keen to do all they can to develop this vital sector. The aim of the Bangui conference was to lay down guidelines, which would ultimately be put before the ACP Council of Ministers, for the transport and communications sector.

As the general secretary of the ACP group said, they had to identify the problems facing the ACP countries by discussing transport and communications problems with ACP experts and with representatives of many international organizations like UNCTAD, the

ECA, the EEC, the ADB, IBRD, the UN, Comecon (the eastern European common market) and the CEAO, all of which had the right sort of experience to help the ACP countries set up genuine cooperation in this sector.

A symbolic choice

Bangui had been chosen for the meeting, Mr Rainford said, because the CAE had invited the committee and because it was ACP policy to meet in each of the member countries in turn. However, there was one other reason which made the choice of Bangui a symbolic one and this, as Mr Kombot-Naguémon pointed out, was the geographical situation of the city as capital of a country which was landlocked in the middle of the continent and a perfect illustration of the problems of communication in the ACP states. □

COPPER

The European Commission participated in the second session of the Group of Experts on copper which, in the continuing Unctad activity on this commodity, met in Geneva from 22-26 May 1978. This meeting, like its predecessor, failed to resolve the basic issues surrounding the creation of the proposed standing intergovernmental copper body and provision was made for a third session of the Group of Experts to be held in place of the third preparatory policy meeting.

In as much as progress was made, however, the Community contributed substantially to the debates and tabled positions whose content will form an essential element in the future discussions. □

NGO's

During the first five months of 1978, the European Commission received 93 requests for cofinancing, from 38 NGOs for a total of 5 345 305 EUA. Of these 93 projects, 44 have been approved already, to a total Community engagement of 1 864 825 EUA.

Further meetings were also organized by the NGOs to discuss their proposed seminar on the renegotiation of the Lomé Convention in October and the "Fair" of development education materials in November. □

ALGIERS GAMES

An important step towards the Olympics

Unity and solidarity first and results afterwards. This is the slogan of the Algiers games and if all the athletes take it to heart, it will help avoid the sort of appalling violence we have seen so often in recent times and fly the flag of fraternity over the sports grounds of Africa. The Algerians have spared no effort to make these games successful and avoid the pitfalls of previous meetings. An impressive 11 381-strong team will be organizing the 4 960 athletes, 248 officials and 310 celebrities from 40 African countries during the fortnight of the games on 13-28 July 1978. The Algerians are now used to organizing events such as this and have provided and fitted out the necessary accommodation and improved their sports infrastructure. There has been no stinting. The games are estimated to have cost about 50 million dinars (\$10 million) and this does not include the sports equipment.

What about the performances? Although they only take second place in the slogan, there is no doubt that they will be all-important on the track. Continental meetings of this kind are all too rare for athletes not to show what they can do. And what better test than competing with great sportsmen? Particularly since the stars of African sport should be there.

Miruts Yfter (Ethiopia), winner of the 5 000 m and 10 000 m at the world athletics championship in Dusseldorf last September. Yfter, at 5'4", is small but his extraordinary stamina puts him in the same class as Abebe Bikila and Mamo Wolde, his compatriots who dominated long distance running for so long.

Filbert Bayi (Tanzania), 1 500 m world record holder since 1974 and greatly missed at Dusseldorf last year. He is taking part in far fewer international competitions.

Mike Boit, Samson Kimombwa and Henri Rono, the Kenyan champions now studying in universities in the US. They will probably stop over in Algiers on their way to Nairobi for the qualifying competitions for the Commonwealth games to be held in Edmonton, Canada, in August. Mike Boit is runner-up to the world 800 m champion, Cuban Juantorena, and Samson Kimombwa is the former world 10 000 m record-holder. Perhaps the most important of the three is Henri Rono who smashed two world records in the

space of one month, breaking the 5 000 m record by 4''5 and the 3 000 m steeplechase by 2''6. After various mishaps (he injured his knees last year), Rono is on peak form and has by no means exhausted all his possibilities. He is now aiming for the 1980 Olympics, running alone out front from start to finish of all his races. He is perhaps reminiscent of Keino, another Kenyan. He may be giving us some surprises at Algiers.

Great strides

But it will also be interesting to watch a whole series of first class athletes like Ivory Coast's Meite (100 m) and Kablan (200 m), Nigeria's Imady (400 m), Obasogie (110 m hurdles) and Ehizuelen (triple jump, long jump), Chad's Ngadjadoum (high jump), Algeria's Morsli (1 500 m) and Rehal (pole vault), Egypt's Faiez (shot) and Tunisia's Ben Abid (hammer). The fact that these sportsmen, particularly the jumpers and the shot-putters, have reached world class standards proves that Africa is making great strides in events that demand a perfect command of techniques at championship level.

There will also be team games at Algiers. There will be football, of course, and three other games — basketball (Senegal has been at the top for years and is finding it increasingly difficult to stay there), volleyball and handball. The team which wins the gold medal for women's handball will represent the continent at the women's world championships in Czechoslovakia in December.

New talent

All this should sustain the interest of all African sports fans who will have had time to wind down after the World Cup. But those monitoring the Algiers meeting most closely and analyzing and dissecting the simplest results will be the national sports leaders who accompany their teams. They hope the games will be a useful source of information, with two years to go to the Olympics, by confirming new talent and highlighting any weak points. This is why Algiers is an important step along the path to Moscow. □

ETHIOPIA

Exceptional aid

In response to a request from the Ethiopian authorities, the Commission

decided to grant exceptional aid of 2 750 000 EUA from the resources of the fourth EDF, the details having been approved when Mr Cheysson visited Addis Ababa at the end of May.

Owing to the country's present situation, the efficiency of the transport system has been declining over the last few months.

This aid is therefore for the purchase of fifty lorries, plus a stock of spare parts, for the purpose of transporting:

- foodstuffs supplied by international aid for the population;
- essential products for booking agricultural production (fertilizers, insecticides, plant health products). □

EIB

First EIB loan to the Lebanon

The European Investment Bank is for the first time extending its operations to the Lebanon by scheduling finance worth a total of 25 million units of account⁽¹⁾ to cover about a third of the cost of adding three 70 MW units to a power station at Jieh, near Beirut.

This is a key project in the Lebanese Government's efforts to promote the country's economic recovery. Electricity consumption has climbed back to predisturbance levels already and extra generating capacity is required to meet the expected growth of industrial and commercial activities as well as to satisfy future domestic requirements.

The finance includes a loan of 20 million EUA, i.e. the full amount of "exceptional aid" which, upon request from the Community, the EIB's Board of Governors authorized the Bank in November 1977 to offer to Lebanon in the form of long-term investment finance.

This is to be made available to the Lebanese Council for Development and Reconstruction (the state body responsible for implementing Lebanon's national reconstruction programme which will on-lend the proceeds to Electricité du Liban) under three separate contracts during the period of construction (up to 1981).

The first contract, for 3 million EUA (term 10 years, interest rate 4.9%), was signed in Luxembourg.

Apart from the 20 million EUA "exceptional aid" a further 5 million EUA is foreseen for lending to the

⁽¹⁾ Under the conversion rates employed by the EIB 1 EUA = approx. 3.69 Lebanese pounds.

same borrower under the terms of the Financial Protocol between the Community and Lebanon but conclusion of the loan contract must await completion of ratification by member countries; this Protocol provides for 20 million EUA in EIB loans plus 10 million EUA in other development finance to come from Community budgetary resources (of which 8 million EUA in grant aid—part to be used to pay 2% interest rebates on EIB loans—and 2 million EUA in soft loans).

A guarantee from the European Community is applicable to these operations. □

FAO

World food situation

The FAO (United Nations Food and Agricultural Organization) is currently stepping up its warnings over the deceptive feeling of security in the world food situation, according to its director general, Mr Edouard Samoua. According to him, behind the apparent security inspired by the present high levels of world cereal reserves, can be noticed certain disquieting elements, such as the prospect of scarcity in the Sahel and in South-East Asia, the reduction in land under corn in certain big producer countries and difficulties in negotiating a new international cereals agreement.

Food aid is tragically inadequate, Mr Samoua also stated in a speech to the WFP (UNO/FAO world food programme) food aid policies and programmes committee. It is thought in fact that 15 to 16 million tonnes of cereals at least are needed to cover really minimum needs. Now, even the objective of ten million tonnes of annual food aid fixed by the World Food Conference has never been attained. In addition, out of an objective of 950 million dollars assigned to the WFP for 1979/80, less than 700 million have been promised to date. For lack of sufficient resources, the WFP has already had to refuse its aid to many development projects and to reduce other projects. At present, it is studying new aid applications costing 670 million dollars. Most could be rapidly approved if it had the necessary resources. In fact, the Committee has had to confine itself to approving only thirteen projects worth 130 million dollars.

The FAO in addition points out that some thirty-odd European agronomic institutes have decided together to

look for ways to improve feed-grain production in Europe, on the understanding that progress obtained can be transferred to developing countries with similar characteristics to those found in Europe. This is the ninth research network set up under the auspices of the FAO's Regional Bureau for Europe which now encompasses about 140 East and West European institutes interested in improving plants or cultivation methods presenting problems to farmers. The balance for the two years of existence is positive. The participants were already able to note at the end of March in Paris that research cooperation on maize had made it possible to check that it is possible to obtain hybrid genotypes characterised by a better protein content than the present genotypes and retaining high productivity. □

OPEC

Price of oil unchanged until end of 1978

The price of crude oil is to be maintained at its present level of 12.70 dollars a barrel until the end of the year, thus prolonging the price freeze introduced in 1977 by a further six months. That was the main decision taken by OPEC ministers meeting in Geneva. The head of the Algerian delegation expressed his dissatisfaction with the results of the meeting, while the Libyan minister said: "OPEC is weak".

The conference set up a "high level experts committee" to study the problems of exchange rate fluctuations. This committee will be chaired by Mr Ali Khalifa Al Sabah, Kuwait's Minister for Oil, who will have the possibility of convening an extraordinary OPEC meeting, if he deems it necessary.

The next OPEC ordinary conference is to take place in the United Arab Emirates, on 16 December 1976. □

ECONOMIC GROWTH

The UNCTAD secretariat has indicated that the economic growth of the Third World has slipped back and will settle at 4.5-5% in 1978 and 1979. The average for the years 1970-79 will therefore be 4.8% instead of the 6% target set by the United Nations. □

EUROPEAN COMMUNITY

The 1979 Community budget: Commission proposes a 15.5% increase

The Commission has adopted the preliminary draft budget for 1979. The ensuing procedure in the Council and the European Parliament will be completed before the end of 1978, when Parliament adopts the budget for 1979. This procedure is likely to be less complex than that for the 1978 budget, since it will not be burdened by the institutional and legal innovations which came into force with the 1978 budget.

The total budget expenditure proposed by the Commission is 14 667 million EUA in appropriations for commitment and 13 859 million EUA in appropriations for payment. This is the smallest increase of expenditure to be proposed for a long time, amounting to +15.5% in appropriations for commitment, as compared with the 1978 budget, and +12.1% in appropriations for payment.

This is a "tight" budget: it takes account of the difficult economic situation which calls for prudence in public spending. It is a selective budget, concentrating on the operations considered important for the Community and reflecting the budgetary priorities proposed by the Commission and backed by the Council, the Parliament and the European Council. It provides a relatively small increase in expenditure for EAGFF (Guarantee), larger increases for agricultural structures, industrial policy and development aid and very large ones for social and energy policy. If the increases proposed for the Regional Fund are not very large, although reduction of regional imbalances is a basic priority, this is because the current budget already contains a substantial increase.

EAGFF (Guarantee) will account for 65.4% and all other operations will account for 34.6% of the budget. The relative weight of the agricultural markets policy will thus be slightly smaller in 1979. The Commission hopes that this situation will be maintained during the budgetary procedure and that it will be embodied in the final budget.

The guidelines

The 1979 preliminary draft budget is in line with the priorities of budgetary

policy recently proposed by the Commission and widely accepted at the joint Council meeting of 3 April 1978 and by the European Parliament. It is also compatible with the major political options which emerged from the meeting of the European Council in Copenhagen on 7 and 8 April 1978. The Commission takes the view that the ground is better prepared than in previous years for a calm and constructive budget debate.

The budget proposed by the Commission is based on the following principles:

— a better balance between agricultural expenditure and expenditure devoted to the development of other policies;

— a selective approach leading, in a limited number of priority fields, to a genuine transfer of policies from national to Community level;

— placing under the Community budget activities which can be pursued with economic or political advantage at Community, rather than national, level;

— ensuring a real and appreciable impact for Community policies considered to be of a priority nature, which means providing enough money to make them really felt, by bringing them up to "take off level".

Other principles of budgetary policy—particularly the budget's growing redistributive function in the march towards economic and monetary union and the tasks which will fall to it when the Community is enlarged—will not be very noticeable in the next budget. They fall within a medium-term perspective, and they will undoubtedly have a tangible impact as from 1980 and 1981. □

SOCIAL SITUATION

The Commission has just published the 1977 edition of its yearly "Report on the development of the social situation in the Communities", in conjunction with the "Eleventh General Report on the Activities of the European Communities".

The report sets out the main activities in the Community in 1977 in the social sphere and outlines prospects for the near future. It stresses the seriousness of employment in the Community; where the total number of unemployed reached about 6 000 000 (a rate of almost 6%) at the end of December—figures never previously recorded since the Community was founded.

During the year in question the employment situation worsened still further as a result of difficulties encountered by certain branches of activity, in particular the iron and steel, coal, textile and clothing sectors.

Youth unemployment is one of the Commission's chief concerns, since the number of young jobless increased by more than 200 000 from 1976 to 1977, to reach almost 2 000 000. Young people under 25 account for about 30% of this total. Women—in particular younger women—were the worst hit.

In view of this situation, the Commission has made the return to full employment the main objective of not only its social policy but of its policies as a whole. Meanwhile, it has not lost sight of the objectives of social progress, which include the gradual reduction of the most marked forms of inequality and an improvement in living and working conditions.

The Community's employment policy will aim to achieve a positive balance on the labour market by preventive action (in particular, to avoid precipitate dismissals) and job creation measures. New jobs could be created in a number of dynamic sectors: advanced technology industries and services with new requirements or in which requirements are inadequately covered (education, health social services, etc.). The job creation policy will be accompanied by a labour market and vocational training policy favouring, the most vulnerable categories of workers. □

ENLARGEMENT

Greece

The joint EEC-Greece parliamentary committee has completed its work for the adoption of resolutions which requests in particular that:

— the date of 1 January be respected for application of Greece's act of accession to the EEC;

— the transition period after accession be, in principle, five years;

— mutual economic and trade relations be improved since the present situation does not correspond to the principles of the Treaty of Athens and Greece's trade deficit increased in 1977 (after a reduction had been confirmed in 1976).

Portugal

The eighth meeting of the EEC-Portugal Joint Committee and the second meeting of the ECSC-Portugal Joint Committee were held in Brussels on 31 May 1978.

The Joint Committees were chaired by Mr J. Silva Lopes, chairman of the European Integration Committee, who also led the Portuguese delegation. The Community delegation was headed by Mr P. Duchâteau, a director in the directorate-general for External Relations.

The Portuguese delegation first informed the Community of the economic situation in its country and the import measures taken to offset balance-of-payments difficulties.

The two delegations then held an exchange of views on the administration of the agreements and examined recent trends in trade between the Community and Portugal.

The state of relations as regards textiles was raised and the two delegations exchanged views on certain agricultural products such as port wine, tinned sardines and tomato concentrates. Lastly, the situation regarding iron and steel products was examined.

Both delegations expressed satisfaction at the spirit of mutual understanding which prevailed at the meetings.

A "doctrine" for enlargement

The Nine have begun their examination of the European Commission's considerations on the enlargement of the Community ("fresco"), the objective being to define the guidelines of a doctrine for enlargement, independently of the individual situations of the three applicant countries. The aspects likely to be the subject of general guidelines forming a sort of doctrine, are essentially as follows:

- the transition period for the new members, and safeguard measures;
- changes in the institutions and the operation of the enlarged Community;
- the internal reinforcement of the Community, so that it may be enlarged without being diluted;
- possible Community support for one or other of the applicant countries before its accession. □

Woman's Europe

The results of a recent survey show that more than eight out of ten European women feel the influence of the European Community in their everyday life. More than two out of every three think that all women in Europe share the same problems, and one in two thinks the female influence will have greater impact at the European than at the national level.

First inquiry

Do women feel more European than men? The results of a European-wide survey of women's views—the first of its kind—would lead us to believe so. Eight leading women's magazines in the Community (only Denmark did not join in the project) agreed to survey the opinions of their readers concerning Europe. The questionnaire set out to discover whether the European Community, despite its complexities and abstract image, had made an impact on Europe's women, and whether women personally felt "European". The Community-wide survey was undertaken with the cooperation of eight magazines and the information services of the European Commission, and the results indicate a positive "yes" to both questions—a fact that Community politicians will seriously have to take into account.

"Lady Europe"

Though the magazines that ran the questionnaire have a total readership of some 25 million, the emerging portrait of the European woman cannot claim to be statistically valid since the survey was not carried out under conditions of strict statistical sampling. The replies do however reflect the views of the readers of these magazines or, more accurately, those readers who were particularly interested in the topic or who were in a position to reply. □

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CORRECTION

Mr Wolfgang Glusche has asked us to point out that in his table on page 52 of the mining dossier of No. 49 (May-June 1978) the figure for Australian tin production of 29.9% was transposed from the previous column. The correct figure is 4.8%. □

DIRECT ELECTIONS

Countdown to the vote

The political parties of the EEC have less than a year to prepare for the first direct elections to the European Parliament, which, as EEC leaders decided at the Copenhagen summit in April, will take place between 7 and 10 June 1979.

There must be a massive turnout at the polls to give the European vote its full significance. And it is time that the parties (particularly the Communist parties of Europe) started sinking their difference, completing existing unions and consolidating the links between what are often heterogeneous groupings.

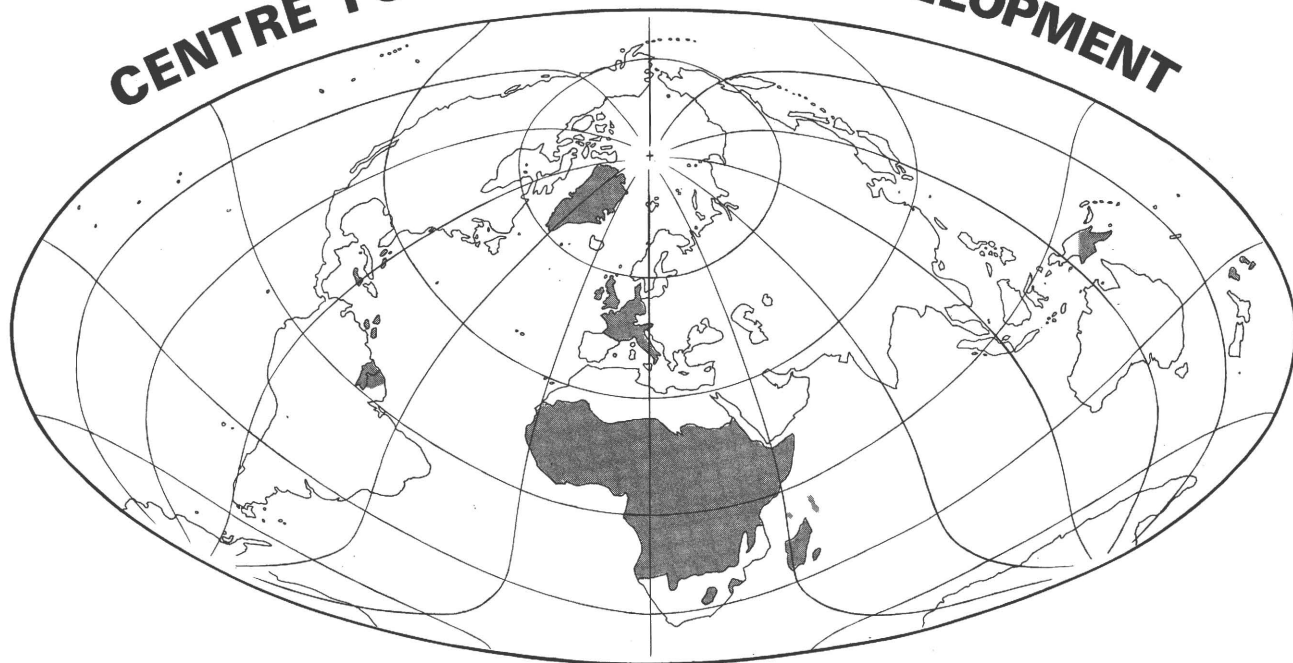
There are now three main European political groupings:

— The Union of Socialist Parties in the EEC, chaired by Mr Pontillon. It was formed in Luxembourg on 5 April 1975 and combines the Sozialdemokratische Partei Deutschlands (Germany), the Parti socialiste belge/Belgische Socialistische Partij (Belgium), the Socialdemokratiet (Denmark), the Labour Party (GB and Northern Ireland), the Parti socialiste (France), the Partito socialista italiano (Italy), the Parti ouvrier socialiste luxembourgeois (Luxembourg) and the Partij van de Arbeid (Netherlands);

— The Federation of Liberal and Democratic Parties in the EEC. This was set up on 26 March 1976, is chaired by Luxembourg PM Gaston Thorn and combines: the Freie Demokratische Partei (Germany), the Parti de la liberté et du progrès/Partij voor vrijheid en vooruitgang (Belgium), the Danmarks liberale parti (Denmark), the Liberal Party (GB and Northern Ireland), the Parti radical socialiste (France), the Mouvement des radicaux de gauche (France), the Parti républicain (France), the Partito liberale italiano (Italy), the Partito repubblicano italiano (Italy), the Parti démocratique (Luxembourg) and the Volkspartij voor Vrijheid en Democratie (Netherlands).

— The European People's Party. This was formed on 29 April 1976, under the leadership of Leo Tindemans, the Belgian PM. It combines: the Christlich-Demokratische Union (Germany); the Christliche-Soziale Union (Germany), the Christelijke Volkspartij/Parti social chrétien (Belgium), the Réformateurs des centristes et démocrates sociaux (France), the Democrazia cristiana (Italy), the Fine Gael Party (Ireland), the Parti Chrétien social (Luxembourg), the Christen-Democratisch Appel and the Katholieke Volkspartij (Netherlands). □

CENTRE FOR INDUSTRIAL DEVELOPMENT



BUSINESS OPPORTUNITIES

EEC industrial partners wanted

Infant Cereals

Ref. 57/78

Jamaica: The Jamaica Industrial Development Corporation is investigating a project for the production of about 9,000 tons a year of infant cereals for children up to 4 years. Principal raw materials will be corn meal and soya flour.

EEC producers of infant food, and plant manufacturers, are invited to contact the CID.

The CID would consider the co-financing of a feasibility study for the project.

PVC Pipes

Ref. 58/78

Fiji: a private company, Nivis Hardware Ltd., G.P.O. Box 141, Suva, Fiji, are interested in purchasing a small manually operated machine for the extrusion of 1/2" x 4" pipes. Manufacturers should submit offers directly to the company, with copy to the CID in Brussels.

Industrial Chicken Production

Ref. 59/78

Gabon: a Gabon businessman is currently involved in chicken production at a rate of 300 a day. He is contemplating increasing production to 1,000 a day.

An alternative possibility would be a new facility to produce 4,000 chickens a day.

The Centre would like to hear from potential investors with experience in this field.

This type of enquiry reflects a widespread interest which is further discussed under the main heading "Future Issues of Business Opportunities".

Cement

Ref. 60/78

Congo: the Government plans to establish a second cement factory with a capacity of 100,000 tons a year. A feasibility study is available.

EEC investment and technical partners are required.

Ferro-Manganese

Ref. 61/78

Congo: the Government is looking for an EEC joint-venture partner for the establishment of a plant for the production of 37,000 tons a year of ferro-manganese. A detailed feasibility study would have to be carried out jointly by the CID, the EEC partner and the Congolese Government.

Gold Mining

Ref. 62/78

An EEC investment partner is needed for a gold mining project in an ACP State.

Information on deposit and conditions for exploitation can be obtained from the CID.

Aluminium Household Utensils

Ref. 63/78

A private Nigerian promotor is looking for a technical and financial partner for the production of aluminium holloware. The foreseen capacity is about 235 tons a year. A study is available with the CID.

Wiredrawing Mill

Ref. 64/78

Gabon: a private Gabonese company plans to establish a wiredrawing mill for the production of wire fences and nails. The production would be about 800 tons the first year.

This firm is looking for EEC partners to provide technical assistance in the setting up of the project and help them with the selling of their products.

A schematic study, to be reviewed and up-dated by the interested EEC party, is available with the CID. The CID is willing to assist with the finalisation of the study.

EEC firms looking for ACP partners

Steel Furniture

Ref. 65/78

A German steel furniture manufacturer would like to cooperate with ACP principals for the distribution and manufacture of steel furniture for hospitals, laboratories and industry.

Leather Fibre Board

Ref. 66/78

A German firm is offering know-how for the production of leather fibre board from leather waste. The product is used primarily for shoe soles. Cost of machinery and know-how (exclusive of buildings, etc.) for a plant with a capacity of 6-9 tons/24 hours, is about £1.5 million. A technical proposal is available with the CID.

Beer and Soft Drinks from Malt Concentrate

Ref. 67/78

In Germany, a process has been developed that permits the production of beer and non-alcoholic drinks from beerwort concentrate. This technology allows a reduction of investment cost by more than 50%, as no brew house and other installations are needed. The process is particularly suited for small breweries (under 150,000 hectolitres a year), expansions of existing breweries, and diversification of soft drink production.

A description of the process and its commercial aspects is available with the CID.

Milk Goat Breeding

Ref. 68/78

A French firm is interested in establishing pilot goat breeding units in ACP States.

These goats herds living in family breedings of 10 to 20 heads and in permanent stabling, could produce 5 to 10,000 kg of milk per year. With these breeding

units, it would become possible to foresee the collection and processing of milk. One could then envisage the creation of other units of 100 to 150 heads which would grow depending on the country's forage resources. Each breeding unit intensively managed, could produce 50,000 to 70,000 kg of milk per year. This company is also interested in breeding ewes in folds (permanent folding) and fattening lambs. Documentation is available with the CID.

Plastic Coating (interior and exterior for Building)

Ref. 69/78

An Italian company proposes to establish an unit for the production of plastic coating for buildings. The aspect of this material and its resistance against exterior agents is very advantageous compared to the classical coatings.

Approximate cost of such a unit would be £250,000. Some documentation is available with the CID.

Manufacture of Prefabricated Elements

Ref. 71/78

A Belgian company specialized in the manufacture of prefabricated moulded concrete elements, is looking for an ACP firm interested in this activity. The European company is offering technical and financial assistance.

Pharmaceuticals

Ref. 72/78

A Belgian pharmaceutical firm has expressed an interest in studying pharmaceutical projects in the ACP countries. They could give technical and financial assistance for the manufacture of: tablets, coated tablets, film coated tablets, capsules, granules, powders, syrups, sterile and eye solution, ointments, suppositories.

Future Issues of Business Opportunities

In future issues of Business Opportunities we would like to feature subjects which may be of particular interest. We would welcome suggestions for features. Some of the subjects we plan to cover in 1978 are Glass Reinforced Cement: Glass Reinforced Plastic: The Solar Energy Industry: Industrial Poultry: production of methane gas from waste products.

Glass Reinforced Cement

This is a remarkable composite material with a wide application in the building, civil, and general engineering industries. Typical products which can be made include components for low-cost housing, silos, and piping, etc.

These products can be made on a very small scale with an investment capital as low as £10,000.

Glass Reinforced Plastic

This is another material using glass fibres for reinforcement having many of the advantages in common with glass reinforced cement, e.g. low capital outlay for small scale production units; high level of corrosion resistance etc.

However, a different range of products is being manufactured from this material. These include items such as water tanks, urinals, boats, rivercraft, vehicle cans etc.

Both these manufacturing processes will be discussed at length in future issues of "Business Opportunities".

The Solar Energy Industry

Modern technology has demonstrated that solar energy can be collected and used for almost any application. The major limitation is that of economics — is it economical to use this energy? The answer will depend on the conditions of the particular application. For example, in physically isolated areas, the cost of fuel may be particularly high. It follows that in some applications, the import of a solar pump or other device into an ACP State may be justified.

But the Centre is interested in the establishment of solar energy industry in the ACP and thus with the viability of an industry devoted to the assembly or manufacture of products designed to make use of solar energy. For example in the assembly or manufacture of pumps. For this type of industry to be viable, there must be a match between the scale of production the unit cost of production and the size of the market which can be captured.

It is the obtaining of this match which seems to be causing difficulty. A future issue of Business Opportunities will deal with this subject and will discuss some typical products: solar pumps: solar driers for grain: solar hot water systems: and perhaps air conditioning and solar coolers.

We would like to hear from ACP principals as to the likely market for each of these, and possibly other, products.

Industrial Chicken Production

There would appear to be a demand in most of the ACP States for the development and expansion of

industrial chicken production. The needs in the ACP States vary from the smallest economic unit to large integrated chicken broiler and egg plants producing a wrapped frozen product.

The Centre wishes to make contact with Community industrialists who may be prepared to invest in joint ventures in industrial chicken production or the production of feedstuffs.

The Centre also wishes to hear from ACP principals interested in participating in such joint ventures. ACP principals are invited to write to the Centre giving details of:

- proposed scale of production;
- the principal foodstuffs which are to be used together with the price;
- the estimated wholesale selling price ex factory;
- the market to be captured.

If there is a sufficient level of interest, a future issue of Business Opportunities will feature the economics of industrial chicken production together with the economics of the manufacturing and enrichment of foodstuffs.

Production of Methane Gas

The increasing cost of conventional fuels had led to further developments in the production of methane gas.

India has developed units suitable for use at village level for the production of methane gas from waste materials.

The scale of operation may perhaps be below a true industrial scale: nevertheless the Centre could investigate the level of development if there is a sufficient demand for this information in the ACP. Principals are invited to let us know whether interest exists in this field of endeavour and the potential market.

Community industry has also been active in this area at the full industrial level. This work is largely devoted to the use of vegetable waste. For example, groundnut shells: coconut shells: bagasse: wood waste. This subject will be reviewed in a future issue of Business Opportunities. In order to make that review useful, we want to hear from you, the ACP. Is there an interest? What are the waste products? What quantities are available? Are they available in one or two places or do they need to be transported? (this produces additional cost)

Industrial cooperation

The Centre seeks to assist in the development of viable and durable industry in the ACP by means of industrial cooperation between the ACP and the Community. In this endeavour, the Centre is particularly although not exclusively, interested in joint venture operations in which both the Community and the ACP partners have an equity stake. We say 'not exclusively' because the principle of foreign investment is a principle which is controlled by the host Government.

In a typical joint venture, the EEC partner is likely to make several types of contribution. These may include all or any of the following:

Know-how and Licensing

The EEC partner will be expected to have the know-how and to contribute this to the fullest extent necessary for the success of the joint venture.

Training

On-the-job training will always constitute an essential part of a joint-venture agreement and the manner of this training should be clearly spelled out. In some cases, training at the facilities of the Community partner may be envisaged.

The Supply of Piece Parts

If the joint venture is initially an assembly operation, then the Community partner will be responsible for supplying kits of parts.

The Market

In some cases, the Community partner will accept responsibility for marketing all or part of the production—or will require the whole production for incorporation into a product.

The Plant

In many cases, the Community partner may supply the major part of the capital equipment to the joint venture company.

Capital

Capital for the joint venture may be composed of loan and equity capital and it may often be appropriate for the debt/equity ratio to be higher than is customary within the Community. Depending on the wishes of the host nation and the ACP partner, the Community partner may be requested to contribute a part of the equity investment. A part of the equity will normally also be held by the ACP principal.

The Centre does not invest loan capital but will usually be prepared to help find it.

The Centre wishes to hear from Community principals interested in industrial cooperation of this nature.

Visits to the Centre

During recent visits to the Centre, Ministers of Zambia and Barbados have drawn attention to some national interests.

Barbados

Limestone

73/78

Barbados has deposits of good quality limestone available for commercial exploitation. Because of the high cost of cement, work is going on locally into the use of blocks made of limestone and polyester and subjected to high pressures.

Barbados wishes to explore additional commercial uses for high quality limestone.

Building Materials Industry

74/78

Barbados would like to expand its building materials industry — particularly by making use of locally available raw materials: bagasse, clay, limestone, coral.

Poultry Feed and Poultry

75/78

Barbados is self-sufficient in the production of poultry. At present, poultry feed ingredients are almost entirely imported (with the exception of some molasses) and mixed locally. It could be of interest to determine whether more of the local raw materials could be used. Hatching eggs are flown in from Venezuela and Miami. Barbados would like to examine the possibility of establishing an industry for the production of the hatching eggs: such an industry could serve other Caribbean territories.

Glass Bottles and Jars

76/78

The consumption is estimated to be some 5 million bottles and 9 million jars a year. Suitable silica sand is believed to exist.

Enquiries, please, to the Centre.

Zambia

77/78

Zambia is interested in a number of projects which are not yet defined.

Recycling waste paper

Recycling waste oil

Industrial poultry

Industrial use of groundnut shells

Industrial use of cassava

Enquiries please to the Centre.

Stop Press

78/78

An EEC company offers a joint venture to produce plant for gasifiers. These gasifiers can be used to produce biogas from organic waste. The capital cost of the plant is about £250,000. A typical product would be a gasifier to produce gas to be used by an existing 135 KVA diesel.

A QUICK RESPONSE

If you are interested in any of the items mentioned in this periodical, send us a telex quoting the reference and we will send you further information when it is available.

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BELGIUM.

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Social infrastructure projects

Table 1 below shows, by sector, the number of social infrastructure projects and the funds allocated to them, which are being undertaken under the fourth European Development Fund. In addition, the number of projects which have been approved by the EDF Committee up to April 1978 are given, together with the resultant commitment of funds.

Projects under the third and previous EDFs are not included in this table. The table is divided into education, health, and housing and other sections. The major component of the last section is housing, but also included are some other projects which range from rural post offices to abattoirs.

Table 1

Type of Project	Total Programme		Committed by 1/4/78		
	No of projects	MUA	No of projects	MUA	MUA as % of total programme
Education	56	105	16	27	26%
Health	41	50	16	18	36%
Housing & other	28	55	7	21	38%
Total	125	210	39	66	31%

Table 2 compares numbers of projects and their progress as at April 1978 between ex-EAMA states (Yaoundé Convention) and new ACP states (Lomé Convention). It can be seen that the percentages of funds so far committed are similar for both groups of countries.

Table 2

Type of Country	No of States	Total Programme		Committed by 1/4/78		
		No of projects	MUA	No of projects	MUA	MUA as % of total programme
Ex-EAMA countries	18	51	103	13	32	31%
New ACP countries	29	74	107	26	34	32%
Total	47	125	210	39	66	31%

Education

The policy for education projects has been to ensure that projects are directly linked to manpower needs, and to identify these needs and employment possibilities where necessary. The range of educational projects is wide, from primary schools to universities and from veterinary schools to telecommunication training institutions.

Housing

The field of housing is traditionally delicate from a social and political point of view. Great care has to be taken with low cost housing schemes to ensure that the required return on development costs does not result in rents or mortgage repayments which are beyond the means of the target population. There has been an increase in recent years in the number of "site and service" schemes which, though still relatively new, promise some success from the point of view of cost, implementation, and social involvement. The three fundamental criteria which we try to respect in housing projects are equity, affordability, and the capacity for repetition of the project to meet the demands of the population. These criteria are often difficult to reconcile.

Health

In the field of health there has been a studied attempt to increase the health facilities which are available to the rural population. Experience shows that it is a mistake to concentrate investment in health in rural areas. As a result, increased emphasis is now placed on small rural health units. Other changes have included greater emphasis being placed on preventative medicine and health care instruction as opposed to curative medicine, and an attempt to resolve problems of building and equipment maintenance, and the provision of skilled manpower. □

Other projects

Railways. Plans for railways are less common, mainly because their huge cost is seldom justified by the level of rail traffic currently needed by the ACP countries. In general, the old railways can be adequately updated and modernization has been going ahead for some years. The only EDF rail project in 1977 concerned the RAN railway linking the Ivory Coast with Upper Volta.

Ports and rivers. The pressure on improving ports and inland waterways has also eased off now that a good deal of work has been done. Some major studies are being carried out, but few large-scale projects have been planned in this area under Lomé Convention programming.

Telecommunications. The Community has always felt this to be an important sector and although there have been few recent commitments some important schemes for the Pacific and Indian Oceans are being examined.

Tourism. The EIB moved into this area for the first time in 1977, within the Lomé Convention, and granted loans for two hotel projects in the Ivory Coast and Cameroon.

Water engineering

By April 1978, the Commission had approved financing for 26 water engineering projects for a total cost of something like 55 million EUA (38% of indicative programme forecasts). These projects involved prior studies, so it was not possible to commit more to the sector in the initial period. However, most of the studies are now in the course of completion so the rate of commitment should be stepped up over the coming period.

The tendency is for programmes to concentrate more on rural areas (65% of the total amount) than on towns (35%) and the most important projects in rural areas, accounting for 34%, are those to supply drinking water (with a fairly high rate of commitment of 49% to date). Water engineering as groundwork for productive schemes normally requires very long studies and it is not therefore surprising that the rate of commitment (21%) is still fairly low. However, the rate for urban drainage projects, at 70%, is very high.

Special attention has been paid to the programmes of the new associated states and this has enabled financing to ex-AASM and new ACP countries to be balanced in terms of absolute value. Expressed as a rate of commitment, this gives the latter an advantage (52%) over the former (29%). □



Type of project	Indicative programme forecasts				Financing decisions (1 April 1978)			
	No. recipient countries	No. projects	Amounts provided		No. projects	Amounts committed		% as compared to forecasts
			'000 EUA	% of total		'000 EUA	% of total	
Rural drinking water supplies	11	12	49 250	34%	8	24 080	44%	49%
Urban drinking water supplies	10	11	32 850	23%	7	8 950	16%	27%
Urban drainage	8	8	16 130	11%	4	11 350	21%	70%
Hydraulic works upstream from productive schemes	4	5	40 900	28%	3	8 600	16%	21%
Technical assistance and general studies	4	4	5 220	4%	4	1 670	3%	32%
Total	37	40	144 350	100%	26	54 650	100%	38%

Group of countries	Indicative programme forecasts		Financing decisions		Rate of commitment (% committed as compared to forecasts)
	No. projects	Amounts provided ('000 EUA)	No. projects concerned	Amounts committed ('000 EUA)	
Ex-AASM	21	91 600	13	26 730	29%
New ACP	19	53 190	13	27 920	52%
Total	40	144 350	26	54 650	38%

Cofinancing

Cofinancing, where one project is financed by a number of specialized institutions simultaneously, is an increasingly common feature of international development cooperation. Article 44 (2) of the Lomé Convention makes specific mention of cofinancing and over the whole period of the Convention some 14% of all aid allocated to projects should be on a cofinancing basis.

Three advantages

There are three advantages to this system:

1. It is a practical example of international cooperation in the field of development and it encourages contact between specialized bodies, thereby creating conditions that are conducive to the coordination and harmonization of aid policies.

2. It facilitates the task of financiers with little experience or inadequate means or staff, thereby helping increase the consumption of the capital available for development.

3. It makes large-scale projects practicable regardless of the high level of investment they require. Such projects are an undeniably useful part of development strategy since they bring the unit costs of implementation, operation and production down to an economically acceptable level.

The Community made a declaration on the subject at the North-South dialogue:

"In certain cases, projects are so large that international cooperation is necessary to obtain enough financial means to implement them. By no means the least important aspect of these projects is that they give rise to such cooperation, where individual experience and knowledge are pooled to the greater advantage of the project."

Multiplier effect; strong European position; intensified triangular cooperation

In practice, cofinancing increases the effect of Community financing. Under the Lomé Convention, this multiplier effect has meant that the EDF has participated in cofinancing operations involving contributions more than seven times the size of its own (2100 million EUA for an EDF contribution of 290 million EUA).

The Commission may be joined in cofinancing operations by the European Investment Bank and bilateral aid from Member States, thus bringing the total Community contribution up to 30% of the cost of cofinanced projects, i.e. something like twice the size of the contributions from the World Bank or Arab sources. Proper coordination at Community level has put the EEC in a strong and effective position to help.

Finally, since 1975, there have been many opportunities for collaboration with bilateral aid from the OPEC countries as well as with Arab funds. Arab contributions to cofinanced schemes in the ACP countries are already comparable to those from the World Bank, which is very encouraging and an incentive to continuing and intensifying triangular cooperation.

4th EDF cofinancing as of 31 March 1978 (millions EUA)

Project	Country	Estimate	Country's contribution	EDF	EIB	Member States	Community total	Arab funds	IBRD AID/SFI	Canada	ADB ADF	Others
Ongoing projects												
CFCO railway	Congo	127	15.3	14.9	—	13.4	28.3	36.9	26.1	9.6	10.8	—
Douala port	Cameroon	94.6	13.4	4.2	—	12.3	16.5	8.4	21.1	24.5	10.7	—
Sélingué dam	Mali	125.2	—	19.2	—	32.3	51.5	55.0	—	8.1	10.6	—
Kpong dam	Ghana	213.1	58.6	9.0	10.0	—	19.0	65.6	35.2	34.7	—	—
CIMAO clinker works	Togo/Ghana Ivory Coast	249.4	53.9	18.0	25.9	36.3	80.2	8.8	52.7	11.7	13.8	28.2
Goluen-Gelib road	Somalia	37.7	1.5	19.6	—	—	19.6	16.6	—	—	—	—
Nkulu Falls II Scheme	Malawi	65.2	13.3	8.5	—	16.6	25.1	—	21.8	—	5.0	—
Upper Tana Reservoir	Kenya	115.6	24.9	26.0	—	44.4	70.4	—	—	—	—	20.3
Morogoro canvas mill	Tanzania	33.3	7.5	13.0	4.9	—	17.9	—	—	—	—	7.9
Mukungwa hydro station	Rwanda	30.7	2.6	20.0	—	—	20.0	8.1	—	—	—	—
Banda sugar works	Chad	56.6	7.7	7.5	7.5	7.5	22.5	—	—	—	—	26.4
Amibara irrigation project	Ethiopia	50.4	8.3	15.0	—	—	15.0	—	22.2	—	4.9	—
Agriculture	Chad	111.8	34.5	17.8	—	6.5	24.3	—	—	—	—	53.2
Twifo oil palm project	Ghana	38.3	—	6.8	—	5.3	12.1	—	—	—	—	26.2
Micro dams	Jamaica	10.0	5.2	3.7	—	1.1	4.8	—	—	—	—	—
Rural development project	Swaziland	14.9	4.1	2.5	—	—	2.5	—	3.5	—	4.5	0.3
Fruit and cereals	Gabon	11.5	9.0	1.6	—	0.6	2.2	—	—	—	—	—
Total (17 projects)		1 385.1	259.8	207.3	48.3	176.3	431.9	199.4	182.6	88.6	60.3	162.5
Percentage		100%	19%	15%	4%	13%	32%	14%	13%	6%	4%	12%

Community aid in great demand

Community aid is often requested when cofinancing is being arranged, mainly because of:

— Its good "brand image", which is a consequence both of the popularity of the Lomé Convention and of the reliability of Community procedures. Community approval of a project is a sound guarantee and an incentive for other financing bodies, even where the Community contribution is a small, minority one. Here the Community is acting as a catalyst and being particularly effective as regards triangular cooperation.

— Its ability to concentrate a large volume of cheap credit on a given project. This is of fundamental importance for the success of operations which are economically worthwhile but not profitable enough to meet the stiffer terms of other financiers. Grants or special loans from the EDF may therefore be a *sine qua non* of the success of such operations. It is not unusual for other sources of financing, which are anxious to have acceptable financial conditions for the project to which they are contributing, themselves to call on EDF aid.

In view of the importance of Community aid in cofinancing operations, great responsibility is called for in its implementation. Assessment must be particularly thorough and the departments concerned should make sure, in good time, that the decision-making authorities approve both the principle of and the arrangements for participation. They can play an active part in arranging cofinancing at the level of the coordination of suppliers of aid or of the harmonization of assessments and procedures.

Procedures

One system of cofinancing is joint financing, where all financiers participate on the same terms and the project is dealt with as a whole. The various contributions are pooled and payments then made on a *pro rata* basis in the light of individual participation.

The other system is parallel financing, where each financial contribution is allocated in advance to a specific part of the project, which is dealt with independently of other parts.

Cofinancing generally involves both joint and parallel systems, the project being divided into sections and each of them being covered by one or several cofinanciers.

Both formulae be used in the case of aid from the Member States and aid from the Community. The various types of European aid are often focussed on one part of the project which they finance jointly, sometimes in association with the World Bank and bilateral American aid.

When projects are being considered, each potential cofinancier is naturally free to assess the project according to his own methods and criteria. However, some sort of coordination is obviously called for at this stage so that the ideas of the various participants can be combined to produce a project which is fully in keeping with the recipient country's aims.

Since continual discussions on aid policy generate heightened confidence, there is an increasing tendency for financiers simply to refer to assessments made by other cofinanciers, which simplifies the procedure and makes for greater efficiency.



The Transcameroon railway involved a major international cofinancing operation

It is worth noting here that, when Arab sources began providing aid, they depended to a large extent on assessments made by the Commission.

Financial analysis of a project determines what financial terms it can support. The average level of cofinanced loans is normally fixed in the light of these conditions and of the characteristics of the recipient states (level of development, economic and financial situation and ability to bear debt). If some financing is provided at a higher level, then the other financiers should reduce the rates on their own contributions.

With joint financing, each financier must agree to extend his own rules of tender to include the rules of his cofinanciers. Joint financing with US aid, for example, means opening invitations to tender to the US and joint financing with the World Bank means opening them to countries in the World Bank group (plus Switzerland). As far as Community aid is concerned, this extension is explicitly provided for in Article 56 (3) of the Lomé Convention.

The fact that no major invitation to tender for a cofinanced project has yet failed to result in the selection of a European firm should be emphasized. This may be an additional advantage of EDF participation in projects of this type.

It is vital for implementation and supervision procedures to be standardized when the project is actually being carried out. Generally speaking, the procedures adopted are those of one of the cofinanciers, very often the Commission where there is Community participation. The existence of proper specifications largely contributes to the choice here. The recent agreement on specifications with the World Bank should mean that increasing use will be made of Community aid procedures.

The fact that there is an EEC delegation in each ACP country enables the Commission to coordinate the various financing moves properly. The delegate can assume financial control of the operation on behalf of all the cofinanciers, his approval meaning that the other participants have to cover their part of the financing. Financiers seem to appreciate the quality of the delegations' services, as regards both supervision and information. □

Regional cooperation

Development will owe a great deal to inter-ACP economic cooperation. Regional and inter-regional groupings are now essential to ACP countries wanting to build an economy from which dependence on the industrialized world can be phased out. Without this, the technically advanced countries, which already have all the means they need, will go on being able to pass over the national and regional customs barriers in the ACP countries, which will thereby have made an indirect contribution to weakening their economies by maintaining ill-balanced trade and unequal competition between themselves and the industrialized world.

Although many groups have been formed in the ACP countries, with varying degrees of success, there are many problems attached to following a regional or inter-regional economic policy, particularly in Africa. The obstacles are both political and economic. They involve competition between the various choices and systems of development, disagreement as to the siting of industry, inadequate research into the complementarities of the different countries (coastal and land-locked) and so on. But the regional and interregional economic cooperation that is so vital to the ACP countries will never be achieved unless there is a real political desire on the part of the partner states, for which the EEC can provide assistance, knowing how great are the human and financial resources needed and how wide a range of problems is involved in carrying out such a vast and ambitious enterprise.

The first EDFs

The Yaoundé Conventions I and II only contained general trade provisions to boost regional cooperation between the 19 African signatories, although many of the projects implemented did in fact meet the need to establish economic relations between countries of the same region. These regional schemes were mainly concerned with road infrastructure, various water engineering works and energy production. The Lomé-Ouagadougou road was financed, as were the Transcameroon railway, the transequatorial (Congo-CAE-Chad) route, etc. Aid was given to regional organizations like the CEAO, UDEAC and OCAM and there were studies, technical assistance and training schemes.

Initial regional projects under the Lomé Convention

The Lomé Convention, however, put much firmer emphasis on regional and inter-regional cooperation in the ACP countries. Article 47 states that "the Community shall provide effective assistance for attaining the objectives which the ACP states set themselves in the context of regional and inter-regional cooperation".

The Convention provides a sum equal to 10% of the 3390 million EUA of the 4th EDF (Articles 42 and 47(2)) for this type of project. Application of the Lomé provisions on this subject resulted in an initial selection of regional projects

being programmed. It was based on the regional projects and action programmes submitted by ACP countries and regional organizations prior to October 1976 and was adopted by the Community, in agreement with the ACP countries. The main criteria for selection included the state of preparation of the projects, the ACP countries' own priorities and the degree to which the project contributed to the genuine regional integration of the countries concerned.

The amount involved in this first instalment of projects is 207.8 million EUA, i.e. about two-thirds of the funds earmarked for regional cooperation (187.8 million EUA for specific schemes and 20 million EUA for general cooperation). It is worth noting, as far as the breakdown of proposed aid is concerned, that all the ACP countries of Africa got something under the first instalment of the regional fund except Equatorial Guinea, Somalia, Mauritius, Madagascar and, from one point of view, Sudan⁽¹⁾, none of these having submitted an official request by 1 October 1976.

All ACP countries benefit directly or indirectly from regional cooperation schemes. Moreover, two non-signatory countries, Mozambique and Namibia, could well derive indirect benefit from some of the aid schemes proposed by ACP countries in their area. Some countries may receive more substantial aid (in number of projects and amount) from this first instalment, but this is very much a question of the emphasis they intend giving to regional cooperation at the level of the sub-regions to which they belong. Mention should be made here of the countries involved in the CIMAO and OMVS projects in West Africa and the eastern and central African transport improvement programme.

Priority to transport

The breakdown by sector of means in the first instalment shows that priority went to transport infrastructure, primarily road investments which absorb almost 50% of the total. More directly productive investments represent 25% of the total and training and education 10%. This reflects both the low level of economic integration in Africa and the need of the ACP countries, particularly the least developed of them (Article 48 of the Lomé Convention), to complete and improve their transport and communications networks.

Financing decisions: 37% of total aid programmed

However, implementation of the important regional provisions of the Convention has not been without its problems. On 31 March 1978, financing decisions represented 76 million EUA, corresponding to 37% of the total amount programmed.

This situation reflects the fact that some regional investment projects are still often only in the early stages of preparation and that there are objective problems of coordi-

⁽¹⁾ Sudan, as a member of the African Groundnut Council, benefits indirectly from the aflatoxin research programme.

nation at institutional level due to the very fact that the projects are regional ones.

One other thing which certainly holds up actual implementation is the large number of projects for which co-financing, which can be difficult to arrange, is required. Among the regional projects for which financing agreements have already been passed, pursuant to Article 47 of the Lomé Convention, are the CIMAO (West African Cement Works) complex for 18 million EUA from Commission-managed resources and 25 million EUA from EIB-managed resources, the aflatoxin research programme for 3 million EUA, improvements to the Togo-Upper Volta-Niger road for 7 million EUA and the Rwanda/Burundi road for 11 million EUA, the Dakar institute of veterinary medicine for 4.5 million EUA, the Botswana-Lesotho-Swaziland regional university for 3.5 million EUA, and many technical and economic feasibility studies which will make it possible to define the content of other projects which the Community is likely to finance in the longer term.

Preparing the second instalment

The Commission is now programming the second instalment of regional cooperation funds and a proposal will be submitted to the relevant Community and ACP authorities during the second half of 1978.

One of the main achievements of this second instalment, in accordance with the decision taken by the ACP Council of Ministers last March, will be to bring about a better balance in the overall distribution of resources at regional level, particularly as regards projects submitted by countries which did badly under the first instalment. □

Aid to the least developed countries

In accordance with Article 48 of the Lomé Convention, special attention has been paid to the situation of the least developed countries(1).

Overall distribution of programmable resources

This was made in the light of the least-developed countries' own criteria. Almost 63% of the programmed, Commission-administered financial resources were allocated to them, although they only have 43% of the total ACP population. These two figures give a good idea of overall financial and technical cooperation provided under the Lomé Convention to help the least developed countries.

Methods and terms of financing

The Convention lays down no limits as regards covering total costs and the extent of Community financing thus depends on the type and features of the individual project and on how far the recipient state itself can contribute. In

many cases, Community aid covers the full cost of investments in projects in the least developed countries, since their situation makes it difficult for them to release the requisite financial resources themselves.

Financing for the least developed countries is provided on the softest possible terms, generally in the form of grants. However, in view of the nature of the investments, use may also be made of special loans and of EIB-administered aid (risk capital and loans from own resources).

An examination of financial commitments to date(2) shows that the general guidelines have been followed. Grants represent almost 86% of financing to the least developed ACP countries, as against some 58% for the others.

The EIB grants very little financing to the least developed countries from the resources which it manages. However, preference in risk capital operations goes to the least developed and other ACP countries usually get aid from the Bank's own resources on less favourable terms as regards rates of interest, terms and grace periods.

Specific instruments of cooperation

Microprojects are particularly suitable for the special needs of the least developed countries and, by 31 March 1978, seven of them had already applied for aid of this kind.

Stabex provides preferential treatment for the least developed countries. This involves thresholds of 2.5% instead of 7.5% and the reimbursement of transfers granted is waived. Stabex payments have so far been made to 15 of the least developed ACP countries. This represents 62% of Stabex payments to all countries.

Operationally, it should be noted that special measures have also been taken to cope with the specific needs of each of the least developed countries in the fields mentioned below.

Technical assistance. The aim here has been to strengthen the administrative services of the least developed ACP countries, primarily to increase their ability to absorb external aid. The Community has provided 11 of the countries with technical assistance for their ministries of planning or economy and finance to help prepare projects and programmes that the Community is likely to finance.

Temporary and degressive coverage of operating costs and major repairs. The least developed ACP countries can benefit here by way of derogation from Article 46(2) of the Lomé Convention. The Commission always tries to promote training for management and maintenance staff as part of these schemes.

Regional cooperation. In the selection of regional cooperation projects for possible Community aid, special attention has been paid to schemes submitted by the least developed countries. Since these countries are landlocked and have very poor transport networks, the emphasis has been on providing transport and communications with a view to improving inter-regional links (e.g. the Togo-Upper Volta-Niger, Niger-Benin and Chad-CAE-Cameroon links and the Rwanda-Burundi-Tanzania transport system). □

(1) The list of 24 countries in Article 48 was extended to include the Comoros, the Seychelles, Djibouti, Cape Verde and Sao Tome, as they acceded to the Convention.

(2) Situation as of 31 March 1978.

Microprojects

The Lomé Convention provides 20 million EUA for microprojects. These small, basic development projects, primarily in rural areas, are eligible for Community financing if they:

- stem from an initiative taken by the local communities concerned and if there is a guarantee that these communities will actively participate;

- meet a real, priority need;

- are covered by tripartite financing from the recipient community (cash or kind), the country (financial contribution or provision of public works services) and the EDF (contribution of no more than 75000 EUA per microproject).

The ACP countries submit annual programmes of microprojects, within the amounts of their indicative programmes, and these are then examined by the Commission before being sent for a financing decision to the relevant Community body.

"Within the framework of the annual programmes thus drawn up, the financing decisions relating to each microproject are taken by the ACP state concerned, with the agreement of the Commission. ... At the end of the second year after the entry into force of the Convention, the Council of Ministers shall decide on the follow-up to this experiment". (Protocol N° 2).

In application of these provisions, a system of implementation was defined in agreement with the ACP states and provisions were made within the Commission with a view to speeding up the approval of annual programmes, the financing agreement signing formalities and the release of funds.

24 ACP countries included microprojects in their indicative programmes as soon as the programming missions went out.

Four countries (Jamaica, Kenya, Sierra Leone and Sudan) then submitted their first annual programmes, which were financed from their indicative programmes.

Some countries (Benin, Burundi, Guyana, Niger and Rwanda) have displayed an interest in working out programmes of microprojects, but without so far being able to find the necessary amounts from their indicative programmes.

Some 15 million EUA in all has been programmed so far.

About 5 million EUA therefore remains for any ACP countries interested in aid of this type.

Approval and content of annual programmes

The Commission has approved 21 annual programmes (12 of them by accelerated procedure), totalling 7752000 EUA, i.e. 52% of the 15 million EUA programmed so far, a very satisfactory figure bearing in mind that this aspect of the Lomé Convention has been functioning for little over a year.

The ACP countries have clearly understood the aims of microprojects, as is borne out by the fact that they have concentrated on schemes to improve the living conditions and the production of rural communities:

Rural hydraulics and wells: 187 schemes — 18%

Social infrastructure: 418 schemes — 41%

Rural tracks and bridges: 113 schemes — 11%

Development of production: 98 schemes — 10%

Storage & marketing equipment: 79 schemes — 9%

Processing of harvests, small-scale irrigation schemes, soil preservation, fisheries, tree-planting, stockraising: 109 schemes — 11%.

Financing of annual programmes

The proposed system of implementation states that it would be desirable for the contribution paid by the ACP country and the community concerned to be at least equal to the amount requested of the European Development Fund. In the annual programmes already financed, the average contributions are as follows:

- 40% by the EDF;

- 35% by the ACP countries;

- 25% by the local communities.

This three-way split is in line with both the spirit of the Lomé Convention and the system of implementation. Furthermore, the requests for financing show that, in almost all cases, the initiative for microprojects stems from the local communities which ultimately benefit from them.

The programmes amount to 19616000 EUA, including: 7752000 EUA from the EDF; 6919000 EUA from the ACP states; 4945000 EUA from the local communities.

In most cases, the country's contribution consists of supplying materials, equipment, means of transport and supervisory staff, while the recipients themselves supply voluntary labour and contribute some of the building materials. In exceptional cases they also provide cash.

Execution of the programmes

Generally speaking, there are a number of positive elements to prove that the microprojects really do fulfil their aims and have a far greater effect than the amounts allocated to them would suggest:

- the ACP countries often publicize them more than they do other development schemes;

- the contributions from the countries and the local communities are rapidly made available;

- in most cases, the choice of schemes fully reflects needs;

- the local communities' response is such that the work is carried out quickly and cheaply and is sometimes more than anticipated.

- Implementation within the framework of an existing system of organization is an advantage from all points of view.

As a result, beyond the running-in period which any new type of scheme involves, implementation schedules are normal.

An analysis of the annual programmes of microprojects shows that they meet the conditions of financing laid down in the Convention and the system of implementation. These conditions are that:

- "Each project must stem from an initiative taken by the local community which will benefit therefrom".

- Each project must "meet a real, priority need at local level".

- Financing shall "have a tripartite structure" ... adapted to the "capacity to contribute".

- "Microprojects shall normally be carried out in rural areas".

- Each state shall "submit an annual programme".

As things stand, the conditions of implementation are most encouraging and would suggest that microprojects will have a more important part to play in any future financial and technical cooperation agreements between the Commission and the ACP countries. □

Training

One of the essential factors of development is the existence of educated, well-trained men at all levels, working in their country in full awareness of its own particular socio-economic situation.

The Lomé Convention lays particular emphasis on training as part of technical cooperation in general and of industrial cooperation, trade promotion and regional cooperation (Protocol no. 2, Articles 6, 8 and 11).

Most ACP indicative programmes include training schemes geared to EDF investments and advanced training for cadres in government services. The Community's most important training schemes are:

(a) **Multiannual training programmes (1976-1980)**; these are planned in the light of the policy of the individual ACP countries and include providing study and training course grants, sending out experts, instructors and teachers, organizing training seminars, purchasing teaching materials and so on.

(b) **Specific training programmes**; the aim here is to meet particular requirements in a given field.

(c) **Training linked to EDF investments.**

(d) **Regional cooperation schemes and operations.**

Multiannual training programmes

About 40 multiannual training programmes, covering the period 1976-80, have so far been approved by the Commission and ten more are in preparation (see list page 58). A total of some 70 million EUA is involved.

These programmes have been drawn up at the request of the ACP countries and are the result of close collaboration between the authorities and the Commission delegation in the country in question.

In some ACP countries, however, the training schemes for EDF financing have still to be outlined.

Training programmes generally include a number of study/training course grants linked to the priority needs of the country and/or to specific EDF projects. This is a constant aim, as it is ensuring optimum utilization of EDF-financed infrastructure and other projects by having trained men at all levels.

Some programmes also include sending out instructors or trainers to teach or to provide technical assistance (including training schemes) for nationals, the aim here being to enable national staff to take over complete responsibility for all the duties so far carried out by technical assistance

officers from abroad in as short a time as possible.

Short seminars and training sessions for cadres, particularly those in administration and the civil service, are organized, and programmes may also include the purchase of teaching and demonstration materials for a given course of training.

The programmes are multiannual in that they cover the period 1976-1980 (the Convention expires on 1 March 1980). This enables the ACP countries to plan which students they want to finance in which year and to link training to prospects in those sectors of activity that are expanding or due to expand. The aim of the programmes is to help provide vocational training for ACP nationals so they can play an effective part in the economic and social development of their countries.

In addition, in Fiji in April 1977, the EEC-ACP Council of Ministers adopted a resolution on the guidelines for financial and technical cooperation between the two parties and this emphasized the importance of training of cadres and vocational training in general. It recommended that a particular effort should be made here to make it easier to phase out foreign technical assistants and ensure the proper management of investments. The ACP states emphasized that:

— training should be geared to the general and specific projects drawn up by the ACP countries themselves;

— ACP programmes should be financed by the EEC in the light of the priorities of the ACP countries;

— sufficient flexibility should be maintained in the implementation of these programmes;

— training of cadres (particularly those in administration and the civil service) and vocational training should be stepped up and linked more closely to EEC-financed development projects. The aim here is for ACP nationals gradually to take over complete responsibility for the sound management of these projects.

About 3800 ACP cadres are now receiving EDF-financed study/training course grants and about 50 expert/trainers are working in the ACP countries on technical assistance schemes involving in-service training and various teaching, maintenance and training operations.

Grant programmes concentrate on training either in the country in question or in another ACP and students only go to Europe for specialist courses in specific fields or for long courses of study where the relevant facilities are not available in the ACP countries or are unsuitable for the recipient country. Thus, two thirds of EDF grant-holders are studying in the ACP and barely one third in the EEC.

The main fields covered are technological sciences (29%), agriculture (26%), education (12%), health (8%) and various other training courses (7%).

The Commission and the ACP states together discuss how to concentrate aid in the specific (but fairly broad) fields mentioned above. This is in line with the aims of the Lomé Convention and the indicative programmes of Community aid and is intended to avoid dispersing available grants over all the sectors of training.

For the actual implementation of the programmes, the Commission calls on institutes specializing in vocational training, statistics, banking, small and medium-sized businesses, roadways, agriculture, tourism and so on, all of which run courses specifically designed to meet the needs of the ACP countries.

An annual examination enables both the ACP authorities and the Commission to assess the progress of long term training courses giving ACP governments the time to organize the placing of the grant-holders. Special attention is paid to settling the students into the economic and social life of their countries once training is complete.

It is worth remembering that some of the multiannual training programmes include thorough-going schemes involving amounts which vary from thousands to millions of units of account, according to the wishes of the individual governments.

Pending the drafting of the multiannual training programmes which most of the indicative programmes include, and in order to provide study/course grants to enable training schemes to get under way quickly, the ACP countries were provided with 8 million EUA in June 1976 only a few months after the Lomé Convention came into effect. This was a kind of advance for priority study/course grants for the 1976/77 academic year until such time as the multiannual training programmes for each country were approved. In September 1977, a further allocation, of 4.3 million EUA this time, was made for those countries which had not so far produced a training programme. Now, in May 1978, 39 countries have multiannual training programmes approved by the Commission.

Specific training programmes

These are designed to cope with particular needs.

A number of specific projects have been selected with the ACP states as part of the training schemes to be developed during the period of the Lomé Convention. These involve retraining primary teachers after educational reform (Sierra Leone), improving the qualifications of teachers and headmasters in technical education (Liberia), providing advanced training for timber experts (Gabon), providing technical assistance and training for pilots for the port of Mogadishu (Somalia) and maintaining hospital equipment (Mauritania and Somalia).

Most, and sometimes all, of these programmes are run in the countries concerned, which means that they can be properly adapted to local conditions and problems. Candidates are selected before the courses begin so as to ensure maximum efficiency.

Training schemes within projects

These, by definition, are outside the multiannual training programmes. They provide the training that will ensure the smooth functioning of specific production or infrastructure projects and, therefore, that the investment will remain useful.

The one or two projects adopted under the 4th EDF (fisheries — Gambia; medical equipment — Sierra Leone, technical college — Liberia, etc.) show that training represents a relatively low percentage (10% at most) of the total cost of investments but that the overall benefits are incom-



Some of the first ACP scholars on EDF grants at Atlantic College, Wales

parably greater. This type of training may be included in an EDF project or it may be provided as a complement to other investments made with national funds or external aid.

Colloquia and advanced training sessions

In 1977, 650 000 EUA was committed, as part of regional schemes, to finance colloquia and various advanced training sessions for ACP cadres and civil servants. These colloquia enable ACP students in Europe to enhance their training by a general study of the whole range of EEC-ACP relations.

Colloquia on specific themes (agriculture, health, trade promotion, etc.) are also organized in combination with visits to training centres or trade fairs, etc. where there are ACP participants: 45 such colloquia were held in Brussels, Luxembourg and other European cities between April 1976 and May 1978. There are also plans for short advanced training sessions for civil servants on such topics as the application of the Lomé Convention, training and the preparation of projects, etc. to be held in Africa and the Caribbean. □

Multiannual training programmes

	(Provisional amount for grants)	EUA	Grand total
Approved on 23 March 1977 (114th meeting of EDF Committee, 15 March 1977)			
1. Barbados (50000)		200 000	
2. Benin (300000)		1 809 000	
3. Burundi (400000)		3 300 000	
4. Guyana (100000)		545 000	
5. Jamaica (200000)		2 790 000	
6. Malawi (150000)		3 200 000	
7. Rwanda (150000)		1 300 000	
8. Sierra Leone (60000)		1 800 000	
9. Trinidad & Tobago (150000)		2 082 000	
10. Upper Volta (300000)		2 532 000	
	(1 860 000)	19 556 000	19 556 000
Approved on 6 May 1977 (116th meeting of EDF Committee, 2 May 1977)			
11. Ghana (300000)		2 250 000	
12. Guinea Bissau (200000)		980 000	
13. Liberia (30000)		1 100 000	
	(2 390 000)	4 330 000	23 886 000
Approved on 29 June 1977 (117th meeting of EDF Committee, 2 June 1977)			
14. Botswana (150000)		1 200 000	
15. Ivory Coast (250000)		2 000 000	
16. Kenya (200000)		3 000 000	
	(2 990 000)	6 200 000	30 086 000
Approved on 19 July 1977 (118th meeting of EDF Committee, 12 July 1977)			
17. Gabon (35000)		410 000	
18. Gambia (60000)		404 000	
19. Cameroon (400000)		2 230 000	
20. Mali (150000)		2 132 000	
	(3 635 000)	5 176 000	35 264 000
(*) I. Training and advanced training sessions (regional budget)		(650 000)	
Approved on 29 September 1977 (120th meeting of EDF Committee, 20 September 1977)			
21. Congo (200000)		1 100 000	
22. Socialist Ethiopia (200000)		1 631 000	
23. Madagascar (250000)		1 900 000	
24. Senegal (300000)		3 527 000	
25. Chad (400000)		1 900 000	
26. Togo (400000)		4 924 000	
		14 982 000	50 246 000

(continuation)	(Provisional amount for grants)	EUA	Grand total
(*) II. All ACP, OCT & OD — Fixing of an overall provisional amount for the financing of study and training course grants for training and vocational training in 1976-1978		(4 300 000)	
(*) III. Somalia: Training scheme Mogadishu hospital		(800 000)	
(*) IV. Djibouti: Fixing of an interim training programme		(70 000)	
Approved on 28 October 1977 (121st meeting of EDF Committee, 11 October 1977)			
27. Uganda		2 500 000	52 746 000
Approved on 16 December 1977 (122th meeting of EDF Committee, 12/13 December 1977)			
28. Zaire		6 000 000	
29. Mauritius		700 000	
		6 700 000	59 446 000
(124th meeting of EDF Committee, 13/14 February 1978)			
30. Fiji		100 000	
31. Western Samoa		110 000	
32. Tonga		20 000	
		130 000	59 676 000
(125th meeting of EDF Committee, 7 March 1978)			
33. Grenada		80 000	
34. Bahamas		43 000	
		123 000	59 799 000
(126th meeting of EDF Committee, 18 April 1978)			
35. Swaziland		2 000 000	
36. Papua-New Guinea		1 200 000	
		3 200 000	62 999 000
Approved on 31 May 1978			
(*) V. Member countries of OCAM Regional cooperation (OCAM) for the African & Mauritian Institute of Statistics & Applied Economics (IAMSEA)		(900 000)	
(*) VI. Somalia: (Integrated training scheme for the Port of Mogadishu)		(700 000)	
(127th meeting of EDF Committee, 23 May 1978)			
37. Mauritania		370 000	
38. Sudan		5 000 000	
39. CAE		1 170 000	
		6 540 000	69 539 000
(*) I - II - III - IV - V - VI: Specific projects.			

Exceptional aid

Article 59 of the Lomé Convention provides 150 million EUA (for the period covered by the Convention) as aid to associated countries faced with serious difficulties as the result of natural disaster or extraordinary circumstances of a comparable nature.

Two years and two months after entry into effect of the Convention, some 72 million EUA of this amount has been paid to 22 countries (see table).

This aid has helped cope with difficulties arising from both political events and from natural disasters like earth-

quakes, floods and droughts. During the first year of application, 26 million EUA went to the countries of southern Africa and to Zaire because of the problems arising from the political situation in the area.

In early 1978, another quite considerable amount, 11.6 million EUA this time, was accorded to the countries of western Africa (this includes the Cape Verde scheme set off against the Community budget) because of the drought there.

This aid, which was granted on the basis of specific projects submitted by the governments, covered the supply of first aid materials (medicines), essential goods to re-establish economic activity (fertilizer, agricultural equipment, seed, vehicles, fuel, etc.) and rebuilding. □

Breakdown of exceptional aid during the first two years of the Convention (EUA)

Region and country	Aid granted			
	Year 1 1.4.76-31.3.77	Year 2 1.4.77-31.3.78	Year 3 1.4.78-31.3.79	Total
West Africa	9 614 345	2 130 000	10 094 000 (Decisions of April/May)	21 838 345
Gambia	—	—	800 000	800 000
Guinea-Bissau	—	—	467 000	467 000
Guinea-Conakry	—	—	3 035 000	3 035 000
Mauritania	—	—	1 307 000	1 307 000
Mali	—	—	800 000	800 000
Niger	9 614 345	—	—	9 614 345
Senegal	—	—	3 685 000	3 685 000
Cape Verde	—	—	—	— ⁽¹⁾
Ghana	—	2 130 000	—	2 130 000
Central Africa	19 000 000	250 000	—	19 250 000
Rwanda	4 000 000	—	—	4 000 000
Zaire	15 000 000	—	—	15 000 000
Congo	—	250 000	—	250 000
East Africa	3 426 000	300 000	—	3 726 000
Kenya	—	300 000	—	300 000
Somalia	3 426 000	—	—	3 426 000
Indian Ocean	6 000 000	1 297 000	—	7 297 000
Comoros	1 300 000	1 297 000	—	2 597 000
Madagascar	1 700 000	—	—	1 700 000
Mauritius	3 000 000	—	—	3 000 000
Southern Africa	11 000 000	8 070 000	285 000	19 355 000
Botswana	1 000 000	70 000	—	1 070 000
Lesotho	1 000 000	—	230 000	1 230 000
Malawi	1 500 000	—	—	1 500 000
Zambia	7 500 000	8 000 000	—	15 500 000
Tanzania	—	—	55 000	55 000
Pacific	—	200 000	—	200 000
Tonga	—	200 000	—	200 000
Grand total	49 040 345	12 247 000	10 379 000	71 666 345

(1) In 1977, before it became an ACP country, Cape Verde received aid of 1500000 EUA under Article 951 of the general budget of the European Communities.

Three case studies

Upper Volta

Upper Volta is a poor country, landlocked and with Sudano-Sahelian and Sahelian climates which put it at an economic disadvantage. It is one of the least developed countries and covered by the special measures referred to in Article 48 of the Lomé Convention.

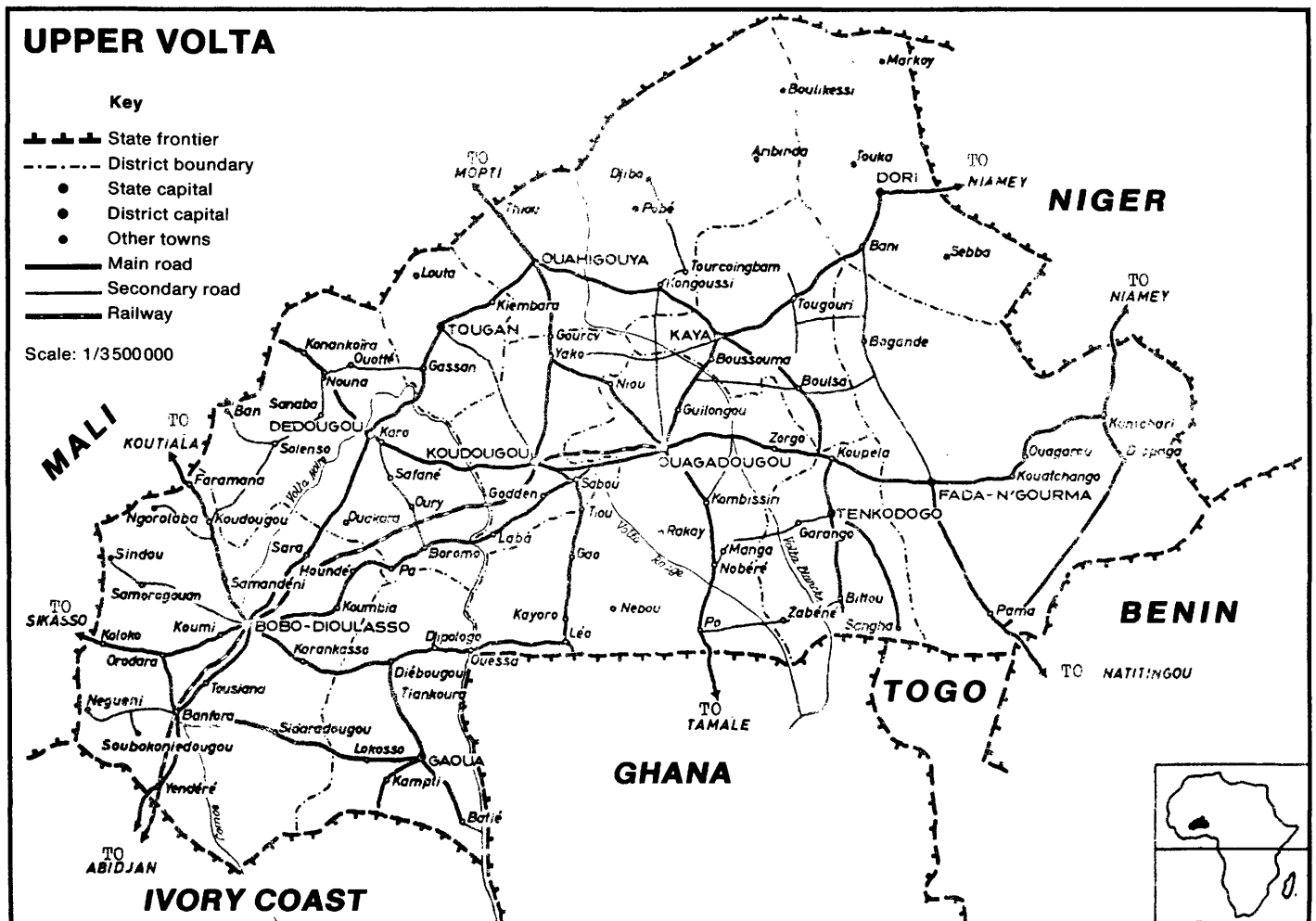
Its estimated population of 6 100 000 is young (50% active), increasing at the rate of 2% p.a. and unevenly spread over the country. Heavy concentrations have reduced fertility in some areas and this in turn has led to workers moving en masse abroad to Ivory Coast and Ghana and to more fertile areas of Upper Volta, which are now inhabitable after the eradication of endemic diseases, and to the towns where there are only limited possibilities of employment.

A precariously balanced economy

The economy is precariously balanced and seven years of drought have held back development in the rural sector. But

in spite of the disadvantages of the tiny domestic market, the high cost of energy and transport, a shortage of raw materials and low consumer purchasing power, industry has made real strides. Mining, which has so far been limited to the extraction of raw materials, offers interesting possibilities of development in the medium term. The trade balance, which runs at a constant but relatively small deficit, has led to a slight balance of payments deficit over the last three years. Drought, with the attendant drop in cattle exports, is one of the main reasons for the trade deficit. A look at the national budget (income and expenditure balanced at 118 million EUA, in 1978) reveals the civil service as a considerable burden costing more every year. This imposes a corresponding limit on the investment and equipment funds for which there is a special programme financed from surplus budgetary resources or from loans or external aid. Employment is one of the biggest problems facing the economy. Urban development is difficult to absorb and there is permanent underemployment in rural areas, although this is partly solved by workers emigrating to neighbouring countries.

The general aims of development policy are, therefore, to promote the economic activities which will enable Upper Volta's fundamental problems to be solved by:



- ensuring that the essential needs of the population are met and raising quantitative and qualitative standards of living;

- gradually monetarizing the economy;
- dovetailing the country's regional economies;
- promoting cooperation with neighbouring countries;

From these general guidelines are derived the intermediate aims which enable the sectoral objectives and priorities for practical implementation of the plan to be defined.

Community aid

It is in this context that the Community has been giving aid, in agreement with Upper Volta's government authorities, from the start of the EDF and throughout the two Yaoundé association agreements. Over this period, more than 160 million EUA, almost 90% of it in the form of grants, was used to develop rural production and help with industrialization, transport, communications, social affairs and training.

Under the Lomé Convention, Upper Volta has been allocated financial aid of 68616000 EUA from the 4th EDF. Most of this will be in the form of grants and has been programmed in agreement with the government authorities in the light of state policy. Aims have been defined in accordance with sectoral policies, the possibilities of the Upper Volta government budget and other sources of financial aid.

The indicative programme of Community aid (4th EDF) therefore concentrates on three basic sectors of the economy:

- rural development;
- economic infrastructure;
- social development and training.

A list of priority projects, for a total 68616000 EUA has been drawn up as follows:

Rural development: 23 191 000 EUA (34% of total)

- schemes within the framework of the Regional Development Boards (ORD);
- hydroagricultural improvements below dams;
- help with the Volta Valleys improvement scheme;
- stockrearing, ranch and attendant schemes at the Ouagadougou slaughterhouse;
- microproject programme.

Economic infrastructure: 36 539 000 EUA (53% of total)

- surfacing of the Ouagadougou-Koudougou highway;
- Ouagadougou-Tambao railway;
- drainage works in the town of Ouagadougou;
- electricity supplies for secondary towns.

Social development and training: 8 885 000 EUA (13% of total)

- Ouagadougou technical high school, second instalment;
- programme of grants, business training and training for small and medium-sized firms.

4th EDF Commitments — more than 45% of the indicative programme

By the end of April 1978, a total of 31 733 000 EUA (46% of the indicative programme) had been committed from the 4th EDF during 1976-77 and early 1978, enabling a number of projects to be carried out.

Three of them dealt with agricultural production (risk capital for the Upper Volta sugar company, 4 428 000 EUA; improvements to land below dams 1 778 000 EUA; Yatenga ORD scheme, 1 577 000 EUA) and then there were projects to surface the Ouagadougou-Koudougou highway (12 791 000 EUA), draining for the town of Ouagadougou (5 200 000 EUA) and finance for grants (2 532 000 EUA), the other outlay covering studies and technical assistance.

Regional cooperation

Two regional projects have also been financed:

- improvements to the Mango (Togo) — Upper Volta frontier highway, 7 million EUA;
- replacing metal decks of bridges on the Abidjan-Ouagadougou railway, 2 million EUA.

Upper Volta has received a Stabex transfer of 861 000 EUA because of groundnut and cotton export deficits.

The EIB is currently appraising a dossier on the reopening of the Poura gold mines under the new SOREMI company.

Substantial food aid was granted in 1971-75, mainly during the first two years of the drought. It consisted of 47 900 t of cereals, 6 400 t of milk powder and 2 600 t of butter oil. In 1976 and 1978, Upper Volta will have received a total grant of 11 500 t of cereals, 4 300 t of milk powder and 1 300 t of butteroil. □

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Mauritius

Mauritius is 60 km long, only 40 km wide and covers an area of 1 865 km². Its population density (488 per km²) is one of the highest in the world.

There are 900 000 Mauritians, most of them educated and literate in two languages; 68 % are Indo-Mauritians (Hindus 51 %, Muslims 17 %) and 28 % Creoles. English is the official language, but the main languages of communication are French and the local French Creole.

The working population of 290 000 is about one-third of the total giving Mauritius a high dependency rate.

In 1970-76 there was substantial economic development based on a powerful sugar industry, rapid industrialization and a thriving tourist trade. GDP (current prices) increased at an average 27% p.a. in 1971 and 1976.

High growth brings problems

But the economic situation is still precarious because of some of the economic and social structures and a certain amount of imbalance linked to too fast a rate of growth. And then there is uncertainty as to the future of export earnings.

Mauritius is a major producer of sugar, which is the country's main resource, occupying 80% of its arable land (940 km²), and accounting for 26% of GNP and 75% of the value of total exports. Up until 1975, the sugar industry's considerable export capacity could be counted on to balance the trade figures; but, because of falling world prices (£130 per t now as against £650 per t in November 1974) and rising production costs, it is now difficult to make a profit and there was a 43 million rupee deficit in 1977. Since 1976, Mauritius has seen its sugar earnings drop by 15% each year.

Alternatives to sugar are needed

Agricultural diversification is particularly vital today, since rising standards of living mean greater demands for food and imports of rice, flour and so on are a heavy burden on the trade balance.

Manufacturing represents 29% of GNP and employs 15% of the working population. Factories are small, there are many foreign investments and two sectors, textiles and electronics components, dominate the field. This is a crisis period for firms in the free zone. Soaring wage bills, absenteeism, reduced productivity and political uncertainty all impede the industrial development that is so essential in countries in constant search of new investors and more modern technology.

EEC cooperation with Mauritius

As an associated country, Mauritius was allotted aid of some 5 million EUA under Yaoundé II. It was divided as follows:

- Extensions to the university: 1 260 000 EUA;
- Two secondary schools (Rose Belle & Ebène): 3 269 000 EUA;
- Technical cooperation: 412 000 EUA: (inc. feasibility study for irrigation of west coast): 248 000 EUA.

These projects, which are still being implemented, are progressing well. According to the schedule, the university project will be finished by November, the schools project by December (Rose Belle) and next June (Ebène) and the final report for the irrigation study was due out in May.

4th EDF

Mauritius is now a member of the Lomé Convention and has been granted 15.3 million EUA from the EDF (plus financial assistance from the EIB). The indicative programme drawn up when the programming mission went out in May 1976 is as follows:

- Road to the north: 5.7 million EUA;
- West coast irrigation programme: 5.0 million EUA;
- Emergency housing programme: 3.2 million EUA;
- Training and grants: 0.7 million EUA;
- Industrial and trade promotion: 0.7 million EUA.

In answer to the Mauritian government's request to the programming mission, the Commission has agreed (in accordance with Article 59 of the Convention — exceptional, non-repayable aid) to help with the reconstruction of housing destroyed by the cyclone Gervase. A 3 million EUA financing agreement was signed at Port Louis in October

1976 for the construction of 660 units of housing for the poorest families. There has been some delay with implementation of this programme, but the houses should now be finished by September.

Sugar

Mauritius is one of the main countries to benefit from Protocol 3 on sugar. Its annual guaranteed quota under the Convention is 487 000 t, i.e. 40% of the quota allocated to all the ACP countries.

Trade arrangements and the sugar protocol have a far greater effect on the economy than direct financing. A comparison of the guaranteed price offered and current world prices shows that there would have been a 20% deficit in the trade balance in 1976/77 without the sugar protocol.

Food aid and NGOs

Other important Community schemes outside the Lomé Convention include food aid and cooperation via non-governmental organizations.

The Community has contributed to the cofinancing of three NGO projects, amounting to 184 300 EUA, in Mauritius.

The monetary value of the food aid sent out to Mauritius from 1973 to 1977 is 7.3 million EUA, i.e. some 50 million rupees. The proceeds from flour sales are paid into a special fund (currently estimated at 6 million rupees) destined to finance housing improvement projects for the low income groups of the population.

Trade

The Community has intervened in two specific cases in this sector by granting:

- derogation from the rules of origin for 400 t of unbleached fabric for importation to the Community between 25 November 1977 and 31 August 1978 (Council Decision of 23 November 1977);
- derogation from the rules of origin for 1 600 t of preserved tuna for importation to the Community between 25 November 1977 and 24 November 1978 (Council Decision of 23 November 1977).

Regional cooperation

Joint requests have been made by Mauritius, the Seychelles and the Comoros for two projects to:

- set up an Indian Ocean maritime company;
- improve air communications (with the possible participation of Kenya and Somalia as well).

European Investment Bank

Alongside investments which the EDF has made, the EIB has contributed to financing to increase the capacity of the Central Electricity Board's thermal power station at Fort Victoria by granting a 2 million EUA loan (plus interest rate subsidy) from own resources. Another such loan, for 1 750 000 EUA, had already been made to the CEB in July 1975. The EIB has also helped with financing by making a global loan of 3 million EUA to the Mauritian Development Bank. □

Trinidad & Tobago

Trinidad & Tobago is one of the independent states of the Caribbean and the one nearest South America. It consists of two islands: Trinidad, covering 4828 km², and Tobago, 300 km². With a million-plus inhabitants, it has the second largest population (after Jamaica) of all the ACP countries in the Caribbean.

The islands have been independent since 31 August 1962, but only became the Republic of Trinidad & Tobago, with Ellis Emmanuel Innocent Clarke as President, on 1 August 1976. The Prime Minister is Dr Eric Williams, leader of the People's National Movement, which was returned for its fifth term in September 1976.

The Republic has got far further with its development than its neighbours. In 1976, GNP was US \$ 2728429752, giving a *per capita* income of around \$ 2500.

The two main sectors of the economy are agriculture and the petroleum industry. Agriculture is based on sugar, coprah, cocoa and fruit. The petroleum industry (Trinidad does a great deal of refining) is based on oil, natural gas and asphalt and alone accounts for 20% of GNP and more than 90% of export earnings.

Relations with the Community

Contractual relations between Trinidad & Tobago and the EEC were set up by the Lomé Convention, signed on 28 February 1975. The country already had a flourishing export trade with the Community countries but figures more than doubled once it joined the ACP ranks. Community imports rose from 63 million EUA in 1972 to 84 million in 1974, 104 million in 1975 and 138 million in 1976. The volume of this trade and the country's high degree of development will mark future relations between Trinidad & Tobago and the Community.

Unlike many less developed countries with negative trade balances, Trinidad & Tobago clearly concentrated on the importance of the European market for the expansion of its economy at the Lomé negotiations. This is reflected both in the items of its indicative programme of Community aid (EDF) and in the importance which the country's negotiators attached to the commercial aspects of the Convention.

The indicative programme

As with all ACP states, an indicative programme of Community aid (4th EDF) was drawn up in the light of the local authorities' own priorities. It involved 10.28 m EUA and was approved on 26 May 1977. The programme is based on improving rural development in the St. Patrick area (5 million EUA). It encourages farmers to grow crops there by providing water supply networks, irrigation, a forestry programme and fishing schemes. Then there are various other operations, most importantly an amount of 2 million-plus EUA for education and technical assistance. It should be noted that the Trinidad & Tobago government recently asked the Commission to amend its indicative programme by deleting two small projects to put greater emphasis on a trade promotion programme (700 000 EUA). The amendment was approved by the Community at a recent meeting of the programming committee.

The size of the technical assistance sector and the recent addition of an amount for trade promotion confirms the country's desire to emphasize the development of local exports to the EEC and to other major consumers, partic-

ularly in the US and the rest of the Caribbean.

More than 40% of the indicative programme has so far been financed by the Community, which is satisfactory bearing in mind that the programme was only approved in May 1977. Other financing will have to await the results of studies, particularly those on irrigation schemes in the St Patrick area and the Tobago water supply network.

Trade relations

As already mentioned, EDF aid to Trinidad & Tobago has so far been geared to trade schemes and the trend is confirmed by recent changes in the indicative programme.

For a country at its particular stage of development, the Community obviously represents both a potential market of 250 million consumers (whereas only the UK was a regular client before) and a promising chance of forging new links that will lead to interdependence, by participating in new sectors of production and processing or opening up new markets. This is why representatives of Trinidad & Tobago's trade and industry made a number of trips to Europe early this year. They did not just visit the EEC. The aim was to strengthen their ties with various groups and associations to make for closer relations between their own and European economies in the future.

The agricultural products, mainly sugar and rum, which were already exported to the EEC were the subject of particular discussion at the negotiations leading up to the signing of the Lomé Convention. Protocol N° 3 commits the Community to buying 69000 t of white sugar a year at guaranteed prices. In 1974 and 1975, the country's representatives, were among those who worked most actively for a protocol on rum and the Community finally agreed to import tax-free rum in quantities based on the largest annual consignments of previous years (plus a substantial weighting).

Close links with the Community

The Convention first meant negotiations and then programming but it has now entered a very active phase of permanent contact between Trinidad & Tobago and the EEC. Late 1977 and early 1978 was a time for numerous meetings between representatives of Trinidad & Tobago and the Community at many different levels. In September 1977, development commissioner Claude Cheysson went to Port of Spain for a long talk with PM Eric Williams. This February an important mission of Trinidadian industrialists went to Europe to contact the private sector, banking and some national authorities in Switzerland, Belgium, France and Germany. Then, again in February, the Commission was host to a large mission from Trinidad & Tobago, led by Mr Chambers who is minister for agriculture and fisheries and for trade. Finally, the Trinidad & Tobago authorities made the necessary contacts to hold the first major regional seminar on the Lomé Convention, at the end of June, bringing together representatives of all the ACP countries and all the OCT in the Caribbean and officials from the Commission and the Centre for Industrial Development. This project shows the dynamic attitude which the country has adopted to the new relations established between the EEC and the countries of the Caribbean in 1975.

This, with the contacts mentioned above, echoes what the Prime Minister said on 2 December 1977 when he emphasized, in very positive terms, the new relations generated by the Lomé Convention: "In such a situation, our only real protection against the protectionism threatening to engulf the world is the Lomé Convention." □

Two forms of aid outside the EDF

EEC-NGO

Cooperation with non-governmental organizations

NGO and official development schemes are complementary. This makes cooperation both possible and desirable, since the authorities in the recipient developing countries are appreciative of NGO action and their needs are ample justification for such cooperation.

These considerations led the Community to take a new step in development policy. Cooperation with the NGOs began in 1976. The first concern was with development schemes, although attention has recently been paid to awakening European public opinion to the problem of developed/developing country relations.

More money

The Community began making special budgetary allocations for this cooperation in 1976. The following amounts have been made over so far:

1976	2.5 million EUA;
1977	4.0 million EUA;
1978	12.0 million EUA.

The Commission is therefore in a position to cofinance microprojects in developing countries whether or not they belong to the ACP group. The system of cofinancing with the NGOs is not linked to the Lomé Convention, but ACP countries can benefit from it in the same way as other developing countries.

Projects are submitted to the Commission by NGOs in the Community, i.e. by organizations recognized as non-profit-making by the law of a Member State. The NGOs take the initiative and the responsibility vis-à-vis the Community for any projects they propose for cofinancing. The best NGO projects are entirely designed and implemented by the recipient community although the approval of the relevant authority in the country concerned has to be obtained.

The use of credit is subject to the general terms of cofinancing, which are rules drawn up jointly by the Com-

Housing for the handicapped in Mali, a joint EEC-NGO project



Classification of NGO projects cofinanced in 1976 & 1977

	No. projects	Amount (EUA)	%
I. Economic development			
1. Agriculture & fisheries			
1.1. Equipment, materials, etc.	23	830 134.20	12.77
1.2. Integrated rural development	21	1 039 175.23	15.99
2. Small factories & businesses	20	600 700.22	9.24
3. Infrastructure (irrigation, etc.)	25	819 851.92	12.61
II. Social development			
4. Education & training	49	1 441 304.43	22.17
5. Public health	32	913 569.70	14.05
6. Housing, social centres, nurseries, etc.	19	855 269.07	13.16
Total	189	6 500 000	100

munity authorities and the NGOs. They provide for the Community to contribute 50% to NGO projects, with a ceiling of 100000 EUA per project per year. Since 1978, it has also been possible to cofinance multiannual projects over three years (EEC contribution = 300000 EUA per project per three years).

Projects may involve various types of economic and social development for the poorest local populations in the individual countries and in view of the diversity and individuality of the NGOs, the content may vary widely from one project to the next.

Schemes may involve developing farmland or supplying medical, agricultural or teaching equipment. They may cover project-linked training or small constructions as part of varied rural development programmes.

The first years of NGO/EEC cofinancing — 1976 & 1977

Application of the general conditions mentioned above has enabled NGOs of varying size from the EEC to cofinance sound operational projects in many countries throughout the developing world (although Africa predominates)(1). European NGOs have cooperated closely with the local populations, making enthusiastic use of the possibilities of cofinancing they have had over the past two years. A total of 189 projects (76 in 1976 and 113 in 1977) have been cofinanced with 55 European NGOs in 60 developing countries for a total amount of 6500000 EUA. Since this amount only represents 50% of the cost of the projects, the full investment made via the NGOs is 13000000 EUA. The total amount committed in 1976 (2.5 million EUA) has been paid over and most of the projects have been completed or are in the course of completion. More than half the amount for 1977 (4 million EUA) has already been paid.

Projects cofinanced in 1976 and 1977 contribute to economic and social development and are classified in the above table.

(1) NGO projects cofinanced in 1976 & 1977 — Recipient countries by region.

	No. countries	No. projects	EEC contribution
Asia	11	58	2 157 794 EUA
Africa & Middle East	31	98	3 116 083 EUA
Latin & Central America (including the Caribbean)	18	33	1 226 123 EUA
Total	60	189	6 500 000 EUA

NGO cofinanced projects in 1976 & 1977 by recipient ACP country

Country	No.	Community contribution (EUA)
Benin	2	44 000
Botswana	1	7 111
Burundi	2	121 312
Cameroon	3	113 507
Cape Verde	2	199 235
Ivory Coast	3	184 076
Ethiopia	4	173 177
Gabon	1	40 984
Ghana	1	4 363
Upper Volta	8	321 162
Jamaica	1	22 271
Kenya	6	183 314
Malawi	1	23 211
Mali	4	268 367
Mauritius	3	154 499
Niger	1	4 501
Nigeria	2	4 152
Papua New Guinea	1	11 711
Rwanda	5	217 595
Senegal	5	193 664
Seychelles	1	15 360
Sierra Leone	7	30 141
Trinidad & Tobago	1	33 126
Sudan	1	8 760
Swaziland	3	93 398
Tanzania	11	299 010
Zaire	4	79 948
Zambia	6	77 531
28 ACP countries	90	2 930 486

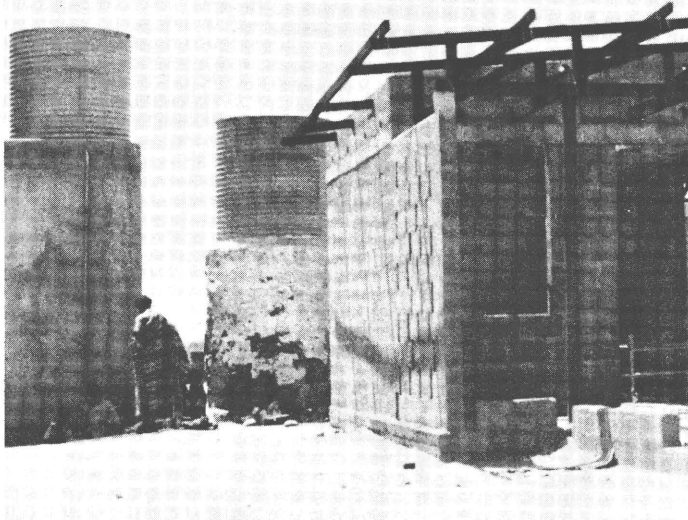
NB. Over the same period, 90 NGO projects were cofinanced in 32 non-ACP countries, for a total Community contribution of 3569514 EUA.

Food aid

From 1976 to 1978, a period covering the first half of the duration of the Lomé Convention, the Community has given 377 430 t of cereals (wheat, maize, rice, etc.), 63 065 t of skimmed milk powder (much of it vitamin-enriched) and 17 610 t of butteroil direct to 38 ACP countries, under the annual programmes. These quantities represent a total estimated value of 112 800 000 EUA (world prices), made up of 60 080 000 EUA for cereals (53% of total), 28 380 000 EUA for skimmed powder (25% of total) and 24 340 000 EUA for butteroil (22% of total).

In many cases these products were delivered to the port of unloading and often to the final destination, especially in landlocked countries. Some were sold on the local markets (in the case of milk products, to the food or dairy industry) and the resulting funds used to finance development projects, particularly in the agricultural sector, and some were distributed free of charge to particularly vulnerable sections of the population (invalids, expectant mothers, etc). Part of the aid was provided under emergency schemes run after sudden and unforeseeable natural disasters (like droughts) or other, comparable circumstances.

In addition to this direct aid, there was the indirect Community aid distributed by various bodies (WFP, UNICEF, the Red Cross, NGOs). These quantities so far amount to some 27 000 t of cereals (65 000 000 EUA), 138 000 t of skimmed milk powder (63 600 000 EUA) and 1 500 t of butteroil. □



EEC-NGO cooperation: public and private aid builds a health centre in Kenya

The 60 states include 26 ACP countries which have received total aid from the Community of almost 3 million EUA for 900 projects.

It should be noted that, in 1976 and 1977, the NGOs' requests for cofinancing from the Commission far exceeded the funds the Community had available. Furthermore, by the end of the first quarter of 1978, the NGOs had submitted 80 projects for overall financing of almost 3 500 000 EUA. Almost half of these have already been approved.

It is worth remembering that any European NGO introducing a project for cofinancing must first have obtained the approval of the local authority concerned. In addition, each year, the Commission transmits a copy of its annual report, for information, to the recipient countries' missions in Brussels and to the ACP secretariat.

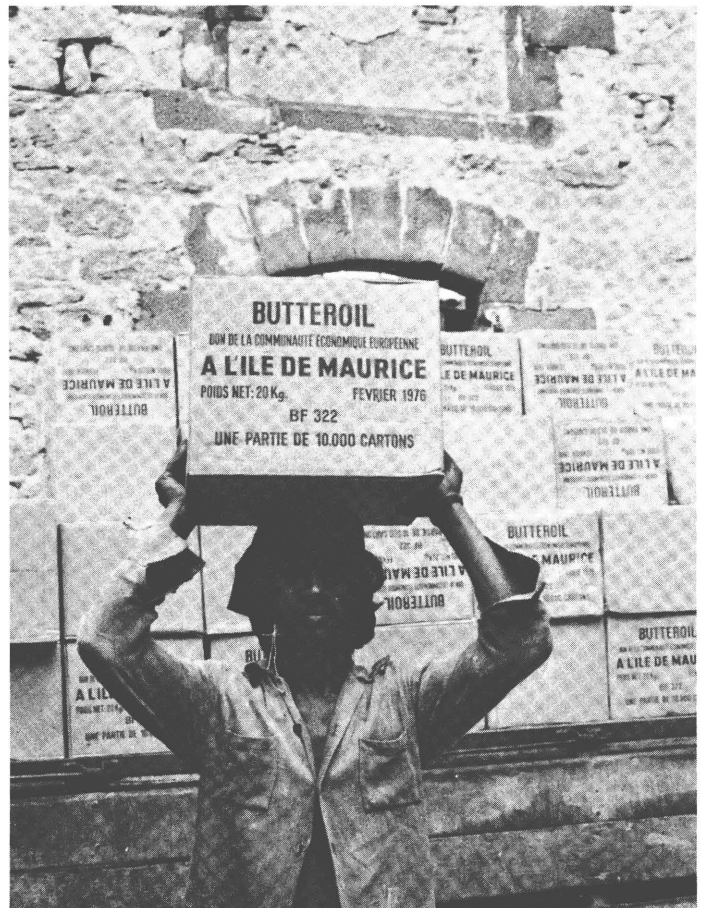
Good prospects

EEC-NGO cooperation in the field of development started in 1976 and was clearly consolidated in 1977 and early 1978.

The size and diversity of NGO requests for cofinancing for operational projects in the field reflect the needs of the developing countries, but the Community has not been able to meet them all.

Larger appropriations in 1978 should mean that more needs can be met in the future. The procedure and general criteria and arrangements for use of credit must be flexible.

The possibilities of NGO cofinancing have opened the way for a new type of development cooperation which promises to be fruitful and profitable to the poorest populations. It is something which could well be expanded. □



EEC food aid consignment to Mauritius

Direct food aid to the ACP countries—programmes for 1976, 1977 & 1978
—estimated volume and value

Recipient ACP country	Nature, volume (t) and value (million EUA, world prices) of products						
	Cereals		Skimmed milk powder		Butteroil		Total
	Volume (t)	Value (million EUA)	Volume	Value (million EUA)	Volume	Value (million EUA)	Value (million EUA)
Benin	3 500	0.32	—	—	—	—	0.32
Botswana	500	0.10	30	0.02	20	0.02	0.14
Burundi	1 000	0.20	590	0.31	350	0.50	1.01
Cape Verde	20 500	3.08	975	0.59	550	0.73	4.40
Comoros	18 000	4.54	1 500	0.86	40	0.07	5.47
Congo	—	—	50	0.03	50	0.11	0.14
Djibouti	3 500	0.58	—	—	500	0.67	1.25
CAE	2 500	0.53	320	0.22	150	0.19	0.94
Ethiopia	17 500	3.10	3 870	2.45	3 750	5.24	10.79
Gambia	9 000	1.11	—	—	—	—	1.11
Ghana	21 000	1.86	6 300	2.07	400	0.44	4.37
Grenada	—	—	400	0.18	—	—	0.18
Guinea Bissau	15 500	2.38	1 210	0.59	725	1.12	4.09
Guinea Conakry	8 500	1.02	1 150	0.45	385	0.42	1.89
Guyana	—	—	500	0.32	100	0.11	0.43
Upper Volta	10 500	2.28	2 000	1.23	1 500	2.32	5.83
Jamaica	1 000	0.09	1 500	0.45	250	0.27	0.81
Kenya	2 500	0.56	—	—	—	—	0.56
Lesotho	1 630	0.35	30	0.02	80	0.10	0.47
Liberia	3 000	0.28	200	0.06	—	—	0.34
Madagascar	5 000	0.73	—	—	—	—	0.73
Mali	—	—	2 900	1.67	50	0.07	1.74
Mauritius	12 000	1.78	2 775	1.05	300	0.49	3.32
Mauritania	13 000	1.51	3 000	1.49	2 450	3.14	6.14
Niger	14 000	2.92	1 500	0.81	—	—	3.73
Uganda	—	—	500	0.27	200	0.25	0.52
Rwanda	4 500	0.89	2 500	1.41	—	—	2.30
Sao Tomé & Príncipe	4 800	0.70	450	0.19	400	0.45	1.34
Senegal	35 000	4.11	3 460	1.81	200	0.20	6.12
Seychelles	—	—	335	0.10	—	—	0.10
Sierra Leone	—	—	1 100	0.56	200	0.25	0.81
Somalia	50 000	8.90	5 750	3.20	2 700	3.89	15.99
Sudan	17 500	1.57	6 495	1.23	1 000	1.01	3.81
Tanzania	12 000	1.10	5 350	1.75	500	0.78	3.63
Chad	13 500	3.60	475	0.30	100	0.13	4.03
Togo	3 000	0.28	—	—	—	—	0.28
Zaire	35 000	5.93	3 000	1.48	150	0.34	7.75
Zambia	18 500	3.68	2 850	1.21	571	1.03	5.92
Total	377 430	60.08	63 065	28.38	17 671	24.34	112.80

APPROPRIATE TECHNOLOGY

The Tropical Products Institute

The late Dr Schumacher's tenet "small is beautiful" is behind much of the thinking on appropriate technology. But low-level, small-scale technology is not inherently better than large-scale, advanced technology. It all depends on how appropriate it is to the context in which it is to be applied.

"There is a danger of a backlash against sophisticated technology as such, when its failures have mainly been due to indiscriminate application," said David Adair, head of the Industrial Development Department of the Tropical Products Institute in England.

The TPI is one of the leading authorities on post-harvest technology. The constant problem of feeding the world can be tackled not only by producing more, but by making sure that the food that is produced reaches the consumer. About a quarter of the food produced in the Third World is lost if it is not eaten immediately, through pests, rot and mishandling. The TPI specializes in finding the appropriate technology to reduce these losses.

This post-harvest technology ranges from simple tools to complex biochemistry. The TPI, which recently hosted a major international seminar on the assessment and reduction of post-harvest losses, receives some 3000 requests from overseas a year for help with farm products, besides running its own applied research and development programme. Improvements developed at its own laboratories and workshops are tested and sent for trial in the Third World.

Reducing the food losses

Mr D. Calverley, head of TPI's Tropical Stored Products Centre, points out that very little technology has been developed for agriculture at this level, as opposed to agro-industry. In the developing countries, the starting point in reducing food losses is to improve

existing methods using materials familiar to local farmers.

Cereals

The big enemies are damp, insects and rodents.

Damp is the worst. There is really no chemical answer to mould. Moulds thrive in damp grain and many insecticides break down in humid conditions. The grain must be properly dried and kept dry by good ventilation, an almost impossible requirement using traditional methods in wet areas. Sealing it in plastic bags is expensive, but improving the grain stores can help. The design of grain stores is usually peculiar to particular communities and long-established traditions are hard to change.

Rodents can largely be kept out of well-built traditional grain stores by barriers, preferably metal, which physically prevent them from getting in, and by raising the stores from the ground. Timber and mud plastering is stronger than timber and thatch, and cement or cement-stabilized mud, reinforced with wire mesh or natural fibres, even better—more expensive but longer-lasting. These improvements are often only small and so the more acceptable. Empty fertilizer bags are another familiar material that can be used for storage.

Insects can be fought with pesticides, and here high-level and low-level technology meet: the chemistry is sophisticated but the methods of applying it must be simple. Traditional protective measures such as the use of oils, ashes, sand, dried leaves and dusts (which may be used as carriers for pesticides) are being investigated by TPI alongside the development of such sophisticated techniques as solar-powered automatic sprays and biochemical control of the insects' reproductive cycle.

An increasing worry is that insects are building up immunity to pesticides because these are applied in insufficient doses or after their effective life.

A first priority, therefore, is to find local extension workers to show farmers how to apply the more orthodox pesticides properly. "Immunity will be a major problem over the next decade," Mr Calverley said.

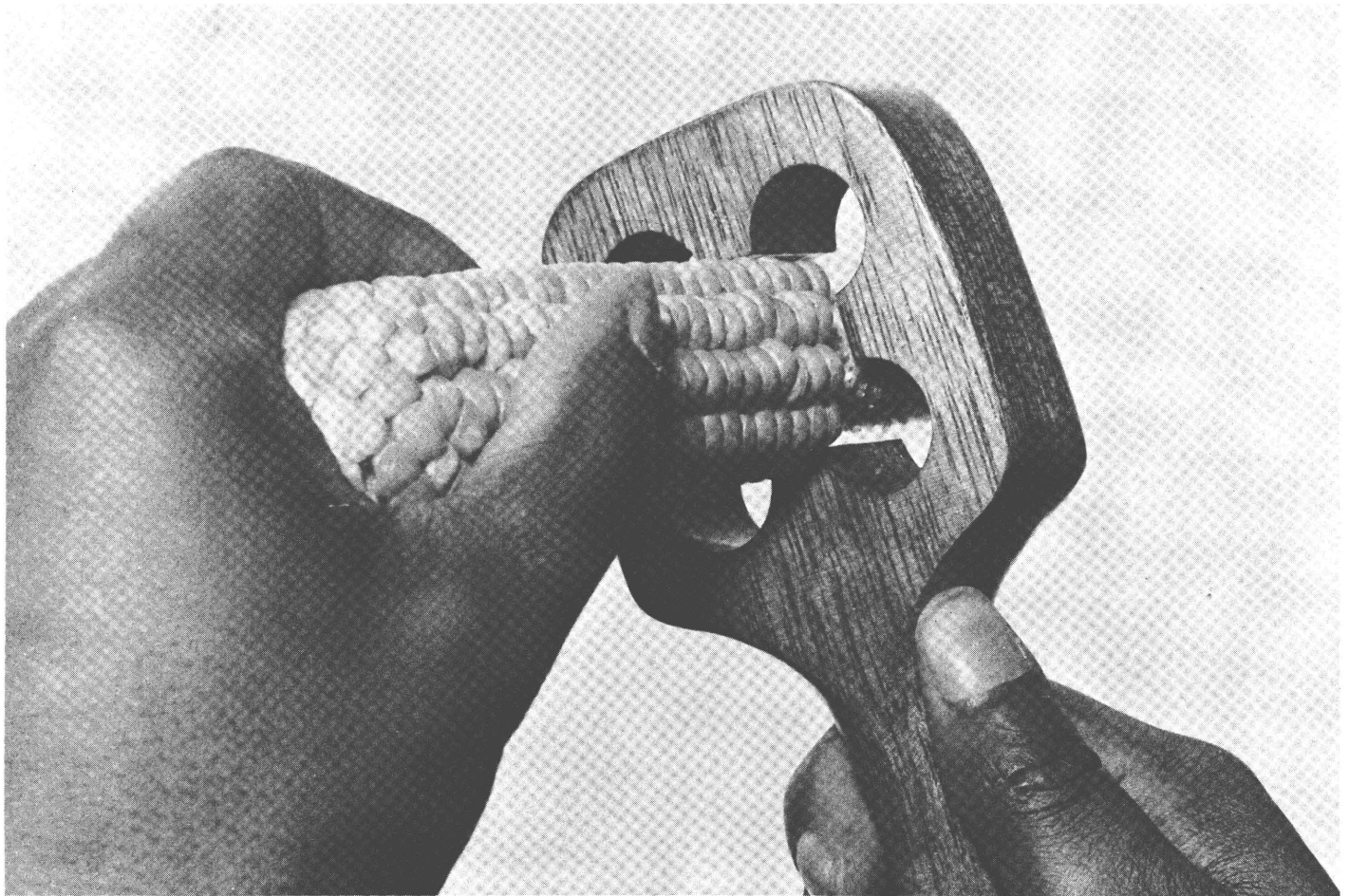
New problems

New solutions often give rise to new problems. Fumigation, which has the advantage of bringing the pesticide to the insect, requires reasonably air-tight conditions to contain the fumigant. Fumigation can be carried out under sheets, but this leaves airborne insects unscathed. Keeping the husks on stored maize cobs protects them against insects, but also against insecticides, thus sheltering the insects which may have got into the cobs while they were growing. The most effective pesticides are often priced out of the reach of small farmers by the demand from the big estates, while concern for the environment (which became a public issue in Europe largely because of the use of DDT) has in some areas prompted the authorities to react against any use of pesticides. Time immemorial taught farmers to plant the kinds of grain which were most resistant to loss, but this kind of natural selection has gone overboard with the introduction of the new "miracle" cereals, while double-cropping in some areas means that the grain is harvested in the wet season and inevitably damp. The TPI is looking again at naturally resistant varieties of grain.

Bio-control is another way of exploiting nature's own technology. It aims at keeping down insects by a combination of preventing them breeding, poisoning them and encouraging their predators to do a better job. Confusing the natural ecosystem has the environmental seal of approval and is described by TPI bug-baffler Chris Haines as "fairly promising", although not much is known about what really happens in cases of infestation. The science is highly complicated and the method so far little used, but applying it could be as simple as hanging up chemically-impregnated strips in the grain stores.

Perishables

Fruit and vegetables must be handled fast and carefully. Soft, fresh foods suffer losses for three reasons. Left to themselves, they may shrivel, wilt, become over-ripe or stale and lose their flavour and appearance. Attacked



TPI's hand-held wooden maize sheller—cheap and simple

by fungi or bacteria, they rot. And they suffer physical damage through mishandling. Avoiding these losses is often a matter of common sense and above all a question of getting the produce to market on time, as it has a short natural life. That requires infrastructure and equipment—perhaps something as simple as sensible baskets—and, again, more extension work. Chemistry is useful in the form of simple fungicide dips. What is perhaps less obvious is that perishable tropical produce, grown in high ambient temperatures, can suffer severe damage from the sort of refrigeration that is normal in Europe.

With fish and meat, the emphasis at TPI's Animal Products and Feeds Department is on finding ways to use waste materials. The developing countries have 60% of the world's cattle but they only produce 40% of the hides and skins. Blood and bones are seldom processed. With fish, apart from the quantity which is simply not caught or landed, the trimmings are thrown away when they might be turned into salted fish cakes for human consumption or silage for animal feed (simply done on a small scale with a hand mincer and bucket). Poultry-raising is usually too small an operation to justify setting up a by-products plant with conventional

European technology, but here again low-level technology can be appropriate.

Quality control

Post-harvest food losses are difficult to quantify; 25% is a very general figure. But might a clearer distinction not be made between losses in sale value and losses in food value? A maize cob damaged by insects may be impossible to sell, but not to eat. Quality controls on food for export are generally higher than on food for the home market and there may be a danger that too high a level of control may lead to second-rate, but eatable, produce being wasted.

Processing

TPI is at its most practical in its workshops at Culham, a do-it-yourself centre which, ironically enough, is next to the site chosen by the EEC for its most advanced nuclear technology project. Culham's simple maize-sheller (see photo) would make a symbol of appropriate technology, but again, it is only one of several, more complex, devices under trial. The workshops try to provide practical answers to a great range of problems and the equations that decide what are the most appro-

priate methods may have a dozen variables, economic and social as much as mechanical. Here are two examples of TPI ingenuity:

Woodwool/cement slabs. Slabs manufactured at Culham from timber offcuts and cement sent from Fiji were used by the Fiji Housing Authority in the construction of demonstration houses. TPI then undertook a feasibility study on local manufacture of woodwool/cement slabs and has encouraged Fiji to proceed with their manufacture.

Sea Island cotton. A handicrafts project in Montserrat uses one of the world's highest quality cottons for simple decorative mats. The value of the yarn goes up with its fineness, and the yarn used could be 10 times finer. TPI have put together a plant to produce the finest possible yarns which can be obtained in small-scale low-cost spinning. The plant is now undergoing trials in Montserrat.

The Tropical Products Institute welcomes inquiries. For information, write to:

The Director,
Tropical Products Institute,
56-62 Gray's Inn Road,
LONDON WC1X 8LU.

□ B.T.

A simple cinema-van for daylight film shows in villages

by T. HAXTHAUSEN⁽¹⁾

Technology in mass-communications media such as film, radio and television has, until now, meant the highly complicated, expensive, and often fragile technology of the industrialized countries—because that was the only kind of technology available.

MediaConsult, of Copenhagen, is a non-profit organization of technical consultants in mass-communications media who are developing and distributing alternative technologies and systems for use in less industrialized areas.

The ideas behind the activities of MediaConsult are that mass-communication does not have to be complicated or expensive, that the tools should be rugged and simple and should not require large or complicated organizations to work them, and that much of the equipment which is now imported from industrialized countries can, and should, be manufactured locally in the areas where it is to be used.

One of their tools is a cinema-van which is radically different from the various types in use at present. The usual cinema-van is just a bus, or a Landrover, provided with a generator or a transformer that will provide power for the projector which can be stowed during transport in a compartment inside, together with a folding screen, loudspeaker, and various other paraphernalia. When the van arrives in a village, everything is unpacked and set up, and when darkness falls, the show can begin.

The MediaConsult concept differs from this, in that everything needed for the film show is inside the van, and stays there—and in the fact that shows can be staged in broad daylight.

The principle is an old and well-known one, namely that of rear projection. If a film, or a slide, is projected through the inside of a dark box onto a translucent screen, the result can be viewed from the other side of the screen in daylight, provided the sun

does not shine directly onto the screen surface.

In the MediaConsult van, the projector is mounted in front, beside the driver's seat, and at right angles to the car axis. The light passes from the projector through an optical device that turns the picture 180°, so that the audience gets the proper right/left



*The picture is projected through a 90° turn to save space inside the van
Film-shows by daylight in the shade 90° turn loudspeaker is under the screen)*



⁽¹⁾ Director of MediaConsult, reprinted from "Appropriate Technology".

orientation, and it is transmitted through the dark interior of the van onto the back of a specially treated screen mounted at the rear end of the van, where the loudspeakers are also situated. The picture is bright enough to be viewed in comfort by a normal-sized audience (depending on screen size) in full daylight.

The prototype shown is a Renault 4L van, chosen because it is one of the smallest, lightest, and least expensive of the cars suitable for the purpose. It is also a car that is widely used in developing countries.

The prototype was fitted with an Eumig MK 802 Super-8mm projector equipped for optical sound. A 16mm projector can equally well be fitted into the van. The Super-8mm projector has been modified so that it runs on 12v DC and is powered by the car engine. With a 16mm projector, the car is fitted with a small solid-state transformer delivering 220v DC, and the projector is modified accordingly.

Another version features 26mm or Super-8mm projectors without modifications, and with a small, portable 220 AC generator that can be stowed inside the van during transport and taken out before the show, placed at a con-

venient distance, and connected to the projection circuit through a plug on the side of the car.

The screen is of 4mm acrylic plastic and can be raised like a door to provide easy access to the inside of the van. It can be cleaned with a moist cloth or a sponge and does not scratch easily. Screen and the optical parts are products of Micro-Optics, Copenhagen, a company that specialises in film and projector lenses.

MediaConsult will deliver fully equipped cinema-vans to customers (size and type of van, screen size, film format, all according to customer's specifications) but will also provide any number of systems to order, from a simple kit containing screen, optical accessories, and blueprints and detailed construction guide, to a complete system ready to be built into a van of the customer's choice.

The single cinema-van costs about 20% of the price of the types of cinema-van now in general use, MediaConsult claim. □

For further information, write to MediaConsult, Admiralgade 22, DK-1066, Copenhagen K, Denmark.

and piglets, none of which were available in Mara Region at this time. Because of this demand we began breeding animals here at the Centre with our limited facilities and soon were swamped with both orders and an increasing breeding stock, which we were not yet prepared to house adequately.

Our first attempts to build cheap wooden hutches for the rabbits were frustrated by their propensity for gnawing through the cages. This we solved by using tin stripes on the wooden surfaces within the cages and providing hard food to keep them happy. There were no ready made pellets available in the area and importation from other countries was not practical, so we concocted a nutritious and apparently (from the rabbits' point of view) tasty hard ball of food, using local foods such as corn flour, bean flour, dried peas etc., and cooking it in the same manner that people cook their staple food —ugali—only increasing the cooking time and drying it out a bit before giving it to the rabbits.

The problem of getting adequate greens for the rabbits in an area where rainfall is seasonal, and often slight, was solved by using the sweet potato leaves from peoples' gardens which are near the lake. The people in the area are not accustomed to using these leaves for food for themselves but are quite happy to sell them to us for our rabbits.

As our breeding stock increased we had some difficulties with crowding. This was solved by building a rabbit house on the property and deaths caused by overcrowding stopped completely. It was also easier to keep the cages clean. A local woman has been given complete charge of this project and is employed full time by the Centre, with a young woman helper. The salaries for these employees are to be taken from profits in the project itself.

Sales to the farmers and others in the area for the year 1977-78 have been 500 live rabbits. Thus we are providing the farmers with the small animals and also providing employment for the two local women, and a market for sweet potato leaves for the people in the area.

A taste for pork

The pig project, begun with the two pigs purchased in 1969, has had an even more remarkable impact on the lives of the farmers in Mara Region. In 1969 there were no pigs in the region being raised by the local farmers. Pork

TANZANIA

Raising small livestock for food

In the Christian story, 5000 people were fed from two loaves and five small fishes. Father David Jones, director of the Makoko Centre(1), describes a similar achievement that started with two pigs and four small rabbits.

The Makoko Centre will be celebrating its tenth birthday in October this year. Looking back, there have been many false starts and many more interesting developments. Our involvement in animal

husbandry has been one of the more striking examples of being at the right spot at the right time with what seems to have been right idea.

Early in 1969 we acquired two pigs and four rabbits for demonstration purposes in our training programme of how to have more meat for families to increase protein in the diet, and have some ready cash between harvests. We built a small hutch for the rabbits and a small enclosure for our two pigs.

Rabbits

When people came to see and learn about these animals there was an immediate demand for baby rabbits

(1) A religious foundation running a comprehensive, family-oriented development programme near Musoma, Tanzania.

meat as an unknown quantity. While there are still many people who have never tasted a pork chop or a sausage, there are many now who include these in their diet as a matter of course, and Makoko pork is getting to be known throughout the country.

This particular project, since it involves many more farmers, marketing of the pork meat etc., than the rabbit project, could not have got off the ground if there had not been close cooperation with the regional animal husbandry officials and especially the regional veterinary department. With their support and cooperation we have been able to help pig farmers set up a butchering and marketing cooperative with 89 members. This is a registered cooperative subject to the cooperation laws in the country and was organized in 1974. It paid its first dividend to the farmers in March, although a bonus was given in 1977 from the profits to farmers bringing in grade A pigs for slaughter.

A little history goes a long way, but it is necessary to understand how this project has grown. Local farmers bought piglets and began to breed pigs in a small way in their home area. When the pigs matured, butchering them locally was a problem because their neighbours were not accustomed to pig meat. The Centre then set up a butchering programme and began to look for a market for pork. This more or less snowballed, for the market grew by leaps and bounds. Our facilities were inadequate to meet the demand, and the successful breeding of pigs in the local areas as well as the demand for pork products in other areas necessitated a long-range plan.

The result of our planning is the pork processing plant adjacent to the Makoko Centre which was begun in 1975 and has just opened. It will be able to process five pigs daily and prepare a variety of meat products; salami, sausages, meat pies, etc., as well as roasts and chops. The order books are full and, due to the training given to the local employees by a British volunteer (VSO), should be a successful economic venture. The plant will eventually employ a full-time staff of 15 Tanzanians and provide a more than adequate market for the Tanzanian pig farmers in the year ahead.

Modern chicken raising

In 1969 the Makoko Centre staff decided on pigs and rabbits for demonstration since these had not been kept locally and as a new type of husbandry would not be hampered by

local customs. At the time every farmer was accustomed to keeping chickens, which were not fed or housed in modern fashion, and the staff felt that to introduce modern chicken raising techniques would raise many difficulties.

Since then, however, conditions in the area have changed dramatically. An epidemic of fowl typhoid and salmonella wiped out most of the local chickens in late 1974. The only chickens that were not affected in the area were those kept by Centre staff members. Although this demonstration was unplanned it was very effective. People in the area began to ask why our chickens didn't die and then to ask for chickens.

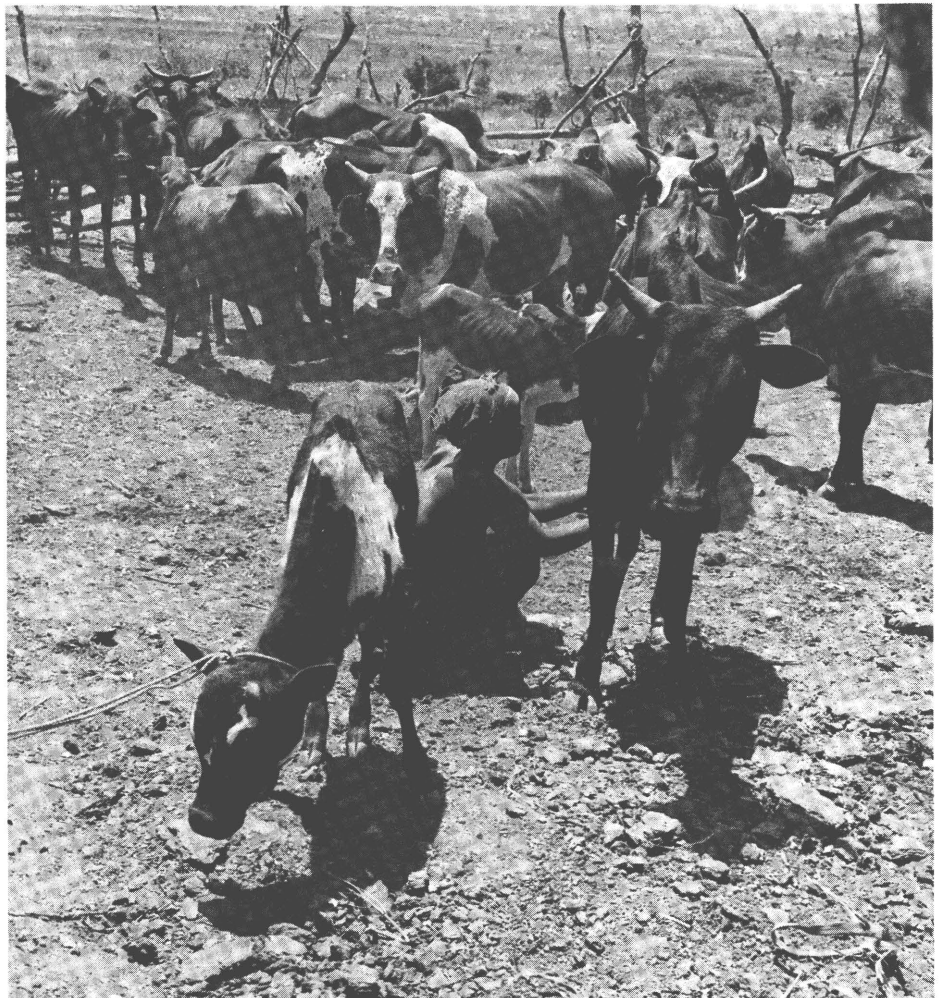
Classes have been prepared and information made available on raising chickens the modern way. Layers, which produce nearly 300 eggs per year compared to less than 100 eggs produced by local hens, were in great demand all through 1975-77. We have an egg marketing organization among the Centre staff which sells over 1000 eggs per week and supplies our incubators with over 600 eggs per month.

Chicks this year are still in great demand so we are expanding our layers flock to 2000 and incubator capacity to 7000 eggs per month. At the present we do not have adequate space for this project but within a few months we should be in our new location where there will be.

The feed for these chickens is at present in short supply nationally, but in cooperation with the regional veterinary department we are making plans to produce all the feed we need, as well as supplying the region when necessary.

*
* *

This has been a description of one aspect of development here in Tanzania—one small project or group of related projects designed to help the local farmer at the grass roots. It is staffed primarily by Tanzanians, provides employment for Tanzanians and is successful because the Tanzanian farmer wants it to succeed. It has been the right idea at the right time in the right place, which is a formula for successful development. □



The FAO has also been developing stockraising on a large scale in Tanzania, mainly with dairy herds

Processing technology for millet and sorghum

by Roger NIKIEMA

A seminar on millet and sorghum processing technology was held in Niamey last December. Technicians from CEAO member countries had prepared the meeting which was part of CEAO's campaign "to improve the life of the populations of the sub-region as quickly as possible." For these countries, the Niamey seminar was a major step towards the development of the cereals, a guarantee of their nutritive value and an incentive to boost production and promote many sectors of development. Above all, it put a real brake on the move to the towns and genuinely liberated women who, thanks to the introduction of modern milling methods, can now make a greater contribution to working for their country and educating its children.

Crippling imports

It should be remembered that millet and sorghum are grown mainly in the Sahel and Sudan areas where they form the staple diet. It is an adaptable food for the populations who improve its nutritional value by adding soubala, gumbo, fish, meat, pulses and leaves. However, there is evidence of a slight decrease in consumption as compared to rice and cornflour, imports of which are causing a crippling outflow of foreign exchange from all the countries of the CEAO.

In the Ivory Coast, for example, the consumption of flour by industrial bakeries alone rose to 63 000 t between October 1975 to October 1976.

Millet loaves are tasty!

Millet and sorghum technology will thus fill a number of gaps. First and foremost, it is a challenge and it belies the old idea that millet and sorghum, being neither soft nor as hard as

wheat, are useless for bread or pasta. This, it was realized at Niamey, is demonstrably false, since not only can millet be processed industrially into reasonable, stable (for 5 or 6 months) flour and semolina, but it can be used for bread and pasta as well, as ITA (the Dakar institute of food technology), SOMATRIL (Niger's millet processing company) and IRAT (the research institute for tropical agriculture in Montpellier, France) have proved.

But the misconception has resulted in an uneven development of research into food technology, particularly in the states of the CEAO, and the few factories that do exist are faced with serious difficulties. Supplies of raw materials are hard to come by because commercial networks are badly organized and there is a poor choice of materials for first-stage processing. And then there are all the problems of managing and maintaining equipment.

In addition, there is no real cooperation between the various institutes of research. No-one hears about the results of research, there are no quality standards and, above all, there are many psychological barriers to the promotion of the new products.

Other structural weaknesses

The fields of nutrition, storage and the spread of techniques would also benefit from the generalization of this technology.

Malnutrition has always been a major problem, particularly for children and nursing and expectant mothers. In Upper Volta, medical statistics show that malnutrition causes six out of ten deaths in the under-four age group. However, the various recipes for millet and sorghum do go some way to satisfying all nutritional requirements. Take the example of the first solids given to babies—although these products are unfortunately very difficult to get accepted.

Many surveys have shown that there are considerable losses (25-60%) in millet and sorghum processing due to predators and that many of them are

caused by poor storage conditions. The lack of long-term storage infrastructure and storage technicians is, the Niamey seminar stressed, behind these huge losses. And then, in addition to the "endemic" losses, there are the cumulative effects of the drought.

Realizing the hopes

The seminar was optimistic, however, because everything is being done to achieve self-sufficiency in food. Hydroagricultural improvements are the top priority of development plans and programmes in all countries and the Niamey meeting was thus able to formulate clear-cut conclusions on millet processing technology and on nutrition.

The main targets for millet processing technology are to:

- provide complete training for bakers and millers, to include notions of management and maintenance of equipment, in existing structures in the CEAO (i.e. further training centres at Banfora in Upper Volta, the ITA in Senegal, the school of bakery and confectionary in Yamoussoukro in Ivory Coast) and in other countries as well;
- set up pilot bakeries in the member countries;
- perhaps provide government grants for the promotion of new products.

Other recommendations in the field of technology were to capitalize on the results of research, to exchange information, diversify and protect products and lay down quality standards. It was also suggested that the CEAO open an institute for research into food technology.

Nutrition was the other main concern of the delegates, who made a series of recommendations ranging from increased production incentive measures (so as to better meet the needs of the population) to the establishment of a product standards and control office. They also covered the problems of marketing techniques which should be geared to improving diet rather than short-term profitability. □ R.N.

DESERTIFICATION

The warning is clear

A reply to Professor Mensching of Hamburg University

by L.R. EDWARDS(*)

An article in the issue of *Productive Farming*(1) (number 52 - December 1977) by Mr Storrs, the Conservator of Forests, has raised a number of important issues. He has drawn attention on a number of occasions in the past to the ultimately disastrous effects of removing forest cover, and I wonder to what extent this has sunk into the minds of the powers-that-be, if indeed it has made any impression at all.

My interest springs from the fact that I spent several years in what is now known as the Sahel region of West Africa—the area of land fringing the southern border of the Sahara desert, stretching roughly from eastern Mali to Lake Chad.

Most readers of *Productive Farming* will have read of the tragic events which overtook the Sahel through a devastating drought between 1968 and 1972. There was considerable loss of human life, and the loss of life among the animal population ran into hundreds of thousands.

No one appeared to realise that such a thing could possibly happen. True, there had been poor to indifferent rain seasons in the past—this happens all over the world—but climatic conditions on the scale experienced during those particular years could not possibly have been foreseen. Or could they?

In an article called "The Problem of Desertification" in *The Courier* (number 47 of 1978), Professor Mensching, director of the Hamburg University Institute of Geography, says:

"Droughts occur occasionally within the natural range of rainfall variation, and give a very clear indication of the limited potential of the land in semi-

arid desert fringes. The catastrophic 1973 drought in Africa's Sahel region was a recent example of this. It focussed public attention throughout the world on the problem of desertification for the first time and led to a call for counter measures."

In 1934—I repeat—1934, Professor Stebbing, formerly of the Indian Forest Service, and then Professor of Forestry and Head of the Department of Forestry in the University of Edinburgh, made a study tour of the forests of West Africa and the Sahara, including what is now known as the Sahel region.

In the *Geographical Journal*, volume 1 V, page 518 (1935), he wrote:

"I have already suggested that in order to stem the southward progress of the sands, a belt of high forest should be created along the international border by reserving, on a 15 mile depth, areas as continuous as possible of the existing degraded dry mixed deciduous forest. That in this belt no firing should be allowed, and that cultivation and the pasturage of herds and flocks should be restricted and eliminated altogether where possible".

In his book, *The Forests of West Africa and the Sahara*, attention is repeatedly drawn to the adverse effects of over-grazing, burning for hunting, shifting cultivation, cutting down of the forest for firewood, the resultant desiccation and lowering of the water table, and, in the case of the Sahel, the vast amount of sand blown during the Harmattan season something which is assisted by the removal of the forest cover. The position was accurately summarised and forecast by Professor Stebbing. He said:

"The people are living on the edge, not of a volcano, but of a desert whose power is incalculable and whose silent and almost invisible approach must be

difficult to estimate. The end is obvious: total annihilation of vegetation and the disappearance of man and beast from the over-herded locality".

How can it possibly be said that the 1968-1972 drought focussed attention on this problem for the first time?

The warning was given 30 years ago; the signs became increasingly obvious during those 30 years, but it took a major catastrophe to galvanise anyone into action.

And what exactly has this to do with Zambia?

A brief excerpt from Mr Storr's article in *Productive Farming* tells us how Zambia is affected:

"Desertification, due to the removal of tree cover, means the deterioration of the soil, higher temperature, and poor rainfall—conditions not recommended for the growing of agricultural crops. So by allowing the forests to be removed for firewood and charcoal we are digging our own graves. But unless something is done about this soon, millions of people, literally, will lie in shallow sandy graves under the burning sun".

And from the rest of his article, it would appear as though very little attention is being paid to his warning.

Perhaps, in 30 years' time, there will be in Zambia "an occasional drought within the natural range of rainfall variation", leading to a tragedy on a par with that of the Sahel.

I can almost visualise a paragraph in a subsequent issue of *The Courier* or some similar publication, dealing with the subject. It could run something like this:

"The catastrophic drought of 2008 in Zambia was a recent example of the results of indiscriminate removal of the forest cover. It focussed public attention, throughout Zambia, for the first time, on the problem of desertification, and led to a call for counter measures".

The German philosopher Hegel may have had a point when he said that "the only thing we learn from History is that we learn nothing from History". □
L.R.E.

(*) Chief Executive, Zambian Industrial and Commercial Association, PO Box 844, Lusaka.

(1) A local publication on agricultural matters.

Women in rural Africa

The status of women the world over is undergoing profound changes. 1975, with the Mexico conference as the high spot, was both International Women's Year and the beginning of the Women's Decade.

African women took a historic step forward in asserting the role they have to play in the development process at the African conference on women and development which was held in Nouakchott, the capital of Mauritania, from 27 September-2 October 1977.

African women are organizing more and more national and international associations, offices, committees and councils. Increasingly, women are working for bi- and multilateral cooperation in the industrialized countries.

A Belgian aid organization, the Administration Générale de la Coopération au Développement (AGCD), has attempted both to make people aware of what is happening and to emphasize the need for women to participate widely in the design and implementation of cooperation policies by running public meetings on the status of women in rural Africa. The sessions, the idea of Mrs Sonia Gerlo, the head of the organization, were held in Brussels on 9-11 May. A dozen African representatives, most of them women, were thus able to discuss with the AGCD and a number of NGOs, Belgian women's groups and African students

in Belgium. In a wider context, these meetings were also part of the preparation for the world conference on women scheduled for 1980.

A woman's work is never done

Women from Nairobi and Dakar are as different as women from London and Rome, so generalizations are difficult. However, this much is clear: the vast majority of African women, indeed 80% of the female population of the world, live in rural areas. Development is organized by men, largely for men, and women tend to be left to carry on with their traditional job of wife-mother-teacher-provider-housewife and often head of the household as well. The importance of this multiple job is never fully appreciated and it never leaves women enough time to assimilate the new ways of life generated by the development of the African countries. And this usually means that they are in no position to take an active part in politics or, therefore, have any hand in decision-making.

But times are changing and many women have managed to get better organized. An association of African women for research into development has recently been set up and its leader, Mrs Maire-Angélique Savané (Senegal), explained her ideas to 70 or 80 very attentive participants at the information sessions in Brussels.

Alienation and rural ties

One of the questions asked during the discussions was whether the African women present still had their roots in the rural world and whether they did not represent a social elite as compared to the majority. To this, Terry Kantai, whose colleagues confirmed that she spends most of her time in villages in rural Africa, replied: "Personally, I think Nairobi is an artificial place of work. My home is in Embu. I was born there, my family lives there and whenever I go back, I go and fetch the water just like I always did. Of course, although my colleagues and I keep our rural ties, we do sometimes feel that our education and the convenience of life in the towns, piped water and electricity and so on, alienates us to a certain extent. But that has not made me forget what it means to have to draw water and collect firewood, as the vast majority of our women still have to. I shall never forget my origins and it is in villages like mine that I try to improve women's lot, in the hope that in the long term they will have the same comforts as in the town... Unlike the first leaders of women's organizations, we do not come from a traditional social elite. What counts is our education and, without being pretentious, it is fair to say that we have won our education through our own efforts without being in a privileged position at the outset."

Chit-chat and planning

Terry Kantai and Mary Tadesse agreed that the early women's organizations did a lot of talking for its own sake. As Mary Tadesse said: "This was



The opening speech by Lucien Outers, Belgium's development minister. On his right, Queen Fabiola of Belgium and Lily Monze, Zambia's minister for economic and technical cooperation

certainly true of the '60s, when a few women from high up the social ladder led the women's groups. But all that changed in the '70s. Experienced, qualified women, economists, agronomists, doctors, sociologists and so on, took over. Women's organizations are no longer places for endless discussions. They are national committees on women's status, set up for and recognized by the governments, where they have a constantly increasing influence on the decision-making process."

Terry Kantai stressed that "platforms for discussion are sometimes necessary to exchange ideas and launch concrete schemes to teach others how women take part in planning and how they produce strategies for action in their own countries... But the important thing is to go beyond these discussions and translate ideas into practical projects, involving the women from rural areas we are talking about."

Encouraging a modern outlook

Once women's needs have been identified and the means have been found to help them with food production, water supplies, health and training, traditional attitudes still hold back the process of change.

"It is not just a question of liberation or emancipation", Terry Kantai said. "The basic need for food, water and health is as much men's problem as ours. I don't like putting women into a special category, as we are all part of the same society after all, but as things are at the moment, it is something we have to do because we have to change the outlook of men and of women as well. Men, because they fail to see women's complex duties as real work, and women, because they just see themselves as servants with a mass of housework to do rather than as participants in the development process."

As Terry Kantai sees it, women are in great need of training and education to enable them to cast off their traditional role. "Development projects are often just for men and new technologies tend to be monopolized by men. Foreign aid has not always taken account of women and national projects have not done so either. In Kenya, for example, the politicians "used" women to build rural schools as part of self-help projects(1) without giving them time to think about the boy/girl

(1) Self-help or 'harambee' projects are usually designed and implemented by the people themselves, even where the government provides aid.



An AGCD reception for Terry Kantai and Mary Tadesse

ratio, which usually favours the boys, in the school once building was completed."

African women have a special role

African women want recognition and appreciation for their traditional role and they also want to be considered as full participants in the development process. "Foreign aid donors and national authorities must be more receptive to projects designed by and for women," Terry Kantai said.

As Mary Tadesse sees it, African women are not quite like others. "We have noticed that the centre for women at the Economic Commission for Africa is one of the UN's most active, which proves that African women are different from women from other continents. First and foremost, they do not stay at home. They go out into the fields to produce food. This is an important economic factor. There has been no recognition of or assistance for their productive work, and I feel that development as a whole has gone slower than it might have done because of it; but, fortunately, it looks as though both national and international bodies are beginning to think differently. And another thing is that the African woman is often head of the extended family of husband, children, grandparents and so on. As far as cooperation among women is concerned, Africa is very advanced. There is a great deal of contact between women who have qualified, with ECA assistance, and who are working to help their sisters in other countries. Moreover, the new

women's organizations have government recognition and constitute a link between the centres of political decision-making and the rural women they represent."

Getting a foot in the door

It is not difficult to have ideas about devising and designing projects, if the representatives at Brussels were anything to go by. The problem is how to get these ideas over. In Terry Kantai's eyes, it is not turning on the charm or pressurizing the government that will get the male decision-makers to accept a project. "First and foremost you have to be clear about the structure of political power to get your projects accepted. I do not believe in endless discussion. You have a proper grasp of the facts and real situations on which a project depends. I find it very easy to exert a positive influence and get results when I know what development priorities, budgetary possibilities, available human resources and so on are. Starting from there, I find it easy to get projects accepted—diplomatically and tactfully, since no government can really be forced to do what we want."

Both Terry Kantai and Mary Tadesse feel that the awareness of women's status which began at Mexico is gaining ground and that the world conference in 1980 will set the seal on the modern role of African women in the new international order in which women will be active, not passive participants in the development process. □

ROGER DE BACKER

Gabonese writers and dramatists

by Robert CORNEVIN(*)

Gabon is the only African country that can claim to educate nearly all its children(**), and its own authors, from the grand old man André Raponda-Walker down to the present post-war generation, offer them a wide range of reading.

André Raponda-Walker (1871-1969), founder of Gabonese literature

Raponda-Walker is still the most eminent Gabonese author. His mother was a Mpoungoué princess of one of the royal houses of the West African coast, from Chinchoua; he wrote in French, but he was nearly brought up in England where he was sent at the age of four by his English father, Bruce Walker, who came to Gabon on behalf of the Liverpool firm Hatton and Cookson.

In Southampton as a young child he spoke English, but he was brought back to Gabon in 1876, at the age of five, and never left it. He went to the first mission school, whose founder, Mgr Bessieux, had just died, in the charge of Catholic nuns, and was ordained into the priesthood on 23 July 1899. As a missionary he first scientifically recorded much of unknown Gabon, writing and making notes as he was to all his life. The Belgian revue of the Fathers of the Holy Spirit (***) seems to have published his first article, *Travels among the Mitsogo*, in 1907, and he became a contributor to a number of publications, including the *Bulletin of the Congolese Research Society*, the *Journal of the Society of Africanists*, the *African Clerical Revue*, the *Liaison de Brazzaville*, *Réalités Gabonaises* and the *Review of Applied Botany*.

Raponda-Walker also compiled a French-Mpoungoué dictionary, which was published in 1934 and ran to 640 pages, and published an *Essay on Tsogo Grammar* (1937). He wrote an annotated history of Gabon(1) and collected local folk-tales(2). In collaboration with Roger Sillans he wrote *Useful Gabonese Plants*(3) and *The Rites and Faiths of Gabonese Peoples*(4). His collected works covered an immense range by the time of his death, only a few years ago, at the age of 98.

The essayists

The *Jeune Gabon* movement used the local press as a platform between the two World Wars and the African viewpoint on current affairs found expression in articles such as *Africanism and Westernism*, published at the time of the Brazzaville Conference by the magazine *Renaissance* (Algiers, October 1944) and written by Jean Rémy Ayoune (b. June 1914 at Assewe in Ogooué Maritime), who was later an ambassador and a minister.

Shortly after World War II, René Paul Sousatte was another to give an African opinion of the Brazzaville Conference and the beginnings of the Union française(5). Sociology as well as politics preoccupied the new essayists. Hilaire Aubame discussed the possibility of combining village communities in the *Renaissance Gabonaise* (Brazzaville, 1947), while Laurent Biffot, later to become head of the faculty of literature at Gabon University, published *The Integration and Disaffection of the Gabonese Worker*(6), *Behaviour, Attitudes and Aspirations of Gabonese*

Schoolchildren(7) and, with Roland Devauges, a study of household budgets in Pointe Noire(8).

Notable political essays included *Africa without Frontiers*(9) by Gustave Auguile and Jacques David, and especially the work of the future President of the Republic, Albert-Bernard Bongo: *The Government of Gabon*(10), *Dialogue and Participation*(11), *Social Thought and Action*(12) and *Renewal: Some Political Approaches* (Libreville, 1974).

A curious book appeared in Paris in 1952: *The Secret Bible of the Blacks*(13), by Prince Birinda of the

(*) Chairman of the ADEL (Association de défense de la langue française), director of the Centre d'étude et de documentation sur l'Afrique et l'outre-mer (Paris), author and journalist specializing in African affairs.

(**) The population of Gabon is around 600,000.

(***) All titles translated from French where appropriate by the *Courier* — Ed.

(1) Imprimerie Charité, Montpellier, 1960, 158 pp.

(2) 1953, re-issued by Présence Africaine, 1967, 384 pp.

(3) P. Lechevalier, 1959, 614 pp.

(4) Présence Africaine, 1962, 377 pp.

(5) L'AEF berceau de l'Union française, Brodard and Taupin, 1947, 143 pp.

(6) ORSTOM, 1963, 133 pp.

(7) ORSTOM, 1967, 146 pp.

(8) ORSTOM, 1963, 301 pp.

(9) Editions Paul Bory, 1965, 312 pp.

(10) Paul Bory, 1968, 143 pp.

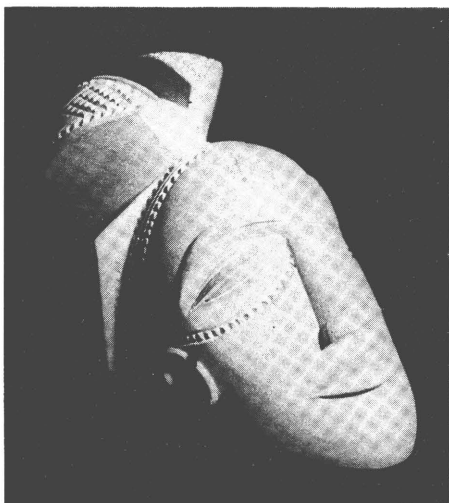
(11) Paul Bory, 1972, 142 pp.

(12) Paul Bory, 1974, 127 pp.

(13) Editions des Champs-Élysées, Paris, 1952, 137 pp.



Renzi ritual in the Bwiti region of Gabon



Stone mask from the M'bigou region

Eschira clan, contains some valuable passages on the *Bouiti* and Gabonese religions. His biographer, Jean-René Legrand, describes Birinda's journeys through Nigeria and the Ivory Coast in the '50s.

Georges Damas Aleka (b. 1902 in Libreville), ambassador to the EEC and Benelux in 1961 and president of the National Assembly in 1964, is best known for having written the Gabonese national anthem, *La Concorde*. He has also done some important work on the black man in history(14) from earliest times.

The influence of tradition and legend

Few African countries have a body of literature so much influenced by the oral tradition. Raponda-Walker showed the way and there has since been a constant attempt to turn this exceptionally rich oral tradition into written French.

Sébastien Bodinga-Bwa-Bodinga, of the Eviya in Ngounié (b. 1926 at Mavono) found time during an administrative career to collect *The Oral Tradi-*



Robert Cornevin

tions of the Eviya(15), while Paul Vincent Pounah (b. 1914 at Lambaréné) has published a number of works on the Galva, notably in *Dialectique Gabonaise*(16), *Concept Gabonais*(17), *Our Past*(18), *Crossroads of Discussion*(19) and *Traditional Gabon, from Edongo to Gaboa*(20). Traditional stories are also retold in *Tales of the Forest*(21) by François Méyé (1920-70), *The Adventures of Bioma*(22) by Jean-Baptiste Abessola (b. 1932), now a counsellor in the ministry of education, in such work by Philippe Tsira Ndong Ndoutoume (b. 1928) as his series *The Mvett*(23) and in *Olende, or The Song of the World*(24) by Jean-Paul Leyimangoye (b. 1939 at Port Gentil).

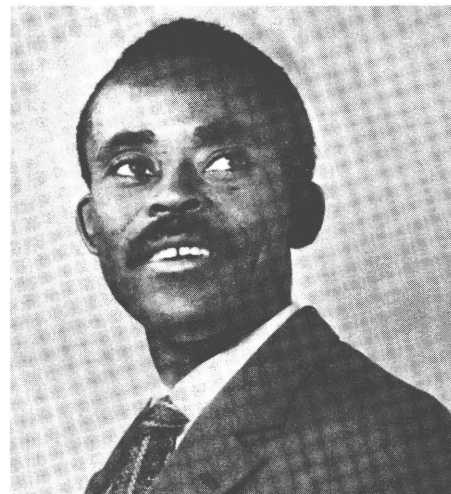
Fiction and poetry

Despite the wealth of its traditions, Gabon is poor in imaginative prose today. The only novel so far is *The Child who was Found*(25) by Robert Zotoumbat (b. 1944 at Mékambo), who was a teacher of English before becoming head of Protestant education in Yaoundé.

Poetry has been better served, with Edouard Moundjéjou's *Twilight of Silences* (P.J. Oswald, Paris, 1975), Ndouna Depenaud's *Dreaming at Dawn, Songs of Gabon* (Edicef, Paris) by Georges Rawiri (b. 1932 at Lambaréné), formerly ambassador to Paris and now minister, and poems by another public figure, Moïse Nkoghe-Mvé, vice-president of the National Assembly. Henry Walker-Deemin (b. 1930 at Libreville) wrote poetry as a schoolboy in France in 1946-47, the rector of the University of Libreville, Nding Dyatelm, is a poet as well the author of the forbidding *Legal Singularism or Dualism* and the singer Pierre Ankendengué, from Fernan Vaz, is another poet in his own right.

Drama

Theatre is much appreciated in Gabon and playwright Paul Nyonda (b. 1918 at Bouranga in Ngounié), former Minister of Education and now director of the National Theatre, is a leading author with a dozen plays to his name. They include *The Death of Guykafi*, which was first performed at the Dakar Festival in 1966, *The Parricide*, first heard in a competition on Radio France Internationale, *The Spectacles, The Drunkard, The Emergence of a Society, Mbombi's Combat* and *The Succession*. Other writers of note include Ferdinand Allogho (*The Adulterer*), Mezin Ndong Onana (*The Strength of the Bieri*) and Ndouna Depenaud (*The Wound*). Radio France Internationale also gave a first airing to Richard Monbony's *Boussodo* (1968), Laurent Ombaye Owondo's *The Impure Ones* (1969), Moussa Kouate's *Mbale*



Georges Rawiri

A great Gabonese author

Mbale the Witch (1970), Jules Ondo's *Neither Angel nor Beast* (1970) and *The New Way of Things* (1971), Francis Taika's *The Guarantee* (1971), Mick Adonys Ma Nyaga's *Maroundou* (1972), Gatién Steve Reneto Ndiaye's *The Vengeance of the Sorcerer's Son* (1973) and Jean Fidèle Sylvie Ngouali's *Liboga, or the Mystery of the Magic Forest* (1973).

President Bongo and his wife must be added to the list. *The Reconciler* describes a young African president's attempts to achieve change and national unity, and Joséphine Kama-Bongo's *Obalé*, performed in Libreville on 25 March 1974, examines the conflicting demands of custom and modernity and the forced marriage of daughters.

..*

Despite the paucity of novelists, Gabonese literature can count on a number of poets and a strong historical tradition which has also left its mark on the theatre(26). The growing University of Libreville and increasing national confidence should ensure a greater number of men of letters in future. □

R.C.

(14) *L'homme noir*, Paul Bory, Monaco, 1969, 123 pp.

(15) Editions TMT, Paris, 1969, 62 pp.

(16) Editions Paul Bory, Monte-Carlo, 1967, 95 pp., revised 1975, 144 pp.

(17) Paul Bory, 1968, 93 pp.

(18) Société d'impression technique, 1970, 106 pp.

(19) Imprimerie Raynaud, 79 Coulonges-sur-ül'Au-tize, 1971, 101 pp.

(20) Imprimerie Lориou, Fontenay-le-Comte, 1975.

(21) Paul Bory, 1970, 92 pp.

(22) L'Ecole, 1975, 63 pp.

(23) Volume I, 1970, 159 pp.

(24) Beauchemin, Montreal, 1967, 67 pp.

(25) CLE, Yaoundé, 1971, 60 pp.

(26) See *Anthology of Gabonese Literature*, issued roneotyped in April 1976 by the Institut pédagogique national de Libreville and published this year (357 pp.) by Beauchemin of Montreal under a cooperation agreement between Gabon and Quebec.

Nigerian synthesisism

Bruce Onobrakpeya: "I cannot see Nigeria's art existing in a vacuum"

The Goethe Institute in Lagos recently put on an exhibition of the prints and plastocast paintings of Bruce Onobrakpeya, one of a group of Nigerian artists who call themselves "synthesists". This group, says Onobrakpeya, "took something from the past, something from the present and some influences from outside, blending them to produce a new art form." His own later work, a selection of which was on show in Lagos, reflects this attempt to combine the various influences which an artist in modern Lagos experiences.

Onobrakpeya comes from the Urohobo area of Bendel state in Nigeria and grew up in Benin. His subjects, he says, reflect the mythology and legends of the Edo-speaking people, boyhood memories of life in the rural areas around Benin, as well as the modern strains of living in the city. From his base in urban Lagos he "can comment too on aspects of Nigerian culture as a whole". Living in Lagos, he admits, is difficult, "but I live among the common people and this is very good for me. People often say that if I lived somewhere quieter, in Benin, Sapele or Warri, somewhere like that, I would have more chance to work, but the type of art I produced there would be different." Living, and teaching in Lagos, provide him with both his subjects and the stimulation he needs to work.

Design in an urban society

The group of artists to which Bruce Onobrakpeya belongs are not just concerned with the pursuit of their art. They are concerned with the role of the artist in the development of a new urban society. "We have something to say," he says, "about the way towns have been developed without proper space for parks and playgrounds, and some of the structures that have been put up." One of the most striking aspects of modern Lagos is the new express road network that is overcoming the city's chronic traffic problem, but he does not find the contrast between these modern highways and some of the slum housing areas through which they pass too discouraging. In his view the roads are needed to get the economy of the town moving, and after that the authorities will be able to concern themselves with other problems. But he would like to see some of the new buildings going up in Lagos incorporate more that was

specifically Nigerian. He believes it is the artist's job to seek new ideas and to blend design conflicts into something acceptable to the public. He has no theoretical objection to outside influences in design, quite the reverse, "provided it is weighed against what we have already."

Ancient and modern

So far the combination of traditional and modern themes in Bruce Onobrakpeya's work has had a stronger appeal to patrons outside Nigeria. About three quarters of his work goes abroad. But he strongly believes that the more modern themes he is adopting are responsible for the growth in Nigerian patronage of the past few years. His work has already received official recognition at the highest level in Nigeria when one of his bronze lino reliefs was presented by the Nigerian head of state to Queen Elizabeth II during a state visit to Britain in 1973. Last year his painting called "The Life of Saint Paul" was presented to the Pope on his 80th birthday. Since his first exhibition at the Zaria college of art and technology, way back in the late 1950s, he had exhibited in many parts of the world. He has had a series of exhibitions in the United States and Canada, and in various parts of Britain. His works have also gone on show in Warsaw and Moscow. Perhaps his most famous foreign patron was the Duke of Edinburgh who bought several of his works during an exhibition in Cardiff in Wales. He has also had a



"Aro emamiwata"

An example of Bruce Onobrakpeya's work

number of commissions at home. He provided murals for the independence exhibition in 1960 and the University of Lagos in 1963, illustrations for the writings of Cyprian Ekwensi and Chinua Achebe, and paintings for the 14 stations of the cross at St Paul's church in Ebute-Metta, a Lagos suburb.

Plastocast prints

As well as seeking new themes, Bruce Onobrakpeya has sought new ways of expressing his art. In particular he has developed what he calls the plastocast method. This is a deep etching process using plastic and synthetic materials such as fibre glass. A negative mould is made in plaster of Paris from the original lino block engraving, and the resin or fibre glass material is then used to make the positive. This positive is re-engraved and coloured to make the print. The quality of the print, says Bruce Onobrakpeya, is very different from that produced by more ordinary methods.

The synthesist school

The synthesist idea of bringing together the various influences on the artist from home and abroad dates from Onobrakpeya's days in Zaria. He is now involved with a group of artists of various mediums who also accept the idea that Nigerian art must be outward-looking and not hark back exclusively to traditional art. The group has regular meetings and was given an added catalyst by the preparations for the Nigerian contribution to Festac in which it was directly involved. Most of the people in this new "school" of art are teachers, and Bruce Onobrakpeya regards his painting as an extension of his work as a teacher, through which he can reach a wider section of the community. Among his contemporaries he listed Yusuf Grillo of the Yaba College of Technology, who is famous for his murals; Nwoko, who has interests in drama, dance and architecture and is now running an experimental cultural centre in Ibadan. There is also Professor Uche Okeke from Nsukka, who could be described as the writer and art historian of the group, but who still does some art work, and Erharbor Emokpae, the painter and sculptor who helped decorate the Festac theatre. They are all involved actively in the group and will be holding a major meeting later this year to discuss a wide range of questions which affect the arts in Nigeria, including the role of the government, their own impact on the Nigerian public, and a number of environmental and design questions. □

I.P.

BOOKS

L'Afrique d'expression française et Madagascar (French-speaking Africa and Madagascar) — Europe Outremer — 6, rue de Bassano, 75116 — Paris — 1977.

A picture of French-speaking Africa today

Europe Outremer magazine, the biggest French monthly on Africa, has just brought out the 17th, fully revised edition of its well-known special annual issue entitled *Afrique d'expression française et Madagascar* (French-speaking Africa & Madagascar). But this is more than a special edition. It is a work in its own right, easy to handle and practical to use. It gives a faithful picture (in early October) of the 25 francophone African countries (North Africa, francophone black Africa, Madagascar, Mauritius, the Comoros, the Seychelles and Djibouti).

Containing figures, statistics, dates, names, events, addresses and a whole range of other information, it is the fullest and most up-to-date work of its kind. The 17th edition contains all the figures (usually for 1976 or 1975) and information available by early last autumn.

The speed with which it is updated is one of the main advantages of the work. The most recent political and economic events are charted. It lists the governments and per capita GNP of each country in 1975, almost all production figures for 1976, the population at the most recent count or estimate, the school population in September 1977, the names of current French ambassadors, a number of 1978 budgets, the latest staff plan of the French ministry for cooperation, an analysis of development plans under way or already approved, the size of the various armies and the most recent estimates of armaments and so on. A number of countries (Algeria, Benin, CAE, Comoros, Upper Volta, Madagascar and Seychelles) have recently set up or are about to set up new institutions and these too are analysed. This is a remarkable achievement bearing in mind the time involved in drafting and producing a work of this kind.

The 17th edition (270 pages, 28 maps) begins with four maps of the continent and biographies of the heads of the 49 states of the OAU (as of 1 October 1977).

There is a chapter on each of the

French-speaking states of Africa. Each follows the same pattern: a map, followed by a timetable of recent events, the basic facts about the population, employment and income, political and administrative organization, the diplomatic corps at home and abroad, a precise, up-to-the-minute table of the economy and finance (GNP, budget, main products, agriculture, industry, basic equipment, major schemes in progress, external cooperation etc), the Africanization of the economy, social (teaching and health) organization and various other details.

The final chapters deal with inter-state organizations, with relations between France and French-speaking Africa and with the EEC.

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Exporter vers la Communauté Européenne (Exporting to the European Community) — Office for Official Publications of the European Communities — BP 1003 — Luxembourg — 71 Pages — £ 0.80 — 1978.

This concise guide, published in French and English, should make it easier for would-be exporters to trade with the world's biggest import market, the 260 million-strong common market.

The common market has import regulations and provisions for exporters from third countries, which hold good throughout the Community. Most important of these are the customs rulings (the common customs tariff and the preferential system), the rules on origin and the agricultural provisions. Then there are a number of rules and provisions which have not (yet) been "communitarized" and which are applied differently by the nine Member States of the Community. Value added tax (VAT), technical norms and health standards are examples of these. The guide provides the foreign exporter with vital information on the common market and its import rulings, thus giving him a general idea of what will affect his trading company. It also lists sources of information, useful addresses and certain basic data on the nine countries of the Community.

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C. DALOIS — Manuel de sciage et d'affutage (The Woodcutter's Manual) — Centre Technique Forestier Tropical — 45 bis avenue de la Belle-Gabrielle — 94130 — Nogent-sur-Marne —

France — 199 pages — 421 drawings — FF 50 — 1978.

A. Chardin writes in this preface:

Pupils at vocational training schools and centres teaching wood-sawing techniques in French-speaking areas of the tropics have so far had very few textbooks at their disposal and what there were tended to be written by teachers and aimed at explaining European experience to Europeans. Thus, when the publications division of the Centre Technique Forestier Tropical consulted me as to whether it should publish the course book Mr Dalois had written for his pupils at Sérédou, I had no hesitation in saying I was very much in favour.

The course was written by one experienced in tropical wood-cutting to enable his pupils, who were being trained to manage their country's sawmills, to have a permanent record of the information and advice he had given them. Its publication in book form fills a long-felt need and I have no doubt that many professionals, even outside the tropics, will welcome this work originally intended for their young colleagues.

The aim of a textbook is to explain the essential aspects of a given field and the writing of it is always an imposing task. In this case, the author has dealt with both sawing and working in minute detail, thereby doubling his work.

Mr Dalois was courageous to undertake such a task. He deserves our congratulations not just for doing so, but for doing it so well.

ooo

Denis-Clair LAMBERT — Les économies du Tiers monde (Economic systems in the Third World) — Editions Armand Collin, Collection 4, Paris — 411 pp.

One of the weak points of the Third World is statistical information, and discussion of it is further obstructed by divergent opinions regarding its definition and the extent of its "underdevelopment". With this in view the author of the present work, who is a professor of political economy at the University of Lyon, starts off with a statistical note and an appreciation based on figures of the economic and social indicators available in the Third World. In fact, he says, "official statistics, however

garbled, never succeed in completely concealing the disparities, bottlenecks, backwardness or poverty”.

The statistical section is accompanied by geo-political data about the Third World, the economic capacities of which are as yet underestimated, so that there are increasingly cogent arguments for a more realistic reevaluation.

The countries of the Third World are generally described — unlike the wealthier countries — in terms of their common features — their food shortages, their over-population, their lack of education facilities, their unemployment or underemployment. In actual fact the poorer countries are no more uniform than the wealthier; and the great diversity of the Third World and the differences of development levels do not lend themselves to the industrial development patterns, either of the West or of the East. There is, in the Third World, an “inequality of backwardness” induced by environment, economic inequalities and different stages of development; if we stop comparing them with developed industrial countries, this becomes clearer.

In the second part the author restates the theories of domination and the marxist explanations, both on the quantitative side (the terms of trade) and the qualitative, and working into his analysis the theories of imperialism.

These external causes of underdevelopment are supplemented by internal ones, the analysis of which stands out as “an internal interpretation” of the obstacles to growth and development. This marked duality of the economic, political and social structures becomes all the more clear when we consider the organizational forms in underdeveloped and developed countries. This marked duality in the economic, political and social structures is nowhere more evident than when we compare the organizational forms of underdeveloped and developed countries. In the poorest countries there is a flagrant duality at different levels — between town and country, between subsistence and monetary economies, between tribal life and modernized society. Stabilization, followed by diminished duality of structure, is undoubtedly a criterion of economic development.

The last part of the book is entitled “development through growth”. The

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author here makes every allowance for the structural diversity of the Third World and the continually widening economic gaps, but discusses the rapidly-growing economies and tries to define patterns of balanced development and to sketch the outlook for the Third World.

The documentation of this work is abundant, and the bibliography fully covers the problems under discussion, so that Denis-Clair Lambert is able to set out his theme very systematically. He is a man of scientific method, anxious to examine his problem from every angle, which possibly explains how he can carry out his analysis without adopting an attitude. It has been said by the newspaper “Le Monde”, that his desire to take no attitude nor assert his own views “is sometimes carried to the very edge of the scrupulous”. His work is, in places, open to discussion, because of his choice of starting points; this makes it the better reading, because his methods prompt a thorough consideration of some of the major problems facing the world of today.

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Marlène Dauven and Michel Wirtgen —
University studies on European integration — 9th bibliographical survey —
Centre d’Etudes Européennes —

Université Catholique de Louvain —
Belgium — 1978.

The EEC Commission has decided to continue the studies previously carried out by the European Community Institute for University Studies. The idea is to help researchers concerned with the problems of European integration to have as wide a range of resource material as possible and to make it possible to contact people doing similar work. The European Study Centre of the Catholic University of Louvain was asked to carry out the 9th study and the results of its work have just been published.

The publication, in the form of a bibliography, covers doctoral theses and university research (completed or in progress since 1973) on European integration. The entries are divided according to content (history, politics, law, economics, social, cultural, etc.) and under each heading authors are listed in alphabetical order. There are technical details of each study (university, faculty or research centre, anticipated or actual date of completion, bibliographical references) and a brief description of the work wherever the author has supplied it. In addition to the list of research proper, there is a directory of the addresses of the universities, faculties, centres and institutes which have sent in reports on their work. This should make it possible to obtain further details direct from the researchers concerned. The authors and directors of research mentioned in the publication are also listed.

Anyone interested in entering research in the next survey (University studies on European integration — 10-78) should contact the Centre d’Etudes Européennes. This 9th survey can be obtained from the same address.

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