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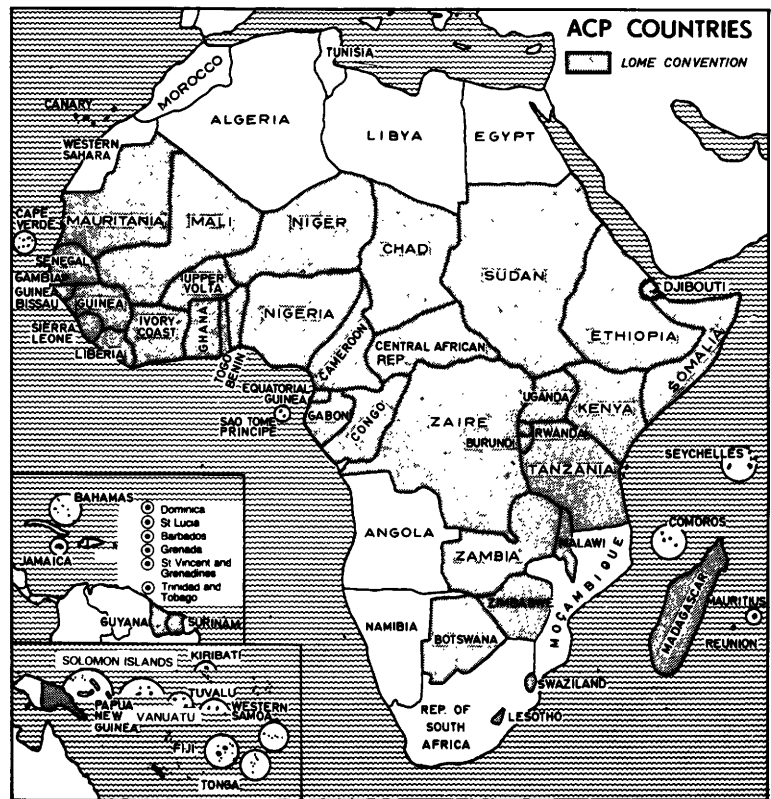
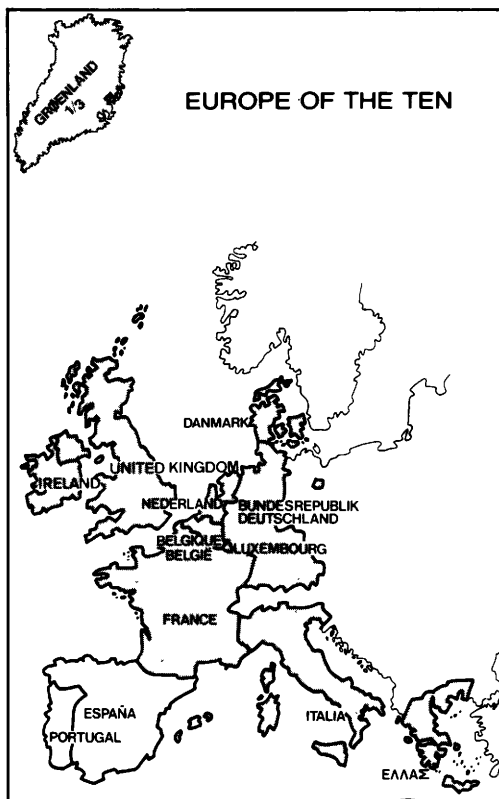
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CAMEROON	KIRIBATI	SWAZILAND
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CONGO	MALI	TUVALU
DJIBOUTI	MAURITANIA	UGANDA
DOMINICA	MAURITIUS	UPPER VOLTA
EQUATORIAL GUINEA	NIGER	WESTERN SAMOA
ETHIOPIA	NIGERIA	VANUATU
FIJI	PAPUA NEW GUINEA	ZAMBIA
GABON	RWANDA	ZIMBABWE
GAMBIA	ST. LUCIA	
GHANA	ST. VINCENT and GRENADINES	
GRENADA	SAO TOME PRINCIPE	
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	SEYCHELLES	



FRANCE

(Overseas departments)

Guadeloupe
Guiana
Martinique
Reunion
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(Overseas territories)

Mayotte
New Caledonia and dependencies
French Polynesia
French Southern and Antarctic Territories
Wallis and Futuna Islands

NETHERLANDS

(Overseas countries)

Netherlands Antilles
(Aruba, Bonaire, Curaçao, St Martin, Saba,
St Eustatius)

UNITED KINGDOM

(Overseas countries and territories)

Antigua
Belize
British Antarctic Territory
British Indian Ocean Territory
British Virgin Islands
Brunei
Cayman Islands
Falkland Islands
Montserrat
Pitcairn Island
St Helena and dependencies
St Kitts, Nevis and Anguilla

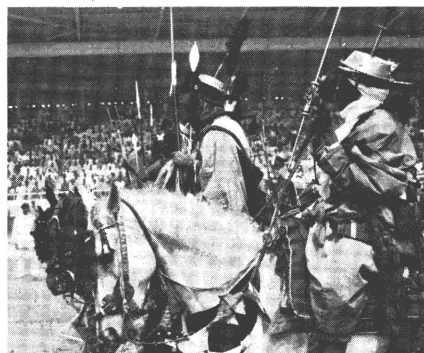
This list does not prejudice the status of these countries and territories now or in the future.

Papua New Guinea — The largest of the ACP countries in the Pacific, Papua New Guinea is in the throes of a mineral boom which could dramatically improve its development prospects. But for the majority of the population, many of whom live in inaccessible and remote parts of the country, it is progress in agriculture which counts. The difficult, but often beautiful, terrain, traditional attitudes and shortages of skilled manpower all hold development back. Our report looks at what the "bird of paradise" of the Pacific is doing to achieve economic take-off. **Page 9**



Solomon Islands — Scattered over a thousand miles of ocean, the beautiful Solomon Islands seem a peaceful haven from many of the problems of the modern world. The islanders live comfortably, are relatively well fed, relatively healthy and face few social problems. But with one of the highest population growth rates in the world—the population will double in 20 years—this harmony will not last. Only two years after independence a new development strategy is evolving which aims to help the islands face up to the challenge of change. **Page 21**

Dossier — There are today some 500 airlines serving more than 3000 airports throughout the world. Together they carry each year in the region of 700 million passengers, 10 million tonnes of freight and eight billion letters and other postal items. But what can air transport contribute to Third World development? IATA director general Knut Hammarskjöld, ICAO Council chairman Assad Kotaite and Air Afrique's managing director Aoussou Koffi give some of the answers in our dossier. **Page 44**



Arts — During a recent Joint Committee meeting in Freetown, Mauritian ambassador Raymond Chasle presented an important report on cultural cooperation. It underlines the particular characteristics of cultural life in both ACP countries and in Europe and the role that the ACP-EEC relationship, through certain cultural aspects of the Lomé Convention, can play in supplementing existing bilateral cooperation. An extract from the Chasle report examines the possibilities for ACP-EEC cultural cooperation. **Page 82**

News round-up — There have been a number of important news stories since our last issue two months ago. Within the Lomé context, the Joint Committee meeting in Freetown at the end of February was followed by an ACP Council of Ministers meeting in Brussels in April and an ACP-EEC Council of Ministers in Luxembourg. There has also been an effort to relaunch the North-South dialogue and the *Courier* discussed the prospects with the President of the UN General Assembly. Finally there was a European summit in Maastricht. **Yellow pages**



THE COURIER

AFRICA - CARIBBEAN - PACIFIC
— EUROPEAN COMMUNITY

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The usefulness of the ACP-EEC Joint Committee

The reports read at the Joint Committee meeting in Freetown, Sierra Leone, at the end of February were of a high standard. The *Courier* was represented at the meeting and shortly afterwards, in our last issue, we noted the great interest of the reports by ambassadors Insanally (Guyana) and Chasle (Mauritius). Parts of the Chasle report, a first discussion of cultural cooperation between the EEC and the ACP group, appear in the "arts" section of this issue. This kind of cooperation clearly complements the financial, technical and commercial cooperation of the Lomé Convention, to which it can give an added dimension.

In an interview with the *Courier* a few months back, Giovanni Bersani, co-chairman, said that the Joint Committee was both a laboratory for ideas and an important political body, to which everyone involved was very attached. Recession may force us to tighten our belts—so much the better, but economies should not be made at the expense of an institution that is showing such increasing political usefulness and effectiveness. Mr Bersani is right to underline the fact that the institutional aspect of Lomé is something "very special" in international parliamentary relations. "Never has one parliament joined with other parliaments to create a third, international, parliamentary institution that has become a driving force", he said.

The practical nature and the usefulness of this political role emerge more clearly when compared to what happens elsewhere. The President of Sierra Leone emphasized that the meeting was taking place at a critical time for international cooperation. Many conferences on many subjects use up a great deal of money and energy and rarely produce anything concrete, while the difficulties of the developing countries remain and the problem of their relations with the industrialized world has yet to be solved. But in the more restricted framework of the Lomé Convention, at least, meetings like this one are an opportunity to take another look at difficult problems of the sort raised by the deputy ACP

chairman of the Joint Committee—the sale of Community agricultural surpluses to the ACP countries at preferential prices, the sugar protocol, ACP textile exports to the EEC market, the enlargement of the Community, the attitude to South Africa and more. And, as EEC development commissioner Cheysson pointed out, it is rare to find such frankness of criticism without any deterioration in the relations between MPs from different places.

The Freetown meeting was also an opportunity for Michel Poniatowski, chairman of the European Parliament's development cooperation committee, to speak on the urgency of finding an answer to three essential problems for the Third World and the ACP group: industrialization, which was "vital", energy and, most important bearing in mind that the world population is expanding faster than food production, hunger. In particular, Mr Poniatowski pointed out in his closely-attended speech that there were 100 million more people, "the equivalent of 25 Sierra Leones", in the world every year. His strategy would be to aim for self-sufficiency in food first and then, "in a world that in 20 years will go from 4000 million to 6000 million people", adapt agricultural production in Europe and the West instead of cutting it back.

Mr Poniatowski ended by expressing concern at the bipolarization of the world and the "natural tendency in a crisis to cut development aid". We all had to resist this, he said, in our mutual interest. And perhaps, he went on, "one day we could tell the super-powers that they could be less indifferent to other people. Super power does not entitle you to super egoism and the super-powers have not done so much good in the world over the past 30 years as to warrant our super admiration".

The Lomé Convention, he said, stood for more than techniques and financial aid. It also involved mutual understanding and knowledge, esteem and consideration. "This sort of attitude should be extended towards others" and the Lomé institutions were an example of it. ○

ALAIN LACROIX

GUADELOUPE

Caribbean/European Contacts

The first "Caribbean/European Contacts" meeting was held in Pointe-à-Pitre, on 23-26 February, through the joint initiative of the chambers of commerce and industry of the French West Indies and French Guiana, namely the chambers of Basse-Terre (Guadeloupe), Guiana, Martinique and Pointe-à-Pitre (Guadeloupe).

They followed the first "ACP/EEC Encounters" between government representatives and private enterprises, organized by the chamber of commerce and industry and the City of Marseilles in May 1980; it was agreed then, on the proposal of the joint chambers of commerce and industry of the French West Indies and French Guiana, "that as far as the relationship between the overseas departments in the Caribbean and French Guiana and the signatory countries of the Lomé Convention is concerned, a solution should be found that will promote exchanges between these departments and the ACP countries in the Caribbean".

In Pointe-à-Pitre, the 400 or so participants, including the Prime Minister of Dominica and several ministers, coming from the 10 Caribbean signatory states of the Lomé Convention (Bahamas, Barbados, Dominica, Grenada, Guyana, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Surinam, Trinidad and Tobago), from the nine overseas countries and territories associated to the EEC (Anguilla, Antigua, Belize, Cayman Islands, Turks and Caicos, British Virgin Islands, Montserrat, Saint Kitts-Nevis and the Dutch Antilles: Aruba, Bonaire, Curaçao, Saba, Saint Eustatius, Saint Martin) and the three French overseas departments,

set themselves the goal of examining in a critical and constructive way, in all freedom and with no other concern than efficiency and a certain pragmatism, the new opportunities for cooperation in the Caribbean zone under the second Lomé Convention.

Representatives of the EEC Commission (commissioners Haferkamp and Cheysson), representatives of regional economic cooperation organizations, representatives from the governments of France (secretaries of state Bernard-Reymond and Dijoud), the United Kingdom and the Netherlands, and delegates of national and regional professional organizations all took an active

part in the debates alongside manufacturers, merchants, bankers, representatives from service industries, university professors and senior civil servants.

The "Caribbean/European Contacts" were presided over by Yves Pravaz, president of the Chamber of Commerce and Industry of Pointe-à-Pitre, with Neville Gallimore, minister of state in the Jamaican foreign ministry and Fred Thomas, chairman of the Manufacturer's Association of Trinidad and Tobago, as co-chairmen.

During the working sessions, the participants studied, in three committees, ways to encourage and develop trade exchanges, technical and financial co-operation and regional projects between ACP states, OCT (overseas countries & territories) and the DOM (French overseas departments) in the Caribbean. Various points of view and information were exchanged on the problems of developing practical co-operation.

ACP-OCT and DOM trade

As far as the trade questions studied by one committee were concerned, the agenda covered the following points:

- Access of DOM products to ACP and OCT markets;
- CARICOM common external tariff;
- non-tariff barriers;
- access of ACP or OCT products to DOM markets;



The first Caribbean/European Contacts: "useful and fruitful exchanges between neighbours"



(l. to r.) Clovis Beaugard (Martinique), M.J. Cooper (Trinidad and Tobago), Mr Jean-Beaptiste (France), M. K. A. Browne (St Vincent and Granading), Edwin Laurent (St Lucia) and Delile Bradshaw (Barbados)

- the influence of existing regulations on trade;
- how to encourage joint-ventures between business enterprises.

The participants expressed their dissatisfaction with current levels of trade between the countries of the Caribbean region.

It would appear that the main causes for this situation are:

- the restricted nature of the individual markets, worsened by the chronic inadequacy of all intra-regional means of communication;
- the similarity of the economies, emphasized by the absence of any real regional complementary;
- the cultural differences in language, customs and tastes of the peoples involved;
- the existence of strong ties between the territories of the region and their parent states or former parent states;
- the existence, in the trade field of regulatory obstacles in the form of tariff or non-tariff barriers;
- the differences in status of the countries in question;
- mutual ignorance about the situations, capacities and needs of each country.

Having closely examined these different constraints, the participants emphasized the fundamental importance of trade in the process of economic and social development which is the goal of all the partners of the region.

In the light of these considerations, and taking into account also the various institutional arrangements prevailing in the region, the following recommendations have been adopted:

- The creation of permanent mecha-

nisms for the gathering and distribution of reciprocal information, such as economic data banks;

- regional coordination between business concerns with the aim of exploring possibilities and gaining entry to the important surrounding markets;

- periodical organization in the region of travelling commercial events (trade fairs, exhibitions);

- the promotion and encouragement of partnerships between business in the region, notably through two-way involvements, multi-national societies and joint-ventures;

- an attempt to find, while respecting the provisions of the Treaty of Rome and the Lomé II Convention, a more extensive market for products coming from ACP, OCT and DOM countries.

In conclusion, the participants expressed their wish to see continued collective regional action designed to remove the obstacles hindering the development of trade within the region. They suggested that the professional bodies of the different countries involved should provide the follow-up to these "contacts" in whatever fashion seemed appropriate to them.

Financial and technical cooperation

A second committee, responsible for studying the problems of financial and technical co-operation between the ACP, OCT and DOM, dealt successively with the *principles* of this cooperation, the question of the *training of manpower*, and the *participation of business concerns in markets and tendering procedures*.

These different themes, introduced by reports from representatives of the EEC Commission, gave rise to exchanges of views, based on analysis of experience, and led to numerous suggestions, proposals and recommendations.

In this respect, particular emphasis was laid on the need for greater exchange of information at all levels as one of the most important conditions for the successful application of the Lomé Convention. In this respect, a special mention was made of the valuable role of the ACP-EEC *Courier* particularly its "operational summary" section.

The interest of the other recommendations flows largely from this imperative, which is a matter of priority.

As far as the principles of financial and technical cooperation are concerned, emphasis was again put on the primacy of the recipient countries themselves in the drawing up of their development programmes, as well as in determining the ways and means of sharing responsibilities managing the instruments of this cooperation.

The need for changes to overcome certain obstacles in the way of co-operation in the region was equally stressed.

Finally, there was agreement on the advantages of establishing both the goal of and the means for cooperation in the Caribbean.

Concerning the training of manpower, emphasis was put on the importance of this in the development process—as regards both the drawing up of multi-annual schemes, the distribution of EEC grants, and the necessary diversification of teaching methods, as well as in respect of the changing content of teaching and advanced teaching programmes provided by the experts.

The advantages of developing the capacities immediately available in the countries concerned and of encouraging training on the spot or in the neighbouring region were noted, taking care so far as possible to avoid extra costs resulting from language differences.

It was apparent that, in spite of the wide range of educational systems and needs, a comprehensive review of the means and methods of training and advanced training, of a general or specialized nature, existing in the region, is needed.

The participation of business concerns in markets and tendering procedures led to the following considerations.

The principles governing invitations to tender (construction works, supplies and service contracts whose financing is covered by the EEC) and the means of distributing information on them were described. Article 125 and the following articles of the Lomé Conven-

tion were closely analysed and discussed, especially as far as exceptions or modifications to the principle of international competition are concerned.

Many requests for further information and explanations were also made regarding contract terms, the criteria for distribution of contracts and rules governing preference (for ACP undertakings).

The discussions gave rise to the following recommendation:

— that precise and swift information be imparted to all those concerned.

Accordingly, the participants express their wish that reciprocal information be gathered and kept up-to-date concerning investment programmes likely to lead to business opportunities in the field of works, supplies and service contracts in the different partner countries of the region.

Such information should relate to all business opportunities, whatever the source of their financing.

The creation of links between professional organizations active in similar sectors was also recommended.

Regional cooperation

On the range of subjects covered by the third group, namely regional projects between ACP states, OCTs and DOMs, the following recommendations were made:

1. Principles and possibilities of regional cooperation

There should be further and more detailed exchanges of information on the funds available to the ACP and OCT (from the European Development Fund) and to the DOM (from European Community funds for international development) to finance their joint participation

in regional projects of mutual benefit, with particular attention to training.

2. Air links

Recognizing the difficulties inherent in the establishment of a regional airline, it is proposed that the responsible authorities should get together to discuss the possibilities of cooperation in air transport in the region. Particular attention should be given to infrastructure, including improvement and maintenance of airport and air traffic control facilities.

3. Agro-industrial production

There should be greater cooperation between agricultural research institutes in the Caribbean, together with wider exchanges of information between professional organizations, in order to promote a more balanced and harmonious development of agriculture and agro-industry.

Research should be more oriented towards practical solutions of the needs and problems of farmers.

Consideration should be given to the establishment of an intra-Caribbean institute for training in agricultural research.

4. Inter-island telecommunications

While great progress has been made in improving telecommunications in the region, further development is necessary to keep pace with the demands of overall economic growth and especially of the tourist industry.

5. Maritime links

Closer cooperation is needed equally in the field of maritime transport, which is vital to the development of trade between the ACP, OCT and DOM. To this end, there should be exchanges of information, in particular of studies already carried out.

In addition to the assistance already requested for the WISCO project, funds should be sought to improve maritime links between the DOM on the one hand and the ACP/OCT on the other.

6. Caribbean tourism

Given the broad common interests of the Caribbean countries in the development of tourism, and building on the cooperation which already exists through their membership of CTCR, CTA and CHA, there should still be closer coordination between them, including exchanges of information and experiences. This should extend to agreement on more rational air links and to the coordination of positions for negotiations with respect to landing rights.

Conclusion

All those taking part in the European/Caribbean Contacts 81 are highly pleased with the initiative that has at an opportune moment gathered various eminent people together to work for a common objective.

They are of the conviction that these contacts have brought about useful and fruitful exchanges between neighbours.

They recognize that the solution to common economic problems can be made considerably easier by dialogue and cooperation, regardless of the status of neighbouring partners and despite the differences in language, race and history.

They sincerely wish that the contacts made in Pointe-à-Pitre will be extended and developed through new working sessions dealing with particular problems, without, however, the creation of costly or top-heavy institutions. This goal could be achieved, maintaining close liaison between the chambers of commerce and industry in the DOMs concerned and the Caribbean Association of Industry and Commerce.

They consider it necessary that potential partners bear in mind the value and usefulness of the broadest possible coordination of efforts wherever a particular problem takes on a general interest and a more efficient solution is to be found at the regional level.

In particular, they recommend that a speedy effort be made in the field of information, which is a necessary support to mutual understanding and appreciation between populations that language, customs and training have separated but who share the same history, the same environment and the same faith in a common future for the Caribbean. ○



(l. to r.) Mr Maillard (Guadeloupe) with Paul Dijoud (France), Fred Thomas (Trinidad and Tobago), Yves Pravaz, chairing the "Contacts", and George Louison (Barbados)

European Community aid to the Caribbean following hurricane Allen (August 1980) ⁽¹⁾

One year after the devastation caused by hurricanes David and Frederick in August/September 1979, the Caribbean region was hit by hurricane Allen in the first week of August 1980. Allen was described by weathermen as one of the most dangerous hurricanes to form in the Atlantic this century, with winds of up to 180 km/h.

Hurricane Allen caused over 400 deaths, mainly in Haiti. In addition, it caused hundreds of millions of dollars worth of damage and the near total destruction of the most important Windward Islands' cash crop, bananas.

Disaster reliefs effort in the wake of the hurricane were mounted by the European Community in addition to, amongst others, the United States, Great Britain, Venezuela, Trinidad and Tobago and various international organizations.

To date, the total European Community assistance of 11.63 m EUA (US\$ 16.35 million) following the hurricane has been in three main categories (see table annexed):

- 3.9 m EUA (US\$ 5.4 m) in emergency aid, mainly for the purchase of blankets, tents, medicine, building materials and agricultural inputs;
- 1.78 m EUA (US\$ 2.5 m) in emergency food aid—cereals, milk powder, butteroil;
- 6.0 m EUA (US\$ 8.4 m) as an advance under the Stabex system to compensate for loss of export earnings from the banana crop which was destroyed.

The following is a brief outline, country by country, of the damage caused and European Community assistance to the area to date.

St Lucia

Undoubtedly, St Lucia suffered most from the hurricane, with damage estimated at around EC\$ 250 m. Sixteen people died and 6 000 were made homeless. The vital banana crop was 97% destroyed. Staple food crops were also affected. Light manufacturing plants in the south of the country were badly damaged and in addition some hotels in the area were damaged, but to a lesser extent. Allen worsened the country's already serious unemployment situation.

European Community aid followed immediately after the disaster with a first tranche of 300 000 EUA (US\$ 422 000) followed by a second tranche of 700 000 EUA (US\$ 984 000), mainly for the purchase

of medical supplies and building materials. St Lucia received emergency food aid valued at 150 000 EUA (US\$ 211 000)—500 t cereals, 30 t milk powder, 20 t butteroil. Furthermore, on 30 October 1980, Mr Cadet signed, on behalf of the St Lucian High Commissioner, for an advance of 1.3 m EUA (\$ 1.827 m) under the Stabex system, for bananas.

Jamaica

Total damage inflicted has been put at around J\$ 167 m. The banana crop suffered almost as badly as in St Lucia with an estimated 95% destruction in some of the main banana producing parishes. Housing, in particular, agriculture and infrastructure were affected mainly in the north of the island. Eight people are known to have died and



These twisted metallic beams left behind by another cyclone, David, in Dominica, bear witness to the destructive force of hurricanes

(1) Source: EEC Commission.

some 5 000 were rendered homeless, with as many as 30 000 suffering some form of damage to their homes.

The European Community, which was one of the main donors following the hurricane, made an immediate grant of 300 000 EUA (US\$ 422 000) for the purchase of building materials and spare parts for farm machinery. Food aid comprising 1 500 t cereals, 200 t milk powder and 200 t butteroil, valued at 770 000 EUA (US\$ 1 082 000) was also approved for Jamaica. By far the largest component of the Community's aid to the island was the 2.2 m EUA (US\$ 3.09 m) advance made available to Jamaica under the Stabex system for bananas. Jamaica's ambassador to the Community, Mrs Parris, signed the agreement on 3 November 1980.

Dominica

About 75% of the 14 000 acres under banana cultivation was knocked down, effectively neutralizing any chance of early recovery from the effects of last year's hurricane, David, which dealt a very severe blow to the island.

Two grants, totalling 600 000 EUA (US\$ 844 000) were made by the European Community one month after the hurricane, for the purchase of building materials and agricultural inputs. On 30 October 1980, ambassador Shillingford completed the formalities with the Commission for an advance of 1 800 000 EUA (US\$ 2 529 000) for bananas under Stabex.

St Vincent and the Grenadines

Total damage to the island's economy has been put at EC\$ 60 m and about 95% of its banana trees were felled.

The European Community made two grants totalling 500 000 EUA (US\$ 703 000) one month after the hurricane, mainly for building materials and agricultural equipment. On 30 October 1980, Mr Cadet completed the formalities on behalf of the St Vincent High Commissioner for an advance under Stabex of 700 000 EUA (US\$ 984 000) for bananas.

Notes:

(a) 1 EUA = US\$ 1.405 (1 October 1980).

(b) Value of food aid is at world market prices.

(c) Emergency aid to the ACP states St Lucia, Jamaica, Dominica, St Vincent and the Grenadines, Grenada and Barbados, was under article 59 of the Lomé Convention.

Emergency aid to Montserrat, an OCT, and to Haiti, a non-associated state, was under article 950 of the Community's budget.

Grenada

By fortunate contrast with the other Windward Islands, Grenada's banana crop suffered only approximately 40% destruction. However, Grenada is unique among the CARICOM less-developed countries (LDCs) in that it has three export cash crops of more or less equal strength (bananas, cocoa, nutmegs) and damage was inflicted upon all three.

Commerce and manufacturing were disrupted by lengthy and frequent power failures caused by flooding.

Grenada received 150 000 EUA (US\$ 211,000) in emergency aid from the European Community for the purchase of agricultural inputs and four trucks. In addition, Grenada received 200 t of milk powder, valued at 160 000 EUA (US\$ 225,000).

Barbados

Barbados was least affected by the hurricane, with, as in Jamaica, most damage being done to housing, estimated at about B\$ 3 m.

Barbados received emergency aid from the European Community of 50 000 EUA (US\$ 70 000) mainly for the purchase of building materials and agricultural equipment.

Haiti

Haiti suffered by far the worst death toll, with over 200 people killed. Some US\$ 100 m in damage to agriculture, housing, manufacturing and communications has also been estimated. The food situation in the wake of the hurricane was said to have been "critical" and more than 150 000 Haitians were reported to be in "urgent need" of various forms of assistance.

The European Community made a grant of 100 000 EUA (US\$ 140 000) to the International Red Cross and 300 000 EUA (US\$ 422 000) to Catholic Relief Services for the purchase of blankets, tents and medicines. In addition, emergency food aid comprising 1 400 t cereals and 500 t milk powder, valued at 700 000 EUA (US\$ 984 000) was approved for Haiti, also for delivery through the Red Cross.

Montserrat

Montserrat suffered substantial damage to the infill of Plymouth harbour, the airport and one of the main coast roads. Because of the importance of such infrastructure to the economy of the island, it was essential that these were repaired without delay.

Montserrat was granted emergency aid of 150 000 EUA from the European Community as a contribution towards implementation of urgent repair works undertaken immediately after the passage of the hurricane.

Martinique and Guadeloupe

Of these two islands, Martinique, situated close to the north of St Lucia, was worst hit and damage was estimated at 300 m French francs. About half of this damage was inflicted on the banana sector with other agricultural products, fishing and infrastructure, also affected.

Guadeloupe experienced damage in the same sectors, but to a far lesser extent. Damage was estimated to be around 75 m French francs.

As French overseas departments and territory of the European Community, the two islands were assisted under the Community's budget for disasters inside the Community. Total assistance was 700 000 EUA (US\$ 984 000) which was utilized mainly for the purchase of materials to carry out repairs to buildings.

Conclusion

It becomes clear from this brief and factual account of the devastation caused by hurricane Allen that natural disasters know no boundaries, political or otherwise. Fortunately, the European Community, from its various budgetary resources, has been in a position to assist the countries concerned irrespective of their status (ACPs, OCTs, non-associated states or overseas departments).

The assistance rendered under the three main headings, namely emergency aid, food aid and Stabex, called for close coordination on the one hand between the relevant services of the Commission and on the other between the Commission and the authorities of the stricken countries or disaster relief organizations. Many of the recipient countries were particularly impressed by the rapid response of the Community following the disaster.

While a sizeable amount has been earmarked in the Lomé II Convention under the heading of emergency aid, an amount could be allocated under the 5th EDF regional programme for a disaster preparedness project for the Caribbean, thus demonstrating the diverse and complementary nature of European Community actions in the region. ○

European Community aid to the Caribbean following hurricane Allen (August 1980)

1 EUA = US\$ 1.405 (1 Oct. '80)

Country	Emergency aid		Emergency food aid		Stabex			Total			
	Amount 000 EUA 000 US\$	Use	Decision	Amount 000 EUA 000 US\$	Type	Decision	Amount 000 EUA 000 US\$		Product	Signed	
											Amount 000 EUA 000 US\$
St Lucia	300	422	18.8.80 30.9.80	150	211	Cereals, milk pwdr., butteroil	1 300	Bananas	30.10.80	2 450	3 444
	700	984									
Jamaica	300	422	25.8.80	770	1 082	Cereals, milk pwdr., butteroil	2 200	Bananas	3.11.80	3 270	4 595
Dominica	300	422	5.9.80	—	—	Cereals, milk pwdr., butteroil	1 800	Bananas	30.10.80	2 400	3 373
	300	422	13.9.80	—	—						
St Vincent	300	422	5.9.80	—	—	Milk pwdr.	700	Bananas	30.10.80	1 200	1 687
	200	231	30.9.80	—	—						
Grenada	150	211	15.10.80	160	225	Milk pwdr.	—	Bananas	Sept. 80	310	436
Barbados	50	70	5.9.80	—	—	Cereals, milk pwdr.	—	—	—	50	70
	300	422	Aug 80	700	984						
Haiti	100	141	8.12.80	—	—	Blankets, tents medicine, building materials, NGOs	—	—	—	150	211
	150	211	Sep 80	—	—						
Martinique et Guadeloupe	700	984	—	—	—	Building materials	—	—	—	700	984
Grand total	3 850	5 414	—	1 780	2 502	—	6 000	8 431	—	11 630	16 347

PAPUA NEW GUINEA



The bird of paradise spreads its wings

Papua New Guinea, the largest ACP country in the Pacific, is most widely known abroad for its great variety of tribal cultures and its fauna, especially the bird of paradise. In a sense, when independence came in 1975 the leaders of the new nation endorsed that overseas view by adopting the bird of paradise, seated on a ceremonial drum and spear, as the national emblem and by including the bird on the new flag (1). The choice, of course, was not made to appeal to foreigners, but because it represented part of the familiar environment known to every Papua New Guinean.

That environment is very dramatic, dominated by impressive mountain ranges, volcanoes, scattered islands, coral reefs and colourful fauna. The main part of the country is on the western part of the island of New Guinea, the second largest island in the world, which was colonized by the British, Dutch and Germans. This colonization determined the modern political division of the country. The eastern part of New Guinea, Irian Jaya, became part of Indonesia, and the western half, which passed fully under Australian control after 1921, became part of Papua New Guinea along with the large islands to the west — Bougainville, New

Britain and New Ireland.

Australian rule

Papua New Guinea is unique among the ACP group in being the former colony of a non-European power. The British protectorate and colony in south-eastern New Guinea lasted only from 1884 to 1906, when it was transferred to Australia and renamed Papua. During the First World War Australian troops invaded the north-eastern part of New Guinea, since 1884 a German colony, and this portion also passed under Australian rule by League of Nations mandate in 1921. The country was to be fought over again in the Second World War between Japanese and Allied forces. After the war the Australians decided to govern both Papua and New Guinea together for the

(1) The flag also shows, the Southern Cross constellation, which appears on the Australian flag, signifying "Papua New Guinea's historic relationship with Australia and friendship with other nations of the South Pacific".

first time, thereby creating the boundaries of the independent state. An elected house of assembly was created in 1964, followed by internal self-government in 1973 and full independence in 1975.

Two key economic sectors

Papua New Guinea's development depends on two very different sectors. On the one hand there are agricultural cash crops, in particular coffee, copra and cocoa. Total agricultural exports accounted for 41% of PNG's commodity export earnings in 1979, amounting to K 273.8 million (2). The other important sector is minerals, copper, gold and silver, which contributes about half the country's export earnings. In the first six months of 1980 mineral exports brought in K 160 million.

Although the minerals sector is the biggest foreign exchange earner, and are likely to be more so once the Ok Tedi mine is in production in the mid-1980s, the agricultural sector is the most important for local incomes. It is divided into a commercial plantation sector and a smallholder sector. There are uncertainties about prices and production levels for the three main agricultural crops over the next few years, but other cash crops are being developed, in particular palm oil.

Limited prospects for cocoa and coffee

Coffee production almost doubled in the 1970s but growth has now slowed. About a quarter of the trees are effectively beyond their economic life, but interest in replanting among

(2) 1 Kina = ECU 1.25



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A modern bird of paradise, one of Air Niugini's F28s on the tarmac at Kieta airport, Bougainville, and (right) plumed dancers from PNG's northern province

smallholders, who produce 70% of the crop, depends on prices. These fell in 1980, but the Coffee Fund (a price stabilization scheme) paid out bounties to producers. Production by 1985 is expected to be 60 000 tonnes, a 20% increase over the 1980 crop.

Cocoa has also had its troubles, with production falling from a peak of 35 000 tonnes in 1974/75 to less than 30 000 tonnes last year. The government puts this down to pests and disease and lack of investment on the estates. The age problem is greater than for coffee; more than 35% of the trees are beyond their normal economic life. A new campaign of replanting should stop the fall in production but the government foresees little growth in output—32 000 tonnes by 1985 is the best estimate.

Another difficulty is the uncertain price trends in the 1980s. However, there is a stabilization scheme for cocoa producers to compensate them in poor years, and it is hoped to maintain incentives. Smallholders are particularly sensitive to changes in prices. Manpower problems also inhibit the agricultural extension services, which are vital in controlling disease for example.

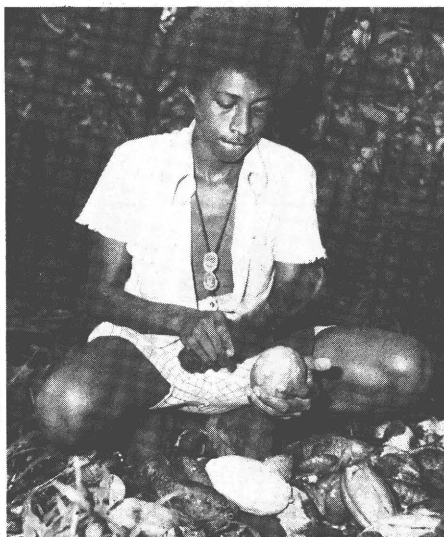
Better copra results

In export terms coffee and cocoa are the most important cash crops, but favourable prices and improved production have increased the importance of the coconut crop. In terms of tonnage copra is the most significant—a record 160 000 tonnes in 1979. At present about 30% of the copra is processed into coconut oil in PNG, but this is not likely to expand since prices for raw copra are more attractive. The EEC is an important market for PNG copra.

The government is encouraging the planting of faster-growing and more productive hybrid coconut palms, but smallholders are very conservative and resist new ideas. Progress is therefore slow. In the estate sector there is an urgent need to replant. Seventy per cent of the palms are too old.

Commercial success with palm oil

Palm oil production on a commercial scale began in 1968 and development has been rapid. The system used is smallholder schemes around nucleus estates and factories. In this way the smallholder gets the benefit of the estate's facilities and is encouraged by the example set on the estate and by the ease of getting his produce to the



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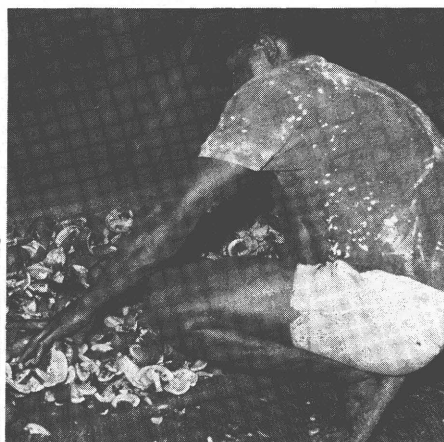
Extensive replanting is necessary to stop the decline in cocoa production

processing plant. It also means that the production area is greater than the estate, but avoids the land-holding problems which would arise if the estate itself was extended.

Three new palm oil processing plants have been opened in the last year. They are all joint ventures in which the PNG government holds 50%; the remaining half interest is held by a British company in one case, the Commonwealth Development Corporation in another, and shared equally between Belgian and British interests in the third. Production of palm oil in 1979 was 34 000 tonnes and the government hopes that figure will almost triple before the end of this decade.

Rural services

Because of the dependence of the overwhelming majority of the population on the rural sector, a distinct policy of rural welfare has been pursued by



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Copra being dried. The fires are on the floor below but the heat is low enough to allow workers to walk around on the mesh floor above

the government. The physical obstacles are great. Many parts of the country are inaccessible because of the terrain and absence of rural transport, and there is a shortage of manpower to carry out rural improvement projects. The largest allocation under the rural development programme for 1981 goes to transport (K 3.5 m), followed by rural health (K 3 m), agriculture (K 2.3 m), education (K 1.3 m) and commerce (K 0.8 m). Rural production is vital if local incomes are to rise. The land-holding system is not conducive to large-scale development since there is resistance to the sale of land. Rice production, for example, is not really practical on small-holdings, but putting together the large 2000 ha plots necessary for really efficient rice production is a daunting legal and practical task. Planning minister Galeva Kwarara believes the introduction of a long leasehold system (30-40 years) would help overcome the difficulty of starting large-scale agricultural ventures without affecting land ownership.

Food imports

Papua New Guinea imports too much food. In the 1970s the country's food import bill doubled, reaching K 90 m by 1979, and a quarter of the country's needs are now imported. One of the most striking problems is rice. Some 95 000 tonnes of rice are imported each year and only 2000 tonnes produced locally. Demand is rising at 7% a year and rice cultivation has become a priority for the primary industries department. Smallholder production is impractical, so plantation production has to be developed. At present the ministry is still some way off getting the land it needs and rice imports look like being necessary for many years to come.

Beef projects are, however, under way to reduce the amount of imported meat. The country is only 30% self-sufficient in beef, importing over 8000 tonnes a year. Smallholder schemes proved disappointing and the government has now opted for large-scale ranching, which the EDF is helping to finance.

Of particular importance are regional projects such as the south coast food production project, which aims to boost food production in a coordinated way. The south coast project will provide the food requirements of the capital, Port Moresby, which consumes a quarter of the country's food imports.

A hawk on fisheries

Fish is an important source of local food but even more significant as a

future export. Papua New Guinea has no offshore fisheries development agreement with any of the large fishing nations of the region, such as Taiwan or Japan. A boat-by-boat licensing system exists at present. Estimated catch in 1978 was 100 000 tonnes, and in 1979 in the region of 50 000 tonnes. The potential, particularly for tuna, is very great. Although the PNG government has not reached any joint venture agreement for offshore fishing, there is an agreement in principle to build a cannery on New Ireland with the American Starkist company. Most of the canned tuna will be for the USA market, but some will also be for home consumption, ending, it is hoped, the import of canned fish which in 1979 reached 29 000 tonnes. Papua New Guinea is regarded as a hawk when it comes to negotiating joint venture agreements for offshore fishing. Discussions with the Japanese came to nothing. There is, however, cooperation with the Japanese in onshore fishing. Two joint venture companies have been set up to exploit lobster and prawn resources, especially in the Gulf of Papua. There is a ready market for lobster in the USA and for prawns in Japan. IFAD is looking at a number of potential fishing projects, but there is a problem of low enthusiasm among local fishermen.

Joining the hardwood trade

There are 40 million hectares of forest in Papua New Guinea, of which some 15 million could have commercial potential. This would put PNG into the league of major South-East Asian hardwood exporters along with Indonesia, Malaysia and the Philippines. Exports of timber mainly in logs, currently bring in about K 24 million a year. There are some 90 sawmills in the country, one plywood mill, three veneer mills and one woodchip mill. The government is keen to see furniture production develop.

The mining boom

Papua New Guinea's main exports are mineral—copper, silver and gold—from the island of Bougainville in North Solomons. The open-cast mine at Panguna is one of the largest in the world and contains some 900 million tonnes of ore with 0.5% copper. The initial discovery of the resource was in 1964, and production of 100 000 tonnes of ore a day began in 1972 after investments of some K 400 million. The mine is operated by Bougainville Copper Limited which has a public shareholding of 26%, government participation of 20%, and a Conzinc Riotinto of Australia shareholding of 54%. BCL operates on a mining lease, and the mine is

expected to produce for at least 30 years.

The direct impact of the mine in terms of employment is relatively modest, as with most mining operations. BCL employs just over 4000 people, 80% of them Papua New Guineans. There are, however, spin-offs. Roads had to be built to the inaccessible Panguna valley, a new port was needed at Anewa Bay and a power station and mining town were built. The impact on government revenue was sudden and dramatic. In the first year of BCL's production Papua New Guinea's exports trebled. By 1979 the mine had extracted 1.4 million tonnes of copper, 157 tonnes of gold and 354 tonnes of silver worth more than K 1 800 million. Most of the copper concentrate is sold to Germany, Spain and Japan. Production in 1980 was just over 500 000 tonnes of concentrate, a fall of about 70 000 on the previous year.

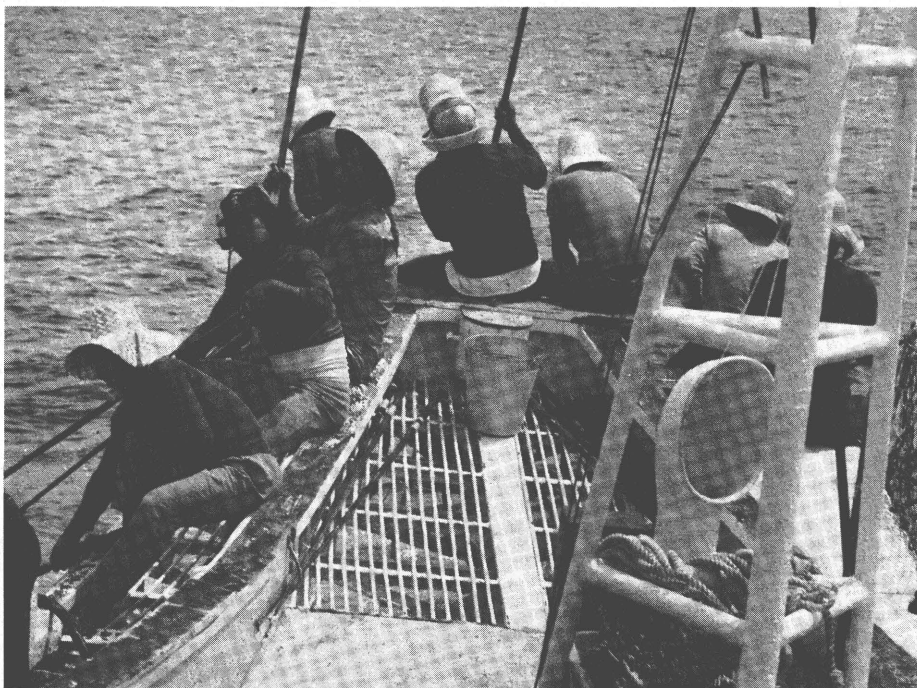
Ok Tedi development

By the mid-1980s a second major mine will be in operation on the Ok Tedi river in the Star mountains, Western Province. The copper and gold deposit is in a remote part of the country accessible only by foot and helicopter, and only 18 km from the Irian Jaya (Indonesian) border. The significance of the Ok Tedi deposits has been known since 1968, but it has taken many years of negotiation to exploit it. Investigations and studies started in 1976 after the government had reached agreement with a consortium of Australian, American and German interests. The management of the project is

under the Dampier Mining Company of Australia.

Ok Tedi will require a considerable amount of infrastructure. Although the highlands are difficult to get to, Ok Tedi will only require 170 km of roadworks to enable the copper concentrate to be exported. This road will be built south to Kiunga on the Fly river, where the concentrate will be transferred to 3000-tonne barges, shipped down to the Gulf of Papua and across to Port Moresby for export. Gold bullion will probably be flown out from an airstrip at Tabubil, direct to Port Moresby. Exploitation of the mine from 1984 onwards will be in three stages. Firstly a layer of gold will be mined, followed by mining of both gold and the main copper deposits. By 1989 all the gold will be finished and stage III will begin, the mining of copper only. During these various stages, the town of Tabubil will develop, initially with a population of 6000. Housing, schools and other facilities will develop, and the river port of Kiunga will also expand.

Mining will certainly bring changes to the rural areas where deposits are exploited, but the main impact as far as the majority of the rural population is concerned will not be direct. Few rural communities will be in contact with mineral exploitation, even by the end of the century when further deposits will be under exploitation. The main impact for most people will be the increased government revenue which will accrue from mining. One of the main concerns of the government in Port Moresby over the next few decades will be what to do with the mineral revenue.



One of the licensed Japanese ships fishing for tuna in Papua New Guinea's waters

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Communications a central problem

When the first traces of copper were discovered in the Star mountains in the early 1960s, the area had hardly any contact with the outside world. The government officers who found the first traces were in unknown territory. Even today parts of the interior have little contact with either central or provincial government. Tribal wars over land still occur, and even if today the courts are involved in sorting out land claims, the rulings of the courts are not always accepted. When Papua New Guineans say that communications are crucial to building the new nation, they are not only talking of roads, telephones and airstrips, essential as these may be. They are also talking of the problem of communicating the priorities of modern economic development to a rural community which is physically remote and often resistant to new ideas and methods. It is not simply a problem of lack of contact, or primitive conditions. The resistance to change is often a statement of self-confidence and independence. Local leaders do not always accept that new ways are better than the old, especially when the old ways seem to be working very well.

Physical communications within the country vary greatly. There are many airstrips, and air transport between the various provinces—there are 19 in all—is relatively good. Telecommunications are also good. The main problem is sea transport between the various islands, and with the outside world. There is also a problem of road links to the ports which do exist. Rural production depends on better internal communications. Incentives in the form of price and so on count for nothing if the smallholder cannot get his produce to market.

Papua New Guinea, the size of Sweden, but with a population of less than three million, is a country of scattered communities. Even on the main island of Papua New Guinea there is no road link between the national capital and the main towns on the north coast, Lae and Madang, or with the highland provinces. Without air transport and telecommunications these two halves of the country would be totally out of touch with each other. Distances are long, the terrain mountainous and the sea a beautiful but ever-present barrier. When independence came, the idea of national unity was weak. It was a unity created artificially by accidents of the colonial past. Yet the government seems to have overcome this threat partly by adopting a policy of economic and political decentralization. This poli-



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Part of the catch by inshore fishermen

cy is costly, both in terms of money and manpower, but almost essential given the spirit of local independence that pervades the country. The policy has its opponents, however. Deputy Prime Minister Okuk is one of the sceptics, but the Prime Minister is, for the moment, prepared to continue with decentralization, and give it time to work.

Carving out a future

Papua New Guinea is the largest country in Melanesia, on the edge of the sparsely-populated but rich and developed economies of Australia and New Zealand on the one hand, and the heavily populated and emergent economies of South-East Asia on the other.

Its natural resources are considerable, although the country has to beware of depending too much on the revenue from minerals. It has to overcome the extreme gap between the small urban area and an often remote rural sector. It faces a particular problem in attracting outside investment in any form of manufacturing since its wage levels are very high for a developing country, and the population is often indifferent to economic incentives. Its development is not likely to follow either the Australian or Indonesian pattern for these reasons.

When the government speaks of national economic independence, it is talking about finding an administrative and economic development model which will be very different from most of its neighbours. In a sense, only five years after independence, things are very much at the experimental stage. Most resources are barely exploited, the political and party system is still evolving, and the devolution of power from the centre not yet fully functional. The way the country is proceeding on all three fronts may be right, or may be wrong, it is too early to tell. Papua New Guinea is sometimes said to have more parliamentary opinions than it has parliamentarians, but at least that means there will be no shortage of ideas and suggestions if ever there is a need to make major changes in national policy. This is not a country where differences of opinion could easily be seen as detrimental to economic development. Individualism and local independence are as much factors of life as the mountains, the swamps, the rivers and seas which make up the country itself. ○ IAN PIPER



Roads are essential if smallholders are to be able to market their produce

PAPUA NEW GUINEA



Prime Minister Sir Julius Chan: "We are working more closely for a united country"

Just over a year ago Sir Julius Chan became Prime Minister of Papua New Guinea after the collapse of the government led by Michael Somare. Sir Julius formed a coalition of five parties and Mr Somare became leader of the opposition. Politics in Papua New Guinea is a lively affair. The government must constantly think of its parliamentary support, and individual parliamentarians must in turn constantly think of their often demanding constituents.

Regional interests are strong, and at the beginning of PNG's independence in 1975 it was thought that this would threaten the very existence of the state. But, as Sir Julius explains in the following interview, that period has passed and the country is concentrating on administrative devolution, rural development and the exploitation of its important mineral resources.



Sir Julius Chan

► *Prime Minister, Papua New Guinea is a Pacific country with close economic ties in its own region, especially with Australia. So why did your country decide to have a special relationship with Europe through the Lomé Convention?*

— Not by choice. In actual fact you could almost say by force. We had a German administration in New Guinea and the British occupying Papua at the start. Then we were transferred to Australia. But that was a new thing. Our relationship with Europe is much older than our relationship with Australia. But to begin with we really had no choice.

Why do we continue? Well, we are a very new country and we have to make ourselves known to the world. I was part of the government that structured some of the economic relationships with other countries and you know Europe commands great authority economically. It represents a tremendous amount of economic strength in the world. A small country like Papua New Guinea just can't escape this. We want an association with Europe because its decisions have a tremendous impact on world affairs. The EEC is a group of countries, which have come together with ingenuity, with their resources, with a high level of industrialization. When all these things are put together, and this is why I say I'm not quite sure it's by choice, the EEC represents a powerful force. Traditionally we have exported to Europe and it occupies an important place among our markets. We export our copra and copper to Europe, which I think only comes second to Japan. We export about 27 000 tons of copra a year to Europe and we export some of our copper there. Lomé comes in very handy because it enables Papua New Guinea to export to EEC member countries. It gives us that little extra advantage.

The European countries have developed themselves to such an extent that they are able to assist the world at large. We want assistance and it is available in Europe, so why not be a party to Lomé? We are a developing country. We are not wealthy, we are poor, it's no good pretending we are otherwise. That's why we want to be associated with Europe.

► *You mentioned the link with Australia, which has been the major supplier of foreign assistance, even though it has been falling. What are the pros-*

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pects for generating greater local revenue?

— There are no chances of big revenue increases now. We will be standing still for a while, until 1984, when we are hoping to extract about 15 000 kilogrammes of gold from Ok Tedi. But even Ok Tedi is not likely to generate any big revenue until mid-1986. So in the short term we are not going to get any large revenue increases although, of course, there will be normal growth. But there is not going to be a visible jump in revenue for the next five to six years.

► *Copper is now the main export, and there is, as you say, other mineral potential, but most Papua New Guineans are involved in agriculture. What are the government's priorities in the rural sector?*

Generating rural incomes

— Ninety percent of our population live in rural areas and are essentially involved in agriculture. We need to develop agriculture because if we are going to distribute income throughout the country and to the people of this country, then it's got to come from agriculture, through copra and cocoa for example. All told about 70 % of the employment is provided by the rural sector. We try to structure our budget and identify projects under rural welfare, agriculture, administration, law and order, and soon we will use a points system. We allocate under general headings a certain percent of the budget. And within those headings we try to discriminate in favour of the rural sector. So we place a very high priority on the development of the rural sector where most people work. Copra alone employs about 400 000 people. We have to put a lot of emphasis on the rural sector.

► *What sort of policies are you talking about for the rural sector, particularly for the smallholders?*

— Self-generated projects and projects organized on a nucleus estate basis. We provide the transport for the rural areas, whether by road, by sea or by air, making airstrips for the islands and building boats. All this has to be combined in rural development. It's not just a question of planting something. It's no good planting trees, for example, if there is no transport to get the

timber out. Our transport is tilted towards the rural sector.

► *How serious a barrier to rural development are traditional attitudes and particularly the traditional land holding system?*

— This presents no real problem for small-scale rural development. There are, however, some problems when we want to develop on a large scale or when we want land for new crop development. In the old traditional system, people know the boundaries, from that tree to that tree, from that river to that river. They don't have a marker, but they know. They are really strong on traditional crops and there is no problem there. But when it is beyond the control of the traditional system, we do have a lot of problems and that affects total development, and commercial agriculture development.

Facing reality

► *Are you at all concerned that as the modern sector develops it's going to destroy the traditions of the country?*

— Yes, that's always a concern. It's not just a concern in Papua New Guinea, it's a world concern. What it boils down to is a matter of choice.

You can't have it both ways. You can't have a pure society, and at the same time emphasize your rights to material needs. It just doesn't work. Something must give way, and it is here that you require the most delicate judgement as to what you try to preserve and what you develop to meet the needs of the people. I believe that it would be nice to maintain our traditional habitats, but are people going to be satisfied with living in huts? That's not for me to say. I believe that they deserve better schools, they deserve better clothes, and not to have to go to bed at night cold. It requires very sensitive judgement. It would be nice if we could put walls around Papua New Guinea so that we would not be interfered with by winds and storms from outside. That would be ideal, but it is not the reality.

► *A very serious constraint on the development of the economy is the manpower problem. How serious is it and isn't the decentralization policy making it worse?*

— I'm not really sure, you may be right and you may be wrong. The decentralization process hasn't got fully into operation because we still have these jealousies between the centre and the provinces. The line of demarca-



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About 14 million hectares of exploitable forest exist in PNG



tion is not clearly cut. There is still friction. It is hard to give power away. This is the only country in the world where the national government, shortly after independence, gave power away. It was not because the people wanted it but because the government decided to decentralize and gave power away. I think it would be premature to make a judgement. We have a lot of bridges to cross. I would be misleading you if I started to take a very firm line by saying it is a failure or a success. We need more time. After the next election, three years from now, when the new members have had two years in power, and when all the provincial governments have gone through the second phase of their elections, bringing in a new generation, then we will know whether it is a success or a failure.

As for manpower, we have been very successful in localization. We have successfully localized a lot of positions, but qualifications from university or whatever are not always enough. If you get a degree, that is alright but you're still lacking in experience. So we do have a manpower problem, particularly in the most critical skilled areas which require a certain amount of experience. We need people who have gone along those roads before, but we are just treading on them for the first time.

Caution on processing

► *The country is well endowed with agricultural and natural mineral resources. What scope is there in the short term for local processing, given the manpower shortage you were mentioning, and perhaps the lack of finance?*

— It's not that easy. We have to make a choice each time. We will go into local processing if it is going to be beneficial. A lot of people criticize us for exporting raw materials. But when, for example, you have a lot of Australians eating chocolates produced in Australia from Papua New Guinea cocoa, it is a choice between Papua New Guinea processing its own cocoa and then competing in Australia or keeping the raw exports, worth about K 66 million a year (1). If you want to put their chocolate producers out of business they won't buy from you.

They can buy the raw material from Ghana and other places. We've got to make up our mind what we want. We've got to process some of these commodities where we are able to obtain a net benefit rather than a loss to Papua New Guinea.

You might be able to get another 200 jobs but are you losing several million kina to get them? How much is the country going to pay for employment? We've got those choices to make. With timber it's probably a different kettle of fish because there are wider markets.

► *The development of your economy depends on a number of things but could I pick on two of them, energy, which is a problem all the world is facing at the moment, and communications which in Papua New Guinea is a rather special problem? How are you approaching those two rather difficult areas?*

— You know we have probably got the best communications network in the world for a developing country. You can go to any place on the map, and you can dial Australia from there. We have got 400 airstrips or more in Papua New Guinea which are served by small aircraft, 15 of these are served by the larger planes of Air Niugini. In terms of air services Papua New Guinea had

probably the most intensive air transport system in the world at one time, when the gold mine started to boom. With sea communication we've got physical problems because of geography. Telecommunications equal the best in the developing world. All the provinces have their own radio network using their own languages as well as a national language. In terms of transportation of goods it's not as good as some countries but we are trying to improve.

As for energy, we are concentrating on renewable energy in Papua New Guinea. We've got plenty of natural energy.

► *Prime Minister can I put two questions to you on the eight aims which the country established some years ago. One of them was on the advancement of women in Papua New Guinea. Why was that amongst the eight aims?*

— Women have always taken second place in Papua New Guinea. The men did the hunting and the women did everything else. Even with present day development the men go to work and after work to the bar and then go home to their wives. A woman has always taken second place. The aim is to give women some sort of equality of opportunity.



Sir Julius inspecting the crop on a palm oil plantation

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(1) 1 kina = ECU 1.25

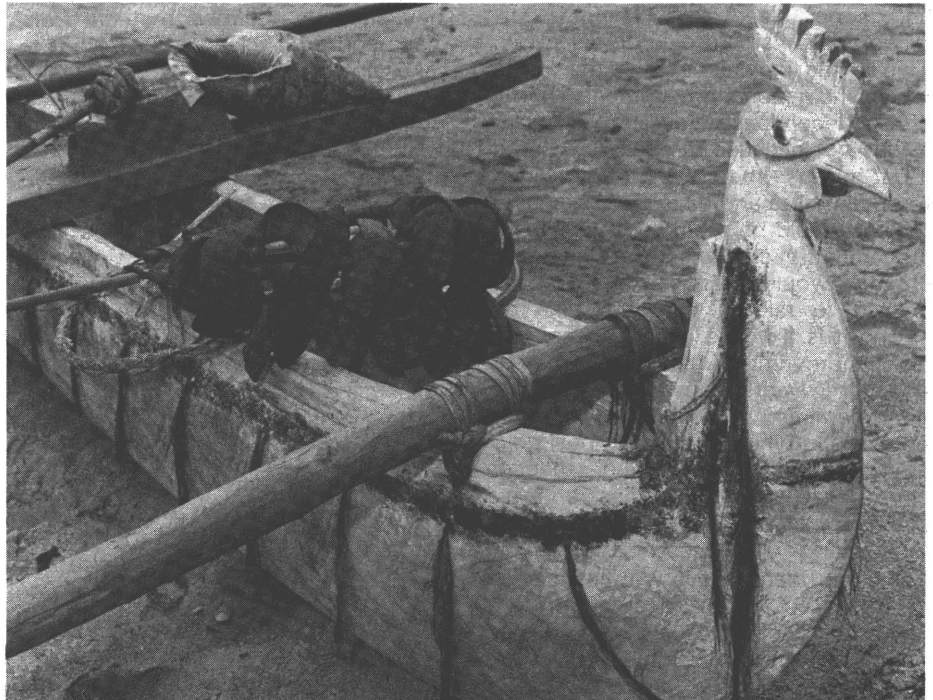


The role of government

► *The final one of those aims talks about government control and involvement in the economy. What balance do you want to see as the country develops between private and public activity?*

— Well we talk about government control but we mean government regulation. We control by legislation. Take the case of Bougainville or Ok Tedi. We control the development by insisting on environmental studies on the method of providing a dam, the control of the cyanide plant, the reprocessing of waste. This is the sort of thing we are talking about when we talk of controlling and regulating. But we are not controlling in terms of the government making a big outlay in investment.

When we take equity we only do so because foreign people don't believe that we are interested in this development otherwise. So it's a token. I don't believe in government involvement in business. Let enterprise become enterprising. Let them make a profit. Why should we go and get ourselves involved and then make less than they make. It's less thanks to you. I think we should control by legislation and by agreements such as we set up in the case of copper. There we said: "you go ahead you make your profit, let's determine what is a reasonable



A traditional canoe decorated with a carved head

profit, beyond that it is super profit and that belongs to the state." We'll share it but the margin of sharing is starting to swing very much in favour of the government. In a good year, like 1977, Papua New Guinea was collecting up to 80% of the total profit but in a bad

year we guarantee a reasonable rate of return. But anything beyond that reasonable rate of return we take.

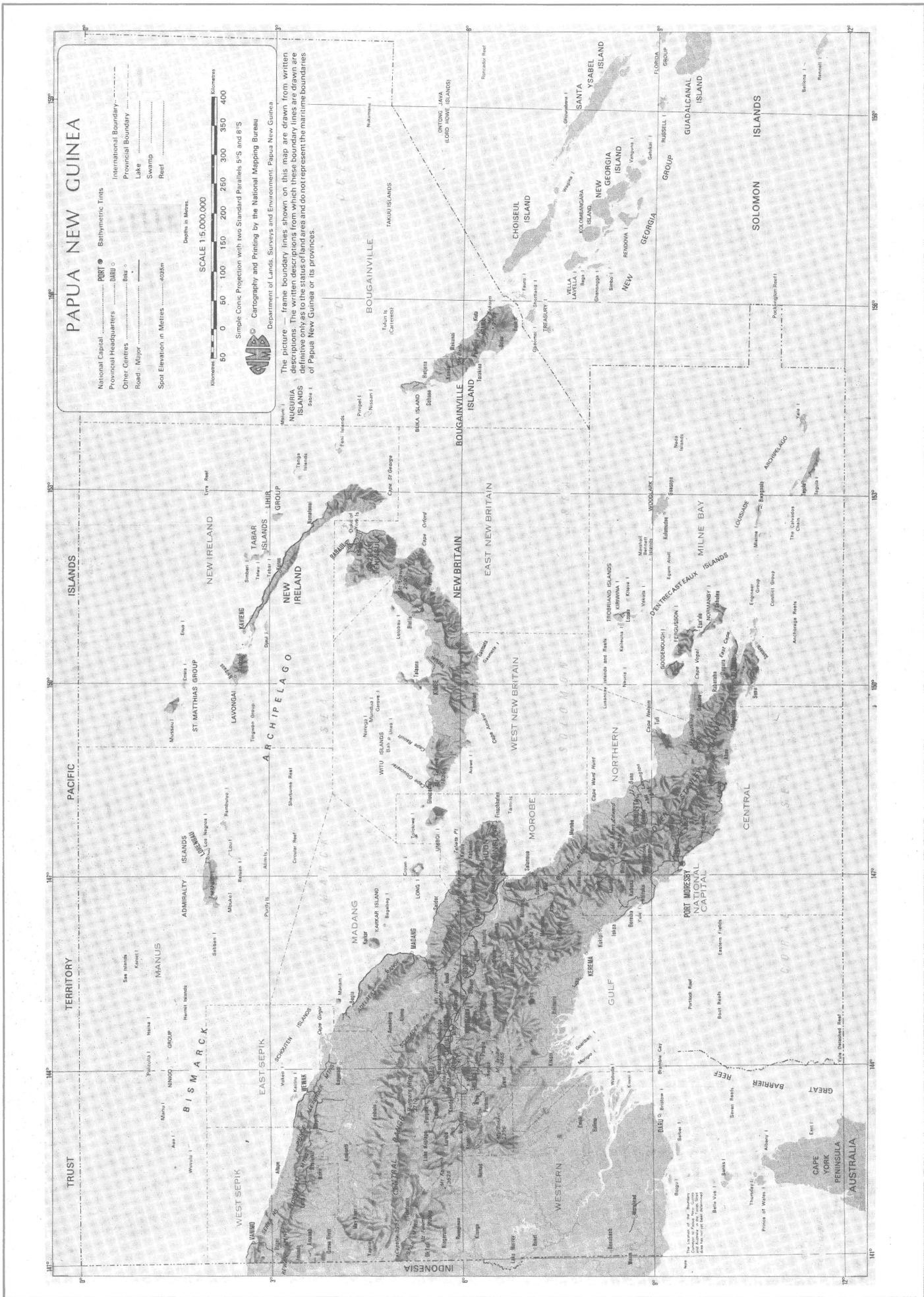
► *With so many linguistic groups in a small population scattered over such a large area, how strong do you think Papua New Guinea's national consciousness is five years after independence?*

— If you're talking about political consciousness, we are the most political minded people in the world. We are the freest people in the world. We've got the freest press. People are allowed to report here as they see fit and not as I say. That in a nutshell is Papua New Guinea today.

As for national unity, we are now seeking a different type of breakaway from the centre than five year ago. It's not separatism any longer but a new set up the between provinces and centre. Whereas five years ago we were talking about holding Bougainville together, holding Papua together, and even the little island of Manus, today it's a different tune. There's no talk of a breakaway or split in the country. Within the province they can administer their own business. So after five years the call for a divided country has subsided and we are working more closely for a united country. ○ I.P.



*Bougainville copper mine
Future plans depend heavily on the mineral boom*



Papua New Guinea and the Lomé Convention

The Community provides the most important market for Papua New Guinea's exports. In 1978 it took 35% of PNG's exports, in 1979 37%. Germany is PNG's main market in Europe, followed by the United Kingdom. In 1978 shipments to the EEC accounted for 93% of PNG's exports of palm oil, 54% of coffee exports, 52% of copra exports, 48% of cocoa exports and 29% of exports of copper-gold-silver concentrate. As a supplier to PNG the Community has traditionally played a minor role, accounting for only about 5% of its imports. The trade balance with the Community is thus heavily positive for PNG. This compensates to a large extent for its negative trade balance with other partners.

Relations under Lomé I

Papua New Guinea was a latecomer to the Lomé Convention. It applied for accession after independence in 1975, and became a full ACP in November 1978, as a special case (not having been dependent on any EEC member state for 70 years).

Financial and technical cooperation

The EEC's indicative aid programme for PNG from the 4th European Development Fund was ECU 10 million. However, total EEC aid to PNG under Lomé I is almost double this amount, due to a loan from the European Investment Bank.

So far, 57% of the indicative programme has been approved for financing. The rest will probably be committed in the course of 1981. Priority in the indicative aid programme has been given to projects alleviating PNG's high dependence on expatriate manpower and food imports. ECU 1.43 million was allocated for a multiannual training programme, mainly for training overseas and for seconding training experts to PNG. So far, 63 scholarships have been awarded to Papua New Guineans. In the field of food production three major projects are under preparation or implementation. These are the beef resource development project aiming at establishing two ranches with 10 000 head of cattle (EDF contribution ECU 1 978 000), the south coast food production and marketing project (EDF

contribution ECU 2 450 000) and a fishery development project (EDF contribution ECU 1.5 million). The latter project consists of the construction of two fisheries resources assessment vessels and of a small fish-processing plant. The fisheries development project has a double aim because the deployment of the vessels will also provide a basis for the better exploitation of PNG's pelagic fish resources, which consist mainly of tuna, one of PNG's major export products.

ECU 1 160 000 was allocated for rural development at the grass-roots level. Of this amount ECU 0.8 million is for microprojects. A first programme of 27 microprojects for a total of ECU 515 000 is under implementation. ECU 0.36 million was allocated for a rural extension project.

Improving PNG's transport infrastructure has high priority as well, because the country's development is seriously hampered by the fact that so far only a rather fragmentary network of roads exists. ECU 1.5 million was therefore set aside for a road project.

Industrial cooperation

The European Investment Bank has approved a loan of ECU 7 million from its own resources for the Higaturu oil palm project, which consists of an estate and a processing mill. The interest subsidy for this loan, a grant from EDF resources, amounts to ECU 1 235 000. The Community also participates in this venture through ECU 1.6 million of risk capital.

Regional cooperation

As a member of the South Pacific Forum, PNG benefits from the activities of the Forum Fishery Agency, the headquarters of which will be constructed in Honiara, Solomon Islands, with EDF funds (ECU 0.3 million). It also benefits indirectly from other regional projects such as a loan for the purchase of containers the Pacific Forum Line (ECU 0.4 million), a grant (ECU 1.5 million) for the Pacific Telecommunications Centre at Suva, Fiji, and another grant (ECU 3.2 million) for the University of the South Pacific.

Stabex

Stabex ties in very well with PNG's own internal stabilization schemes for its major agricultural commodities. However, since 1978 no overall shortfalls in earnings from exports of these



Office of Information — PNG

The EDF is contributing to food production including the beef resources development project

commodities were recorded, and PNG did not need the Stabex facilities.

Aid outside the Lomé Convention

The Commission undertook co-financing with non-governmental organizations for three projects in PNG concerning education in home economics, the establishment of a cooperative cane processing workshop and the supply of broadcasting equipment. In 1980 the Commission made a special contribution of ECU 44 200 to allow PNG to be present at the Berlin tourism fair and make contact with the international tourism trade with a custom-tailored exhibition which was generally judged to be both attractive and successful.



Road link through a copra plantation (above) and copper mining at Panguna. The EIB is involved in the new mining project at Ok Tedi



EEC aid to Papua New Guinea 1976-1980 (Lomé I)

Amounts in million ECU

Project	Indicative programme (and progress as of Feb. 1981)		
	Allocation (amended) ECU '000	Committed as of 28.2.81 ECU '000	Content
1. Multiannual training programme	1 430	1 430	training, technical assistance
2. South coast food production and marketing	2 450	100	feasibility study
3. Fishery development	1 500	1 268	fishery resources assessment vessels, study for fish processing plant
4. Beef resources dev.	1 920	1 978	two ranches, incl. feasibility study
5. Road project	1 500	—	sealing of a trunk road
6. Microprojects	800	515	first programme 1980/81 (27 projects)
7. Feasibility studies	400	400	oil supply options study, and settlement planning
Total indic. progr.	10 000	5 691	(committed 57%)
<i>Other EEC aid</i>			
Higaturu oil palm scheme:			
		7 000	- Loan EIB
		1 235	- Interest subsidy EDF
		1 600	- Risk capital EDF
	9 835	9 835	
NGO projects (3)	30	30	
Trade promotion (tourism)	44	44	
Total EEC aid	19 909	15 600	

Relations under Lomé II

An EEC programming mission visited PNG from 2 to 5 November 1980 in order to agree with the PNG authorities an indicative programme for the ECU 22 to 27 million allocated to PNG under Lomé II. The priorities for EEC aid in the next five years and the proportion of EDF financing were determined as follows: agricultural and rural development (25%), social infrastructure (30%), industrial development and trade promotion (4%), training and manpower development (12%), technical assistance and feasibility studies (13%), microprojects (6%), contingencies (10%).

The European Investment Bank took note of the government's interest in the

bank's possible participation in the huge Ok Tedi copper and gold mining project, in the development of a hydro-power scheme and of alternative energy resources, in the extension of the Higaturu oil palm project, and in the financing of small- and medium-scale enterprises through the PNG development bank.

The EEC has allotted ECU 20-25 million for regional projects in the Pacific under Lomé II. PNG's main interest is in the improvement of the regional telecommunications network (PNG has requested an earth satellite station to strengthen her international telecommunications), and in the development of energy and marine resources.

Papua New Guinea profile

Area: 462 840 km²

Population: 3 270 000 (1981 estimate)

Density: 7 per km²

Head of state: HM Queen Elizabeth II

Governor-general: Sir Tore Lokoloko

Prime Minister: Sir Julius Chan

Government: Five-party coalition. Parliament consists of a single chamber of 109 members

Capital: Port Moresby (pop. 110 000 approx.)

Other towns: Lae (pop. 65 000), Rabaul (pop. 36 000), Madang (pop. 25 000)

Administrative structure: 19 provinces and the capital territory

Languages: English, Pidgin, Motu and many hundreds of local languages

Currency: 1 kina = 100 toea (Kina 1.00 = ECU 1.25)

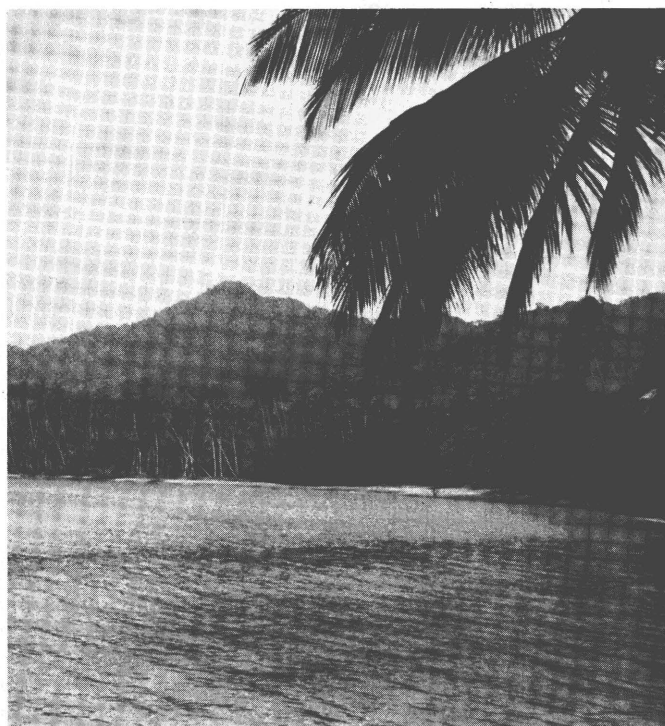
Main aid donors: Australia, UNDP, Asian Development Bank, the Commonwealth and the EEC

Main exports: Copper, coffee, copra, cocoa and timber

Main export markets: EEC, Japan and Australia

Main sources of imports: Australia and Japan

Per capita GNP: \$ 500 (1977)



Solomon Islands profile

Area: 29 000 km²

Population: 225 000 of which 94 % are Melanesian and 4 % Polynesian

Density: 7 per km²

Head of state: HM Queen Elizabeth II

Governor-general: Sir Baddeley Devesi

Prime Minister: Peter Kenilorea

Government: Parliamentary coalition. Parliament consists of a single chamber of 38 members

Capital: Honiara (pop. approx. 15 000)

Main islands: Choiseul, Guadalcanal, New Georgia, Makira, Malaita, Santa Isabel

Languages: English, Pidgin and some 80 local languages

Currency: Solomon Islands dollar
(SIS 1.00 = A\$ 1.00 = ECU 0.87)

Main exports: Copra, timber, fish and palm oil

Main export markets: EEC and Japan

Main source of imports: Australia, EEC and Japan

Main aid donors: United Kingdom, Australia, EEC, Japan, and the Asian Development Bank

Per capita GNP: \$ 350 (1977)

SOLOMON ISLANDS

Modern pressures on traditional life

Although the population of Solomon Islands is only 225 000 in a country of almost 30 000 sq km (the size of Belgium) there is, in a sense, population pressure. With a growth rate of 3.4 % a year, population growth is among the highest, if not the highest, in the world. Add to this the difficulties imposed by the complex land-holding system and the fact that the education system is not yet prepared for a rapid growth in the number of under-fifteens, and you have something akin to population pressure. It means there must be rapid decisions about the type and pace of economic development.

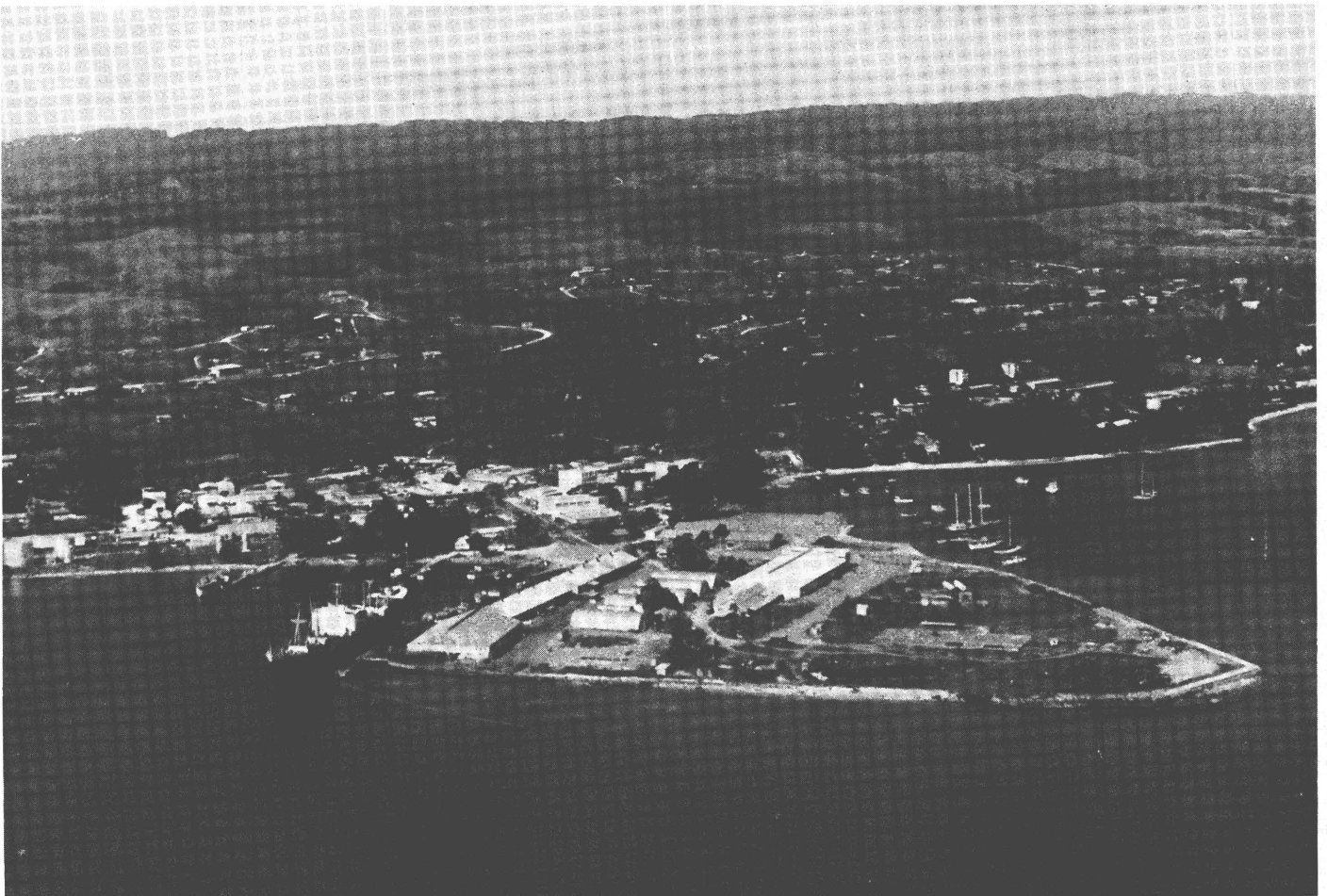
"Pressure", however, is not a word that seems very appropriate at the moment to life in the islands. The traditional way of life is comfortable

enough. There is no great hunger, or the threat of it, as in parts of Africa and Asia. The people are relatively healthy, the coastal belts fertile, the sea full of fish, and the environment of tropical forest, highlands and beaches of great physical beauty.

The sense of freedom in the country is helped by the geography. The population density of 7 per sq.km is low, but the islands are also scattered over a sea area 1600 km long and 800 km wide, giving a dramatic sense of space. In an increasingly crowded world such space is enviable, but it presents Solomon Islands with another development problem, that of communication, not only physical by air, sea and land, but also verbal between government and governed.



Cocoa is planted between the coconut trees to make maximum use of the land



The port of Honiara, Solomon Islands' main link with the outside world

It is only in recent times, however, that communications have been a problem. Cash crops and a modern administration demand better transport and communications, but in the past the islanders were renowned for their mobility at sea on small craft in often dangerous seas. Little is known of the origins of the Solomon Islands. Traces of the oldest village go back 3500 years, and there is growing archaeological and linguistic evidence of trade with the outside world and traditional life going back many centuries. The first Europeans to reach the Solomons were Spanish, in the 1560s, and it was they who named the islands after the biblical King Solomon. The Spanish presence was brief, but they were followed by other European navigators, Dutch in 1643, British in 1767 and French in 1769. Real contact between the newcomers and the local population did not occur until the 19th century with the development of trade and missionary activities. The century came to a close with the declaration of a British protectorate over the islands in 1893.

Wartime battlefield

The colonial period was characterized by a slow development of trade, mainly in copra, and administration. The missions made advances too, and today 94 % of the population is Christian. In 1942 during the Second World War the islands became a centre of world attention when the Japanese invaded them. American forces also landed and a fierce and difficult battle was fought on Guadalcanal island, where the large plain was of vital strategic importance for military operations in the Pacific. It was at Guadalcanal that the Japanese advance was halted, making it a turning point in the war. One of the survivors of a motor-torpedo boat sinking in the battle was the late US President, John F. Kennedy, who spent 10 days marooned on a small island before being rescued.

Independence achieved

As in many other parts of Britain's empire, the war brought changes in attitudes among the local population which eventually led to independence. A political movement, *masina ruru* (marching rule) developed, and by the 1950s local councils were set up. Internal self-government came in 1976, followed by independence as a constitutional monarchy in 1978 under Prime Minister Peter Kenilorea.

National development

The new government is now finalizing a national development plan for the



SI Information

Above: tuna, the most plentiful fish in the seas around Solomon Islands, and (below) some of the sharks which can make the waters dangerous for the unwary



SI Information

country which puts emphasis on education, decentralization, rural development and communications. The country has few urban areas, with over 90 % of the inhabitants living in village communities dependent on agriculture and fishing.

The rural areas are conservative. Subsistence agriculture brings a relatively prosperous way of life and there

is resistance to growing cash crops and new farming methods. There is a clear distinction between the highly productive but small plantation sector growing coconuts (for copra), cocoa, rice, timber, and raising cattle, and the rural, far less productive smallholdings, on which most people depend. While expanding the number of plantations, the government also wants to improve productivity in the traditional sector and raise cash incomes there. The most important crop is coconuts. On the smallholdings about 25 % of the crop is consumed locally, while the rest is processed into copra to become a cash crop. The process is relatively simple. The white flesh of the coconut is put into warm ovens for about three days until it becomes slightly transparent, and is then put in sacks ready for export. Most Solomon Islands copra goes to Europe for processing into oil.

While plantation production of copra is reasonably stable at around 10 000 tonnes a year, smallholder production in the last decade has varied between 13 000 and 18 000 tonnes. If transport problems were overcome the smallholder production of copra could almost double from the existing trees, but perhaps an easier and less costly way for the government to raise production is by encouraging the planting of new hybrid coconut varieties which are faster-growing and more productive. Another problem is the often poor quality of smallholder copra, which could be improved by better drying methods.

To protect the smallholder against fluctuations in price, the Copra Board runs a stabilization scheme. All copra is sold to the board which then exports it. When world prices are high, the board diverts funds to be used by the stabilization scheme when prices fall. In this way dramatic and disruptive changes in the price paid to producers are evened out.

Although its relative importance as a cash crop is falling, copra remains essential as a provider of cash incomes in rural areas. In 1979 copra exports were worth S\$ 17 m, or 28 % of total export earnings (1).

Changing export pattern

In the 1960s copra was the dominant export, but last year it was matched by timber, which accounted for 31 % of export earnings in the first nine months of 1980. Both fish and palm oil are now important exports. The EEC is the largest market for Solo-

(1) S\$ 1 = Australian \$ 1 = ECU 0.87.

mon Islands exports (38.6% in 1979) followed closely by Japan (23.8%). The import picture is very different, however, with most imported goods coming from Australia and New Zealand (36.2%), followed by Japan (18%) in 1979. Although the EEC was the third largest supplier of imports in 1979, the final 1980 figures may show a drop to fourth place behind Singapore.

New crops

Diversification has been achieved by encouraging a number of new crops or products, but for the most part this has been confined to the plantation or modern agricultural sector. Cocoa, however, is one crop that has been developed on both plantations and smallholdings; indeed, during the period 1970-78 it was smallholder cocoa production which showed the most rapid growth. Cocoa production is very price sensitive but Levers, one of the main plantation owners, are still expanding their production. In many areas cocoa is planted between the coconut trees thereby maximizing the use of land, and there are many other parts of Solomon Islands suitable for cocoa production if the producer price remains attractive. In the smallholder sector, in particular, extension services and more efficient processing and marketing facilities are needed to sustain the growth in production.

Cattle can also be combined with coconut production. Their introduction, initially to keep down the undergrowth on the plantation, has now turned into a fully commercial activity. By 1978 the national herd had reached almost 25 000 head, having tripled in a decade, and was still growing. In the plantation sector the possibilities for expansion are limited because of space and competition with other activities such as cocoa-growing. It is therefore the smallholders who will have to satisfy the growing demand for fresh meat, but land, transport and manpower difficulties in the extension services all act as constraints.

Progress in rice

Solomon Islands is a rice exporter. As in many developing countries where in the past rice was not a staple food, its popularity is rising. Just as beef production was aimed at import substitution, so the production of rice is aimed at growing local demand. During the 1970s rice production in large-scale commercial plantations on the Guadalcanal plain more than doubled. The company involved, Brewer Solomons Agriculture Ltd., is a joint ven-



Exports have been significantly diversified in the last 10 years but copra remains the most important

ture, which plans further expansion of irrigated rice growing. In 1979 over 4000 tonnes of rice were exported, bringing in almost SI\$ 1 m.

Both local consumption and exports are expected to rise. Rice is, however, a crop which in Solomon Islands is suitable only on commercial plantations at present. Extension to smallholders would involve problems of scale involving, again, problems with the land-holding system.

Another crop which has also been developed on large commercial plantations is palm oil, now the fourth most important export by value. Over 12 million tonnes were exported in 1979, a figure almost matched in the first nine months of 1980. The figure 10 years ago was nil.

The religion of land

Something needs to be said here about the land-holding system in Solomon Islands. It is true that the advances described above have been made without a radical reform of land tenure, but it nevertheless remains a serious constraint. Attitudes to customary or traditional land-holding are almost religious. The idea that land can be bought and sold just like any other commodity is totally alien to most Solomon Islanders. Land ownership is part of personal identity, and its importance is almost spiritual. This idea, developed over many centuries, has left a land structure which is highly

complex, frequently in dispute, and hardly ideal for modern agricultural development. It is, however, a fact of life since rapid change is not possible. That change is coming is, to some extent, reflected by the number of land disputes, indicating, perhaps, that realisation of the value of land in a commercial sense is becoming more common. Since no legislative reform is politically possible, evolution is the only course. The land-holding system thereby becomes just one more factor to be considered when developing the rural sector.

Looking to the sea

One resource which does not depend on coping with land-holding for its development is fish. Subsistence fishing is an important source of local protein, but the 1.5 m sq km of sea around Solomon Islands is rich, especially in tuna, and ideal for commercial fishing. In 1972 the government came to an agreement with the Taiyo company of Japan. The agreement is currently under renegotiation. In 1978 the government also set up the National Fisheries Development Company funded by the Asian Development Bank to build boats and operate fishing vessels alongside Solomon Taiyo. A fisheries training school was also set up in the Honiara Technical Institute and has received ECU 600 000 from the EDF.

The catch in 1979 was approximately 25 000 tonnes (domestic) and 4000 tonnes (foreign). Of the domestic catch

2400 tonnes was canned, 1000 tonnes smoked, 280 tonnes consumed locally and the remainder exported frozen. A new cannery, however, will have a throughput of 15 000 tonnes. 94% of the local catch in 1979 was skipjack tuna and exports brought in SI\$ 14.6 m, almost a quarter of all export earnings. Prospects for further fisheries development are very good indeed.

Vast natural forests

There are 2.4 million hectares of forest in Solomon Islands of which 170 000 hectares are exploitable. Since the early 1970s the export of logs and a small amount of sawn timber has been an important foreign exchange earner. In 1979, 258 000 cubic metres brought in SI\$ 14.7 million, like fish, almost a quarter of the total. It is currently the natural forest which is being exploited, but a replanting scheme aims at replacing this natural resource with an area of plantation forest which from the mid-1990s will provide large quantities of timber. It is probable that only at that time will a significant increase in local processing be viable. Much will depend on price prospects. Since less than 8% of the timber resources are on government land there is also the difficulty of organizing replanting, and forestry development in general, on customary land. There needs to be some security of tenure since the growing time for timber is so long. There have been legal attempts to provide greater security and so encourage investment on customary land, but the future of customary land production depends on more progress in this field. One company, Levers Pacific Timbers Ltd., is responsible for about two-thirds of timber production.

Two important constraints

The development of Solomon Islands in the last 15 years has been marked by a successful diversification of the economy and a good rate of growth by international standards. The world recession has dampened that advance, and the economy, dependent as it is on cash crops, remains highly vulnerable to outside factors despite the diversification. The terms of trade have deteriorated and in March 1981 this led to a devaluation of the SI dollar.

Two further factors need to be mentioned which are of major concern to the government: manpower and communications. Maximizing local natural resources depends on maximizing human resources. There is a lack of skilled manpower in Solomon Islands, often made up by expensive expatriate



Smallholders depend on small boats to get their copra from the islands to Honiara for export

personnel. There has been some change in the past five years. Formal sector employment of locals has risen from 18 000 to 21 000, while expatriates have fallen from 1000 to 900. Education and training have become a major priority for the 1980s to improve the manpower position, but also to cope with the alarming population growth. The productive impact of increased spending will not be felt for many years and because of the expanding population the demand for primary education will be in competition with that of higher levels.

Communications in such a scattered country are also a headache. As an island country, exports of bulky cash crops depend on shipping. Within the country also, because of the lack of roads, the sea provides a vital means of communication. While at present there may be adequate capacity there is poor coordination of services. Regularity is a high priority, but made difficult by the low population density and scattered nature of settlements. Regular services are uneconomic if they serve too few people over long distances. In such cases government sub-



Through the joint venture, Solomon Taiyo, and the National Fisheries Development Company, the government has started the process of creating a viable Solomon Islands fishing industry

sidies might be the only way of overcoming the problem. Nor are freight services to and from the smaller island ports and the main ports enough to encourage cash crop production if there are no roads or tracks to the smaller ports. Although small, the islands still need internal transport infrastructure, especially for marketing copra from the less accessible rural areas. Wharfs and storage are also needed.

Air links

The air services are at present small scale. Solair, the part government owned air company, has eight aircraft, the largest of which seats 19 passengers. In 1980 Solair carried 42 000 passengers and 270 tonnes of freight. Most of its flights are within the country, but it does have services to Kieta in PNG, Santo in Vanuatu and to Brisbane, Australia, in conjunction with Air Pacific. Air Niugini and Air Nauru also serve Honiara, which is large enough for BAC 1-11s, B 737s and F 28s. There are in all 24 aerodromes in Solomon Islands. Air communications are expensive to develop, but for a country like Solomon Islands a basic structure is necessary for administrative efficiency, and for public and private business.

Administrative devolution, which is government policy, also requires good communications with the centre. This is also an important consideration in upgrading the post and telecommunications network. The development of telephone communications involves an EDF special loan of ECU 5.2 m. Good communications are also important for another government objective: stimulating rural employment. Solomon Islands has experienced no great urban drift so far, but with the expansion of the population it could develop as a problem.

Pulling through the recession

Solomon Islands has had a good deal of success in diversifying its economy and maintaining economic growth. 1980 brought a setback and the national economic development plan which will be put into effect for the period 1981-85 has been put together against the background of a difficult international economic situation. Growth in per capita GDP has to be seen against the fact of 3.4% population growth. At this rate the population doubles in 20 years and imposes a great strain on all government or mission services, health, education and so on. In the 1960s the population growth rate was 2.6%; in the 1970s it



Because of the hilly interior in most of the islands and the problems of inland transport, most village communities are situated along the coastal belt



Log exports are worth almost S\$ 15 million

reached 3.4%. By 1976 almost half the population was under 15.

A policy dilemma

These demographic trends are important because they show the need for speedy implementation of the new development plan. But there is some resistance to economic change because of the impact it will have on traditional social attitudes and culture. There is a nostalgia for traditional ways even among ministers.

On the other side there are those who believe that development is not as big a threat to traditional values as demographic growth. Urgent government action, they argue, is needed to prepare for the social consequences of such growth, and that includes changing attitudes to economic development among the rural population.

Such change need not destroy the undoubted harmony of rural life, and for Solomon Islands in the 1980s the challenge will be to find policies which, while respecting the old ways, develop the undoubted human and natural resources at the country's disposal. ○ I.P.

SI Information

SOLOMON ISLANDS

Prime Minister Peter Kenilorea

“It is important to create a sense of oneness in an island country”

Since independence in 1978 Solomon Islands has been led by Prime Minister Peter Kenilorea, and since the 1980 general election he has headed a coalition of his own United Party and a group of independents, both groups having six ministers each. Politics, like the country itself, is fragmented, and one of the central themes of government is the need to bring the islands together as a nation.

The 225 000 inhabitants are scattered in village communities and rural development is therefore a vital aspect of nation building. Communications, too, are essential. In the following interview the Prime Minister explains the constraints which his country faces and the opportunities for developing its resources.



Prime Minister Peter Kenilorea



► *Prime Minister, since independence in 1978 your government has followed a policy of economic and administrative decentralization from the capital here in Guadalcanal province. What do you hope to achieve by that policy?*

— On the specific question of decentralization the government, by its constitution, has accepted the idea of bringing the governing of the country closer to the people. We have taken all the necessary administrative actions to devolve functions to the various provinces for work that is being done in the respective provinces. We are now in the process of providing a further basis for administrative devolution in the form of a parliamentary act. We hope that parliament will adopt this local government act, which would further legalize the authority, responsibilities and functions that would be devolved to provincial government. It is part of a system of allowing full participation by the people in the government of the country. If this goal is achieved it will be better both for the people and for the general government of the country.

► *Most islanders are smallholder farmers and their productivity and cash income is low compared with the plantations. What are you doing to modernize this smallhold sector and decrease the income gap?*

— In the Solomon Islands, as in many other countries, we basically live on subsistence agriculture. But in

recent years we have begun to modernize and improve agriculture, and many more of our farmers have become involved in smallholder growing of coconut and even breeding cattle and growing new cash crops like chilli and tumeric. The government is providing encouragement through the agricultural ministry in extension services. We are trying to help local producers, especially with their copra, through the Copra Board, which has been in existence for some time now. It guarantees markets for smallholder copra production. In the area of cattle development, a lot of people have gone into it on the basis of self-help projects, assisted by the extension services of the Ministry of Agriculture as well as the officers of the Cattle Development Authority. Farmers have been encouraged to look at cattle development. Although small farmers' cash income may be low, as you suggest, I'm proud to say that of the total production of copra in the Solomon Islands, two thirds is by smallholder farmers, with the large plantation estates accounting for only a third of the total production. I hope through the Ministry of Agriculture to continue encouraging our people to take more part in improving the methods and techniques of farming.

Protection against outside factors

► *Copra has of course been dominant in the economy for some time but you have been diversifying into other products. How has that been done, and what other products have you been developing?*

— We realize that Solomon Islands is basically an agricultural country. We have a small economy, subject to the influence of outside factors which we cannot fully control, so one of the areas we have been concerned with is the diversification of the basis of our economy so that we do not carry all our eggs in one basket. Copra has always been our main foreign exchange earner, but we have diversified into timber and fish, mainly by guiding development aid to areas which we feel would best develop the country and be of advantage to our people. So we have suggested that aid donors or interested investors go into certain areas. For example, in fishing we have gone into a joint venture with a Japanese company which here is called Solomon Taiyo. We are, of course, encouraging our own fisheries development. The National Fisheries Development Company is working well alongside Solomon Taiyo. As for timber, again we basically direct investors, and the main investors in the area at the moment are companies like Levers Pacific Timber and the Foxwood Timber Company. We have



A copra oven on Guadalcanal island

also helped to encourage palm oil production. That again is an outside organization but based on an agreement on the way development should go with the Solomon Islands government. So we work with various investors, either in joint ventures or on the basis of policies that are acceptable to the government. Hence we can diversify our economy in areas which at this point in time we could not do ourselves.

Customary attitudes to land

► *Almost everybody I have spoken to so far has mentioned the customary land-holding system. How serious a constraint is it on development?*

— Well, I think the constraint is only in a lack of understanding. It is not a real constraint to development, we need to create understanding among our people as to the value of land, and what the use of land can do to help us improve services.

It is an area where we have to educate our people and help them to understand the value of land and what land can do to help us reach our development goals. The difficulty in this particular area arises from the fact that Solomon Islanders do not see land as a commodity to deal in, to sell and buy. Our people look at land as part and parcel of their whole value system, and that is why I speak of educating them to either develop the land themselves or help them in releasing land for acceptable development. With the system of land-holding you do not deal with one person but with tribes and

groups of people and it is sometimes difficult to get a consensus of opinion. My view is that continuing discussion and education about what is intended, and what land can do to help our people, will soon bring them to understand and fully participate in development generally and realize what an important resource the land is.

► *So you're not planning general land reform, what you envisage is a gradual evolution of the existing structure by negotiation?*

— That is right. We are trying to create a system which will be accepted by our people, especially to ease land disputes and misunderstandings in land dealings. But it would not be a straightforward legal structure which would take away or give land for development purposes.

Rich fishing grounds

► *The islands cover an enormous area of ocean and you have set up the National Fisheries Development Company. What is it doing to try and exploit the fishing potential?*

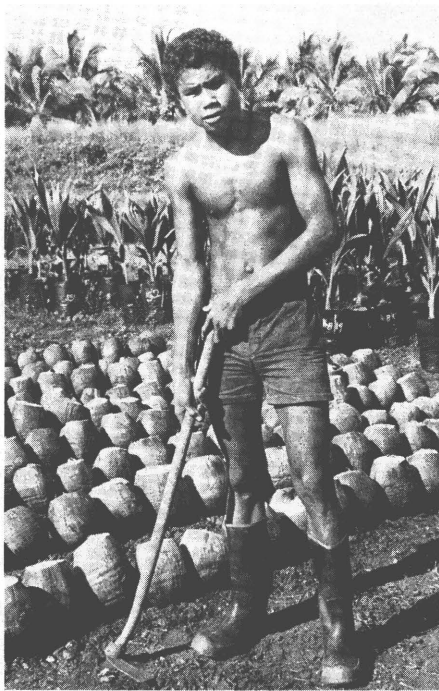
— At the moment we have the joint venture with the Japanese company, Solomon Taiyo, whose main objective at the moment is to fish tuna, the skipjack. We are using fishermen and ships from Okinawa on a charter basis. The National Fisheries Development Company is 75% owned by Solomon Islands and was established for two immediate purposes: one is to build fishing-boats, and then having built them to become involved in fishing so

that, in time, the company's ships and fishermen will take over from the chartered ships from Okinawa. In that way we will gradually become more involved in this important area of development.

Not enough skills

► *The lack of skilled manpower is one of the main constraints on Solomon Islands development. How rapidly do you think you can build up local skills and lessen the heavy dependence on expatriates?*

— This is certainly an area of concern at the present time. The government is fully aware of the extent of the problem and in the present plan period the government is emphasizing the importance of education and human development. Of course we cannot have fully trained manpower overnight. We will work at it gradually, but we certainly see it as an important area and have made it the top priority of the next plan period. In 1980 we had about 28 000 in our primary schools and we hope that by 1985 that educational base number will rise to about 36 000. On that projection of a possible increase of our primary school intake, we will create a wider base for training manpower at the end of the school career. Secondary education places



SI Information

A worker in the Yandina nursery preparing young coconut palms

about this particular area because human development is important for all other development. At the moment all our university education is outside Solomon Islands and we are also looking at that. The government has taken

triate manpower, but because of the expansion of activities and services the number is still quite high, about 200 or so in the public service.

► *Apart from foreign personnel you also have a number of overseas companies active here. You have already mentioned the Japanese in the fishing sector. Are you happy with the way that overseas companies function in Solomon Islands?*

— We are happy with them. It is our policy to encourage companies who accept the basis of our development objectives as laid down by the government. We accept them on the condition that they accept our conditions before coming here. There is no question of pressure on us, that would not be accepted. The various companies operating in the Solomons like Levvers Pacific, the Commonwealth Development Corporation, and Solomon Taiyo have all accepted Solomon Islands terms of investment and development aims.

Guarded approach to tourism

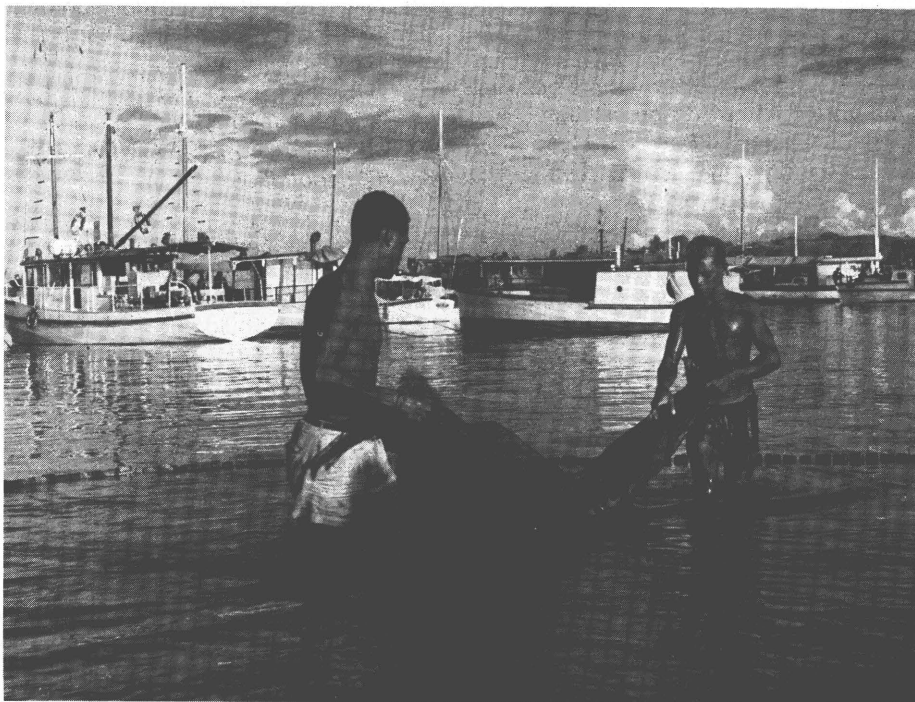
► *You mentioned right at the start the importance of agriculture. But is there scope for non-agricultural development in such fields as tourism and manufacturing?*

— There is scope, but in tourism the present government's policy is one of control, not emphasizing, as it were, the commercial development of tourism. Solomon Islands is open to people who would like to share the values of Solomon Islands as it is now. We are not emphasizing tourism for the dollars. One way of controlling tourism here is the provision of facilities for tourists. They can come and enjoy what is here, but if it is not here then that is an indirect way of controlling tourism. We are looking at the usefulness of this particular aspect of development but we also realize that we should not run after the dollar it brings. We are mindful about the social cost. As for manufacturing, since we are basically agricultural, there isn't great activity at the moment. We've got a soap factory, confectionery and food factories, but activities in this area are still very limited.

Few roads lead to Honiara

► *Prime Minister, apart from customary land, the other problem that many people have raised has been communications, both between the islands and within the islands. Is that really a great barrier to growth?*

— Yes, this is certainly one of the areas where the government faces a



SI Information

Small-scale fishing at Point Cruz

and facilities are limited at the moment and unfortunately all our primary school intake cannot go through to secondary school. In 1980 we had about 3500 secondary school pupils and on present trends this could increase to about 4000 in 1985. We are concerned

a decision to review the whole education system this year and to look at areas where it can be improved or adjusted to bring about better, if not more, trained manpower. We have increased our local trained manpower and have relatively decreased expa-

challenge in development. We are concerned about the movement of people and produce as an island country extending over a distance of 1000 miles from south to north. It is certainly an area of interesting challenge. We are trying to help minimize this difficulty by providing inter-island shipping. In recent years many private companies have gone into inter-island shipping. In the area of telecommunications we are pleased to have assistance from EDF funds for our telephone communications within the country. Travelling within the islands themselves is difficult too, because they are mountainous and rugged.

We need roads. And I think when these are developed it will certainly help not only the movement of goods and people from one place to another, but in creating a sense of closeness among the people and greater contact within the nation itself. It is important to create a sense of oneness in an island country.

► *Do you think that the political institutions that you have work against or in the interests of national unity?*

— Well, you can see it both ways. The intent is to work for national unity by trying to involve people and allowing them to feel part of the whole system. Our constitution provides for a unitary form of government and within that unitary form we are trying to create a system where people throughout the country participate to help create a sense of national unity and national identity.

Europe is distant but important

► *You are a relatively small island nation in the world's largest ocean, yet you have a special relationship with the European Community in a far away continent. Don't you think it would be more logical for you to develop closer relations with countries such as the Philippines, Indonesia and even China among the developing countries, and Japan, Australia, New Zealand and the United States amongst the developed countries, all of which border the Pacific?*

— Our view is that we are willing to talk and to have relations with countries who accept us as we are. When one talks in terms of proximity it would be logical to look at those areas, but we are also aware that at the moment a lot of our trade relations are still very much with Europe, especially the UK. The EEC is very important to us. That is why we decided, and I think it was a wise decision, to be a member of the ACP group. The assistance coming from the Lomé Convention is useful and helpful, but as a small country we

are still trying to find ways of expediting aid, to get to know the system and the procedures, to make use of the available aid and especially to meet the procedural requirements. We are finding it difficult at the moment. We feel, with due respect, that the procedure of Lomé, for example, could be more simple to ensure quick disbursement.

► *What specifically do you think that Lomé II is likely to bring to a Pacific country like the Solomon Islands?*

— Solomon Islands has signed a programme of aid for Lomé II for about \$ 14 million over the next four years. It is an important source of aid for national development. Also we have access to other benefits. But the difficulty remains, as a new member of the organization, of finding a way of speeding up the procedure.

► *Do you sometimes feel that the country is too dependent on foreign aid?*

— At present and in the short term, it is obvious that our developmental programme will depend almost entirely on foreign aid. But it is government policy that this aid should help us to be less dependent in the long run. Our aim is self-reliance. In terms of the 1981 development budget of about \$ 35 million, only about 2% of that is our local contribution, the rest is entirely foreign aid. We have been quite pleased with our aid donors, including the EEC. But the aid that is accepted must fit in with the government's view of development rather than be aid forced on the government.

► *And are you confident in the long run that with this development you will be able to maintain the specific cultural identity which these islands have?*

— We are a Pacific country and will continue to be, maintaining our identity within a Solomon Islands nation.
○ Interview by I.P.

Solomon Islands and the Lomé Convention

The EEC is Solomon Islands' most important trading partner, mainly as a client. In 1978 the Community took 34% of the Solomon Islands' exports, in 1979 its share climbed to 39%. The UK is traditionally Solomon Islands' main market, followed closely by the Netherlands, which is about to overtake the UK. Exports to the Community are mainly copra, palm oil, canned tuna and timber.

Due to the long distance, the EEC accounts for only 16% of Solomon Islands' imports (1979). Main imports from the Community are machinery and transport equipment such as ships and cars, other manufactured goods, chemicals and food.

Relations under Lomé I: financial and technical cooperation

A former British OCT, Solomon Islands became a full member of the Lomé Convention after independence in July 1978. The indicative aid programme for the Solomon Islands from the 4th EDF was ECU 10 745 000. However, total aid to Solomon Islands under Lomé I is near to ECU 13 million because of Stabex transfers.

So far, 76% of EDF indicative aid has been approved for financing. The rest will be committed in the course of 1981. Priority in the programme has been given to the development of the economic infrastructure. A project for the development of the telephone system in the capital, Honiara, and in provincial centres, will cost ECU 5.35 million, or half the total allocation under Lomé I. Other important infrastructure projects are the construction of a road (EDF contribution ECU 1.2 million) and the replacement of obsolete rural bridges (EDF contribution ECU 1 035 000). ECU 0.6 million was granted for a fisheries training school, ECU 0.55 million for microprojects, ECU 625 000 for reforestation, and with a line of credit of ECU 0.78 million for small- and medium-scale ventures, the EDF became one of the main financiers of the Solomon Islands Development Bank.

Regional cooperation

Solomon Islands benefits from the regional cooperation funds under Lomé I in the same way as Papua New Guinea, even more so because it does not have its university and sends most of its students to the University of the South Pacific in Suva, Fiji, supported with an EDF grant. Another regional

project, the construction of the headquarters for the South Pacific Forum Fisheries Agencies in Honiara, is still under preparation (ECU 0.3 m).

Stabex

Solomon Islands has received Stabex transfers for shortfalls in its export earnings from wood in 1975 and copra in 1975 and 1976, for a total amount of ECU 2 173 000.

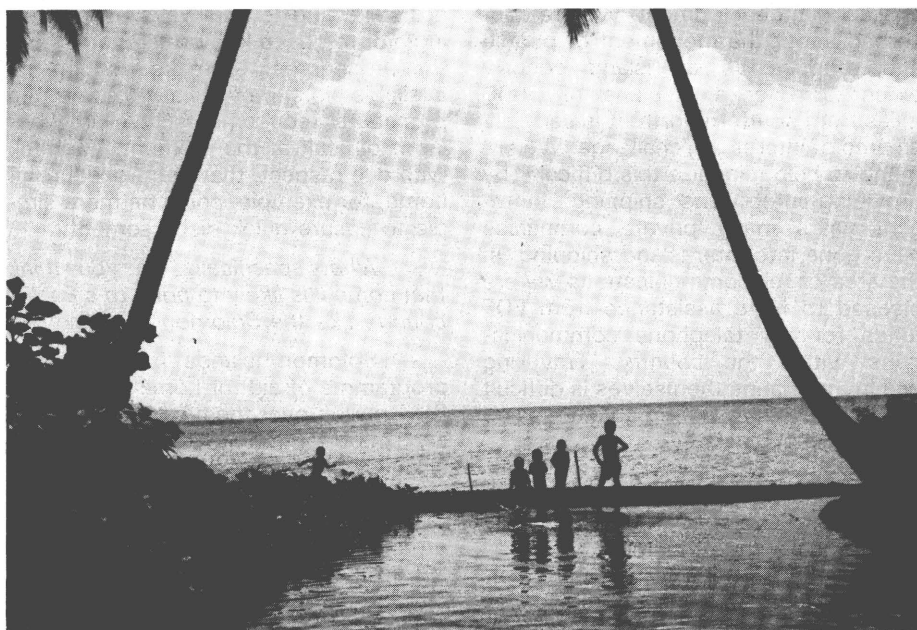
Relations under Lomé II

An EEC team was in Solomon Islands from 9 to 13 November 1980 to outline the indicative aid programme for Lomé II with the Solomon Islands authorities. An amount between ECU 11 and 12.5 million was allocated for this programme, all in the form of grants. The priorities for EEC aid in the next five years and the proportion of EDF financing have been determined as follows: agricultural and rural development (50%), economic infrastructure (20%), manpower development, technical assistance and studies (20%), contingencies (10%). The European Investment Bank has agreed to consider some form of participation in a co-financing package for the Lungga hydro-power project near to the capital, Honiara.

As to the regional programme for ACP states in the Pacific, Solomon Islands has expressed special interest in various projects in the fields of communications, energy, marine resources, fishery surveillance, and education. ○



Benedict Kinika, finance minister and national authorizing officer for the EDF



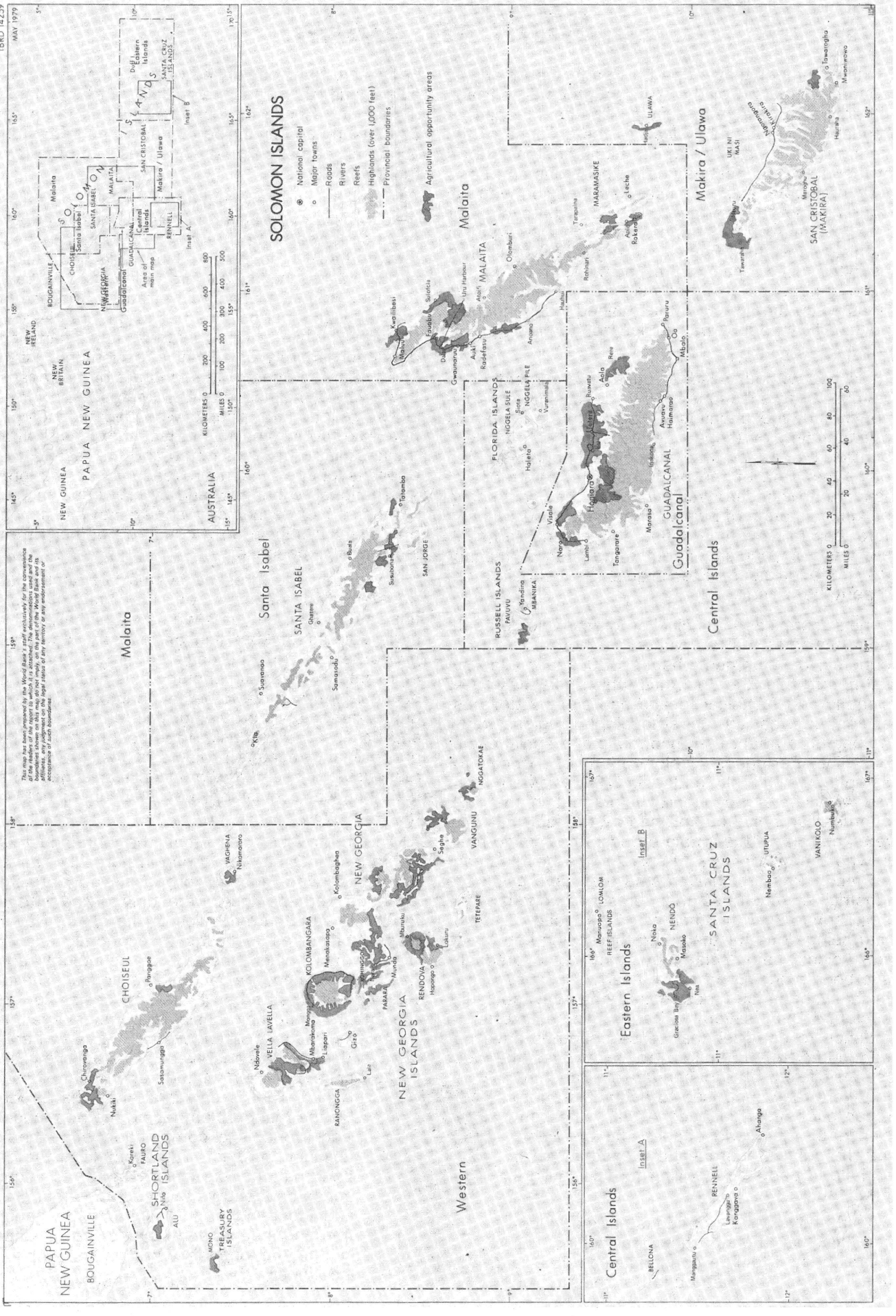
One of the many small rivers on Guadalcanal where it (almost) reaches the sea. The EDF is helping finance the replacement of small rural bridges over such rivers

EEC aid to Solomon Islands 1976-1980 (Lomé I)

Indicative programme and (progress as of 28 February 1981)

Projects	Allocations (amended)	Committed 28.2.81	Content
	ECU '000		
Telephone system	5 350	145 5 200 (1)	— preparatory study — exchanges, constructions
Microprojects	550	550	18 microprojects
Rural bridges	1 035	—	replacement obsolete bridges
Road	1 200	—	construction of a new road on Guadalcanal
Fishery training school	600	600	building, equipment, technical assistance
Town planning	160	160	technical assistance
Trade promotion	200	—	wood processing and marketing consultancy
Line of credit to Solomon Isl. Dev. Bank	780	780 (1)	small and medium-scale enterprises
Forestry	620	625	reafforestation of 1800 ha (Shortlands-Santa Cruz)
Provision	250	40 50	study bauxite exploitation overseas training
Total IP-Lomé I	10 745	8 150	76 % committed
<i>Stabex</i>			
Wood in the rough (1975)		761	
Copra (1975)		138	
Copra (1976)		1 274	
Total Stabex	2 173	2 173	
TOTAL EEC Aid	12 918	10 323	

(1) Financed with EDF special loans (all other financing consisted of grants).



SOLOMON ISLANDS

- National capital
- Major towns
- Roads
- Rivers
- Reefs
- Highlands (over 1000 feet)
- - - Provincial boundaries
- Agricultural opportunity areas

This map was prepared by the World Bank as a guide for the construction of the World Bank's 2000-mile road network in the Solomon Islands. The boundaries shown on this map do not imply, on the part of the World Bank, any endorsement or acceptance of such boundaries.

Sink or swim

One argument that crops up in any report on the economic situation of the ACP countries is that any withdrawal of expatriate staff, whether sudden or gradual, would inevitably lead to the collapse of the economic structures. What is striking and gives food for thought is the persistence of this argument. For a long time now it has been used in connexion with the economies of the former colonies, whatever their state of development and whatever the type of colonization (British, French, Portuguese, Spanish). It has been used again, with force, as regards the recent emergence of Zimbabwe and Vanuatu, just as it was when the first countries gained independence, and it will no doubt be applied to Namibia tomorrow.

It is not without validity, but this argument does provoke two questions. Why does this collapse happen and whose fault is it? By trying to get a better understanding of the economic set-up in the ACP countries before and after the colonial period, we can get a clear idea of the basic reasons why most of them are now underdeveloped when they could have been in a situation of plenty, or at least of sufficiency. More than this, we can define new criteria and seek new ways of bringing about a transfer of technology—or acquisition of techniques, as it should more properly be called.

The scientific and technical progress which brought about the industrial revolution, a factor of current economic development, began 200 years ago. But well before this, the countries which had these new scientific and technical means had already got possessions in what are underdeveloped regions today and begun to affect their economic and social evolution. The Portuguese colonization of Africa, for example, which only ended in 1975, lasted more than 400 years. So underdevelopment in the ACP countries can only be explained by the fact that they were kept out of the whole process that would have allowed them to play a full part in the development and technological achievements that have given the industrialized countries their present economic and social advantage. In other words, instead of everything being done for them and their being kept aside from science and technology, they could gradually have been made to do all, or nearly all, those things which changed and determined the way societies developed over several decades. There is often a tendency to consider that these countries have not been sufficiently prepared to take over the vast responsibilities of independence. But how long were they supposed to need? To quote French economist Jacques Attali, "the conscience of the world shapes the answer". And the point of historical evidence is that it can help, if people are willing to help, build a better future.

What makes the non-industrialized countries look as though they are behind the others today is only a consequence, albeit a capital one, of the distribution of roles which

kept them right out of the destiny-changing process and made them technologically and economically dependent. Hence the need to redefine the methods of acquiring and financing technology and to study its economic and social consequences—in other words, the overall project.

The acquisition and mastery of skills and technology can be arrived at through training, of course, but practice is more important. The adoption of technology in the ACP countries has not reached the level it should have done in 20 years. There are two reasons for this. First, the economic strategy of these countries over this period was based on "ready-to-use" factories, while their operation and management depended entirely on technical assistance. We now know that factories of this kind are by no means the best way of helping the ACP states learn industrial skills. Second, the people who had technology did not wake up in time to the fact that it was vital for these skills to be transmitted and the resultant monopoly is one of the main reasons for the present international economic and social imbalance. The "transfer" of technology should not be a passive operation. It should be a coming together of knowledge and experience.

No doubt the present system of technological transfer also depends on the way things are financed. For some years we have been aware that a large amount of spending on industry, and also on public health, with the declared aim of enabling the recipients to obtain technology, has missed the mark because it turned out to be covering operating expenditure rather than providing skill-forming equipment and because no one asked the countries involved to propose and manage projects of their own. So it is reasonable to feel that the financial arrangements for technological acquisition may step up or hold back the transfer.

And it is also clear that the non-industrialized countries, and the ACP group in particular, have not come up with enough proposals for projects—although perhaps they were only giving into what looked like the current rules of the game. Nevertheless, projects as a means to economic and social development, where the type of technology required has to be defined, are becoming essential. The industrialized countries are in a state of crisis. But so are the others and their crisis is perhaps even more acute. As Jacques Attali writes: "Everywhere and always this crisis is resolved by establishing coherence between culture and technology, between what is universal and what is local". So the real problem facing the non-industrialized world is a combination of technology, financing, project. The example of the developed nations, particularly as far as energy is concerned, shows that countries that are free and independent (or aspire to be genuinely free and independent) cannot go on depending on the outside world in this triple field indefinitely. ○ LUCIEN PAGNI



The European Community's common agricultural policy

In all countries, however industrialized, agriculture is a key sector.

Agriculture responds to the basic but permanent consumer need for food. All farm policies aim to guarantee a sufficient and regular supply. Demand and supply rarely coincide, however—farming is particularly sensitive to atmospheric and biological factors—and surpluses or shortages can easily occur. Retail prices are also affected by supply problems as, in turn, is the consumer who, in Community countries, spends an average 25% of his budget on food. The percentage of income spent on food is decreasing; however, as the standard of living rises. Food prices no longer appear to be the decisive determinant of consumption levels. Prices also depend greatly on commercial and industrial costs—it is now exceptional for a product to pass directly from the farmer to the consumer.

From Ireland to Greece, the soil is the principal source of income for the nine million full-time workers in European agriculture. Through technical progress and productivity increases, earnings in this sector have risen, but have not always kept pace with other sectors of the economy.

Public authorities have been obliged to intervene to support agricultural markets and improve the organization of production whilst taking account of the social and economic problems at the same time. This type of intervention—more or less transparent—is now commonplace throughout the world. All governments give great attention to this sensitive sector, which is both difficult to manage and often politically very important. Agriculture's contribution to national wealth and to exports is continuously declining, however, though its importance for rural management is growing.

Green Europe — why?

The founding treaty of the European Economic Community gives much attention to agriculture. When it was drawn up, however, the agricultural picture in the six founding countries was very different:

- the percentage of the workforce employed in this sector differed greatly from country to country, as did the contribution of agriculture to gross national product, its productivity and the proportion of foodstuffs in external trade;

- the agricultural policies of the Six were themselves very different, and even contradictory. They had been developed to suit natural and economic variations as different as the extremes of southern Italy and northern Germany. Some countries opted for more liberal mechanisms, others introduced more protectionist systems.

This diversity did not dissuade the authors of the Treaty of Rome from

introducing a common agricultural policy.

It would have been unthinkable to set up a common market and leave out such an important economic sector. In 1980 as well, it was clear that a move away from the free movement of agricultural produce would also signal the end of free trade in industrial goods between Community countries. The opening up of frontiers and the removal of barriers to trade implies a certain balance of trade flows between member states, some of which are more agricultural and others more industrial.

Maintaining divergent agricultural policies would have created serious barriers to the realization of various other aspects of the treaty: the creation of a common market for industrial goods and services (including the food industry), free competition, social progress, etc., and the Community's objective is not only to liberalize trade but also to fully integrate the economies of member countries.



Pork is one of the main European agricultural products

Inevitably, the common agricultural policy was seen as vital because of its potential advantages:

- it would offer farmers a vast market in which to sell existing products and to launch new ones;
- by increasing competition it would encourage specialization and bring about greater complementarity between member countries: northern Europe would supply most animal products, southern countries would supply most fruit, vegetables, wine, etc.;
- it would offer consumers the benefit of a greater supply of food products and large-scale production would make prices more attractive. Above all, it would guarantee stability which could make a whole geographical area less dependent on supplies from a relatively tight and very unstable world market.

To achieve the common industrial market it appeared sufficient just to lower customs barriers, remove non-tariff barriers to trade, to introduce competition rules and to set up a single customs barrier at the Community's external frontiers. For agriculture the problem was more complex given its particular constraints, some natural (difficulty of raising productivity, of shortening production cycles, of changing products, etc.) and others more socio-economic (rigidity of agricultural structures, the need to preserve farms in certain zones to prevent depopulation, etc.) not to mention the almost impossible task of harmonizing the divergent national policies.

It was necessary to return to the basic problem and draw up a new agricultural policy, a European policy. This policy had to be adapted in 1973 to the requirements of an enlarged Community in which the voice of the consumer was becoming increasingly heard.

Principles and mechanisms

Article 39 of the Treaty of Rome defines the fundamental objectives assigned to the common agricultural policy:

- to increase productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilization of the factors of production, labour in particular;
- to ensure a fair standard of living for the agricultural community;
- to stabilize markets;
- to ensure that supplies reach consumers at reasonable prices.

To best meet these objectives, various markets for farm produce have been progressively organized, based on three fundamental principles: the



Lars & Bo

Greenhouse in southern Italy: Europe's different climates are complementary under the common agricultural policy

single market, Community preference and joint financial responsibility.

The single market implies total trade liberalization and therefore the removal of customs duties and non-tariff obstacles, and the harmonization of administrative, health and veterinary regulations. It also implies common management rules, common prices, identical competition rules and uniform protective arrangements at Community frontiers.

Applied uniformly throughout the Community, these management rules differ according to the characteristics of the different products concerned. Four main types of market organization exist, covering together more than 95 % of European production.

Some 70 % of produce benefits from a system which guarantees both the market and the prices. For the principal cereals, sugar, milk products, beef and veal and, since 1980, sheepmeat, an intervention price is used. When market prices fall below this level, the Community intervenes to acquire a certain quantity which is then stored and resold when the market recovers. For other products—pigmeat, certain fruits and vegetables and table wines—market support comes via other, more flexible, measures such as storage assistance, withdrawals of produce from the market, and aid for distillation.

About 25 % of production—other fruits and vegetables, flowers, wines other than table wines, eggs and poultry—is subject to an external protection system. Action here is limited to protecting Community production from world market fluctuations, using instru-

ments such as customs duties or levies of a temporary nature. Both can only be applied during certain periods of the year.

Additional assistance covers only 2.5 % of production: durum wheat, olive oil, certain oleaginous products and tobacco. Reserved for products in which the Community is a net importer, it helps maintain relatively low prices for consumers whilst guaranteeing a certain income for producers.

Flat-rate aid per hectare or aid determined by the quantity produced only covers a limited segment of production: cotton-seed, flax, hemp, hops, silk-worms, seed and dehydrated fodder.

The uniform operation of these mechanisms requires, of course, that common guaranteed prices are fixed each year by Community ministers for all member states. Given the monetary fluctuations experienced since 1969, "monetary compensatory amounts" (MCAs) had to be introduced to compensate different member countries for the effect on the common prices of changes in national currencies. Prolonged use of MCAs has led to certain distortions in competition, but the MCAs have enabled the common price principle and system to be maintained intact and have protected the single market. With national currencies kept within a narrow band of fluctuation, this mechanism also allows automatic return to a more fully integrated market and to prices which are a better guide for production. Thus the European monetary system set up in 1979 has greatly reduced and even eliminated a large proportion of the MCAs.

Community preference is the indispensable corollary for the single market. Protection for the European market against low-priced imports and fluctuations on the world market is assured by customs duties or by levies which act as a "sluice gate" at Community frontiers. If prices of imported products are lower than those in the Community, a levy is imposed equal to the difference between the two prices; free access to the Community market is maintained without distorting competition in the common market. If on the contrary, world levels are higher than those in the Ten, a levy is imposed to dissuade sales to the world market in so far as it is necessary to guarantee supplies to European consumers.

Joint financial responsibility arises logically from the two preceding principles. It formalizes the solidarity between the regions of the Community and enables the system to operate practically. Management of the system is the responsibility of the European Commission and, for practical reasons, expenditure and revenue is also the Community's responsibility. This common financial responsibility is embodied in the European Agricultural Guidance and Guarantee Fund (EAGGF)

which is an integral part of the Community budget and comprises two sections: guarantee and guidance.

The "guarantee" section finances all public expenditure arising from the implementation of the common organization of the market:

— a variety of intervention systems aimed at regularizing the internal market (about 5 600 million ECU in 1980) (1): purchases by intervention organizations, storage costs incurred by these bodies, direct income assistance, subsidies to facilitate the marketing of products competing with low-priced imports, etc.;

— export rebates (about 5 300 million ECU in 1980), financial aid which compensates for the difference between Community and world market prices.

The "guidance" section contributes to the financing of common policies to improve agricultural organization:

— support for individual farm improvement projects;

— partial reimbursement for general modernization work;

(1) 1 ECU (European Currency Unit) = about £ 0.54 or Ir.£ 0.69 (at exchange rates current on 15 January 1981).

— aid for farms in the naturally worst-off regions;

— financing actions to reorganize certain markets (e.g. the reconversion of vineyards).

Such European aid has a five-year budget ceiling of 3 600 million ECU. It normally only covers part (25-60%) of expenditure and is supplemented by national subsidies. In 1979, given the difficult situation in certain markets and the relatively slow change in agricultural organization in the context of a general economic crisis, the European Commission proposed to member states that a new boost be given to structural policy, in part by implementing existing measures and partly by introducing new actions of a regional nature.

Results

Taking one by one the five objectives for the common agricultural policy set by the Treaty of Rome, it can be seen that agricultural productivity has increased rapidly: by an average of 6.7% per year from 1968 to 1973 and from 2.5% since then. Such progress is the result of technical improvements and the rationalization of farms, but is also due to the reduction—by one third since 1968—of the total number of farmers.

Agricultural incomes have risen in parallel with other incomes: by 3% per year between 1968 and 1979. But this growth has slowed considerably since 1974 and has left large gaps between the income levels of farmers and other workers and between farm workers themselves, depending on the types of farming they are engaged in and of region in which they live (average farm income between regions varies by a factor of 6 within France).

Supply security has been assured and Europe no longer experiences shortages, even though self-sufficiency has not been achieved everywhere. For certain products, such as animal feeds (e.g. maize and soya) and tropical products, Europe is reliant on outside suppliers, which explains its position as the world's leading importer. The regularity of supply, from the point of view of price and quantity, is a result of the links established between the Community and supplier countries.

Maintaining reasonable consumer prices has been assured for the majority of products. On average, between 1973 and 1979, prices paid to agricultural producers have increased by 8.5% per year, whilst the price of food produce paid by consumers as well as



Danish poultry: are EEC farmers ducking their responsibility for food surpluses?

Lars & Bo

general price levels have increased by more than 11%. The European farmer has therefore made a considerable contribution to the battle against inflation.

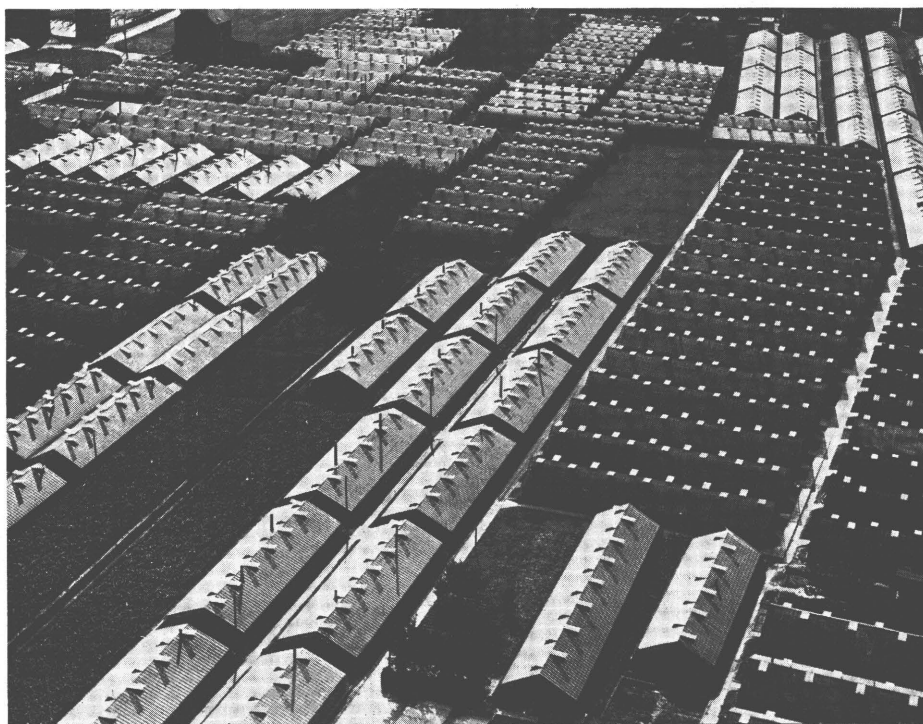
Market stability has also been achieved: over the last 15 years, European prices have been less influenced by the world market and Europe has remained sheltered from the price inflation which affected the world sugar and cereal markets. But the European policy has had repercussions at the production level and, in certain sectors, farm surpluses have arisen which have had to be eliminated through generally expensive and unpopular means. Some of these surpluses are periodic and are the result of the uncertainty of farming, which is so greatly dependent on natural conditions. Others—and these are more serious—are of a structural nature, and are large and permanent: each year the EAGGF finances the storage and disposal of sizeable quantities of milk products; sugar production also exceeds domestic needs. In these sectors, the common agricultural policy is subject to a wide variety of constraints: milk production constitutes an essential source of income for a large number of small farms, particularly those in mountainous regions; competition which butter faces from margarine manufactured from low-priced imported products is related to the absence of a global supply policy for fats; European sugar producers are faced with imports of 1.3 million tonnes of cane sugar by the Community as part of the cooperation policy with the Third World.

But what is the cost of the Green Europe policy? Agricultural expenditure in the Community represents less than 0.5% of the gross domestic product of member countries, around 2% of national budgets and 3% of consumer food expenditure. It also accounts for 70% of the Community's total budget; that may appear disproportionate but the reason for this is simple: it is the agricultural sector where European integration has gone furthest; in other sectors, the majority of expenditure is still paid from national budgets.

Directions for the future

The Community's total financial resources are limited. The growth of expenditure and of agricultural production—whilst Europe meets the majority of its needs and is sometimes in surplus—calls for a prudent pricing policy but also a strengthening of the Community's structural work.

The pursuit of a market balancing policy should create the possibility to move—within the existing budgetary



Brussels is famous for sprouts, but there are 28 000 hothouses growing grapes just south of the Belgian capital

ceiling—towards the necessary adaptation of agricultural prices. To this end, the regularization of the sectors in surplus should be continued. It is no longer possible to increase indefinitely financial support for milk surpluses, which already absorb one quarter of the Community budget. And it is becoming difficult to guarantee price levels or aid for unlimited quantities of products. Various measures have already been taken to slow down the growth of milk, sugar and wine output, and other measures will be necessary to ensure that the progressive integration of Greek farming between 1981 and 1988 and, above all, the ultimate accession of Spain and Portugal to the Community, will not result in new tensions in the wine, fruit and olive oil markets. The limitation of the Community's financial responsibility—whilst respecting the main principles of the Community's financial responsibility and respecting the main principles of the common agricultural policy, which determines balance in the common market for agricultural and industrial products and thereby even the existence of the Community itself—implies that agricultural producers take responsibility for the expenditure involved in excessive increases in production (which they have already begun to do in the milk sector, where a co-responsibility levy has been introduced, as well as in the sugar sector). In parallel, the Community must improve monitoring of imports of certain competitive products, whilst remaining open to interna-

tional trade, and by developing its export policy as well as its contribution to the battle against hunger in the world.

Europe must also step up agricultural specialization based on differing national conditions and promote the production of quality products (in the wine sector it already encourages the reconversion of vineyards). Since the pricing policy is not sufficient to guarantee an adequate income for farmers and to ensure a sufficient basic level of farming, the socio-structural policy must be strengthened by introducing new measures to accelerate the modernization of agriculture, to reduce income disparities and to promote the development of regions in specific difficulties: the west of Ireland, mountainous and hilly areas where a certain number of farmers must remain, the Mediterranean regions whose production is most exposed to the increased competition resulting from enlargement of the Community, etc. In these problem regions, the Community already supports numerous modernization programmes dealing with the training of farmers, the quality of output, irrigation, drainage or reforestation, etc. But the economic decline facing most agricultural regions will not be countered by measures limited to the agricultural sector alone. Action must be undertaken in a framework of integrated development programmes comprising provisions affecting infrastructure, employment and social organization. ○

Survey...

European women in paid employment

The European Parliament's ad hoc committee on women's rights asked for a sample survey to be made on the forms of discrimination encountered by women in paid employment in the course of their work. The European Commission has commissioned this research, and the conclusions are set out below. It should be pointed out that this is the very first time that an international survey has been conducted on the subject, and it would be unwise to look on the conclusions as definitive. Taking them at face value, however, they provide food for thought and a stimulus for action.

The task facing the men and women whose efforts are devoted to the cause of equality between men and women at work is not an easy one.

Although in theory 30 million European women in paid employment are affected by the problem, women's public opinion as a whole has not yet been mobilized.

It is estimated that there is a hard core of about 13% of wage-earning women who have personally experienced discrimination and who believe that at work they are at a disadvantage compared with men in most fields: pay, hiring, promotion, training, etc. (1). It should be borne in mind that this 13% amounts to almost four million people, a far from negligible minority.

A roughly equivalent number of women believe that women are at a disadvantage at work in most points, even though they have not experienced discrimination in person. The others—the very great majority—say that they have found no difference between men

(1) In a previous European survey (*European Women and Men in 1978*), a very similar question was put to working men and women: "Has the fact that you are a man/woman worked to your advantage or disadvantage in your working life?"

	Men's replies	Women's replies
advantage	63%	38%
disadvantage	3%	13%
no effect	34%	49%

100% 100%

There is a striking similarity between these replies and the findings two years later.



Belga

Dutch railwaywoman: blowing the whistle on discrimination at work?

and women at work, or even that women are at an advantage.

Mobilization

Why is opinion among the majority of women wage-earners so little mobilized? No doubt the weight of tradition counts. It is a plausible theory, but impossible to measure accurately. Two factors have become evident from the findings of the survey. A large proportion of women's jobs (one third) is to be found in the public sector, and these jobs generate much less discrimination than others, as is made clear in all the analytical tables included in the report. In addition, many women work in a female sphere and therefore have no experience, perhaps not even the concept, of competition with male wage-earners. Where competition does exist—and this is the case with more than half of women in paid employment—awareness of discrimination is far more common.

In which areas do women mainly feel that they are at a disadvantage? To take them in order, first of all in the level of wages, then promotion, then the opportunity to acquire additional training. Disparities between men's and women's pay have long been the subject of repeated articles and comment in the press. Women also see the signs of such disparity in the family environment. Finally, in a period of economic hardship, pay is the subject most likely to be mentioned as a sore point, whatever the context.

The survey also reveals the degree to which women are aware of discrimination in promotion opportunities and in a parallel field, further training. Even more important, it clearly establishes for the first time that, in the eyes of women who work in an atmosphere of real competition with men, inequality in matters of promotion is a grievance more keenly felt than differences in pay. It is only fair to add, however, that promotion in most cases is the only way of achieving higher pay levels.



CTFT

At home in the laboratory: testing tropical timber at a French research institute



Lill-May Didrichsen, the first Danish woman to pass out from the naval officer academy in Copenhagen

Male bosses

Should we need reminding that as things stand today (in 1980), 68 women out of 100 in paid employment have men as their immediate superiors? If we exclude jobs in which only women are employed, the figure for women working for a male boss is 80%. The stereotyped image that people sometimes smugly retain of women finding it hard to get on with each other is unrealistic: the survey clearly shows that women who work for a female boss are far less likely to meet with discrimination in their job, whatever the sex of their colleagues—women only or both men and women—and whatever the form of discrimination being reviewed.

Is it possible to take the survey data and to arrive at a sociological definition of an underprivileged group of women with cumulative handicaps—women with a low level of education, without training, doing a job that implies no responsibility for which they receive low pay—who are at the same time aware of negative discrimination in their work? No; the position is not so simple.

Job satisfaction

The great majority of female wage-earners display a strong commitment

to their work. Even among purely manual workers, most women feel that their work entails responsibility, a feeling that extends to groups with the lowest level of education or those at the bottom of the wage ladder. In the same way, the feeling that one's work is below one's ability—a feeling that is not very common—does not seem to be closely aligned with the sociological criteria measured in the survey. At most, a slightly lower degree of satisfaction is to be noted among the younger women workers.

Previous surveys have shown that women derive almost as much satisfaction from their work as do men. More specifically, when asked the question "If you had enough money to live in all the comfort you wished, would you go on working all the same?", a clear majority of the women replied in the affirmative. In the light of the widespread research that has been conducted, it is apparent that the attitudes and values of working women come half-way between those of non-working women and men's. From a sociological viewpoint, work in itself seems to narrow the gap between men and women.

Disappointed aspirations

On the other hand, an analysis of the data points to the importance of psy-



Belga

A British nurse on picket duty during a Civil Service strike: public sector jobs "generate much less discrimination"



J. Schubert

The weight of tradition is an obstacle to the mobilization of women against discrimination

chological factors in women's attitude to discrimination. Not much information is available, but what there is is convincing. On the one hand, the women who look on themselves as the victims of discrimination, above all others, are the widows and divorcees, in other words those who have to cope with difficulties outside their work as well. On the other, attitudes to discrimination seem to be linked with the level of career ambition previously harboured. For example, among women who have left full-time education early, those expressing greatest bitterness are not the women without any diploma at all but those whose education, however short, culminated in a diploma; the qualification probably aroused hopes that were not to be fulfilled. Once again, we should point out that discrimination in matters of promotion is a sensitive point to many women, all the more so when they have completed a lengthy course of study. Again, it is the gap between the level of aspiration and the reality of their daily lives that is the cause of bitterness. ○

A glance at Community life (1)

FISCAL POLICY



If all goes accordingly to plan, drinkers and producers of wine in Europe will soon drink to each other's health. Minister from the Nine, meeting in Luxembourg, recently took a great step towards ending all discrimination between beer and wine, two well-known symbols of European civilization. A final decision will be taken shortly.

The current duty on wine in the United Kingdom is almost five times that on beer and remains, proportionately, the highest in the Community.

The Commission, the guardian of free competition, considers this situation anomalous. Beer and wine are in competition, and one should not be favoured against the other. It therefore argued that the ratio of excessive duties charged should remain within the ratio of their respective alcoholic strengths of three to one, although it may be prepared to increase this slightly.

If, as is expected, the idea is eventually accepted, then the British government could take the unlikely course of raising the duty on beer, lowering that on wine, or, most likely, introducing a combination of these changes in the next budget.

This last approach, it has been estimated, could mean an extra halfpenny on a pint of beer and 21 pence off a bottle of wine if the government does not wish to increase its income. The probable rise in Britain's wine con-

sumption would be of major benefit to French, Italian and German producers.

The new measures, which would have to be implemented by January 1987, would also remove much of the discrimination in the brewing industry.

At the moment, many countries levy their duty on domestically produced beer at an early—worts—stage in production. In some cases, efficient breweries receive an indirect subsidy since allowance is made for a 6% loss from spillage. This concession is not applied to imported beer, where duty is applied on the final product.

The excise package will also put an end to the discrimination currently practised between different kinds of spirits, by insisting that they should be taxed according to their pure alcohol content.

In February this year, the European Court of Justice found Denmark, France and Italy guilty of applying a taxation system that favoured their own locally-produced drinks.

These judgments have strengthened the European Commission's hand in its long struggle to harmonize the structure of the Nine's excise duties.

CULTURE

Art for art's sake may no longer be enough

When Manet painted his 'Still Life with Asparagus' in 1880 he sold it for

800 French francs. When it was sold in 1968 the price was 1 360 000 Deutschmarks: artists aren't always the ones to get the financial benefits of their work!

It's a classic case that highlights the financial situation of artists and other members of the cultural professions—musicians, actors, writers, dancers, singers, film-makers, broadcasters, and so on—even today.

Theirs can be a precarious existence: as they say in the theatre, 'You're only as good as your last performance,' and for every star who can command millions and live in luxury there are hundreds struggling to make a name for themselves, often taking second jobs to make ends meet.

Though the work these people do shapes our culture and enriches our lives, it's a sad fact that economically they are regarded as non-productive, and cultural budgets are the first to be cut in times of crisis.

The vast majority of cultural workers are self-employed and in most countries are not eligible for the same range of social security benefits as other workers when they are sick or unemployed, retire or die leaving a dependent family. What's more, the irregular nature of their earnings or their need to travel makes it difficult for them to make regular contributions into social security or pension funds.

Some cultural workers do have access to private insurance schemes, and certain professions in some countries have their own benevolent pension funds, but these tend to be limited to their more well-established and regularly-employed members, and there is a growing feeling that cultural workers should be more widely eligible to benefit from obligatory state schemes to which employers also contribute—if these can be made flexible enough to cope with the special problems of the cultural professions. France has such a scheme and Germany has also been considering changing the law.

With its long-term objective of harmonizing social security systems in the nine member states as a way of ensuring the free movement of workers, the European Community has a particular interest in the problem. A comparative

(1) From *Euroforum*.

study has recently been published, at the Commission's request, on the social security problems of cultural workers in the Community, and some possible solutions.

It's complicated subject, and the author, Dr Bernd Schulte, finds there are plenty of misconceptions to clear up. Some people believe that art and law just do not mix, others that bureaucracy stifles creative talent. Many members of the public feel that artistic activities are not work in the proper sense of the word, and that artists are born rather than trained. Others believe that members of the cultural professions are highly paid and not in need of social protection like other workers.

In answer, Dr Schulte points out that performing artists have to train constantly (and at their own expense) in order to perform. They have to travel frequently, work long and unsocial hours, and may have very short professional lives—40 is the average maximum age for a dancer, for example.

Other cultural workers, like writers, painters and sculptors, are not paid for the time they spend working but for the results of their labours. This can cause legal problems, like: when is a writer unemployed?

More cultural workers are unemployed or under-employed than any other active group—as many as 80% of actors are unemployed in some countries. The majority of cultural workers earn less, not more, than the average wage, especially if they are under 30 or over 50 or are women.

Though many are theoretically self-employed most cultural workers in fact depend to a large extent on intermediaries between themselves and potential clients—actors, dancers and broadcasters need producers; authors,

playwrights, poets and composers need publishers; painters and sculptors need galleries, and so on.

Though they are proud of their liberty and independence and generally disdainful of bureaucracy, according to opinion polls, the majority agree that being affiliated to a state insurance and pension scheme would not limit their creative liberty.

In France, it has been suggested that some cultural workers even declared inflated earnings in order to be eligible for certain benefits.

Various studies have shown that the poor economic situation of cultural workers goes hand-in-hand with inadequate social protection against sickness and old age. We cannot expect our artists to give their best, says Dr Schulte, if they have to worry about spending sickness or old age in poverty, and he concludes that cultural workers need the same range of social security benefits as other workers. The problem is, how?

In France, the variety of schemes covering cultural workers like authors and playwrights, composers and choreographers, engravers and artists, has been replaced for the past three years by a single scheme under the general social security system.

Under the scheme, benefits are financed on the one hand from contributions by the artists themselves, according to their earnings, and on the other by employer-type contributions from the intermediaries who benefit financially from their work. (Performing artists are already integrated into the general system.)

Though it's too soon yet to pass judgment on the practical consequences of the legislation, Dr Schulte feels it does show that the essential

legal problems can be resolved. Given that the French social security system and the situation of French cultural workers have sufficient in common with other member states, he feels it could serve as a model in other countries.

The German project, which—if it proceeds—should be ratified next year, is similar. It is based on research showing that artists and writers were much worse off than most workers in their old age pension and sickness insurance levels. The projected law would oblige all artists and writers (with certain exceptions) to join the pension and sickness schemes which at present cover musicians, art teachers and variety artists.

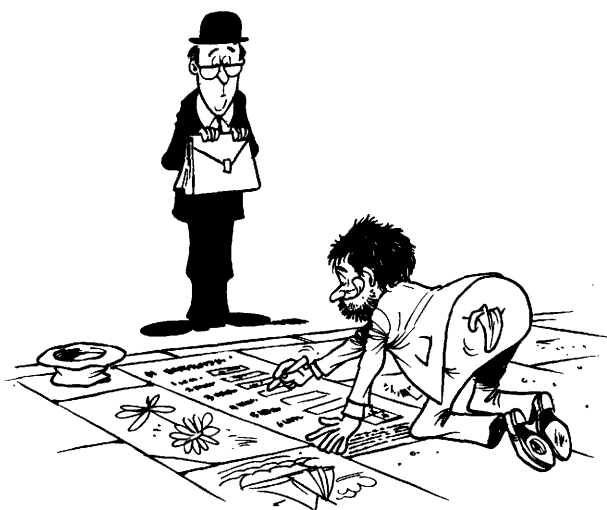
Benefits would be financed by contributions from the artists (based on earnings), the various intermediaries they work through, and—unlike France—the state. The law would cover a wider variety of artists than in France, and there would be no requirement to prove that half the artist's earnings came from his art (in an effort to protect those just embarking on their careers).

However, not all those affected are keen supporters of the project—some say it's not legally possible, others that it's not necessary. The intermediaries, especially the smaller ones, claim they could not afford the contribution and say they are in as urgent need of social protection as the artists. Dr Schulte suggests that the definition of 'cultural worker' could be broadened, but concludes that, given the arguments at the time of writing, it would be premature to forecast what the future of the project will be.

Nevertheless, he points out that having equal social rights entails certain corresponding obligations, as the French minister of culture, Michel Guy, said in the parliamentary debate on the issue: 'The artist must enjoy the same rights and accept the same obligations as every other citizen. The state must respect his right to be alone, but not see him trapped on the fringe of society.'

Parliamentarians want 'European Music Year' in 1985

1985 will be the tercentenary of the birth of three of Europe's great composers—Johann Sebastian Bach, Georg Friedrich Handel and Domenico Scarlatti. The European Parliament has proposed that the event be marked by the designation of 1985 as 'European Music Year'.



The proposal, contained in a report drawn up by a German Christian Democrat, Professor Wilhelm Hahn, calls on the Council of Europe to consider sponsoring the event, since it would be of interest and benefit to the whole of Europe and not simply to the Community.

The Community would, however, give all appropriate support to the 'Year', possibly including financial support, and by encouraging the full participation of the European Community Youth Orchestra and the European Community Choir.

'Culture should be a link between the peoples of Europe', Professor Hahn told his colleagues. 'European Music Year should serve to encourage not only the enjoyment of music by the public at large but also those directly involved in the performance, production and especially the teaching of music', he added.

Some MEPs thought that the Community should be the one to take the initiative for the 'Year', and not leave it up to the Council of Europe to organize.

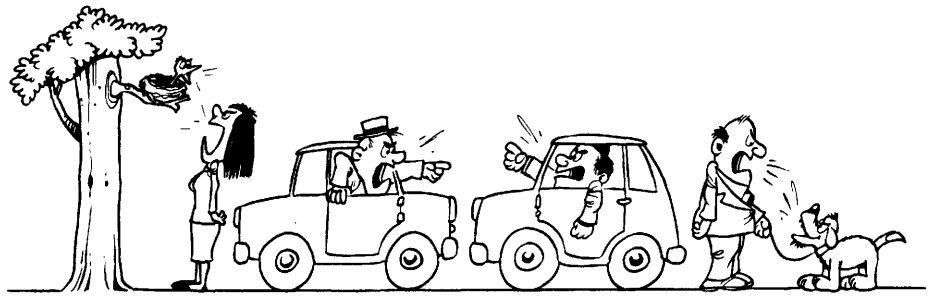
But the majority of MEPs backed the wider view of the year as a truly European event. As French Gaullist MEP Vincent Ansquer put it: 'music transcends frontiers'.



TECHNOLOGY

Studying the side effects of new technologies

One or more cars to a family, colour television sets, electrical appliances, bustling urban centres, modern and efficient living quarters; all these are associated with the technologically advanced and well-off society which exists in much of the developed world.



However, modern society also brings certain problems: pollution, overcrowding, isolation of the individual and crime are but a few examples.

Thus, in addition to spending money on research to bring about technological advances, governments have in recent years begun to invest funds in programmes that study the side effects of today's society.

According to a 10-year review of government-funded research and development in the nine member states of the European Community, there has been a steady increase in the amount spent for research in subjects grouped under the headings 'planning of human environments' and 'social and sociological problems'.

The report, put out by the Community's statistical office, shows that although these two categories represent a small portion of the totals spent on research and development in Community countries, their importance grew during the 1970s in most of the nine member states.

Most research in post-war years has been concentrated on technological advance in various domains, ranging from the military to energy. However, in the late 1960s, along with the emergence of political and social movements of protest, there was a questioning of the priorities of society.

There were crusades to limit defence spending, for example, and governments were urged to place more emphasis on 'human' problems.

Thus, instead of considering that the only place for research and development is in relation to grandiose projects, governments began to look into the problems of the man-in-the-street.

The category 'planning of human environments' includes research projects being carried out on subjects such as: the social consequences of the development of technology, urbanism, social issues (which include the problems of prisoners, drug addicts, mental patients, etc.) and migration (from one

country to another as well as from rural to urban areas).

Also grouped in this category are certain aspects of medical research (such as genetic and molecular biology) and protection from radio-active matter.

This type of research still accounts for a small portion of the total spent by governments on R+D. In 1978, 6.5% of government-financed research in the Community was in projects grouped under the planning of human environments and social and sociological problems categories, as compared to 4.6% in 1970.

Of the individual Community countries, Belgium, Ireland and the Netherlands devoted the largest portion of government funds to social research in 1978, with 15.5, 13.9 and 12.5%, respectively, of their total spending going to the two categories mentioned above. The UK, with 3.3%, devoted the smallest proportion to such research.

The amount of social research being done in the Community is probably greater than these figures suggest. Research financed in universities and other institutions of higher education has been grouped by the report in the category 'general promotion of knowledge', which includes a great variety of subjects. Since universities often engage in social science research, this category also includes research on social issues.

Up until the late 1960s most research and development involved high technology and military programmes. This is still the case; in 1978, of the total spent by governments on R+D, the Community average for defence was 22.5%, while 8% of R+D funds went to industrial productivity and technology.

The other important subject of research has continued to be the production, distribution and rational utilization of energy, which, showing little change in the last years, accounted for 10.4% of the total spent by the Nine governments on R+D in 1978. ○

Books about Europe

Paul F. SMETS — **La pensée européenne et atlantique de Paul-Henri Spaak (1942-1972)** (The European and Atlantic thinking of Paul-Henri Spaak, 1942-1972)— Preface by André de Staercke — Editor J. Joemare (Brussels) — 2 volumes, 1 256 pages — 1 850 BF — 1981

For 30 years, Paul-Henri Spaak was involved in all the struggles for Europe's integration, from exile in London where the Benelux rapprochement was prepared until his death in July 1972. The setbacks, such as the European Defence Community, did not discourage him, but prompted new bursts of energy and imagination. This anthology comprises 180 documents on his European and Atlantic thought from very different sources: speeches before the Belgian parliament and the European parliamentary assemblies, statements at big European congresses, but also confidential notes. The texts as a whole constitute precious documentation and show the continuity of Mr Spaak's thought, which untiringly underlines the need for the creation of an integrated Europe.

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Under the direction of Jean-Pierre JALLADE — **Emploi et chômage en Europe**, (Jobs and unemployment in Europe), Foreword by Jacques Delors — Librairie Economica (49, rue Héricart, F 75015 Paris) — 275 pages — 59 FF — 1981

This work contains the synthesis of an international conference held on the theme "Employment and New Lifestyles", which was organized on 29 and 30 November 1979 in The Hague by the European Culture Foundation (Amsterdam). The conference's chief aim was to reflect on the most crucial aspects of the employment crisis in Europe and to propose appropriate solutions. The debates, spread over four sessions, were devoted to diagnosing the present situation; demographic, sociological and cultural questions; employment policies in the future and reducing working time. Two other documents, elaborated by researchers of the Education Institute (Paris), deal

with the current job market situation in Europe and statistical information.

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Phyllis DEANE — **The first industrial revolution** — Cambridge University Press — Second revised edition — 318 pages — 1979

This is a remarkable synthesis of research into, and ideas about, the British economy between 1750, generally considered to be when the industrial revolution began, and 1850, when self-sustained growth had been achieved. Details published in the first edition, in 1965, are incorporated in this second edition.

The industrial revolution is the process of economic change which sets the economy on the path to sustained growth of productivity and a higher standard of living. Phyllis Deane describes where it all started and where it went, discusses the most significant economic, institutional and technical changes, analyses the underlying substance of the change and assesses whether economic policies and institutional changes were positive or negative.

This book will be useful to students of political science but it will also be of interest to a wider public concerned with the problems of economic development.

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La politique de la recherche de la Communauté européenne (The European Community's research policy) — Documentation européenne — EEC, 200 rue de la Loi, 1049, Brussels — 1980

Science and research are two of the things on which long-term economic development is based and this book deals with what the Community can and should do to promote research.

The Community has no intention of being a substitute for work done in private firms and at national level in the member states. But it can underwrite specific projects that are in the joint interest of the member states in its own research centres and it has a duty to coordinate work carried out, particu-

larly by facilitating exchanges of views between heads of national research programmes. The priority fields in the EEC at the moment are a safe supply of raw materials (food and energy), greater industrial competitiveness, better standards of living and work and the protection of the environment.

This publication is available, on request, in French, English, German, Italian, Danish and Dutch.

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David WOOD and Alan WOOD — **The Times Guide to the European Parliament** — Published by Times Books 18 Ogle Street, London, W1P 7LG ISBN 0-7230-0231-2 — 1979

After each general election in Britain, *The Times* produces a guide to the new House of Commons. That tradition has now been extended to the European Parliament, in a sister volume. The main part of the guide is an alphabetical list of the 410 members of the European Parliament each with photo, party affiliation, brief biography and address. There are, of course, a number of mistakes, which hopefully will be less frequent as the guide becomes established, and the members and functions of the Parliament become better known to the editors.

The guide also contains the election results from each member state, the composition of political groups, the parliamentary committees, and the Parliament's officers. There are also a number of chapters on varied subjects such as what was spent on the direct elections, the powers of the Parliament and the party manifesto. All in all the guide is a useful reference book on a new and little-known European institution. It is not for the general reader, except those who make politics a hobby, but is an essential reference work for politicians, civil servants, journalists and pressure groups who are involved in European affairs.

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European Parliament — 1981 Yearbook, La Navicella (Rome) — 1 003 pages, in six languages — Price: 35 000 lira — 1981

The publication includes photographs and biographies of the 410 European

parliamentarians. The introduction to the European Parliament's groups is by Mr Emanuele Gazzo. See also publicity published in *Economic Interpenetration* of 17 December 1980, page 18.

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Douglas YUILL and Kevin ALLEN — **European regional incentives 1980**, A survey of regional incentives in the countries of the European Community. Centre for the Study of Public Policy, University of Strathclyde, 16 Richmond Street, Glasgow — 382 pages — £ 17.50 — 1980

This book, prepared by the "European regional policy monitoring unit" of the University of Strathclyde, should be the first in a series of very detailed studies of regional incentives which exist in Community countries. In subsequent years, the data should be updated and enlarged so as to cover Greece, and also Portugal, Spain, Sweden. The book is in two parts: the first analyses and compares the different existing measures, the changes which have taken place since 1967, and makes forecasts about the future; the second, mainly descriptive, is a unique source of information on this complex matter.

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Charles MEDAWAR — **Insult or injury** — 9, Portland Street, London W1 — £ 1.50 — 1980

The unscrupulous manner in which some multinational companies advertise their products in the developing countries has, for some years now, been under severe attack. Some of these firms have been denounced, for example, for calling on mothers in the Third World to abandon breast-feeding in favour of artificial baby food and for inviting indiscriminate cigarette-smoking in disregard of the norms in western industrialized nations or in the International Chamber of Commerce's code of conduct.

In this book, Charles Medawar claims that some British-based multinational firms selling food and drugs in the developing countries are using misleading advertising to promote their products. He cites an example which is sold in Britain as a "goodnight drink" but which, in a number of developing countries is described as an energy-saving, "complete and balanced food".

But if food advertisements are just misleading, the promotion of drugs can be dangerous. Medawar says that a product which doctors in Britain are told, in a standard reference handbook, is to combat "persistent pain, particu-

larly muscle pain, headache, neuralgia..." and should be kept out of the reach of children, is used in Africa and the Caribbean instead for "fibrositis, lumbago, back pain, sprains and strains, dysmorrhoea, dental pain, bursitis and trauma" with no cautions as to its use.

At only £ 1.50, this book will almost certainly sell well in the Third World and one can only hope that policymakers will heed the warnings.

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Kenneth J. TWITCHETT — **European cooperation today** — Europa Publications Limited, 18 Bedford Square, London WC1B 3JN England — 285 pages — £ 12.95 — 1980

One of the most striking aspects of international affairs since 1945 has been the growth of regional cooperation in Europe. This important new book presents a comprehensive and up-to-date commentary on the most significant European organizations. Although *European Cooperation Today* has been written principally as a text for those who wish to know more about the structure and functions of the major regional institutions in Europe, it also includes an analysis of European cooperation in such fields as human rights, monetary issues and cultural cooperation. The 10 essays in the book examine the many areas in which European countries are working together. Although the main emphasis is on West Europe, the East bloc is not ignored. Major landmarks in the United Kingdom's relations with European institutions since 1945 are highlighted and the book concludes with an authoritative bibliography on European cooperation.

Present difficulties and disagreements within Europe, and in particular within the EEC, make this a very timely and useful basic text on the cooperative institutions, what their original aims were and how far they have been achieved. It is essential reading for all students of international relations who are concerned with the dynamics of European cooperation and it will be of considerable interest to the general reader who is concerned with the changing pattern of modern European life.

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Samy Afify HATEM — **The possibilities of economic cooperation and integration between the European Community and the Arab League** — Verlag V. Florentz GmbH 8 München 43, Postfach 430506 Bauerstrasse 28, Germany — p. 411 (in English) — DM 60 — 1981

It is now seven years since the Euro-Arab dialogue got off the ground, and this study, which was a dissertation presented to Kiel University in 1980, looks at the background to relations between the EEC and the Arab League, and the prospects. The basic facts of the relations between the two groups are well known. Apart from their geographical proximity, Europe needs the Arab world's raw materials, mainly oil, and the Arab states need Europe's technology. The basis for interdependent relations therefore exists.

This study is not a review of bilateral relations between individual countries on both sides, but of the economic cooperation possible between two very different economic units—different in their present levels of development, economic policies and rates and type of economic growth. It is not until chapter five, after a detailed description of these historical differences, that the author begins the complex task of analysing where the two sides can take mutually advantageous steps together.

It must be said that this book, although dealing extensively with the practical aspects of Euro-Arab cooperation, is also a theoretical work which defines two separate forms of economic integration—the market method and the development method—and their chances of cooperating. It is a useful textbook for those studying relations between the industrialized and Arab developing countries and for the general reader who is interested in the economic trends in the Arab world and its relevance for Europe.

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Poets and Poetry from Europe, 1980 European Poetry Festival — Volume I: *Essays* selected and introduced by Eugène Van Itterbeek (361 pages) — Volume II: *Poems* selected and introduced by Eugène van Itterbeek (434 pages). European Association for the Promotion of Poetry, Boskantstraat, 30, B-3200 Kessel-Lo/Leuven, Belgium — 1981

These books are limited to the 20 Council of Europe member countries. The essays volume gives a review of 30 years of poetry. The poetry book contains poems by two to four poets from each country. The poems written in one of the Germanic languages are translated into a Latin language and those written in a Latin language have been translated into English, German or Dutch. Further books are to be added to the series this year, when the scope of the Festival is to be extended to include unofficial languages. ○

Air transport in the ACP States

"International air transport is truly a rare bird. Compared with other commercial activities (or forms of transport), it is unique, whether in international relations, in trade, or in communications" (IATA). No one ever imagined at the beginning of this century, when the first of the experimental flying machines took to the air and nose-dived to earth a few metres from the

starting-point, that air transport would excel in this manner in just 80 years.

There are today some 500 airlines connecting more than 3 000 airports around the world. All together they carry an estimated 700 million passengers, 10 million tonnes of cargo and 8 000 million pieces of international mail annually.



Are you travelling by air? Go to the airport, check destination, flight no., departure time and boarding gate (photo 1). Report at check-in desk (photo 2). Weigh and tag your luggage (photo 3). Pass through immigration and other security check points (photo 4)



Although the developing countries account for 40% of these, because they cover a wider geographical area, their airline industry is by no means as developed and organized as it is in the industrialized world. Yet air transport is seen as crucial to the development of the Third World, particularly the ACP states. At a time when the airline industry is experiencing the worst crisis in its history, what does the future hold?

Our dossier tries to provide an answer.

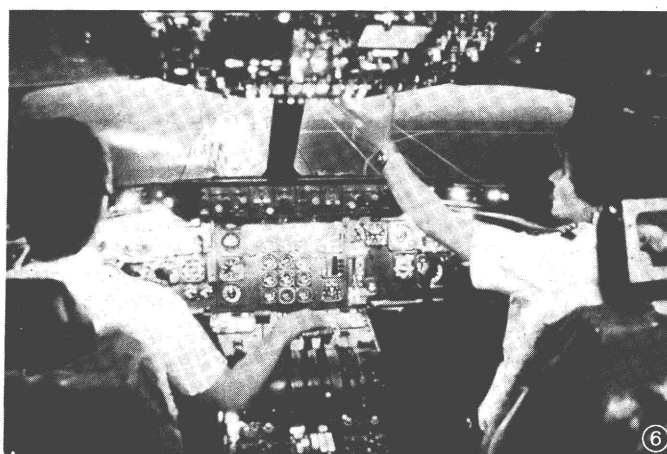
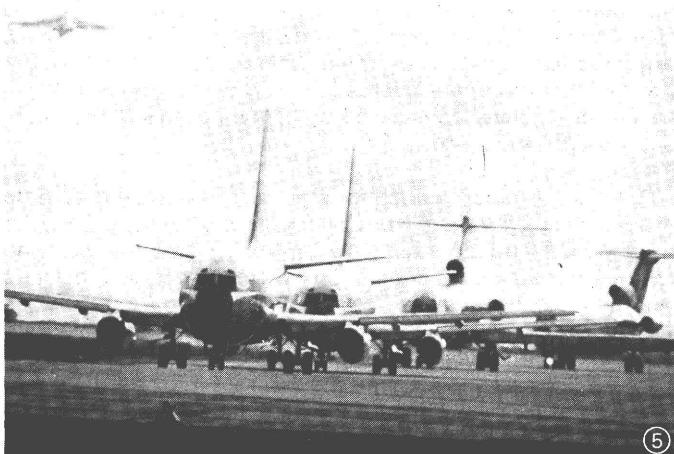
Mr Knut Hammerskjöld, director-general of IATA (the International Air Transport Association which deals with airline companies), in an interview, talks about the restructuring of the organization in view of the new situation brought about by deregulation and the "open sky" policy. The future of aviation and the attention IATA is paying to the developing countries' airlines within the framework of North-South cooperation, and as

development tools, are also touched upon. An article on the Haimbe report, clarifies IATA's plan with regard to the latter.

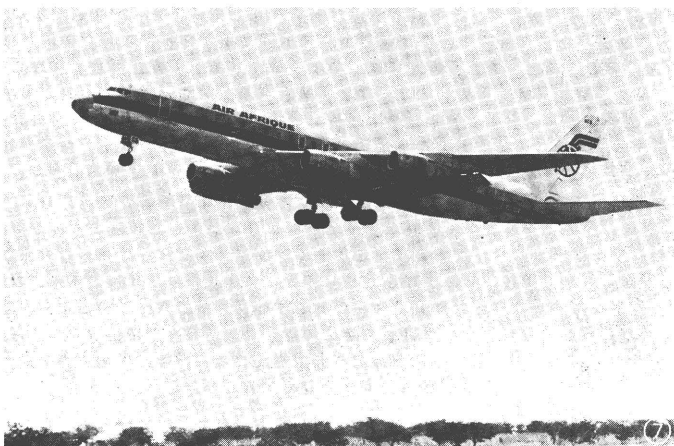
Dr Assad Kotaite, president of the Council of the ICAO (International Civil Aviation Organization, a UN agency dealing with governments) also examines the problems and prospects of air transport, while Aoussou Koffi, executive chairman of *Air Afrique*, looks at the issue from a Third World point of view.

Airports are distinct from airlines, contrary to what many believe. Graham Hill, adviser at the International Civil Airports Association (ICAA) writes about airport economics in the developing countries.

Together with other articles, our dossier shows that, in spite of problems, air transport development in the Third World will continue at a reasonable pace in the coming years. ○



Board aircraft (photo 5). Be confident, you are in good hands (photo 6). You are airborne (photo 7). Make yourselves comfortable and have a good flight (photo 8)



Aviation in the Third World: problems and prospects

by Dr Assad KOTAITE (*)

Civil aviation is one of the few areas of economic activity in which the Third World is, in many ways, catching up with the industrialized world. A few figures will prove the point. More than half of the world airlines and international airports belong to developing countries. The share of the world traffic carried by the airlines of the developing countries has increased steadily—from 17 % in 1969 to 24 % in 1979. The highest average annual rates of growth were recorded by the airlines of developing countries in Asia and the Pacific (20 %), the Middle East (18.4 %), Africa (13.4 %) and Latin America and the Caribbean (12.4 %).

An instrument for development

This is a great achievement by the developing countries, for many of them had to start their aviation development after reaching independence. Nonetheless, figures reveal also that they still have a long way to go. Putting it in another way: all airlines registered in Africa and the Middle East carried less scheduled passenger traffic on their international and domestic routes than the largest United States airline. Obstacles in expanding air transport in developing countries have been reviewed in several ICAO studies and regional air transport reports. The difficulties are to a certain extent brought about by general world conditions and priorities set by the countries themselves and by problems specific to a particular region.

The trend, however, is unmistakable. During the past three decades, civil aviation has emerged as an important and flexible instrument of national development policy. For the medium and long-haul carriage of passengers on international and domestic routes, air transport has become established as the dominant mode. For a growing number of countries, it accounts in terms of value for a significant and rising share of freight movements. Air transport is frequently the only reliable means of access to remote or geographically isolated areas. Aerial work (crop-spraying, aerial photography, medical evacuation, etc.) and general aviation are also important domestic activities.

A significant feature of the growth of air transport in developing countries during the past decade has been the large-scale purchase of new equipment by their national airlines. As of early 1980, 39 such airlines operated 177 wide-body aircraft, with orders outstanding for many more. The introduction during the forthcoming decade of advanced technology jet aircraft as well as a number of smaller aircraft will provide airlines with a complete range of fuel-efficient aircraft offering different capacity and range characteristics to serve routes and traffic in the most efficient manner.

(*) President of the Council of the International Civil Aviation Organization.

While the financing of new aircraft purchases by airlines in developing countries has not hitherto presented major problems, the volume of investment required to provide additional capacity and to replace first-generation jet aircraft may present difficulties for airlines in countries facing balance of payments problems, especially where their use on domestic routes may not produce earnings in foreign currency.

A number of problems

Other problems resulting from the general economic situation of most developing countries include the scarcity of trained personnel, the construction or improvement of airport facilities, low flight frequencies and transport delays due to poor connections, and relatively high operating costs.

One overriding problem is the need to maintain attractive international fares and rates without compromising the economic viability of the operations, in order to maximize the expansion of tourism and foreign trade. Difficulties arise from the complexity of the fares and rates structure and from the existence of some uneconomical promotional fares and specific commodity rates. Other problems include the difficulty of enforcing agreed tariffs, insufficient tariff incentives for large and for high-density freight shipments, and the current international monetary fluctuations. Certain of these matters are currently being considered by ICAO, notably those associated with tariffs and rates.

A serious problem affecting rates, which is shared by both large and small airlines, is the financial strain imposed by soaring fuel and operating costs. Also, with the growing cost of constructing new airports and expanding existing facilities, the difficulty of financing such large investments has become more acute. Yet, in spite of the heavy burden, developing countries are playing their role in the development of air transport, with the help of the World Bank, regional development banks and bilateral aid agencies.

A major problem facing developing countries in their efforts to make better use of civil air transport as a development tool is the widespread lack of systems planning and the shortage of marketing and commercial expertise needed to develop and exploit international markets. The activities of national airlines in developing countries are sometimes not integrated with overall national planning efforts in the fields of transportation, foreign trade and infrastructure development. States which have successfully made use of air transport to develop foreign markets for their products have established institutional structures that complement and build on the activities of the air carriers involved.



ICAO

Dr Assad Kotaite

President of the ICAO Council

It has been made abundantly clear

that a well-organized national and international air transport system can substantially boost the foreign-exchange earnings of developing countries, as well as create jobs and additional sources of revenues. Such were the conclusions of a two-year ICAO study of the contribution civil aviation could make to the economic development of African states, financed by the United Nations Development Programme (UNDP). The study involved 37 countries south of the Sahara, from Mauritania in the north to Lesotho in the south, 12 of them landlocked, with a total population of 250 million people. ICAO worked closely with other UN agencies to cover a wide range of activities, but attention was centered primarily on agriculture, industry, commerce and civil aviation itself. While it was known that cut flowers represent a potential export, it was not fully appreciated that the retailing of flowers in western Europe amounted to \$ 3 billion a year, and that African countries with the right climatic conditions are well-placed to take an increasing share of this market. The study identified more than 200 such potential projects in which aviation could assist African states in their development.

Since the ICAO Assembly has expressed particular concern for the special needs of developing landlocked and island countries, ICAO has proposed to the UNDP similar studies of the South Pacific island states, the countries of western and southern Asia and the member states of the Association of South-East Asian Nations (ASEAN), including two island states which consist of multitudes of islands where civil aviation must play a key role in development (Philippines and Indonesia).

Manpower development

The key to improving and expanding the contribution of air transport to economic development lies in manpower development, in the technical fields associated with aviation, as well as in management and marketing. This applies not only to the air transport industry itself but also to related economic and administrative activities. Personnel training schemes

administered by ICAO as part of a technical assistance programme and funded by the UNDP and other sources have expanded considerably in recent years as awareness of this problem has grown and greater resources have become available. Noteworthy have been the arrangements for the financing of the Regional Civil Aviation Training Institute (CATI) in Trinidad by the European Community (European Development Fund) at the end of the UNDP assistance.

In the field of training, the experience of European and North American countries shows that requirements tend to increase from one year to another as aviation develops, due to the constant needs in this high technology activity to upgrade staff in new equipment and in new operating procedures and to provide skilled and well-trained supervisory personnel. Indeed, self-reliance in aviation goes hand-in-hand with national self-reliance. And one of the most fundamental aspects of self-reliance is the development of appropriate skills and knowledge in this highly specialized industry.

For this reason training has long been a dominant portion of total ICAO technical assistance activities, which will probably exceed \$ 100 million a year by 1984. During recent years, over 25 training establishments—regional or national in character—have been created or expanded through assistance provided for the UNDP or trust funds. Some 60 training institutes for civil aviation now exist in developing countries, but more are required. A number of existing national and regional facilities will have to be further expanded to meet the demand for well-trained nationals in civil aviation.

When such regional civil aviation centres are opened in the developing world, it usually takes some time before governments in the region can be persuaded to send their students to them. Such reluctance is normal and natural. Patterns of the past cannot be broken in a day. Countries which have traditionally sent their students to well-established schools in Europe or North America may continue to do so until the regional centre has undergone its teething pains and built its own reputation for excellence. So it is that, over the years,

A trainee pilot in the language laboratory of the Caribbean Civil Aviation Training Institute



John & Penny Hubbley



Most Third World countries use small jets, but by early 1980, 39 airlines in the developing countries were operating 177 wide-bodied aircraft

ICAO-sponsored fellows have only gradually been trained at regional training schools in Africa, Latin America, the Caribbean, the Middle East, Asia and the Pacific. As recently as 1979 the proportion of ICAO fellows in such centres was only 51%, but by last year had jumped to more than 60%. In 1980, a total of 1400 fellowships were awarded under ICAO-executed projects. Because fellowship training is of varying duration, at any time there are about 3000 ICAO-sponsored students undergoing civil aviation training throughout the world.

The ultimate goal of technical assistance is its termination, but in the field of civil aviation that end is nowhere in sight. The reason, of course, is that the aviation industry will not stand still, as many developing countries which have begun to enjoy the benefits of civil aviation are bound to keep pace with expanding needs.

The ICAO as an advisor

Aside from technical assistance, many of the activities in the ICAO programme have a bearing—either direct or indirect—upon developing countries and on the role of civil aviation in their further development. The Chicago Convention and its annexes and their supporting documents have strongly influenced the basic structure of international civil aviation organization in most states. However, it is in the detailed infrastructure planning and implementation, and in the practical guidance provided by ICAO on a wide variety of technical subjects, that the full positive impact of the organization is felt. A series of aerodrome operating, planning and training manuals offer illustrations of such guidance.

In activities which affect developing countries, the ICAO regional offices play an especially important role. Their technical officers, often reinforced by headquarters specialists, are constantly on the move, assessing needs, advising

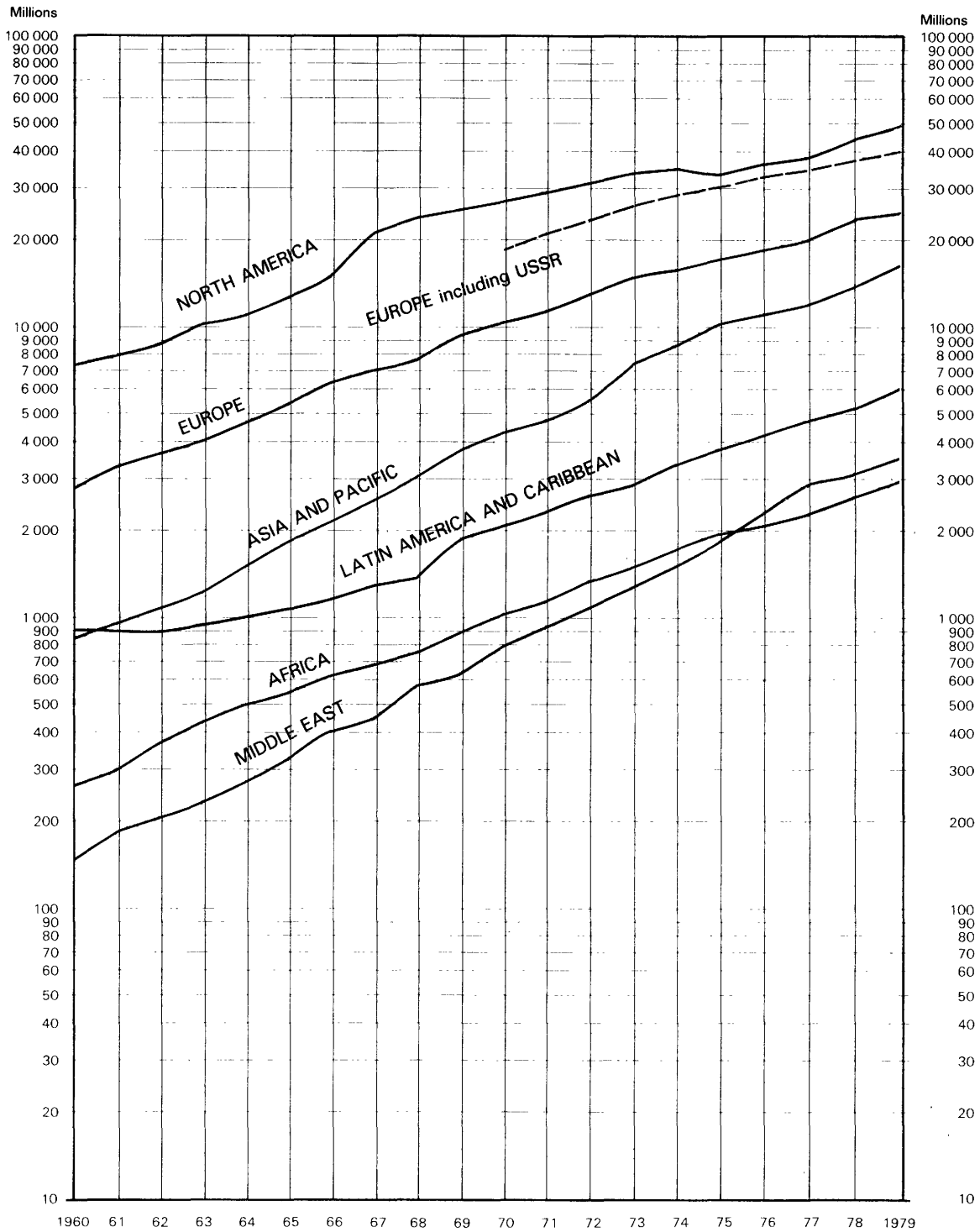
and assisting civil aviation authorities in the implementation of the air navigation plans which prescribe the essential services and facilities in each region. Regional air transport officers provide similar assistance in their field of competence while also providing services for the regional civil aviation commissions.

In fact, to make the most effective contribution to economic progress, civil aviation must be part of a broad framework covering the technical, economic and legal fields. Accordingly, ICAO's activities serve the international community not only in developing standards, procedures, manuals, studies, agreements and statistics but also within a particular region, or within individual countries, in helping to implement ICAO-approved regulations. These activities serve a true international purpose, in that they benefit all countries which may use the improved facilities as well as the state concerned. This is particularly true for countries which are strategically located on long distance routes and which therefore assume regional air transport responsibilities that far exceed their own economic interests.

Civil aviation can greatly help to create and preserve friendship and understanding

Civil aviation physically links all countries of the world in a vast network of airlines and ground facilities which follow the same internationally-approved standards and procedures. The preamble of the Chicago Convention on International Civil Aviation starts with this sentence: "Whereas the future development of international civil aviation can greatly help to create and preserve friendship and understanding among the nations and peoples of the world..." These words eloquently depict both the scope and the concept against which the potential contribution of civil aviation to economic and social development in the coming decade should be seen. ○ A.K.

LONG-TERM REGIONAL TRENDS
TOTAL TONNE-KILOMETERS PERFORMED BY SCHEDULED SERVICES
OF AIRLINES REGISTERED IN ICAO STATES OF EACH REGION 1960-1979



Note. — The figures shown for each region include all operations of airlines registered in the region. The regions are divided on a geographical basis as used in ICAO statistical publications. (North America comprises Canada and the United States only.)

Big business in big trouble

Airlines around the world collectively handle some 700 million passengers and 500 million pieces of checked baggage a year, totalling an overall turnover of US\$ 70 billion (1).

Although there are some 300 scheduled airlines in over 140 countries, two-thirds of the revenue tonne-kilometres (domestic and international) are brought in by the airlines from only seven countries: USA (35%), USSR (12%), UK (5%), Japan, Canada, France and West Germany (together totalling 15%).

With the exclusion of the USSR, little less than 6000 jets are in airline service, about 1000 of which are wide-bodied aircraft (e.g. DC 10, Boeing 747).

The air transport industry consumes annually around 11 billion US gallons of fuel, which represents about 4% of total world crude oil production. During the first quarter of 1981 the world price per US gallon (2) averaged \$ 1.30, compared to only 47 US cents in 1978. If, before the first oil crisis of 1973, fuel costs were considered to be relatively insignificant (only 8 to 12% of operating costs), one US gallon then costing only 20 US cents, fuel costs now represent about one third of the airlines' total operating costs and usually come above staff costs as the most important budget item.

IATA: more to it than just fixing air fares

The International Air Transport Association, generally known as IATA, groups 109 of the world's scheduled airlines flying the flags of some 85 nations.

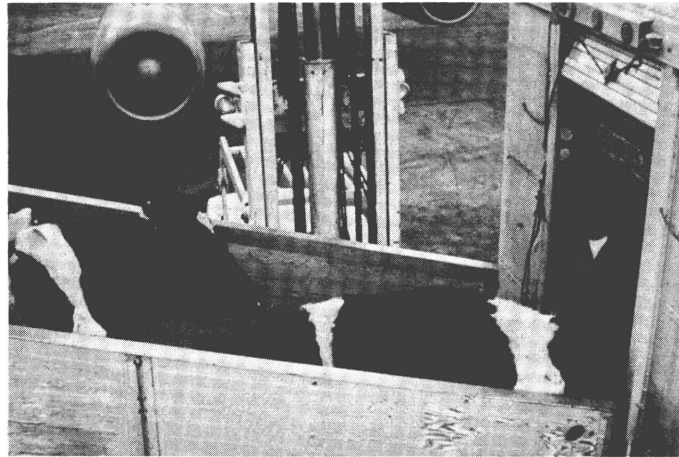
About 60 of IATA's members are airlines from developing countries. IATA's member airlines account for over 70% of the industry's traffic (excluding USSR), employ directly over 860 000 people and indirectly hundreds of thousands more, and operate over 3300 jets.

Created in 1919 as the International Air Traffic Association, it was re-established after World War II as a non-governmental "voluntary, non-exclusive, non-political and democratic" organization. For several decades IATA's name has been associated with a rigid air-fare fixing system, but the so-called tariff conferences are only the best-known of the organization's many activities.

Promoting "safe, regular and economical air transport" throughout the world supposes close cooperation within the industry, to the benefit of the airlines, the governments and the consumers. IATA has therefore developed a comprehensive programme of trade association activities covering such areas as the standardization of documents and procedures, the elaboration of passenger and cargo agencies' programmes, economic and commercial research programmes and the establishment of a legal, safe and secure environment for the industry to operate in.

(1) US billion.

(2) 1 US gallon = 3.785 litres.



The 1980s are proving lean years for the airline industry, even if cows can fly

What consumer realises the role of IATA, when checking in at any given airport for a round-the-world trip, presenting a ticket bought in his own currency, but interchangeable, thanks to IATA, when using different airlines, going through the same check-in procedures throughout his varied stop-overs, having a standard label to his luggage, which if misdirected, IATA will retrace with its computerized "Bag-trac" system?

Stirring the pot

The second half of the '70s saw a shake-up in what, until then, had generally been a smoothly functioning airline industry, particularly as far as IATA's predominant, if not monopolistic, role was concerned. Some individuals, such as Freddie Laker with his Laker Airways or Ed Dally with his World Airways, started eroding the IATA quasi-monopoly. More far-reaching still were the attempts at deregulation by the American Civil Aeronautics Board, which itself will be suppressed as an organization by 1982 if deregulation is completed.

Issuing new guidelines for air transport negotiations, the CAB tried to encourage such concepts as: the application of "rules of country of origin" for passengers and cargo flights (the tariffs and general conditions of the country where the flight originates from have to be applied), leading to a further liberalization; the "open sky" policy, related to tariffs and capacity based on the 3rd and 4th freedoms of the air (see box p. 51); and the "multiple designation", inviting as many companies as possible to use as many traffic rights as possible on all routes, regardless of the volume of traffic.

Even more concern was raised by the CAB's "show cause order" by virtue of which "all parties concerned", basically governments and IATA member airlines participating in its tariff conferences, had to justify the exemption of US anti-trust laws. The CAB originally planned to abolish this exemption but encountered a vigorous reaction, not the least from developing countries' airlines which generally cannot afford an open tariff battle.

The immediate effects of these deregulation trends were certainly beneficial to the consumer, who saw air fares going down, becoming more diversified and responding better to his needs. The air transport industry was generally less happy with this new situation and is now seriously reconsi-

dering, after a trial period coloured by some euphoria, particularly on the North Atlantic routes, the medium and long-term effects of this deregulation. But the consumer may find it difficult to obtain the fare best suited to himself on the North Atlantic route (there are now about 125 different ticket fares available on a single day), while airline companies have to look for the highest possible load factor, given the low average income and still keep enough capacity and regularity for the business travellers paying full fare. On the North Atlantic route, for instance, in 1980 over 40 airlines competed: overall they lost about \$ 800 million on this route, the load factor being only half of what is necessary to break even, let alone to be profitable (on an average 1980 summer-day a number of seats equivalent to about 20 wide-bodied aircraft crossed the North Atlantic empty). Furthermore, investments are needed to adapt infrastructure to the growing demand, while the routes' profitability has to be carefully studied. Examples of regular services from Europe to developing countries being suspended to the detriment of the latter, because of cheap flights to neighbouring connecting countries, are legion. Also cargo tariffs, strangely enough, were raised after the deregulation.

From a structural point of view it led to a reorganization of IATA as of 1 October 1979: IATA member airlines can now separate tariff coordination from the overall trade association activities and, in fact, 16 member airlines, mainly American, have chosen to do so.

Turbulence in the air industry

With the deregulation trends in the background and confronted with an economic climate of recession and inflation, in 1980 IATA's members booked their biggest loss ever on international scheduled operations; after interest payments they totalled an operating loss of \$ 2.1 billion, equivalent to 6.3% of the operating revenues of US\$ 33.15 billion (up by 19.5% on 1979).

Operating costs after interest payments, for their part, went up by 25.5% on 1979, topping US\$ 35.25 billion. The 1980s started with an average annual growth of revenue-tonne kilometres (RTKms) of only 2%, whereas during the previous decades this was still 10% (1969-1979) as compared with 14% for the 1949-1969 period, and 30% for 1929-1949. A moderate forecast for the whole of the next decade foresees only an average 5-6% growth in RTKms.

IATA's director-general, Knut Hammar skjöld, identifies four main problems the airlines have to face at present: coping with escalating costs (fuel, labour, landing rights and capital charges); trying to improve yields (selection of routes, economical scheduling and capacity, suitable services, necessary marketing and staff); renewing fleet, particularly getting rid of "gas-guzzlers" and replacing them by fuel-economic craft; finally, finding a way between extreme competition and mounting protectionism.

Keeping down the fuel bill

As David Kyd, IATA's public information director, stresses, "the type of airplane used is critical today". The new types of planes, compared to the oldest Boeing 707s, allow a 40% gain on fuel spending. The second-hand market has therefore collapsed, because fuel-uneconomic craft hardly find any buyers: an older B 707 can be bought now for about US\$ 1 million, as against around US\$ 3 million some years ago.

For most airlines an increase of a few US cents per gallon can mean millions of dollars more to be spent on operating costs. If today 1 US gallon on average costs \$ 1.30, in Africa prices are generally over \$ 2.00 per gallon and even

The "five freedoms" of the air

Government delegates to the December 1944 International Air Transport Conference in Chicago formulated five privileges ("freedoms") which sovereign states would grant to each other for the operation of scheduled international air services:

1. The privilege of one state to fly across the territory of another state without landing;
2. The privilege of one state to land in another state for non-traffic purposes;
3. The privilege of one state to put down in the territory of another state passengers, mail and cargo taken on in its own territory;
4. The privilege of one state to take on passengers, mail and cargo destined for its territory from the territory of another state;
5. The privilege of one state to take on passengers, mail and cargo in another state destined for the territory of a third state and the privilege to put down passengers, mail and cargo coming from any such territory.

These operating rights, together with any stipulations regarding restrictions on routings, frequencies and capacity are normally covered in the detailed terms of the various bilateral air transport agreements developed between each pair of governments, and form the legal basis for the operation of scheduled international services.

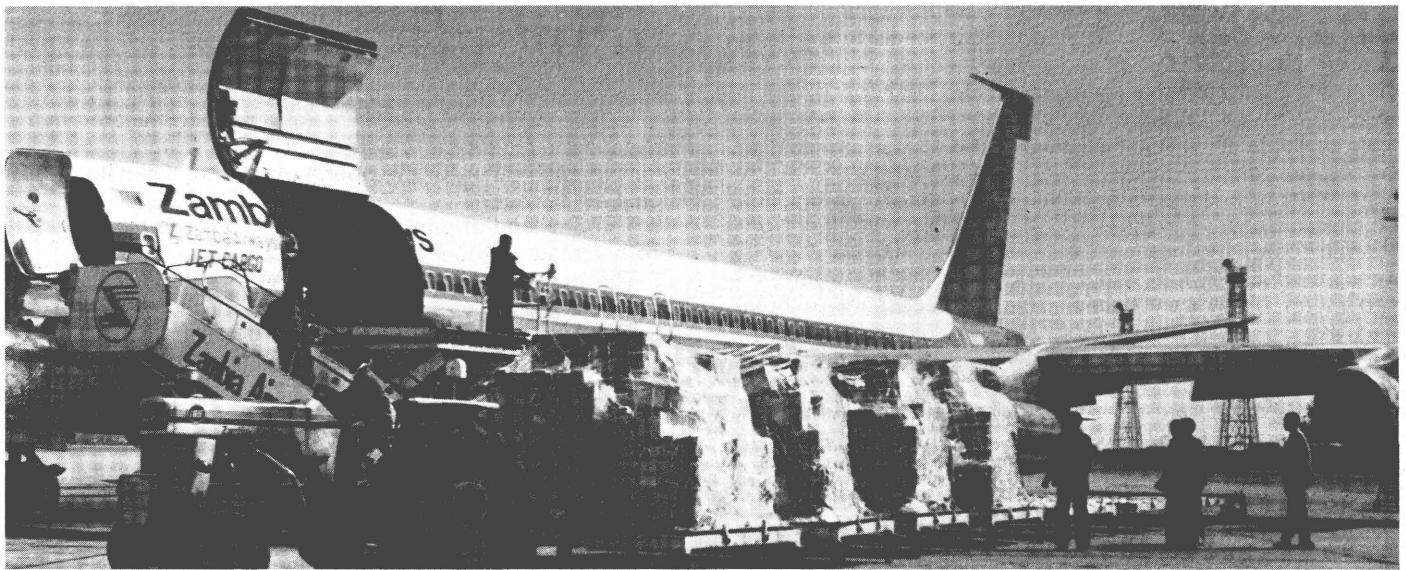
A so-called sixth freedom has subsequently been identified, and relates to what might be considered as fifth freedom traffic by the combination of a country airline's 4th and 3rd freedom rights. Such traffic has neither its origin nor its ultimate destination in the country of which the carrying airline is a national, but passes through, connects at, or stops for a limited period at a point in the home country of the carrying airline. ○

\$ 3.00. Renewing a fleet or acquiring new craft is, certainly for a developing country, a daunting prospect: while a new DC 9/80 costs around \$ 15 million, the successful Airbus 300 already tops \$ 32 million and for the even better-known B 747 around \$ 65 million has to be found.

The Concorde, still kept flying for its "sex appeal" and prestige-publicity purposes, conceived and designed at a time when fuel prices were relatively inconsequential, has added up to economic madness since the 1973/74 and 1978/79 fuel crises. It gulps twice as much fuel as a B 747,

IATA's standardized procedures allow, for instance, tickets bought in one currency to be interchangeable among different airlines





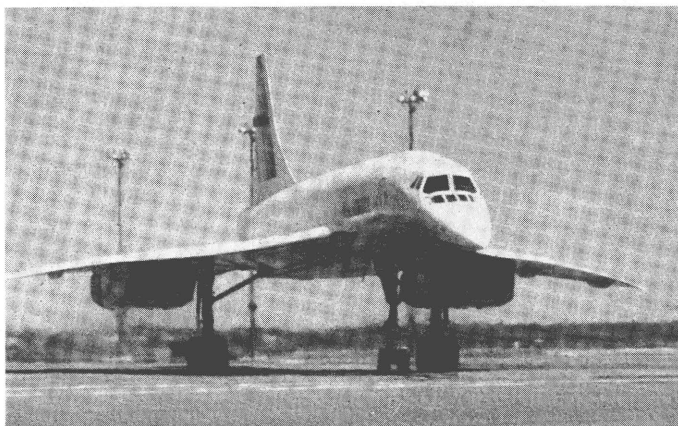
Despite the deregulation trend, freight tariffs went up as fuel prices soared

which can take up to just over 500 passengers as against a maximum of only 120 for the supersonic gas-guzzler. "Every little bit now counts for saving on the fuel bill", David Kyd emphasised. In aircraft design, for instance, no effort is spared to reduce weight: not painting the plane can save up to \$ 140 000 in operating costs; lighter metals are applied for the body and engine construction; the carpets are shaven and even the in-flight magazines' paper weight is reduced. Given the fact that the fuel bill of scheduled airlines (international and domestic, including US trunks) rose by \$ 5 billion in 1979 and by an estimated \$ 9 billion in 1980, the airlines' meticulous approach to the fuel conservation problem is all the more understandable. Also the time lag in passing through the higher fuel costs in the form of higher tariffs (\pm three months) made the industry lose around \$ 1.3 billion in 1979 and for 1980 the situation did not improve.

Developing countries' airlines: suffering from the lack of an international aviation policy

For Sassy N'Diaye, IATA's regional director for Africa and the Indian Ocean, "the whole deregulation trend, which is in fact a lack of regulation, can have very serious effects on the airlines of developing countries, which are mostly state-controlled". Given their lack of an equal footing, for

The Concorde, conceived at a time when fuel prices were relatively inconsequential, has added up to economic madness due to the consecutive fuel crises but is still kept flying for its "sex-appeal" and prestige-publicity purposes



IATA

instance, in bilateral aviation agreements, they are more in need of a multilateral approach and of a proper international aviation policy.

On top of this generally feeble position are the purely economic problems of their airlines, which are affected by an aviation environment which has grown over the past few years: their operating costs are at least 30% higher than those of their competitors in industrialized nations; they suffer from a limited local market and are usually handicapped by a limited international market share, often because they have not yet reached the same degree of sophistication as those airlines from the North; last but not least, they have a fundamental difference in objective, not just simply offering a consumer product but trying to make air transport a tool for development. From that point of view, "it is almost as important for a young independent nation to have its wings in the air as to have its flag in the United Nations", IATA's "Mr Africa" emphasises.

A catalyst role for IATA

Geoffrey Lipman, IATA's director for government affairs and policy coordination, stresses, however, that "airlines from the richer countries have a definite interest in helping the airlines from the poorer countries, so that a product can be sold to the same standards in a market where each air carrier has to be able to survive".

As IATA "deals with industry, not politics", there is no real dilemma of have and have-nots, yet from an industrial-competitive point of view IATA recognized the need for rich-poor partnership as "more airline cooperation can only make a better product". So confronted with the options of subsidies, protectionism and well-understood cooperation based on mutual interest for making developing countries' airlines better off, IATA developed, through its Task Force for Developing Nations' Airlines (see article page 56) a comprehensive programme covering basically three areas: development assistance funding, the elaboration of joint activities (maintenance programmes, purchase of fuel, insurance, etc.) and a basic training programme.

In this whole set-up, "IATA will play the role of a catalyst", as Geoffrey Lipman observes, "using its credit of good faith and calling upon its pool of world-wide experience".

○ Roger DE BACKER

"Developing countries need aviation to sustain their development"

**An interview with
Knut Hammarskjöld,
director-general of IATA**

In this interview with the *Courier*, Mr Hammarskjöld comments on the present crisis in the air transport industry and emphasises IATA's new approach to the problems of developing nations' airlines.

Although born in Geneva, Mr Hammarskjöld is Swedish. On becoming director-general of IATA in 1966, he continued a family tradition of diplomatic and international service at high level; his uncle was a former United Nations secretary-general.

IATA adapts its structures

► *Mr Hammarskjöld, in 1979 IATA made some drastic changes in its structure: from a sort of rigid cartel it became more liberal, in the form of a trade association. Would you comment on this?*

— First, about cartels: I think certain conditions must be met before an organization can qualify as a cartel and I do not think airline coordination covers those conditions, which include sharing the market, limiting production and fixing prices. But it's very popular to blame this on IATA. The 1979 reorganization was the first real review of our structure since 1945. There had been minor adjustments of our structure and our working methods during the 30 years up to 1975/76, but no real review. We initiated the review internally as far back as '75. It resulted in a new structure dividing our membership formula into two parts: a trade association and tariff coordination. The tariff coordination part is optional and airline members were given a certain time to decide what part they wanted to join, and with very few exceptions they all opted to be members of both. The few exceptions were basically a result of the recent upheavals in the United States, where a very fundamental discussion has been going on regarding the approach to aviation, essentially concerning domestic lines but also with international repercussions. Our American members, with one exception, choose, at least for the time being, to limit their membership to the trade association.

IATA — Bouverat

Knut Hammarskjöld
The director-general of the International Air Transport Association in his Geneva office. IATA's headquarters are in Montreal, Canada



► *To what extent has this restructuring of IATA responded to the needs of the developing countries' airlines?*

— The developing countries' airlines, to put it bluntly, have not been too enthusiastic about it, because from their point of view the splitting up gives them less say in international aviation and it gives more freedom of action to what they consider to be the big, strong airlines. One aspect of both the trade association and tariff coordination is that everybody is equal, which means that when there is coordination and negotiations there is a discussion between equals. If the membership in tariff coordination is not mandatory, then obviously there is a risk that some airlines might be outside and this would in turn effect the relationships between airlines.

Soaring fuel prices

► *1980 is said to have been the worst year for the airline industry. What are the main reasons for the financial catastrophe of 1980?*

— I think the underlying basic reason is twofold: the combination of the recession and fuel crisis. Fuel costs are going up at a catastrophic rate. In fact they have gone up by a factor of more than 10 in less than 10 years. And I would add that if you look at the fuel prices quoted for kerosene in different parts of the world, there is no doubt that the highest prices are around the Mediterranean and in Africa.

► *So the airline industry in general has not enough flexibility to cope with these soaring fuel prices?*

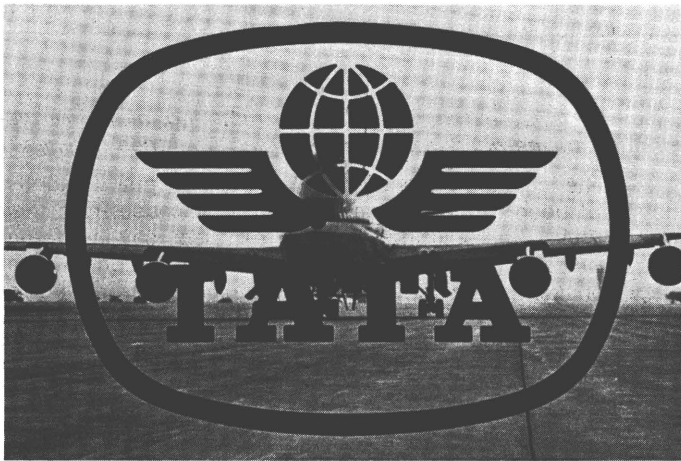
— There is not much that can be done to counteract them completely. There is something that can be done to affect them partly, and that is to buy more fuel-economic aircraft. But they cost a lot of money and the airlines of the developing countries very often have been taking on second-hand aircraft which may not be the most fuel-efficient. On the one hand, they have a very much higher fuel bill, and on the other, they do not have the most fuel-efficient, economic aircraft. So they are probably harder hit than anybody.

► *Last year's results show that the growth of carrier capacity overtook traffic growth by a long way. Do you think there will be a new balance for this year or will 1981 be as bad?*

— There were two developments which were critical last year: one was that capacity growth exceeded traffic growth and the other was that cost increases were of the order of 25-26% worldwide, whereas revenue increased by 19-20%. I do not think the present year will be much better. I hope there will not be what some economists call the double dip, which means a repeat of the recession, but in any case the improvement will come only relatively late this year and there is always a delay effect.

Aviation policies under discussion

► *The American Civil Aeronautics Board, with its open sky and deregulation policies, has caused considerable*



IATA

"IATA's 1979 reorganization was the first real review of its structure since 1945"

disruption in the usual pattern of the airline industry. How far have people gone now with, for instance, the famous "show cause order"?

— The show cause order is still pending, and this being so it is very difficult to discuss matters in a constructive way because Americans just refer to the fact that the matter is still sub-judice. We felt this sort of paralyzing effect, for instance, during the discussions which took place last week (1) in Washington between the European Civil Aviation Conference (ECAC), the Americans and the Canadians. But there have been exposures of the US policy within the developing countries: two years ago in July there were consultation meetings, in Bogota and in Nairobi, and one in Brussels with the Europeans, where the developing countries' governments had the opportunity to discuss the whole aviation problem with a delegation of US experts including the CAB and the departments of state, transport and justice. Without going into details, I think the Latin American and African authorities were very outspoken in their comments on what the US did unilaterally. This has then been reflected at meetings within ICAO where, in fact, over the last couple of years, there has been an attitude of almost 100 against one as far as matters of international aviation policy are concerned.

"Keep the lifeline going"

► *Would you say that, from an aviation point of view, developing countries in fact need some protectionism in order to keep their airlines going?*

— I would say that in many of the developing countries aviation fulfills a role which goes far beyond normal economic transport. If you look at landlocked countries, they would not be able to develop at all and could hardly achieve any form of industrialization without air transport. As a result, some sacrifices are being made in order to keep that lifeline going. Whether you call it a subsidy or not is immaterial; it is a need, a necessity in order to sustain development. You could say, why don't they let the developed countries' airlines take the burden? But there would then be considerable insecurity and uncertainty because they could lift out any time. So this situation is probably transitional, but whether for five years or 20 years is difficult to say.

► *So air transport is more a basic need for a developing country, particularly a landlocked one, than a matter of prestige?*

— Yes. There may be some prestige evident, but I wouldn't put this very high.

► *Do you think the inflation of tariffs at present on, for instance, the North Atlantic or the Asian routes with Europe would also be possible on Europe-Africa, or Europe-Latin America?*

— I doubt whether the governments would permit this.

► *Can they afford it?*

— I don't think the African governments can afford it, and our experience is that especially in Latin America, but also in Africa, governments have a very strong say in the development of their aviation.

Introducing SDRs

► *Another problem in the aviation industry seems to be the currency fluctuations. What about the possibility of having a common currency?*

— We are involved in this and a decision of principle has been taken: the fare calculations will be based on Special Drawing Rights (SDRs). Their introduction is only being delayed because of practical difficulties in a very small number of countries.

The fight for market shares

► *Sir Freddie Laker is often described as a David, challenging IATA, the Goliath. Is there really a conflict between you or do you share similar views on aviation in general, even if you do not really cooperate?*

— I think it's a popular image which is also a political sales argument. If you look at any of these Laker-type airlines, you will see that it is very much like the French Revolution: new heads come up in the morning but in the evening those heads are chopped off because they are too bourgeois. If you look at Laker, he started as a friend of the poor man with a standby fare; today he has a fares pattern which is very much a copy of ours, and I think only a few days ago he announced the introduction of a first class. Look at the established airlines of today, like Pan American: Pan American was the maverick which introduced tourist class or economy class, or whatever it was called then, in the early '50s. At the time that was considered to be pretty "Laker-ish" behaviour. Today if there is anybody who is established it is PANAM. So it is just stirring the pot; what it really is about is fighting for market shares.

Deregulation: "just a catchword"

► *What do you think is more determining at this stage for the aviation industry? The combined effects of recession and inflation, or soaring fuel prices?*

— They are closely interlinked. In a way, it was bad luck that the so-called deregulation efforts came at this time because now it is almost impossible to get a clean analysis of what has actually happened. For instance, there are very clear signs that the situation on the North Atlantic route has been affected not by the low prices but by the relative currency relationships. There is no traffic growth on the North Atlantic; there is even a decline of US-originating traffic. At the same time, there is a very marked increase in Europe-originating traffic because, until the recent increase in the value of the dollar, the purchasing power of the Europeans in dollar terms had increased enormously and the purchasing power of the dollar in Europe had decreased. So I think these kind of factors are more important than the so-called deregulation, which in fact is not a deregulation—it's just introducing other types of regulation. It's just a nice catchword.

(1) This interview was conducted on 5 March, 1981.

Aviation: tied to petroleum-based fuel for at least another 20 years

► *Are there realistic alternatives to the present aircraft fuel, kerosene, in the short, medium or long term?*

— I think the most significant event more recently has been the deregulation of fuel prices in the United States. There I'm told by the fuel experts that there will obviously be a stabilization of the prices again at some level, but that this level will probably be between 15 and 20% above what it was at the beginning of the present year. But apart from that, and if we have no real catastrophe of any sort, we believe that fuel prices will rise more or less in parallel with inflation, plus 2%. In these uncertain times one has to use some sort of ruler—and this is what we are trying to do.

► *But has any research been done to replace kerosene if its price were to rise much more rapidly? Is there an alternative to it?*

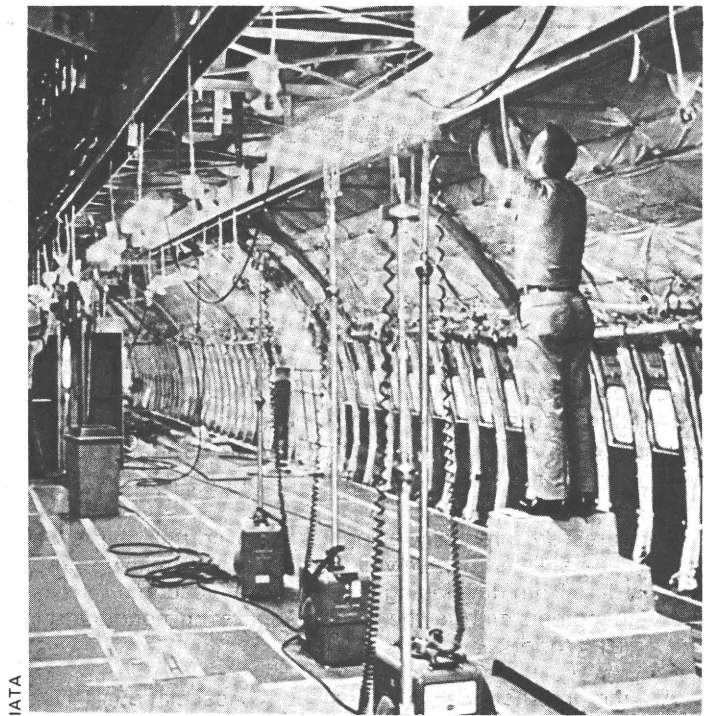
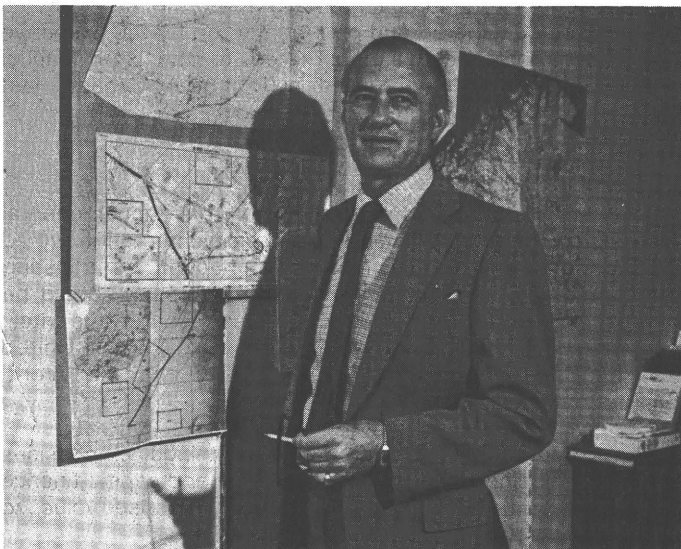
— There is a lot of research going into two alternatives: one is introducing more fuel-efficient engines and aircraft, but this is not expected to give more than a 30% saving at most; and the other is in new sources of energy which can be used for aviation. But aviation is probably one of the few consumers of energy which will remain linked to petroleum-based fuel for, say, 20 years to come, perhaps even 30. People are talking about hydrogen and other alternatives, but there are enormous practical problems which have to be solved.

Saving on the fuel bill

► *What trends do you see for the 1980s in aviation? Bigger aircraft, back to propellers?*

— One trend—I don't know how realistic it is but it might be possible—is to go back for short and medium-haul carriers to turbo-prop as being more fuel-efficient. There is a trend now for airlines to postpone or cancel options, or even firm orders, which is clearly a defensive reaction against the threat of overcapacity, on the one hand, and especially, the difficulty of financing it on the other. A rough calculation shows us there are about 6000 civil transport jets around and 20% of these, about 1200, are fuel-uneconomic. They should, if possible, be replaced by more economic aircraft or phased out altogether. But where do we find the money? The EEC could be making an enormous contribution to

"I would say that in many of the developing countries aviation fulfils a role which goes far beyond normal economic transport"



The construction and introduction on the market of more fuel-efficient aircraft and engines could give a 30% saving at most

energy saving by participating in that kind of effort, because it could yield fuel savings of the order of 25 billion gallons (1) a year corresponding to US\$ 3 bn. The book value of those aircraft today is very low, but to replace them will require some US\$ 30 bn. We are involved in seeing what possibilities there are of making this common effort; it interests aviation, it interests the public, it interests the oil companies, and it interests the manufacturers because it would get them working again—and therefore it must interest the banks—and it interests the governments because of the energy saving. So if something could be done there it would have an enormous effect.

The need for North-South cooperation in air transport

► *Coming back to the developing countries' airlines, a lot of cooperation has gone into the technical ground facilities, the construction of airports and landing-strips, security equipment and so on, but what has been done from the North-South cooperation point of view for the actual airlines?*

— I think what has been done so far has been done on a purely commercial basis. But over our last working year, which was from October '79 to October '80, we had a study made by a specialist task force on the conditions for developing nations' airlines, on a worldwide basis. This resulted in a report (2) which was presented to our annual meeting last year and this report, which was accepted, is now being implemented.

It essentially involves bringing the Third World airlines' management up to scratch operationally and commercially and making them more competitive. ○

Interview by R.D.B.

(1) 1 US gallon = 3.785 litres.

(2) See following article, *IATA support for Third World airlines*.

IATA support for Third World airlines

by G.C. VIBETTI (*)

Air travel in most African, Caribbean and Pacific (ACP) and other Third World countries can all too often be a tedious experience. In Africa, for example, often the fastest way of travelling from a francophone country to a neighbouring anglophone capital is to fly to Europe for a more convenient connection.

Measures are gradually being taken to correct this situation by the airlines themselves, but the most pressing problem carriers from developing countries have become increasingly concerned with is the difficult operating conditions in the Third World.

As the International Air Transport Association (IATA) *Review* noted last year, such airlines are a critical factor in the civil aviation infrastructure of their nations. Yet they invariably find themselves operating—and trying to compete—with high costs, small, often inefficient, fleets on sparse route networks with a limited traffic base, poor aircraft utilization and limited or untrained staff.

Many carriers from developing countries have joined IATA, essentially a service instrument for its member airlines reflecting the wishes and views of the membership. IATA members cover a broad spectrum of carriers from varied backgrounds. Some have vast intercontinental networks, others serve one or two international points, and yet others only domestic points. Some come from large industrialized nations with sophisticated modern technology; others from emerging states. But all are cooperating within IATA to provide a single world-wide public service.

But although airlines from developing countries benefit like all others from IATA activities and representation on IATA committees, they may not always have an adequate administrative manpower base to take full advantage of membership.

Task force on developing countries' airlines

At IATA's 35th annual general meeting in Manila, Philippines, in November 1979, IATA approved the creation of a special seven-man task force headed by the managing director of Zambia Airways, Brigadier General Enos M. Haimbe, to focus on how developing nations' airlines can best take advantage of existing IATA services and activities and what new elements could be added so as to be of primary benefit to such airlines.

Other members of the task force were Alvaro Cala Hederich, president of Avianca (Colombia); Maurice Davis, chief executive of Air New Zealand; Ali Ghandour, chairman and president of Alia (Jordan); Ian Gray, president of CP Air (Canada); David Kennedy, chief executive of Aer Lingus (Ireland) and Aoussou Koffi, president and director-general of Air Afrique (multinational).

(*) Public relations manager, Zambia Airways.



General Enos Haimbe

Managing director of Zambia Airways and author of the IATA report on Third World airlines

In particular, the task force was asked to: consider how such airlines (from developing countries), which represent more than 40% of IATA membership, might make better use of existing IATA services; consider what, if any, new services and activities could be undertaken, or existing services adapted, in a way that would be of primary help to such airlines; and present its recommendations to the IATA executive committee.

The task force developed a working programme comprising a questionnaire which elicited information from more than 40 airlines in developing countries, supplemented the inquiry through field missions and seminars, and conducted four regional seminars in Cartagena (Colombia), Douala (Cameroon), Singapore and Aman (Jordan).

The recommendations emanating from the task force's report were considered and commented on by the executive committee before it was submitted to the 36th annual general meeting of IATA held in Montreal, Canada, last October.

"No handouts"

This programme was endorsed by the annual general meeting on the understanding that its implementation would be accommodated within the existing budget, by adjusting other priorities, and that the initiative developed should be processed through other existing bodies, such as the International Civil Aviation Organization (ICAO), the United Nations Development Programme (UNDP) and the World Bank, as soon as possible.

The programme, which, among other things, emphasises the strengthening of training, consultancy and capital finance programmes, if successful will be of immense value to airlines of developing nations.

In presenting his report to the annual general meeting of IATA in Montreal, General Haimbe stressed that "no hand-outs are being sought" but that smaller and medium-sized airlines were looking for ways through IATA to foster self-reliance by self-supporting programmes.

The principal findings of the task force fall into three main areas: new programmes; improved member relations; and refocussing of existing activities.

Development aid for airlines?

The first programme proposed—and a new important role for IATA—is to assist carriers in developing countries achieve greater self-reliance by obtaining funds from such specialized agencies as the UNDP for specific airline development projects. Airlines have not traditionally been recipients of development assistance, even though they are a critical factor in their countries' overall economic development, a vital transport link and contributors to the training of human resources.

According to General Haimbe, IATA would act as a link between airlines seeking assistance and the lending institutions, advise airlines about appropriate application procedures and work in close coordination with ICAO, which is currently in the process of evaluating aviation development needs over the next five years, with funding support from UNDP.

In order to accommodate assistance to airlines, General Haimbe said it was very important for individual airlines to communicate their requirements to their own government authorities, who in turn should include these in the overall national UNDP programme. Other potential fund sources to be investigated were the IMF and the World Bank.

General Haimbe says he is optimistic and contact has been made with ICAO, the IMF and the World Bank.

Another new programme proposed is training services. Smaller airlines often face a severe shortage of adequately trained personnel and generally have to hire individuals on a temporary basis from outside the country.

These airlines must develop their own skilled personnel. This objective could be reached through IATA's trade association in the form of seminars, workshops and familiarization courses in subjects where IATA is already a world authority.

Collective activities that reduce costs or provide increased bargaining power in relation to manufacturers or providers of vital goods and services were also seen to be essential for less sophisticated airlines. It was felt that IATA—working with regional carrier organizations—could act as a catalyst for joint projects in areas such as simulator sharing, reservations and accounting systems, research, fuel purchase and insurance, to name just a few.

Another proposal that the task force came up with was that IATA offer expertise or consultancy advice in such areas as aircraft evaluation, maintenance planning, research and automation. IATA, it was felt, could become an honest broker when specifically requested.

While the need for these new programmes has been identified, the IATA task force and executive committee both recognised that a carefully monitored and gradual approach would be realistic.

The next principal issue the task force looked into concerns improving relations between IATA members, IATA and non-IATA airlines and regional organizations. IATA members in the Asian region, for instance, are encountering some difficulties in their relations with non-IATA airlines, particularly in such areas as agency and clearing house work. This, the task force felt, could be resolved by expanding IATA membership, by making it more attractive to the wide variety of today's airlines.

To achieve this aim, General Haimbe feels, the cost of selective participation in activities by non-IATA airlines should be increased to reflect more fully the true overhead costs presently paid for by IATA members only.

With respect to the very small airlines—or the "micro" members of IATA—the task force supported the idea that special provisions might be established for such airlines.

Relations amongst members themselves could be improved through better participation of smaller airlines on IATA committees, which in itself is a useful training tool. The task force recommended that the executive committee set aside seats on committees for these airlines and make certain that all committee meetings are open to any IATA member wishing to observe.

The task force urged greater and more direct regional contact with members. This could be pursued through more visits by IATA regional directors, more seminars of the task force type and a closer, more practical and functional coordination with regional airline organizations.

The task force made other recommendations including refocussing existing activities and providing for projects and feasibility studies, initiation of seminars, workshops and training programmes.

A number of specific new studies were proposed, including:

- the impact of point-to-point fares on interlining and proration;
- the cost impact of airport monopolies;
- fuel conservation through improved scheduling; and
- no-show/overbooking and denied-boarding compensation.

General Haimbe told the Montreal meeting that in order to initiate these programmes, a certain minimal investment was necessary. As an absolute minimum, he said, a small team should be established consisting of two or three qualified specialists plus clerical support.

Pilot projects

"The objective for 1981 would be gradual implementation of programmes through pilot projects and feasibility studies, seminars and workshops—with emphasis on self-supporting programmes where possible. For 1981, the cost is estimated as US\$ 360 000. I stress that the task force urged the use of existing resources wherever possible with fully self-supporting programmes as the ultimate goal", General Haimbe said.

The programme, in addition to improving chances for airlines of developing countries to benefit materially and otherwise from IATA activities, allowed, for the first time in the history of IATA, the small airlines in particular to have a say in and to put their mark on the way IATA is to operate in future. ○ G.C.V.

Current developments and the non-industrialized countries

by **Aoussou KOFFI** (*)

The non-industrialized countries of Africa, Latin America, the Caribbean, Asia, the Pacific and the Middle East, many of whom did not attend the meetings at Chicago in 1944 and Havana in 1945, have an increasing but still relatively small share in international air transport. ICAO statistics for 1978 show that regular transporters in these countries only accounted for 29.3% of the total world tonne-kilometres, the figures for the various regions being:

Asia-Pacific	12.2 %
Africa	5.2 %
Latin America-Caribbean	7.0 %
Middle East	4.9 %

This by no means reflects the vital importance of air transport for the countries concerned. For some of them, air transport is the most efficient means of communication and for others the best way of combatting geographical isolation. For all of them it is a *sine qua non* of economic and social development and a wide variety of aims are involved.

In Africa and Latin America, in particular, one of the ideas is to replace overland transport which geographical and natural obstacles make impossible, or difficult, with air transport.

Since agricultural production is the main source of revenue in many a non-industrialized country, the export of certain products, such as off-season fruit and vegetables during part of the year, is a priority task for the airlines, particularly in African countries that depend on one agricultural product.

The same goes for passenger transport in countries where the tourist trade is an essential source of revenue.

Lastly, one of the aims in countries that are short of foreign exchange, and of their airlines in particular, is to obtain this much-needed hard currency.

Before investigating the outlook for air transport in these countries in the 1980s, it is useful to take a look at the situation today.

(*) Chairman of Air Afrique. Extracts from a paper presented at the eighth international ITA colloquium in Paris on 20-22 May 1980.

The present situation

The developing countries, typically, have poor national markets, both as far as the population is concerned (although there are one or two exceptions here) and as regards per capita income.

Air transport began to get established in the developing countries after the Second World War. For the countries of Africa, the '60s, when independence came, were also the years when national airlines were founded on what remained of the old companies of the colonial powers. They are all now state-owned. They are all recent creations, fairly modest in size and tending to have small numbers of first generation jets for long hauls. Only the relatively better-off countries of the Middle East and Latin America, and one or two islands of prosperity in Asia and the Pacific, have larger fleets with more modern, higher-performance planes. Companies are handicapped by a shortage of qualified personnel, flight staff in particular, although there is sometimes compensation in the form of technical assistance from companies in the industrialized world. A certain number of airlines in the Third World are still unable to carry out all their aircraft maintenance and upkeep and so depend here, too, on companies in the developed world.

This shortage of human and technical resources, the resultant need for foreign technical assistance and the costs of the necessary training all result in prices that are high in comparison with those offered in the developed countries.

The air policy of the developing countries is usually protectionist. Just as inflation and soaring fuel prices have their effect on the economies of the non-oil producing developing countries, so they hold back air transport in the non-industrialized countries.

So what sort of model is required for the future?

Guidelines for national development in the 1980s

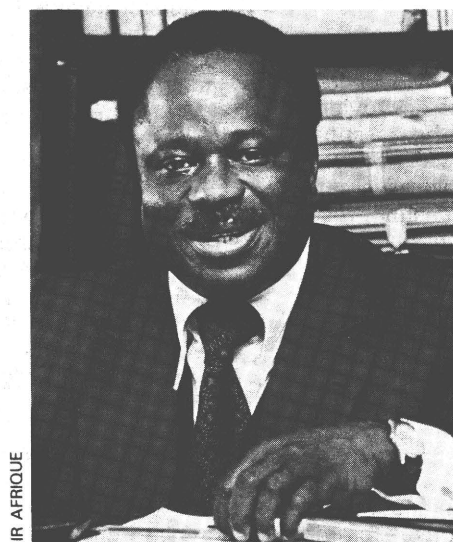
The extension of internal flight networks should continue rapidly, particularly in large countries such as Zaire and Nigeria and in places like Gabon, where overland transport is poor.

This drive to extend flight networks will also help ensure national cohesion and unity.

The development of internal networks will also involve expanding airport infrastructure, replacing all the last DC 3s and DC 4s by 48-80 seat jets and turbojets, as this sort of measure will make an effective contribution to national development plans.

Regional development

Airlines in the non-industrialized countries, particularly those in Africa, are often accused of putting too much emphasis on intercontinental links to the detriment of inter-regional services. It is easier and quicker, for example, to go from East to West Africa, from Nairobi to Dakar or from Lusaka to Abidjan via Paris or London.



AIR AFRIQUE

Aoussou Koffi



AIR AFRIQUE

"Deregulation, absolute freedom and uncontrolled competition" are detrimental to the development of air transport in the developing countries

But this is not a deliberate policy on the part of the carriers. The north-south links correspond to long-standing trade and business connexions with the former colonial powers, whereas trade between English-speaking East Africa and the French-speaking areas of West Africa has been limited or non-existent until now.

The new aims in the air transport sector should therefore be to promote trade, cultural exchanges and tourism between the two sub-regions of Africa. And extensions to the regional networks could be stimulated by greater freedom when it comes to granting "fifth freedom" rights to African companies.

This policy, which the African and Arab airline associations (AFRAA and AACO) have outlined, should make for real progress in the '80s with the projected development of regional air transport.

Complementarity of African economies

The way air freight has developed in Africa over the last 10 years shows that there is useful complementarity between the economies of the various countries of that continent, which should be better identified and used. If they are to make the most of this twofold development, the African airlines should set up pools and joint flights, on new lines at least, so they can share any risks. Regional air transport in the '80s will be marked by a growing increase in regional tourism.

This regional tourist movement will be encouraged by the fact that countries quite near each other have very different attractions and, above all, that young people are anxious to get to know neighbouring nations better.

Price policies offering greater incentives

If regional tourism is to expand, then price policies will have to provide greater incentives. Although in Asia and the Pacific, certain traditional practices tend to keep prices down, other regions, particularly in Africa, have relatively high rates. The inter-African price level, which has been a serious barrier to the development of air traffic on the continent, will have to be lowered. Practically speaking, this will mean extending throughout the region price structures that have been designed for and applied to tourists from big towns in the developed countries.

Because of the threat to ICAO price fixing conferences, certain regions are questioning the wisdom of holding such meetings. The idea has gained ground in Africa and in the '80s, an air tariff fixing machinery will be used in the region if the current ICAO framework disappears.

The airlines will have to make greater financial efforts to expand their fleets. The aircraft they need will have to be more economical on fuel and cater for large numbers of passengers, 158-180 instead of the 80 and 130 as at present. But bearing in mind the development of air traffic, the frequent flights involved and the needs of travellers using these lines, the 200-plus jumbos are not the best bet.

Because of the very unfavourable economic situation and reduced profitability, the airlines have every interest in developing regional cooperation. They should naturally be keen on healthy, fruitful competition, but a drive for practical, realistic cooperation should be their main concern. This cooperation could be extended to a number of fields—the standardization of aircraft, pools on certain lines and maintenance and upkeep associations. The African airlines are currently fairly weak and therefore are more aware of the benefits of this kind of cooperation. They are working seriously at it. At the moment, the possibility of setting up more multinational companies in northern and western Africa is being investigated. The '80s should be very constructive as far as regional cooperation between African airlines is concerned.

The international situation

Intercontinental air transport is a more complex and more diversified sector. The people involved are unequal, the aims are in some ways contradictory and the environment is one of total upheaval, with general inflation, an energy crisis and constant price increases. So the '80s are full of uncertainty and concern.

For the developing countries whose economies depend on tourism, like the Bahamas, air connections are of vital importance



As far as the developing countries are concerned, the aims defined above still stand for this decade. These countries tend to be poor and some of them get poorer year after year, so they do not see international air transport as a prestige instrument, but as the safest and most reliable means of trade and cultural exchange, a first-class way of opening up their lands and a powerful support for the national economy. So one of the new objectives is to gain the new air freight markets that are so vital to the economies of the landlocked countries.

Cutting the coat according to the cloth

The air policy of the developing countries in the 1980s should be designed to promote optimum development in line with their real situation and their economic and financial possibilities. It will therefore be counter to deregulation, absolute freedom and uncontrolled competition.

Only with a regulated framework, where carelessness and uncontrolled competition are ruled out and where there are clearly defined rules, will it be possible to avoid the sort of anarchic development and confrontation of blind market forces that are so prejudicial to the survival of the weakest. The open-sky policy is incompatible with the ordered and properly oriented development of international air transport.

Air agreements will be mainly based on the third and fourth freedoms. Fifth freedom rights will only be conceded in return for equivalent advantages that the companies can actually exploit.

If weak national airlines are to be protected, then the capacity of aircraft will have to be limited by means of quotas and frequency regulations.

With the same aim of protecting the national companies, the probable avalanche of charter flights will have to be contained by prior authorization restrictions.

Charter flights, wrongly considered to be the panacea for mass tourism, have to be restricted because they often deviate traffic to the detriment of regular national companies instead of attracting new sections of the population. In West Africa, for example, where planes are less full than the world tourist average, regular flights still offer empty seats to tour operators at charter-type prices.

It should also be noted that some of the non-industrialized countries are beginning to wonder about the real economic effects of mass tourist development—which requires investment in costly hotels that are by no means bound to be profitable. The mass tourist trade, which benefits from large reductions on operator-run tours where everything (flight, hotel and excursions) is cheap, tends to spend very little in the countries visited.

The main interest of this kind of tourism for the host countries is that it provides jobs in hotels during the tourist season. This is why some countries are moving on to the upper end of the market, where tourists spend more and where the economic effect is greater.

In the '80s, the developing countries will have to invest a lot in modernizing their fleets of long-haul aircraft. Airlines in these countries are still using first generation B 707s and DC 8s for their intercontinental flights and there are relatively few jumbos. In Africa (excluding South Africa), for example, there are three B 747s and seven DC 10s being used by national airlines at the moment (1). Many companies will

(1) Situation as of May 1980.



UTA - J. Veuve

North-South cooperation in air transport can produce tangible results: UTA and Air Afrique are clear examples

have to obtain jumbos and the airports will also have to be adapted to cope with them. Only three of the airports in the 10 countries that belong to Air Afrique can handle B 747s.

Paradoxical price policies

The strategies that have the biggest effect on the development of international air transport will be those involving price policies.

The developing countries, with the poorest people in the world, have more right than anyone else to cheap air transport. But the price of international flights between the non-industrialized and the industrialized world tends to be very high. No doubt there are one or two exceptions, where the countries of Asia, Thailand and Singapore, in particular, are concerned. Flights between Europe and Africa are said to be the most expensive in the world, but, ironically enough, those between Europe and North America are among the cheapest. If people from the poorest countries of the world want to go to Europe, it costs them far more than people from the richest country. To be more precise, economy class from Abidjan to Paris as from 1 April 1980 was CFAF 196 100 (FF 3 922), but New York-Paris, which is further, cost CFAF 132 300 (FF 2 646) economy class in the peak period and CFAF 88 000 (FF 1 776) in the off-season.

Charter flights, so common in the North Atlantic zone, are even cheaper. There is excessive competition on routes in

this area due to the considerable number of operators and this is one of the reasons why prices are often less than cost. It should be added that operating costs on this route are lower than they are on Europe-Africa routes.

And it is no secret that the operating costs of airlines in the developing countries are generally higher than those of big companies in the industrialized world.

An ICAO study puts this difference at 20-40% as between African and European companies. So the high costs of production in African airlines are partly responsible for the high price of flights between Europe and Africa. But how can prices be lowered in the '80s without compromising these companies' profitability?

One answer would be for the governments to pay compensation to the national companies.

Such a subsidy could be justified in an industrialized country that produced aircraft, if low prices generated more traffic that, in turn, engendered capacities that required fleets to be expanded. For developing countries that cannot hope for similar effects, the deliberate policy of compensation can be a ruinous one. And then the idea of seeing the poor countries subsidize their airlines to the benefit of tourists from the rich countries is quite unthinkable.

Should the developing countries drop their intercontinental flights?

So should the airlines in the developing countries abandon their intercontinental flights to their more competitive counterparts in the industrialized countries? The question is a delicate one but it needs posing, as it takes the discussion a step further.

This sort of approach seems satisfactory, theoretically speaking, bearing in mind similar situations in industry where

a kind of international specialization is going on and choices are made in the light of factors that condition the competitiveness of cost prices. By limiting their ambitions to national and regional air transport, the non-industrialized countries could no doubt reduce their investments in flying stock, particularly jumbos. But this would mean building on quicksand. There is no guarantee that companies in the industrialized countries would keep their prices low if they were the only operators and running a monopoly.

Furthermore, the non-industrialized countries could not hope to derive the anticipated benefits from air transport if they had to be totally subservient to foreign companies—which would not feel obliged to provide a service and cover unprofitable routes that were vital to the local economy. The poorest and landlocked countries would suffer badly. Air transport is vital to the development of the developing countries and it is a duty to adapt to, obtain and consolidate international air transport experience, whatever the cost.

This is why the airlines in the developing countries should make an effort to increase their stake in international air transport, instead of phasing it out. Bearing in mind the small investment potential of the developing countries and the other weaknesses already mentioned, we feel that the alternative is to set up multinational airlines that belong to various states, of similar economic levels, in a given region.

Multinational airlines

These would be particularly beneficial as the countries concerned would follow a joint, concerted air policy by setting up, as far as possible, a management body to which each member would delegate its powers in this sector.

There would be many advantages. The integration by addition of a number of national markets would provide a global market, giving the multinational airline a weight similar to that of airlines in the industrialized world. So the multina-

“Should the airlines in the developing countries abandon their intercontinental flights to their more competitive counterparts in the industrialized countries?”



tional formula is a most judicious compromise between bilateralism and multilateralism as far as both air rights and price policy are concerned.

The rights between member countries are in fact rights of cabotage and should be treated as such. They are negotiable via an exchange of fifth freedom rights (equivalent revenue). More extensive international rights would enable the multinational airline to obtain routes and capacities that would be out of the question for one of the states alone.

Price policy is also improved in a multinational organization. First, the states involved have the same aims in a major field. They have to have prices that are higher than cost and they have to develop low prices for reasons of public and social interest. But the compromise between these two imperatives is easier to find if a large amount of traffic is generated—which is the case in exchanges between the industrialized countries, and which will also be the case for multinationals.

If a number of states join together, then greater profitability and sub-contracting on the best terms will be on the cards for the multinational airlines they create.

Multinationals are in a good position when it comes to defending the vital interests of the states they represent against more powerful and more experienced partners. If they have competitive equipment and the advantage of being more economical because of their size, they will be better placed to take their share of the market and to implement the right sort of fares and tariffs. But, above all, they are a way of organizing air transport that is of great intrinsic interest to each of the countries involved.

The size of a multinational means that it can provide a better public service, with modern aircraft, frequent flights and far more economical operating and investment conditions than a single national company would have.

Lastly, multinationals are a living, dynamic reflexion of the solidarity that must exist between countries in a given developing region.

The idea of multinational airlines is a good one for the developing countries, particularly the poorest of them, and it is not out of the question in the industrialized world either, as the SAS consortium shows.

As far as developing international air transport so that all countries get a fair share is concerned, the biggest problem lies in the basic, structural inequality of developed and developing countries.

Strategy for a harmonious international air transport policy

Bearing this last point in mind, the only strategy possible is to have cooperation rather than confrontation in international air transport.

The Chicago and Havana conventions planned for international air transport to be developed via bilateral and multilateral agreements, so it is at these two levels that cooperation must be introduced.

So air agreements have to be more closely integrated into economic and cultural cooperation agreements, the idea being to imbue the former with the spirit of the latter to a far greater extent than in the past. Operating conditions and price levels and structures on routes between industrialized and non-industrialized countries should be defined in air



For Aoussou Koffi, the integration of airlines would give the resultant multinational airline "a weight similar to that of airlines in the industrialized world"

agreements that are geared to cooperation and mutual assistance.

These pools are a good way of achieving practical cooperation, combining the various facilities, enabling a fair distribution of services to be achieved and assistance to be given if one of the parties is in need.

Pools make for similar points of view on price problems and this may make a considerable contribution to reaching agreement in negotiations on multilateral price-fixing machinery.

There are many examples of cooperation, in many sectors of activity, in bilateral relations between the developed countries and the industrialized world that have had tangible results which could well be made use of in the air transport sector.

There is nothing utopic about this. Look at UTA and Air Afrique, or Air France and Air Afrique, to name but two examples.

The generalization of this cooperation between industrialized and non-industrialized countries should make an effective contribution to the development of international air transport, which is so vital to us all.

What is being done at bilateral level could well be done at multilateral level too. In ICAO (via the UNDP) particular attention is being paid to the development of air transport in the developing countries by means of regional programmes.

The 1980s look promising for this cooperation, as the IATA (International Air Transport Association) meeting in Manila in November 1979 decided to set up a task force to look into the various forms of assistance to be provided to airlines in the developing countries.

If cooperation between airlines in industrialized and non-industrialized countries leads to the elimination of all sources of confrontation, then the '80s should be a period of coordinated and remarkable development in international air transport, whereby everyone's interests are preserved. ○ A.K.

Airport economics in developing countries

by **Graham HILL** (*)

It is risky for a developing country to think that it can progress without a good airport or, having one, to think that it is sufficient to ensure progress.

If a country is not served by a good airport, its foreign trade is likely to be negligible, partly because businessmen and goods cannot come in and leave conveniently, and partly because invisible exports such as tourism will labour under a crippling disadvantage. Moreover, what applies to a country as a whole may well apply to a less-developed region of a country whose isolation only an airport can break. On the other hand, airports by themselves cannot initially create traffic, they can only permit it to come into being and then, later, encourage its further development.

The tent or the ultra-modern airport

To say that a developing country needs a good airport means only that it needs one properly adapted to the time and place. For example, it may be wise to start with a simple runway and a temporary terminal, as the Mexican airport administration has done at San José del Cabo, an isolated resort in Lower California. The terminal there is essentially a large tent; perhaps one day, when tourism becomes an important source of traffic and brings other industries to the point of economic take-off, a permanent structure will be necessary and justified.

At the other end of the scale, a state like Sharjah in the United Arab Emirates may reasonably start with a large, modern and well-equipped terminal as a contribution to attracting major international airlines, which alone can bring in large numbers of well-to-do tourists.

The variable factor is not simply the passenger terminal; those responsible for planning the right sort of airport in the right place at the right time must also think of a freight terminal, a control tower, runway(s) and taxiway(s), apron(s), and all that goes with them. This will certainly involve taking into account the ICAO (1) plan for the region or regions in which the airport lies, and in this context it is well to bear in mind the understandable tendency of such plans to incorporate airline requests while they are still only desiderata, not absolute necessities. In the final analysis, a state will often have to choose which demands to meet, because it does not have the resources to meet them all.

Cheap solutions

In all this, developing countries look for simple, robust and cheap solutions that do not require expensive or sophisticated maintenance. Moreover, when underemployment is a terrible problem, labour-intensive solutions are often better than labour-saving ones.

The main decisions having been taken in principle, it remains to put them into practice. If the state is very

wealthy, this may be a fairly straightforward step. In most cases, however, there will be the problem of convincing the keepers of the purse-strings, who may simply be the national ministry of finance but may also be such bodies as the World Bank, the UNDP, ICAO, or another state or group of states, like the EEC.

Here we should at least be honest with ourselves; it is fairly simple to show that an airport brings great social and economic benefits but much more difficult, and sometimes impossible, to prove that money spent on this or that aspect of airport improvement triggers off more such benefits than an equivalent expenditure on a factory or an agricultural project.

We should not, however, allow the impossibility of rigorous proof to intimidate us into inaction; common sense and economic solutions can in practice justify what social cost/benefit studies must leave in theoretical suspense.

« Safe, efficient and businesslike »

At this point the government of a developing country, having given or secured approval for the airport plan, should pay particular attention to the human structures necessary for the safe, efficient and businesslike operation of the airport once it comes into being. And, as before, let us remove some misapprehensions.

First, an airport that loses money in the eyes of an accountant may still be an excellent investment for the country, since it may permit profits from tourism far greater than the airport losses.

Secondly, as long as the airport handles under one million passenger movements a year it is likely to show an accounting loss, and it may well continue to do so after traffic has grown to four or five times this figure; much depends on the scale of the airport facilities required to meet traffic needs.

Thirdly, it can be fatal for good airport administration to instruct airport operators to make losses in order to provide services below cost to national and foreign airlines, since such a system gives airport management no incentive to pay its way and act as a responsible steward of national resources; if the national airline must be subsidized, it has to be subsidized directly.

The temporary tent terminal of San José del Cabo in Mexico



(*) Adviser at the International Civil Airports Association.

(1) International Civil Aviation Organization.

Fourthly, experience shows that independent, or at least autonomous, airport authorities are the best and most businesslike bodies to run airports, and this is so even before the scale of operations allows the authority to show a real profit (this means a profit after provision has been made for depreciation, interest, and the accumulation of sufficient reserves to finance at least part of future developments). Fifthly, there is often a tendency to treat airport commercial activities as though they must be put in the hands of some privileged concessionaire (the national airline, or a nationalized enterprise, or a public charity); whatever the arguments for such an *a priori* decision, it unquestionably removes from the airport authority a vital sphere of creative business action and from the concessionaire the stimulus of a commercial yardstick.

Safety standards

Nevertheless, no organization can work well unless the persons who work for it have the right knowledge and skills, and an airport organization must also in its work meet stringent international safety standards (the most up-to-date terminal will fail to attract airlines if the airport is unsafe).

An airport's staff is essentially its human capital, not simply raw material, and no long-term plan for an airport is complete without a reasonable projection of manpower resources, needs and training. Nor should the government of a developing country underestimate the value of an airport as a means of introducing new skills; indeed, an airport authority which keeps abreast of world developments by active participation in an international association of airports is an admirable channel for the transfer of technology.

It may seem strange to talk hopefully about an airport's future at a time when air traffic is suffering from the economic recession and rising fuel prices, but neither recession nor progress is uniform, and the Third World's air traffic is growing faster than that of the developed countries. So, although airports cannot work miracles, they can help the Third World to develop. ○ G.H.

The modern and modestly equipped terminal of Mogadishu airport (Somalia). Does it contribute to attracting major international airlines and large numbers of well-to-do tourists? Much depends on what a country has to offer.

Boom in airport construction

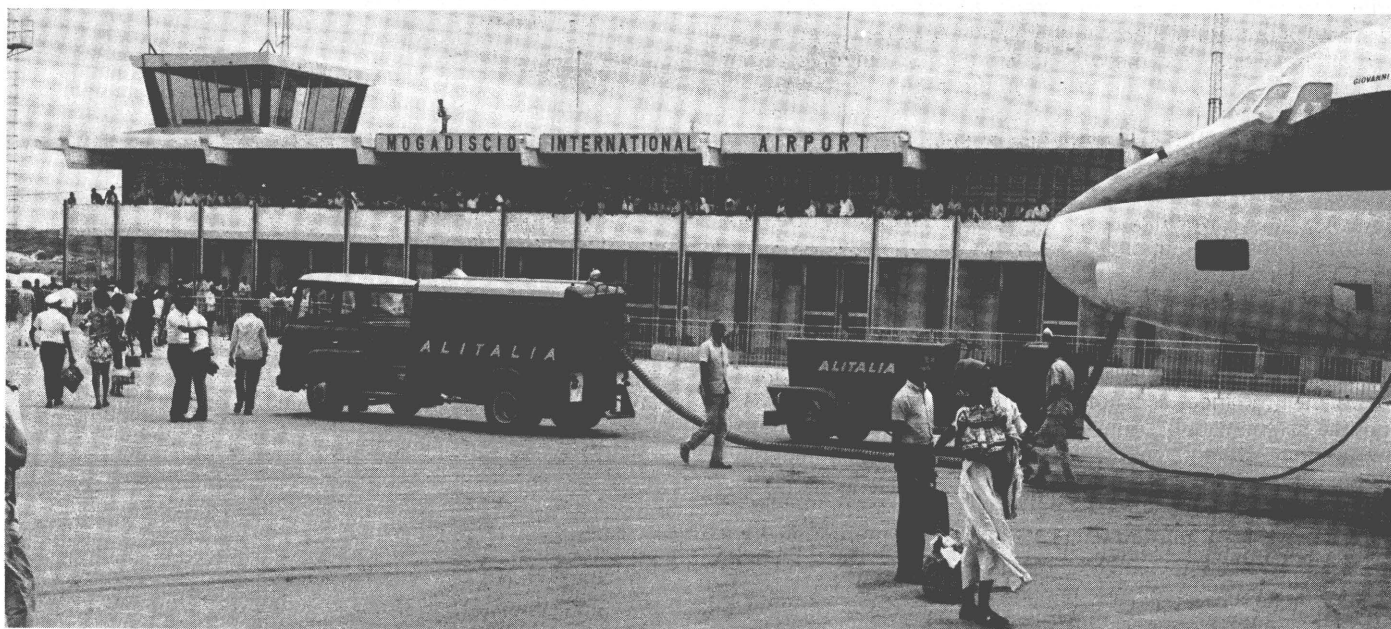
The demand for airports in the developing countries has increased dramatically in the past decade—evidence, no doubt, of their growing interest in the air transport industry.

The construction of an airport implies the provision of all the infrastructure needed by aircraft: runways, terminal buildings, taxi-ways, access roads, lighting, heating, radar and navigational aids, and all kinds of ancillary equipment such as restaurants, public address systems, etc. Airports in turn generate the demand for all kinds of aircraft: from small, light, local service types to widebodied jets.

Since the developing countries rely on the developed world for the provision of everything, from skilled manpower and the most sophisticated equipment to simple things like light bulbs in the terminal building (at least for the majority of the countries), it goes without saying that there has been a boom in the aircraft industry in the past decade.

Air transport is in the process of development in the Third World and still has a long way to go to attain a level comparable to the situation in the industrialized countries. There is no doubt that the demand for airports will accelerate in the 1980s. Of the £ 37 000 m estimated by experts as the amount likely to be spent in the next 10 years on airport developments, the Third World countries will account for a very substantial proportion.

But where will the money come from? Most developing countries certainly do not have the money to pay for expensive programmes, which airport construction generally requires. They normally turn to banks, commercial institutions and governments in the West. The World Bank lends substantial sums, while the International Civil Aviation Organization (ICAO) sometimes makes direct cash grants to very poor countries. It now looks as though the oil producing countries of the Middle East will, in the coming years, become a source of finance since airports are proving to be good long-term investments, just the sort of projects they are looking for to invest their increasing surpluses of foreign reserves. ○ A.O.



THE CONVENTION AT WORK

The ACP-EEC Council of Ministers meets in Luxembourg

The ACP-EEC Council of Ministers held its sixth meeting—the first since the entry into force of Lomé II—in Luxembourg on 9 and 10 April. H.L. Shearer, Jamaica's deputy Prime Minister and foreign minister and current chairman of the ACP Council of Ministers, took the chair, assisted by his opposite number on the Community side, Chris van der Klaauw. The Commission was represented by the commissioner for development, Claude Cheysson.

The ACP-EEC Council of Ministers, the top decision-making body under the Lomé Convention, meets only once a year. (Its last meeting took place in May last year, in Nairobi). Its agenda, therefore, is invariably a lengthy one—too lengthy, perhaps—since any disagreements which the joint committee of ambassadors has been unable to settle are referred to it.

This means that even the usual two-day session is all too short, and this year half a day was sacrificed to enable the European co-chairman, Mr van der Klaauw, to be present on the morning of 9 April at the Geneva conference on African refugees.

The Council of Ministers started its meeting an hour late, and was consequently unable to hear the address which was to have been given by the President of the Commission, Gaston Thorn.

Mr Thorn had come to Luxembourg to convey personally the Community's strong attachment to and faith in the Lomé Convention, but other engagements compelled him to leave the Kirchberg conference room, and his

message was read, after the opening speeches, by Claude Cheysson.

Despite the delay, the Council got through all but one of the 22 items on the agenda, the exception being the debate on world hunger, which at the late hour of 10.0 p.m. on the final evening was carried over to the next meeting. When no negotiations are under way the Council of Ministers deals with the implementation of the Convention, and the decisions taken at Luxembourg therefore concern the major fields of cooperation covered by Lomé II, starting with the stabilization of export earnings.

Stabilization problems

For the ACP states, Stabex is one of the most satisfactory elements of the Lomé Convention. This year, however, for the first time since the system was

set up, the funds available for transfers in respect of a given year—1980—will fail to come up to the level of applications, despite the fact that they have been topped up by cash left over from Lomé I and (following a vote by the Luxembourg Council) 20% of the 1981 allocation. This means that a hitherto unused clause of the Convention will have to be activated to allow cuts in the level of transfers. The Council of Ministers has delegated the necessary powers for this purpose to the committee of ambassadors, and has also said that transfers will be made by 20 June, though some applications are further advanced and may go through earlier. Two Stabex applications for the year 1979 also had to be discussed, Upper Volta's claim in respect of cotton and Ethiopia's for sesame seed. The Commission, which administers the Stabex scheme, holds that Upper Volta's total cotton exports showed no fall in earnings (under Lomé I only exports to the Community were taken into account), and that for Ethiopia, the 2.5% dependence threshold which conditions eligibility had not been reached. The Council decided, however, that the two applications would remain pending for a further two months to enable the countries concerned to put forward new evidence.

As regards the further products which, under the terms of the Convention, might be considered for inclusion in the Stabex list twelve months after the entry into force of Lomé II, work is to continue at a technical level. Any decision to include such products will

Also in the yellow pages

The Convention at work

- I. ACP-EEC Council of Ministers
- IV. EDF financings
- V. Zimbabwe: Zimcord
- VIII. EEC-NGO cooperation

General Information

- XI. North-South: interview with Rudiger von Wechmar
- XIV. CAD: Official aid from Germany and Italy

European Community

- XVI. Maastricht summit
- XX. Eur Transat
- CID: XXI. Industrial opportunities



The two co-chairmen, Hugh Shearer (left) and C.A. van der Klaauw, consulting Gonzague Lesort (centre), the EEC co-secretary

be taken by the committee of ambassadors, using powers delegated by the Council, and will apply as from 1 January next year.

To conclude its review of Stabex, the Council of Ministers decided to accord all-destinations cover to Kiribati for a two-year period. Now that its phosphate deposits are worked out, this new ACP state's main export is copra, most of which goes to non-Community customers.

Trade

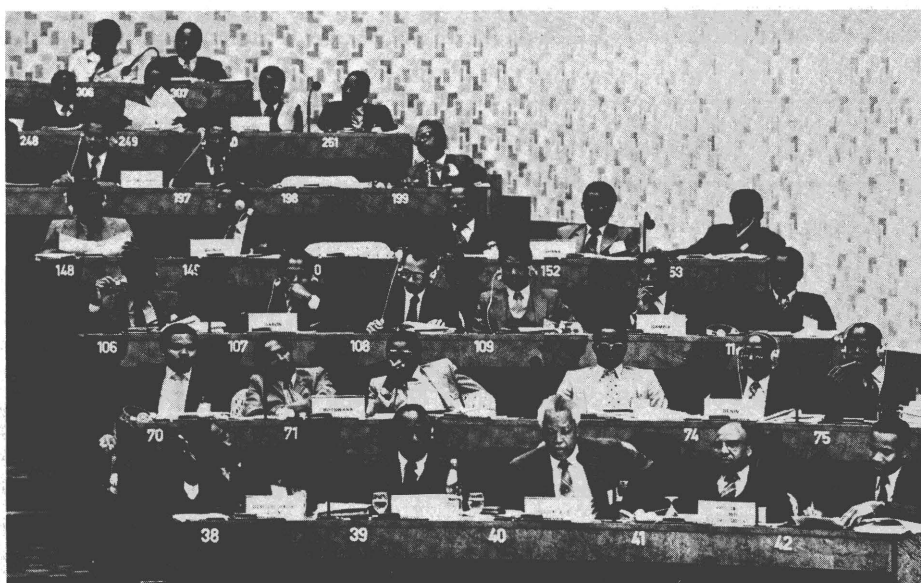
The other major subject discussed at the sixth meeting of the ACP-EEC Council of Ministers was trade. In Mr Shearer's view the trend of ACP-EEC trade is not satisfactory. In spite of the battery of measures contained in the Convention and the fact that they ensure the ACP countries get the most favourable terms on the Community market, the group has not managed to increase its share of the EEC's imports. Since there are no studies available to provide precise data the ACP Council chairman put forward some possible explanations for the obstacles to Community market penetration, namely inflation, increased transport costs and the problems of adapting to the European market.

Mr Cheysson deplored the fact that ACP exports were so structured as to comprise too large a proportion of raw materials, especially from Africa and the Pacific. The proportion of manufactures exported from the Caribbean is satisfactory, and this is due partly to a remarkable trade promotion campaign.

The ACP countries fear that the Community's new system of generalized preferences, which steps up the advantages offered to other developing countries, will cause their share of the EEC market to shrink even further.

The view on the Community side is that account was taken of the ACP countries' interests when its GSP scheme was drawn up, in spite of the fact that their remarks came too late. It declared in Luxembourg that the temporary and non-obligatory nature of GSP made it possible to put right any unfavourable situations that might develop as a result of its application—in the ACP states as well—and that the Community was prepared to study together with those states what specific measures could be taken to safeguard their interests.

Meanwhile a working party will be looking into the causes of the drop in the ACP countries' share of Community imports and will make proposals. The same working party will examine a number of fields in which Mr Cheysson thinks urgent action is needed to protect the interests of both sides. He took as an example the efforts that



CONSEIL CEE/EEC COUNCIL

The ACP delegations...

resulted in the international cocoa agreement and pointed out that if the ACP states and the Community had held consultations in good time an agreement would have been concluded a whole year earlier, with price levels 20% higher than those of the present agreement. The development commissioner thinks there are other fields of mutual interest where action should be taken speedily.

The problem of cocoa and that of the prices of raw materials generally had previously been brought up in an interesting address by Ivory Coast's economics and finance minister, Abdoulaye Koné, who accused certain European speculators of being responsible for the enormous fluctuations in the prices of raw materials. He estimated that his country had lost some CFAF 350 000 m, or over ECU 1 200 m, in earnings from coffee and cocoa.

In his opinion, the current price of a kilogram of cocoa (CFAF 400) does not even cover the cost of growing it. He also issued a warning, saying that progress could be delayed but not stopped altogether and adding that there were developments in the balance of power between the rich and poor countries. The day would come when the developing countries would have learned, as have the Japanese, how to process their own products.

Would there then be an economic war? He hoped not, because the developing countries were looking ahead and cared about the future of their children and grandchildren, he said.

Food security

The ministers also dealt with two other trade issues:

— The request by the ACP countries for supplies of surplus agricultural pro-

ducts from the Community on preferential terms. The reply the ACP countries received in March had not been satisfactory.

The Council asked a joint working party to look into this matter again, since it was of the utmost importance to the ACP states, in view of the food shortages many of them faced. The Community stated that it was prepared to promote agricultural production in the ACP countries, to combine food aid policy (whenever necessary) and the supply of products "on special terms" so as to align Community prices on those of the world market. Such treatment is already being accorded to West Africa. A working party will examine the two sides' proposals at the same time.

— The protocol of accession of Greece to the EEC and the repercussions it will have on ACP exports.

The ACP countries deplored the fact that the EEC had not held the consultations provided for in the Convention before any enlargement of the Community and pressed to be able to apply different treatment to Greece from that applied to the other member states should their products be subject to a levy on the Greek market. The Community emphasized the principle of non-discrimination and affirmed that Greece's accession—unlike that of Portugal and Spain—did not harm the ACP countries' interests. Finally the Council decided to sign the protocol of accession. The Community will now extend—as from 1 July instead of from 1 May—for a period of six months the transitional preferential arrangements applied by Greece to the ACP states, in order to allow time for the ratification procedures. Thus a solution was found to an issue that had been in the forefront of ACP-EEC relations for the last few months.

Exchange of views

Another bone of contention—dating back to the Freeport Council in March 1979—was also dealt with in Luxembourg. This concerned suspension of the sugar quotas for four countries signatory to the sugar protocol, namely Congo, Kenya, Surinam and Uganda. The Nairobi Council had decided to initiate a good offices procedure but this did not settle the dispute. However, none of the parties decided to go to arbitration, which led Mr Cheysson to say that the Commission considered the quotas were now available and could be re-allocated.

Exchanges of views were held on four issues:

— **Sysmin.** The ACP countries are pressing for the rapid application of this aspect of cooperation with the Community. Certain countries, such as Zambia, are having problems with falling production. Moreover, this country has put in a request to benefit from the system, as has Zaire, but the Zambian delegate feared that the funds available under Sysmin were quite inadequate. Mr Cheysson said that the two applications were being studied but that this was a complicated field in which the Community had no experience. Nevertheless, some indications on the Zairian application should be forthcoming by the summer.

— **Industrial cooperation.** Professor Onitiri, head of the joint group of experts studying supplementary financing for industrial cooperation, presented his report to the Council, which received it with satisfaction. However, it was not possible to go into any great

detail on the matter before each party had had time to examine it.

— **Agricultural cooperation.** Discussions are under way about the location of the centre. A decision will be taken soon and the operating arrangements are under study.

— **Financial and technical cooperation.** The ACP chairman expressed the hope that, since the programming missions took place during the transitional period between the expiry of Lomé I and the entry into force of Lomé II, disbursements would be larger and more rapid.

The ACP countries again expressed their desire to see the procedures streamlined and more use made of co-financing.

The Luxembourg Council also removed the final obstacles to publication of the text of the second Lomé Convention by deciding that the exchanges of letters under article 64 did indeed form an integral part of the Convention, it was also decided that Kiribati be included in the list of least developed and island ACP states and that Zimbabwe be on the list of land-locked countries.

A series of decisions were taken about the operation of the institutions under Lomé II and the Council was notified of the results of the latest meetings of the ACP-EEC Consultative Assembly and Joint Committee.

The next meeting of the ACP-EEC Council of Ministers—the seventh—will be held next year in Libreville, Gabon, but the date has yet to be set. ○

AMADOU TRAORÉ



... and the EEC member states' representatives

EDF

Following the favourable opinion delivered by the EDF Committee at its 154th and 155th meetings, the Commission of the European Communities took the following financing decisions under the third, fourth and fifth EDFs, bringing total commitments under the fourth EDF up to ECU 2 776 891 000.

Member countries of CILSS

(Cape Verde, Chad, Gambia, Mali, Mauritania, Niger, Senegal and Upper Volta)

Regional project to develop improved strains of millet, sorghum, niebe and maize

Grant: ECU 3 000 000

Fourth EDF

The project fits in with the priority guidelines established by CILSS (Permanent interstate committee for drought control in the Sahel) as early as 1973 for the implementation of a programme to achieve self-sufficiency in food.

The project is aimed at:

- carrying out a survey of the plant material available;
- carrying out trials to identify the highest-yielding strains best suited to each agro-economic division of the Sahel area;
- providing training or advanced training awards for research workers and technicians;
- increasing exchanges of information and experience.

A flexible and dynamic unit will be set up comprising:

- at regional level, a small team supervised by the director of the research department of the Sahel Institute;
- at national level, a correspondent in each country who will be responsible for the project, assisted by a scientific committee.

The ultimate purpose of the project is to provide peasant farmers in the Sahel with a limited number of improved strains of millet, sorghum, niebe and maize seed.

This project will be funded wholly by the EDF.

Tanzania

Extensions to the Mbeya water supply system

Grant: ECU 4 050 000

Fourth EDF

Extensions to the existing water supply system in Mbeya are required in

order to meet the increasing needs of the town. This is expected to improve health and enhance the quality of life.

The project, which will be entirely financed by the Community, will involve the construction of:

- an abstraction point,
- a pumping station, a new rising main, reservoirs and reticulation system.

Congo/Equatorial Guinea/ Gabon/Sao Tome and Principe

Evaluation of coastal pelagic fish resources in the Gulf of Guinea
Grant: ECU 1 050 000
Fourth EDF

The purpose of the project is to evaluate the size of coastal pelagic fish stocks, their geographical distribution and the time spent by them in the course of a year in the area over which the states involved in this study have economic sovereignty.

Under the project finance will be provided for two scientific detection programmes using echo-integration, which is a very quick way of obtaining a shoal distribution chart of the areas investigated.

Once the results of these scientific detection programmes are analysed, they will provide guidelines for developing the fishing industry of each of the countries concerned.

The total cost of the project will be covered by the EDF.

Madagascar

Fixing of an additional amount for the multiannual training programme 1976-1981
Grant: ECU 1 205 000
Fourth EDF

In 1977 the Commission approved a multiannual training programme for Madagascar costing ECU 1 900 000. In 1979, a first increase of ECU 285 000 was agreed, but this was used up. In May 1980 the indicative programme for the country was changed and an additional ECU 1 205 000 earmarked.

The EDF will finance the whole of this supplement to cover the following training schemes given priority:

- study and training awards for re-training and specialization in several technical and industrial sectors, mainly in Europe;
- courses on health for personnel to be assigned to the hospital at Ampelilhoa.

All ACP states

Interim financing of experts and consultants for the General Secretariat of the ACP States

Grant: ECU 260 000
Fifth EDF

The purpose of this project is to continue financing a number of experts and consultants for the General Secretariat of the ACP States so that it is not deprived of their services during the transitional period between the expiry of the first Lomé Convention and the entry into force of the second.

Further financing will then be granted for the whole period covered by the second Lomé Convention.

All ACP states and OCT

Overall commitment authorization for the financing of technical cooperation and trade promotion schemes
Grant: ECU 20 000 000
Fifth EDF

By virtue of a special administrative procedure, these funds will enable the director-general for development to take financing decisions on technical cooperation and trade promotion schemes in favour of the ACP and the OCT.

This will mean that a speedy response can be given to ACP states' requests and it will also lighten the workload of the EDF committee, which would otherwise have to deal with financing proposals for a great many projects involving only small sums.

An advance of ECU 5 million on this sum of ECU 20 million has already been granted by the Commission (on 16 January).

Saint Pierre and Miquelon

Construction of a deep-water quay on Saint Pierre
Third EDF: grant: ECU 1 000 000
Fourth EDF: special loan:
ECU 600 000

This money will be used to provide the French department of Saint Pierre and Miquelon with a deep-water quay to make oil supplies to the islands easier (it would have been too difficult to renovate the old oil wharf) and foster development by encouraging cruiseliners to call.

The projects involve construction of a wharf and two mooring dolphins, an open storage area behind the wharf, and access roads.

The total cost will be ECU 3 051 000, of which the Community is providing ECU 1 600 000 (third and fourth EDFs). France will be providing the rest.

Upper Volta

Back-up infrastructure for reworking the Poura mine (phase one)
Fourth EDF: special loan:
ECU 3 550 000

The aim of the project is to complete the first phase of the back-up infrastructure which is needed for reworking the Poura gold mine in Upper Volta.

The total cost of the first phase will be ECU 3 550 000, and will be met by the EDF.

The Community loan will be used to cover the supply and installation of power station equipment and repairs to the access road.

ACP states and OCT

Provisional overall amount for each ACP state and OCT for study awards and courses in the academic years 1980/81 and 1981/82
Fifth EDF: grants: ECU 11 000 000

The aim of this overall authorization to commit ECU 11 000 000 is the financing of awards for study and training courses for nationals of ACP states and OCT for the academic years 1980/81 and 1981/82.

This is a provisional amount which will enable priority training schemes to be financed in each of the countries concerned, and thereby avoid any break in continuity in the training schemes financed under the first Lomé Convention.

The 52 indicative programmes already signed with ACP states make explicit reference to the financing of training schemes by means of multiannual programmes. ○

EIB

Construction of a fertilizer complex in Senegal

The European Investment Bank, the European Community's bank for long-term finance, has provided funds totalling the equivalent of close on CFAF 5.300 m (ECU 17.7 m) to assist with constructing an industrial complex in Senegal.

The plant comprises sulphuric and phosphoric acid production facilities near the head of the Taïba phosphate mine, 50 km from Dakar, the capital, and installations for manufacturing fertilizers in Dakar free zone.

The complex, to be operated by Industries Chimiques du Sénégal (ICS) and scheduled for commissioning in mid-1984, includes equipment for producing more than 560 000 tonnes of sulphuric acid, 220 000 tonnes of phosphoric acid and 240 000 tonnes of fertilizer a year, a thermal power station with a 13 MW turbo-alternator set, storage and handling facilities and ancillary installations. The works are costed at CFAF 56 000 m and repre-

sent the largest industrial project ever implemented in Senegal.

One third of production will be marketed in the form of phosphoric acid and the balance as solid fertilizers. The venture will enable use to be made of the sludge by-product of phosphate mining, which hitherto had been wasted.

ICS's main shareholders are Senegal, followed by the Ivory Coast, the Islamic Development Bank and other companies which will provide technical assistance in implementing the project or already operate the phosphate mine. The company, established in 1976 following a feasibility study, conducted an additional study before carrying through the works.

The EIB has mounted two operations under the first Lomé Convention to assist in constructing the complex, which will generate substantial foreign exchange earnings:

- a loan for 9 million units of account (some CFAF 2 700 m) from own resources (i.e. chiefly the proceeds of EIB borrowings on the capital market). The funds have been channelled to ICS for 15 years at 8%, after deducting an interest subsidy financed from the European Development Fund;

- a conditional loan for ECU 6.4 million (close on CFAF 1 900 m) to Senegal for a maximum of 20 years at a rate of 2% to finance part of its stake in the company's capital.

The EIB has also made a second conditional loan of ECU 2.3 million (nearly CFAF 690 million) to Senegal on the same terms and conditions and for the same purpose. This is the first operation to be mounted by the EIB under the second Lomé Convention. The two conditional loans have been funded from risk capital provided for under the two conventions and managed by the EIB under mandate from the European Community.

A fourth loan is planned for the same project in coming months.

The World Bank and the International Finance Corporation, the African Development Bank, the Arab Bank for Economic Development in Africa and the Caisse Centrale de Coopération Economique (France) are co-financing the venture.

The EIB helped in preparing the project by granting a conditional loan for ECU 200 000 in 1978, also from risk capital, for conducting feasibility studies.

Oil exploration

The EIB has also granted a conditional loan for ECU 400 000 to Senegal from risk capital resources set aside under the first Lomé Convention for financing feasibility studies. The funds are intended to enable the country to

build up the capital of Petrosen, a semi-public company responsible for the final phase of studies before possible development of the "Dome Flore" oil field off Casamance, as well as for oil exploration on the mainland and off the coast. Finance is also being provided by the World Bank. ○

ZIMBABWE

"Zimcord" conference in Salisbury

A conference of aid donors working under the scheme to reconstruct and develop Zimbabwe (Zimcord) met in Salisbury on 24 and 25 March. A number of leading personalities were present at the opening session and made speeches, including Lord Soames, the British minister and governor of Zimbabwe prior to independence, Shridath Ramphal, secretary-general of the Commonwealth, Edem Kodjo, secretary-general of the OAU, EEC development commissioner Claude Cheysson, and representatives of Arab funds and Comecon. The conference was officially opened by Zimbabwe's Prime Minister, Robert Mugabe.

Among the 70 delegations present there were 45 countries, 10 international organizations and 15 specialized agencies of the UN.

Since independence a total of Z\$ 1 282 m (more than US\$ 2 000 m) has been pledged to Zimbabwe by the international community.



Dutch minister Jan de Koning, who currently chairs meetings of the EEC's development ministers, addressing the conference

EEC aid

The EEC has just approved the final tranche of projects for the 1980 programme of financial and technical aid to the non-associated developing countries, for an amount of ECU 14 500 000 (1). The whole sum is destined for the financing of six projects in Zimbabwe.



From left to right: deputy PM S.V. Muzenda, Prime Minister Robert Mugabe, economic planning minister Bernard Chidzero and foreign minister W.M. Mangwende

The financing of these programmes by the EEC will enable the government to execute, in the near future, a certain number of projects which meet urgent social and economic needs, and will prepare the efficient implementation of the Lomé Convention in Zimbabwe.

The six projects are essentially concerned with the rural sector and these are fully in accord with the objectives of EEC financial and technical cooperation.

The total cost of the projects is in the region of ECU 90 million (Z\$ 72 million).

The EEC's contribution represents 16%, with the United Kingdom contributing about ECU 34.0 million (about 38%) and Zimbabwe financing the balance of ECU 41.5 million (about 46%).

The six projects are grouped in three complementary areas of intervention:

- **development of production**
 - upgrading of abandoned land and intensive resettlement programme, ECU 4.0 m
 - reinforcement of national extension services, ECU 1.5 m

(1) ECU 1.00 = Z\$ 0.8.



President Banana welcoming Lord and Lady Soames

— social programmes

- rural training programme, ECU 3.0 m
- rural clinics, ECU 4.5 m

— preparation of new projects

Reinforcement of investment absorption capacity of the country:

- rural projects studies (preparation of projects for Lomé II), ECU 1.0 m
- technical assistance programme for the Ministry of Lands, Resettlement and Rural Development, ECU 0.5 m.

The financing agreements relating to these projects were signed by Claude Cheysson of the EEC Commission, responsible for development policy, on the occasion of the Zimbabwe Conference on Reconstruction and Development (Zimcord).

EEC aid for Zimbabwe

In 1980 the EEC gave Zimbabwe



Dutch Prime Minister Van Agt with his Zimbabwean opposite number, Robert Mugabe



The signing ceremony for EEC funds: development commissioner Claude Cheysson with Zimbabwe's finance minister, Enos Nkala

financial and food aid amounting to ECU 17 million (Z\$ 13.6 m) basically for the resettlement of refugees. To this amount must be added the EEC member states' bilateral aid, totalling ECU 43 million (Z\$ 34.4 million).

On 4 November 1980 Zimbabwe signed the second Lomé Convention. After final ratification Zimbabwe will thus become the 60th ACP state and will be a beneficiary under the financial and other instruments laid down in the Convention – notably relating to sugar and meat.

On 12 March 1981 the European Parliament adopted a resolution in which it "stresses the very special interest and the great political significance of the first enlargement of the second Lomé Convention, admitting the Republic of Zimbabwe." ○

EMERGENCY AND EXCEPTIONAL AID

Emergency aid for refugees and displaced persons in five African ACP countries: \$ 15.6 million (ECU 13 m)

The Commission has decided to send emergency aid amounting to ECU 13 m for refugees and displaced persons in Somalia, Zaire, Sudan, Nigeria and Uganda.

The decision has been made in response to requests made by affected countries and/or humanitarian organisations following a new and considerable influx of refugees from neighbouring countries and the displacement of people within a country itself (Uganda).

\$ 12 m will be contributed to Somalia, where the situation is particularly

critical; 900 000 refugees from Ogaden are estimated to be in camps, and more are arriving every day. The total number of refugees could be as high as 1.5 million. A recent EEC/USA mission reported that immediate provisions for new arrivals would cost in the region of \$ 158 m, of which \$ 97 m has been provided to date.

Zaire (\$ 1.8 m). 80 000 Ugandan refugees located near Aru (north-east Zaire) are in need of aid worth \$ 8 m.

Sudan (\$ 600 000). The number of Ugandan refugees has increased from 15 000 (at the end of 1980) to 35 000. On top of this, 8 000 refugees have crossed the border from Chad since last December. Their essential requirements are estimated to require \$ 9 m.

Nigeria (\$ 300 000). 12 000 refugees from Chad, placed in two camps, will need aid worth an estimated \$ 1.1 m during 1981.

Uganda (\$ 420 000). The International Red Cross is conducting a three month emergency programme costing \$ 450 000. It will be in aid of 35 000 displaced persons who have taken refuge in Catholic missions following recent troubles in the West Nile Province.

The aid, which includes a reserve of \$ 480 000, will be channelled through humanitarian organizations or the governments themselves.

The alarming deterioration of the situation in Africa, discussed at the International Conference on Assistance for Refugees in Africa (Geneva, 9-10 April 1981), has given rise to a spectacular increase in emergency programmes co-financed by the Community in recent years in Africa. Financial aid nearly quadrupled between 1979 and 1980, from \$ 11 m to \$ 42 m, while food aid has tripled from \$ 8 m to \$ 24 m (at world prices). Food aid now planned for the rest of 1981 has risen to \$ 19 m.

In total, emergency aid and food aid presently being sent for refugees in Africa has risen to \$ 68 m, that is to say more than half the emergency aid of the EEC for refugees throughout the world.

Exceptional aid under the Lomé Convention: ECU 550 000

The Commission has just decided to grant the following exceptional aid under the Lomé Convention:

Senegal: ECU 200 000

This aid is in response to a request from the government of Senegal for support with its livestock protection programme. The livestock is suffering from the effects of a serious drought.

Kenya: ECU 300 000

This sum, which is in addition to the ECU 1 200 000 granted in 1980, is

intended to help victims of the worsening drought.

Djibouti: ECU 50 000

This sum will be used to purchase essential supplies (tents, blankets, medicines, food, etc.) to help victims of serious floods.

Emergency aid to Guinea, Chad, Upper Volta and the Seychelles

The Commission has also voted to provide the following exceptional aid under the Lomé Convention.

Seychelles: ECU 40 000

The aid will be used to carry out preliminary reconstruction work following damage caused by torrential rain.

Guinea: ECU 50 000

The money will go towards the Guinean government's programme to combat the effects of severe drought and caterpillar infestation.

Chad: ECU 500 000

Following damage caused by the recent fighting, the Commission has decided, at the Chad government's request, to provide exceptional aid via Médecins Sans Frontières (ECU 100 000) and Action Internationale Contre la Faim (ECU 400 000).

Upper Volta: ECU 25 000

The aid will help pay for the emergency vaccination being carried out by the authorities following the outbreak of an epidemic of cerebro-spinal meningitis.

Exceptional aid for Malawi

The Commission has decided to grant Malawi exceptional aid of ECU 300 000 to help the authorities to cope with the sharp rise in the cost of fuel.

Fuel is at present having to be transported by road as torrential rain has damaged the railway lines.

Exceptional aid for Mali

The Commission has decided to grant immediate exceptional aid of ECU 200 000 to help the Mali government cope with the effects of the epidemic of cerebro-spinal meningitis now affecting the country.

Emergency food aid for Somalia: ECU 2 009 000

Following a proposal from the Commission, the Council has just decided to allocate Somalia 1 000 t of cereals as emergency food aid (from the 1980 programme reserve) to the value of ECU 2 009 000.

This allocation will be supplemented by 15 000 t of cereals of which 8 000 t has already been approved in advance, 3 500 t of milk powder and 1 500 t of butteroil, as provided for under the 1981 food aid programme, which was presented to the Council in February.

Somalia is at present having to cope with the problems of accommodating some 1 300 000 refugees from Ethiopia and also with the effects of yet another drought. ○

EEC-NGO COOPERATION

Five years of joint activities

The 7th annual assembly of European NGOs active in the field of development took place in Brussels from 1-3 April 1981. It was opened by Simone Veil, president of the European Parliament, and Claude Cheysson of the Commission.

About 80 NGO delegates from nine member states and representatives from the Commission services discussed project co-financing, development education, emergency aid and food aid, in the light of the fifth annual report (1980) established by the European Commission.

Co-financing of NGO projects 1976-1980

Since 1976, the EEC has offered assistance to European non-governmental organizations for the financing of micro-projects in the developing

countries and for public education work in Europe on Third World issues.

The co-financing scheme has had encouraging results and is now a firmly established part of the Community's overall development policy. A general review of the last five years of operation is included in the Commission's annual report: 693 micro-projects have been co-financed with 124 NGOs at an overall joint investment of ECU 125 m, of which one third has been provided by the EEC. This last figure effectively demonstrates the ability of NGOs to attract private and public donations.

The Community contribution cannot in principle exceed 50% of the total costs of a project, though in certain cases the amount may rise to 75%. ECU 81 000 was the average amount that the Commission contributed per project in 1980, while in 1976 the average figure was ECU 31 000 per project.

In its report the Commission calls for more resources in future to meet the great number of projects submitted. Requests exceeded by far the ECU 14 m available under the 1980 budget, with the result that projects had to be delayed or postponed.

Project selection

Over the last five years the Commission has assisted a vast range of operations roughly classified as follows: integrated rural development 30%, education and training 25%, and health 20%. Priority is given to those projects which aid the self-development of poor rural communities in the least developed countries.

Projects can be co-financed in all developing countries, whether asso-



Simone Veil, president of the European Parliament, with Brian McKeown, director of the Irish NGO Trocaire and chairman of the NGO liaison committee (centre) and the vice-chairman (left), Menotti Botazzi of the CCFD (France)

J.-L. DEBAIZE - CEE

**Summary in ECU by continent
of projects co-financed
from 1976 to 1980**

	Total of 4 years (1976 to 1979)	1980	Total
Africa	14 378 433	7 256 743	21 635 176
Asia	7 764 131	2 204 312	9 968 443
Central and Latin America	6 382 320	3 711 403	10 093 723
Middle East	780 998	816 960	1 597 958
Miscellaneous	32 506	—	32 506
	29 338 388	13 989 418	43 327 806

ciated to the Community or not. There has been an even balance between ACP countries and non-ACP countries. Africa has benefitted most from the scheme, absorbing 55 % of the total funds, followed by Asia with 25 % and Latin America, 20 %.

The principle beneficiary country was India, where projects involving a Community contribution of ECU 3.94 m were carried out; Senegal and Upper Volta follow with ECU 2.29 m and ECU 1.92 m respectively.

Development education in Europe

An important area of cooperation is the formation of public opinion in Europe on Third World issues. In 1978 discussions on the importance of the NGO's role in this field led to the first two development education projects being co-financed. In 1979, 17 projects were assisted and a further 14 in 1980. The programme's general aim is to inform public opinion on the interdependence of European economies with those of developing countries. Thus, on the whole, projects tend to concentrate on industrial and agricultural cooperation.

Emergency aid and food aid

In 1980 aid involving medicines, food, clothes, shelter and construction materials was supplied in 33 emergency operations throughout the developing countries under Community agreements with NGOs, including Cambodia and Algeria. The total amount involved was in the region of ECU 10 m.

Under the terms of the Community's 1980 food aid programme, the NGOs were granted 25 000 tonnes of skimmed milk powder and 1 000 tonnes of butteroil. Furthermore, NGOs were involved in the emergency food aid programmes of the European Community for African countries affected by drought and for the benefit of displaced

people (Djibouti, Ethiopia, Kenya, Somalia, Sudan and Uganda).

1 000 tonnes of sugar, 1 250 tonnes of butteroil and 5 450 tonnes of skimmed milk powder were also channelled through NGOs. The total value at world market price is ECU 22 m.

TRADE UNIONS

Federal Trust — Informing the unions about EEC-ACP cooperation and the Third World

The Federal Trust for Education and Research (1) was responsible for running a conference at the University of Nottingham from 3 to 5 April on development cooperation policies with non-industrialized countries, notably the ACP states.

Jim Skinner, the chief organizer of the conference, in which the Commission of the European Communities and the Economic and Social Committee took part, explained that it aimed at informing trade union circles about development cooperation problems so as to make them aware of the importance and advantages of economic relations between industrialized and developing countries.

It appears that the trade unions and certain elements of public opinion in the United Kingdom still regard ACP-EEC relations as a threat to their interests, mainly in the fields of trade and employment. These are the two most sensitive aspects of cooperation problems. Right from the start of the discussions it was clear how much criticism was being levelled at the Community's development policy by certain participants, who said that the non-industrial-

ized countries were in competition with the member states in crisis industries, such as textiles. This was the background against which the following two days' discussions were held.

The first speeches by Michael Laidler and Vincent Dowd, from the Commission, soon cooled the initial heat of the discussions and brought the problem down to size and more to the point — that it was in the interest of Europeans in general and the British in particular to keep up cooperation.

It was felt first of all that the politics and polemics of whether or not the United Kingdom should help the developing countries should be set aside, since they tended to polarize the discussions and led each participant to concentrate on his own views and lose sight of the essence of the matter. It was pointed out that the Treaty of Rome contained the basis on which the EEC's cooperation with the Third World was built and that the United Kingdom's accession to the Community in 1973 was also an important historical event, a cornerstone of that cooperation.

It emerged from this historical survey of the problem that the Community had a duty vis-à-vis the ACP states. However, the Community's activity in the ACP states and the Third World in general has more to do with caring for the economies of the member states themselves than with a sense of duty. This was the answer given by most of the participants when they were asked why the Community spends some \$ 3 000 m on development aid. They even added that they thought Community policy in the Third World was based on ideological principles and constituted an attempt to gain political influence, apart from being in their mutual economic interests, and often biased towards the member states, and was not motivated by any colonial guilt feelings.

Mr Laidler's talk made the participants realize that the Community was not financing industries that competed with those in the member states and that cooperation offered as many advantages for the Community as it did for the ACP states. Following this, the problem of development education was raised. The participants admitted that there was a dearth of information and that an effort was needed to understand and work out the needs of the developing countries before financing projects. It was pointed out that the Community could not possibly spend vast sums on "development" while famine was spreading throughout a large number of these countries. But this is a specious argument. Community aid is not a panacea and there are many causes of famine. Participants stressed that more account should be

(1) 12a Maddox Street, London W1R 9PL —
Tel.: 01-492 0727/9.

taken of the social problems in the aid-receiving countries.

In order to allay the anxieties expressed by the different participants, most of whom appeared in the end rather in favour of cooperation, Vincent Dowd talked about the instruments of ACP-EEC cooperation, the various procedures and joint action with NGOs.

He explained how participation in project selection by those responsible in the ACP countries had also increased. The fact remained, however, that the true priorities needed a thorough re-think, especially in the sphere of agriculture, and ways had to be sought to achieve the aims.

Aska Pilegaard, who was representing the Community's Economic and Social Committee at the conference, informed those present that the Committee would like to see the EEC and ACP partners turn more towards a form of development that would provide the population above all with food, health and education—all basic necessities for lasting progress.

This was also the wish expressed by other speakers, notably Trevor Stables, parliamentary assistant to Brian Keys, European Member of Parliament, and John Evans, a member of the European Trade Union Confederation in Brussels.

The latter also brought up the problem of ACP union contributions towards development objectives and improving the social situation of ACP workers. This is an issue which is not without interest but which involves many difficulties because of the role and even the status of the trades unions in the ACP states.

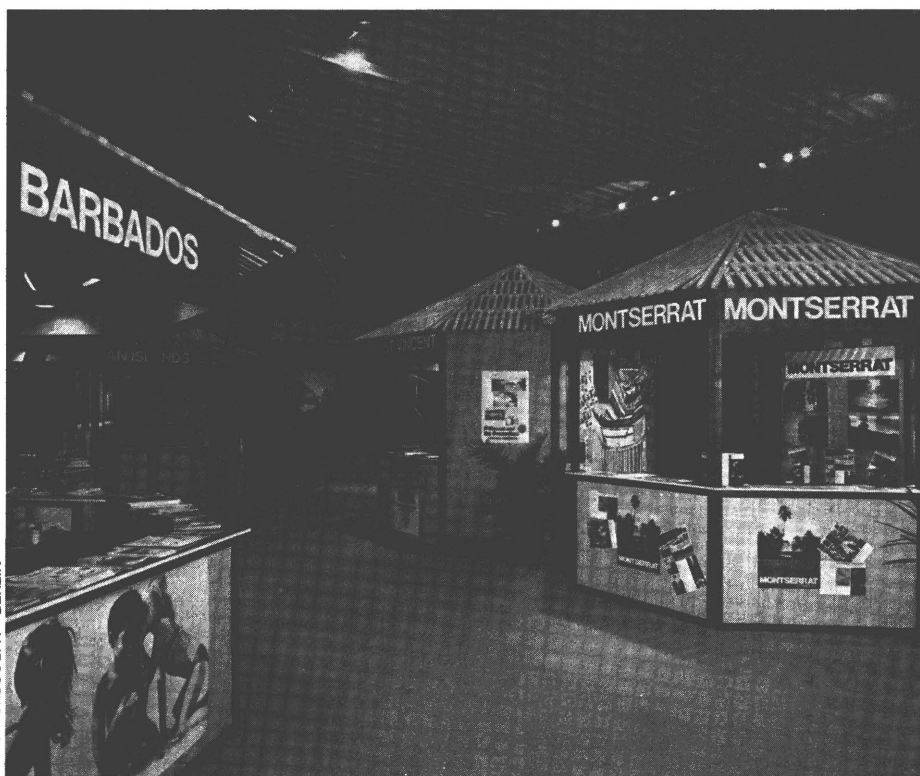
The Federal Trust conference did not deal only with ACP-EEC relations. There was also a very fruitful exchange of views on cyclical employment problems in the member states, especially in the United Kingdom where, as elsewhere, the structural crisis called for deep thought about ways of finding a solution. ○ L.P.

CARIBBEAN TOURISM

Berlin fair's Caribbean village

Joint Caribbean regional tourism promotion attained a new level of professionalism recently at one of the world's largest and most important travel fairs, the International Tourism Exchange (ITB) in Berlin, from 28 February to 6 March.

Exhibiting under the umbrella of the Caribbean Tourism Association (CTA), 18 individual CTA member countries—



The Caribbean village at the Berlin tourist fair

Anguilla, Aruba, Barbados, Bonaire, the Cayman Islands, Costa Rica, Curacao, Dominica, the Dominican Republic, Grenada, Haiti, Jamaica, Montserrat, Puerto Rico, St Kitts/Nevis, St Lucia, St Vincent and the Grenadines, the Turks and Caicos Islands—occupied 850 square metres of space and created a Caribbean microcosm that, because of its authenticity, attracted the attention of thousands of visitors to the ITB.

CTA's "Caribbean village" embodied the spirit, warmth and lifestyles of the people of the Caribbean. It was no surprise that the village, filled with thatched-roof huts, tropical plants, a waterfall and stream that flowed the length of the village, murals depicting the Caribbean countryside and exhibits of Caribbean arts and crafts, was acclaimed by Germany's leading travel trade publications as the best exhibit on the 15-acre exhibition grounds.

The village, among the five largest exhibits at the ITB, attracted the attention of major regional and national daily newspapers in Germany and won spots on television and radio broadcasts.

The joint participation of the 18 Caribbean countries was made possible through financial assistance from the EEC and the German government, in recognition of the importance of tourism to their economies.

Tourism is one of the major industries of the Caribbean and the top earner of foreign exchange in many of the countries.

Over its seven-day duration, the fair

was visited by over 13 000 members of the travel trade, an increase of 2 000 over last year.

Some 88% of exhibitors reported that they had made trade contacts from which business would follow.

The congresses, seminars and workshops that were part of the ITB programme were very well received by exhibitors.

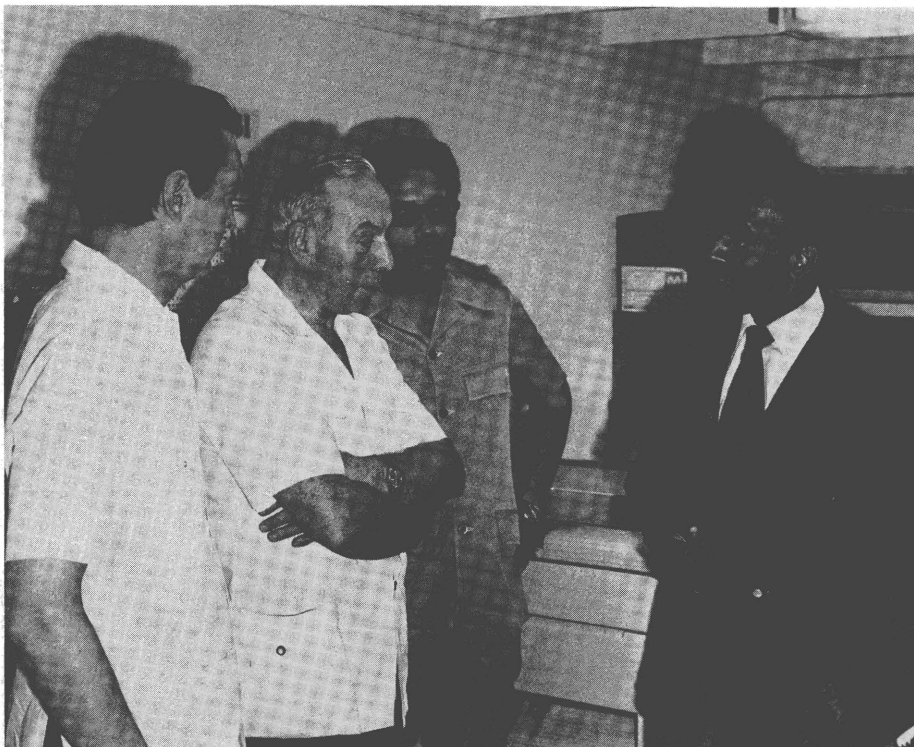
Of particular interest was the major workshop on tropical tourism problems in Central America and the Caribbean, which focussed on German consumer protection laws as they affect tourism to the region, and the possibilities of joint, coordinated promotional measures.

The CTA has already begun plans for a Caribbean village at ITB 1982, and hopes that it will be possible to have Caribbean entertainment in the village next year. The CTA also hopes that more of its member countries will exhibit in the village in 1982. ○

JAMAICA

The deputy director-general for development in the European Commission, Maurice Foley, met with Peter King, chief executive of the Jamaica National Export Corporation, in March to discuss the EEC's indicative aid programme for trade development.

The EEC team of delegates toured the facilities of JNEC and held discus-



EEC deputy director-general Maurice Foley (second left) with JNEC's chief executive Peter King (right)

sions with the deputy chief executive, Sadie Fraser, on the various EEC programmes.

Mr Foley expressed particular interest in the data bank, which he saw as a model for other developing countries. The data bank, the only one of its kind in the Caribbean, stores and compiles information on exports.

It is proposed that eventually the data bank be linked with a central data bank on ACP exports and raw materials based in Brussels.

The tour also included the newly established market research unit. The unit undertakes special market research assignments on behalf of exporters and manufacturers. Mr Foley hoped that through the unit Jamaica will develop and maintain valuable research skills instead of buying them from abroad.

Lomé I aid

Under Lomé I the Jamaican exporting community benefited from a range of disbursements. These included J\$ 450 000 for overseas missions and promotions, J\$ 62 000 for advertising and brochures, J\$ 80 000 for export development seminars, J\$ 180 000 for technical assistance in areas including fresh foods and institutional development, J\$ 80 000 for equipment and J\$ 2.2 m for financing of the Jamaica Export Trading Company (JETCO).

Under Lomé II it is planned that the exporting community will benefit to the value of J\$ 6 m. ○

MAURITIUS

Claude Cheysson meets the acting Prime Minister

Mr Claude Cheysson, the member of the European Commission with special responsibility for development, stopped off in Mauritius in March on his way from Zimbabwe, where he had been attending the Conference on Reconstruction and Development (Zimcord). He was en route to Madagascar, where he was to pay an official visit to President Didier Ratsiraka.

Mr Cheysson took advantage of this short stop in Port Louis to talk with the finance minister, Sir Veerasamy Ringuado, who was acting Prime Minister, and with the minister responsible for agriculture, natural resources and the environment, Sir Satcam Boolell, the external affairs minister, Sir Harold Walter and the planning and economic development minister, Sir Ruben Ghurhurrin.

Special financial aid

They discussed the Mauritian request for a special financial aid programme following the meeting in Paris last October of the consultative group for Mauritius, held under the auspices of the International Monetary Fund and the World Bank, and prior to the imminent arrival in Mauritius of a mission from the EEC to identify agricultural

projects. The Mauritian authorities also discussed with Mr Cheysson details of the problem of the shortfall of sugar exports from Mauritius to the EEC over the 1979/80 period and requested that the "force majeure" clause be invoked.

They also requested aid from the EEC in the form of flour supplies to help cope with the situation resulting from last year's exceptionally bad weather conditions, and EEC financing under the EDF's regional programme for a meeting of southern African ACP countries to discuss regional projects.

Mr Cheysson took note of the requests and promised a speedy reply.

Before leaving Mauritius, the commissioner spoke of the monetary, financial and economic difficulties facing the world today but pointed out that there had never been so much money in circulation (over \$ 120 000 m). At the same time, he added, many countries could not find the financing for their development projects.

Mr Cheysson also talked about the tragedy of hunger in the world.

○ RAJ GHURA

ZIMBABWE FAIR

The member states of the EEC had a single pavillion at the Zimbabwe International Trade Fair in Bulawayo from 27 April to 3 May, with an information desk manned by the European Commission.

A number of ACP states were also represented. The fair was opened by the EEC social affairs commissioner, Ivor Richard. ○

LOMÉ II RATIFICATION

On 17 April 1981 an EEC Council regulation came into force through which the trade exchange system of Lomé II was extended until 30 June 1981 for those ACP states that have not yet completed the ratification formalities of the Convention.

These entered into force on 1 January 1981 for the EEC and most of the ACP countries. Two states have not yet deposited the instruments; Nigeria and Mauritania. ○

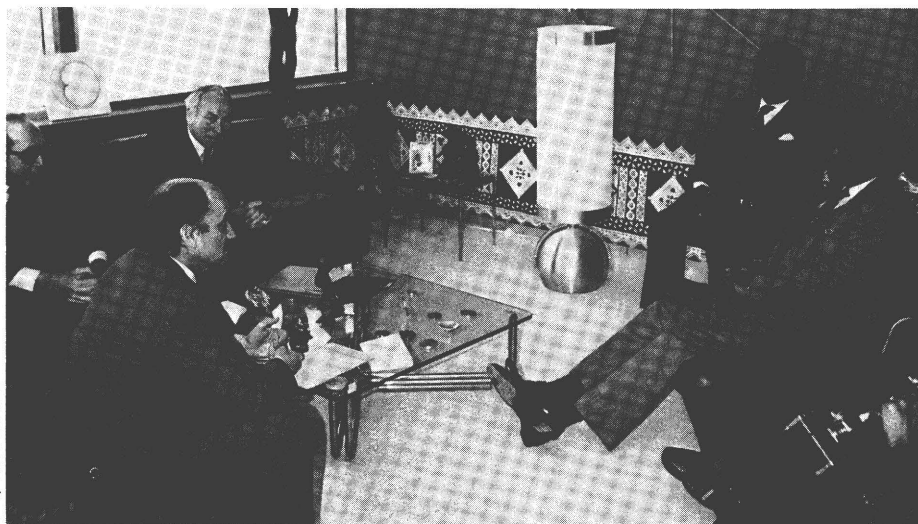
New delegates

	country	effective from
Niels Westerby	DK Israel	2-3-81
André Vanhaeverbeke	B Zimbabwe	10-3-81

GHANA

The vice-President of Ghana, Professor de Graft-Johnson, paid a visit to Belgium and Luxembourg in April dur-

ing which he had discussions with the European Commission, the European Investment Bank and the Belgian government. Among the issues discussed at the Commission were the Bui hydro-electric project and the Axim-Mpataba-Elubo road. He also addressed the ACP Council of Ministers at ACP house. ○



Ghana's vice-President, J.W. de Graft-Johnson (far right), during his visit to the Commission. With him are ambassador Wilmot, Maurice Foley and Claude Cheysson

GENERAL INFORMATION

North-South "global negotiations": when will they start?

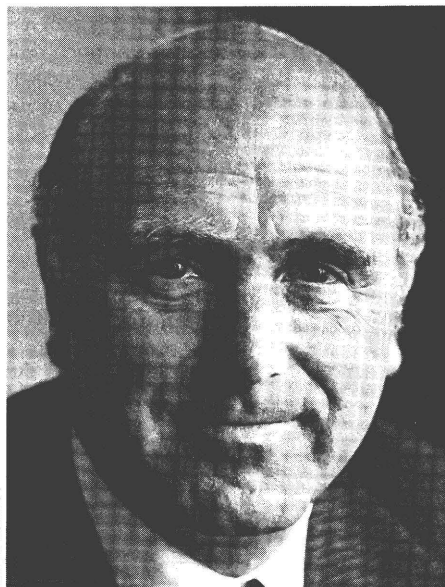
In the closing weeks of the 1970s, the developing countries called for a literal blockbuster of a conference with the industrialized world. After a decade of phrase-making, they wanted action to unblock the "North-South dialogue" and the "new international economic order".

At their Havana summit in 1979, the non-aligned nations proposed a "round of global negotiations" on international economic cooperation, and the intensification of economic and financial cooperation among developing countries. The latter will be discussed at a South-South dialogue in Caracas in May. The former, the global negotiations, are still being prepared, months after it was hoped they would start.

The current president of the UN General Assembly, Rudiger von Wechmar, has been vigorously trying to launch the global round by personal contact. He is optimistic that he will succeed before his term of office ends in September. However, even such a major UN conference cannot queue-barge its way onto the international calendar. Now that the global round participants are almost ready, and willing, to sit down together, they may find them-

selves playing musical chairs with other conferences and organizations trying to sit on a limited number of responsibilities, dates and even hotel rooms.

Mr von Wechmar sorted out the tangle for the *Courier* during his visit to the Netherlands on 1-3 April.



Rudiger von Wechmar

"A long-range restructuring of international economic relations"

Interview with the President of the UN General Assembly, Rudiger Von Wechmar

► *The global negotiations were supposed to have been launched by a UN special session last September, to start this January. Now it looks as though they may not start until next year. Where have the preparations got to?*

— The special session had to decide on a draft text for the rules of procedure for the global round and, on the surface, it collapsed because there was no agreement on those procedural papers. People forget that the special session never got around to the agenda. But the failure of the special session provided us with something helpful, and that is a shock. Everybody is now determined to make another more serious and more sustained effort.

After being elected president of the Assembly last September, my problem was that all the committees which had been working for the special session were over, so I had pick up from where we left off.

Now we have a virtual agreement on procedures and we have a large amount of agreement on the agenda. With a bit of energy, goodwill and luck we should be able to convene the General Assembly again to launch the global negotiations during the course of this summer—in other words, long before the next General Assembly comes into being, and long before the Mexico summit takes place in October.

We have an agenda that deals with the five major areas the General Assembly has agreed the global round should discuss: raw materials, trade, energy—for the first time in the UN context—development, and money and finance. The problems still lie, not surprisingly, in the areas of energy, on the one hand, and money and finance on the other. There are two opposing philosophies: the industrialized countries, in particular the EEC, Japan and some others, would like to have a very specific and detailed agenda as far as energy is concerned; while the developing countries, organized in the Group of 77, would very much like to have an equally specific and detailed agenda as far as money and finance is concerned. One answer could be to drop the demands for a very specific and detailed agenda, on both sides, and remain more general.

How to bridge this gap is one question we will have to deal with as soon as we resume, which we can't until the

end of April. Right now the Law of the Sea Conference is in session in New York and occupying all the facilities and the various conference rooms, etc. This is helpful, because the new American administration is reviewing its position and will not be ready, as they told me, until the end of April or early May. So for all practical purposes we could technically be ready to resume our discussions in New York early in May.

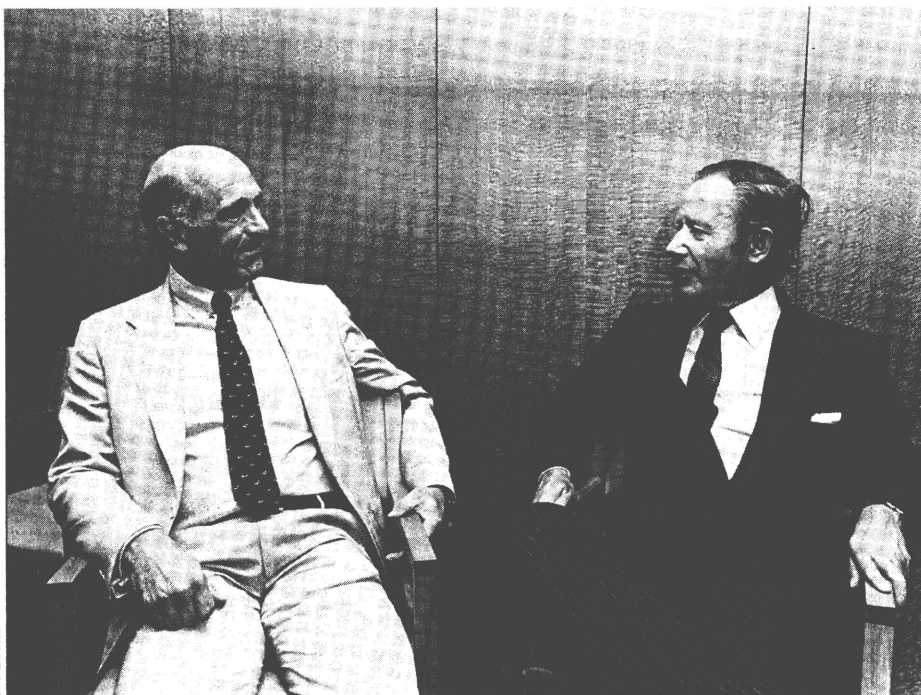
However, we might be compelled to call the Assembly into an emergency special session on Namibia if the Security Council meets at the end of April and there are a number of vetoes against the draft resolution on the sanctions. Soon after that, from 13-19 May, there is a meeting in Caracas of the developing countries on the South-South dialogue—economic cooperation between developing countries. This means that all the major players from the Group of 77 will be in Caracas rather than in New York, so again, because of technical difficulties, I will not be able to resume my work in New York.

But then in early June we could move into a negotiating phase in a meeting of all the member states of the United Nations, to be followed by a formal plenary session of the General Assembly to approve the two basic texts to start the global procedures and the agenda, introduced by what we call a "chapeau", or a preamble. The most optimistic view one could take is that sometime in July we could have the plenary session of the Assembly to launch the global round, which would then begin during the summer.

Much will depend on the position of the United States, but much will also depend on the position of the EEC, the Japanese, the Canadians, the Scandinavians and other industrialized countries that are interested in this exercise. In the last couple of weeks I have conducted bilateral consultations to find out from the various delegations what and where is their bottom line. How far are they prepared to go? This was not a very productive enterprise because at that time people were waiting for what the other side would say. So I think I am forced to bring everybody back to the conference table and simply confront them with the situation as it is. I am not a great believer in summitry, because the expectations are high and when the summit does not come up to them there is disappointment. I believe in multinational or multi-lateral diplomacy, or in bilateral diplomacy.

► *Can the Mexico summit be helpful as far as the global negotiations are concerned?*

— Yes, it can, by creating a political



Rudiger von Wechmar exchanging views with Gaston Thorn

impetus, or the often quoted and not too often respected "political will" of the major parties of North and South. What it will not, should not and could not be, under present circumstances, is a decision-taking summit—one that would, for instance, launch the global negotiations. This is something that the General Assembly will have to do. So there is a relation between the two exercises, but there is no institutional link. To give you one example, the president of the General Assembly, although he is very active in global negotiations, will not attend the summit. He has not been invited. He has nothing to represent there, not even as an observer.

► *Do you know what the heads of state will discuss in Mexico?*

— Not yet, because the agenda will be agreed by the foreign ministers of all participating countries a couple of weeks before the summit convenes.

► *These negotiations are described as "global". Out of 154 UN countries, how many will really be represented?*

— That's a very good question. I'm sure they will all be there at the opening of the meeting, and maybe for the first couple of days, but experience shows that when we come to more specific items then usually only a number of major countries actually participate, with others sitting on the sidelines or not participating at all. So what I assume will happen is that once the global conference is under way we will have pretty much the same pattern as we had in the past: that is, the Group of 77 on one side with their spokes-

men and their aides; the EEC, Japan, USA, Canada, Scandinavia and some of the southern European countries like Spain, Portugal, Turkey; the East European countries; and maybe there will be some special comment by OPEC, or oil-producing countries including those that are non-OPEC, as representation of the least developed countries.

► *How long are the global negotiations likely to last?*

— We have to distinguish between three major phases. We are now in phase one, the preparatory phase where we need two documents to get the conference started. The second phase, once the conference is under way, will be to define what is called "objectives and guidance", which means the mandate to be given to the specialized fora to report back to the conference on specific issues, which could later be wrapped up in a package agreement on measures to be taken. For instance, if you wish to deal with the subject of development at the conference you might want to hear from UNCTAD and from the World Bank, and maybe others; so you send out instructions, or objectives and guidance, to ask for their recommendations.

And phase three would then be the actual negotiating phase of the conference, at which the package of measures and solutions—or problems—will be put together. How long this will take is anybody's guess. My own view is that the original idea of defining the objectives and guidance within eight weeks is too short, and also that the original idea of being able to conduct

the business of the conference proper in something like eight months, from January to September, is too short:

► *Could the global round go on like the Law of the Sea Conference?*

— No. Not really. I mean, the Law of the Sea Conference has been going on for seven years now. But let me say this: I would not be worried or concerned if the global round takes a little longer than originally anticipated, because what we are dealing with is not something that is geared for, let's say, 1983 or '84. It is something that should be of value and still stand in 1990 or the year 2000.

So we are talking in terms of a long-range restructuring of international economic relations. I wouldn't worry about an additional month here or an additional week there.

► *While the conference has been under preparation the various specialized bodies, such as the IMF, GATT and UNCTAD, have been continuing their work, which necessarily covers the same sort of ground. How do you avoid stepping on their toes when you have a general conference like this?*

— By distinguishing between the short-term and medium-term measures that must be taken by these specialized fora and the long-term exercise of restructuring economic relations. Now, of course, it will be necessary for the IMF to take specific action on specific issues in the meantime. The interim committee of the IMF is meeting in Gabon in the second half of May. That is almost a routine meeting; it would have taken place even if there were no global negotiations. And they will have to do their business almost as usual, keeping in mind, however, that there will be a long-term framework developed by the global round.

On the other hand, once the global round is under way it will have to keep in mind that some specialized fora are active at the same time. This could have interesting side effects.

Coming back to what I used as an example, if you negotiate solutions for the problems of development in the global conference, if you send out objectives and guidance, for instance, to UNCTAD and the World Bank and get feedback from these two, you might run into a situation where you tell both of them: "Look, fellows, it's now May—of any given year—and I would like to have your response by August". You might get a reply saying: "Well, unfortunately we can't do this, because UNCTAD is meeting in June and July with another agenda, so we will only be able to turn to this at a later stage or else try to squeeze it in".

Therefore, in addition to the general questions that may be discussed by the global round and the specific items that may simultaneously be discussed by specialized fora, we might also have to take into account the different time schedules of the specialized fora.

But here again I would like to stress that I do not see any contradiction between the need for specialized fora to go on with their day-to-day business and the global conference to deal with matters in a global context.

► *From the experience of the last few years, many observers feel that UN conferences get bogged down because they are too big. This one seems to be the biggest of them all. Won't you get bogged down for the same reasons?*

— I think one must observe that, first of all, when big UN conferences did get bogged down, they also, at least on the sidelines, produced something that may not have been visible. But the exchange of arguments from both sides at past UN conferences was not too successful because we were going through a period of confrontation between East and West, and North and South, and in both cases this period is over. Now people sit down together more reasonably. The global negotiations are both a process and the machinery to achieve end results.

► *What outcome would you want from the global round for the main groups on both sides, North and South—for the least developed countries, for instance?*

— The whole global conference is meant to be, as the basic resolution says very clearly, one that should, in its results, favour the developing countries. It is the restructuring of international economic relations for development.

Nonetheless, although the developing countries should benefit more than others from the global round, there is at least a sizeable benefit and a mutual interest for the developed countries. To put it in a very simple way, if we can restructure our present international economic system, which is dated, and if we can add to the political decolonization the economic decolonization of the South, then we do both sides a favour.

We open markets for the developed countries in the developing world; we secure the development of the developing countries; and we also secure the flow of raw materials from developing countries to the industrialized countries. This perception of mutual interest is now much more recognizable in New York than it was two or three years ago. ○

Interview by B.T.

ENVIRONMENT

African countries sign environmental agreements

Sixteen coastal countries of West and Central Africa meeting in Abidjan unanimously approved a treaty at the end of March to protect their lengthy coastline and coastal waters from pollution.

They also agreed on a protocol committing them to cooperate in pollution emergencies such as a massive spill of oil or a toxic chemical.

Thirdly, they endorsed an action plan of environmental assessment and environmentally-sound development.

"An ambitious programme like this requires solid financing", declared Raimi O. Ojikutu, director of the environmental division of the Nigerian Federal Ministry of Housing and the Environment. "Nigeria has made a very substantial effort and I am happy to note that the other 15 governments present have also assumed their financial responsibilities".

The African states pledged \$ 2.5 million in 1982 and 1983 for a special regional trust fund, while the sponsor of the plenipotentiary conference, the United Nations Environment Programme (UNEP), promised \$ 1.4 million during the next three years, starting this year. Nigeria, the biggest country in the region, which stretches from Mauritania to Namibia, will contribute the largest single sum—around \$ 550 000.

Senegal pointed out that oil tankers sometimes clean their tanks in one country's territorial waters and, when spied, flee to safety in another's territorial waters. The 16 countries, several of which, like Gabon, the Ivory Coast and Senegal, were represented by cabinet ministers, then approved "a right of hot pursuit" resolution to allow naval vessels of one country to give chase to offending tankers in another's waters. Even if "hot pursuit" may not always prove feasible, the resolution does create a legal basis for catching tankers and may make oil tanker captains think twice before doing something illegal.

Signatories of the environmental treaty "recognize the threat to the marine and coastal environment, its ecological equilibrium, resources and legitimate uses posed by pollution and by the absence of an integration of an environmental dimension into the development process."

They also acknowledge "the need for cooperation in order to ensure sustainable, environmentally-sound development through a coordinated and comprehensive approach."

Six kinds of pollution are specifically mentioned in the treaty: discharge or dumping from ships, pollution from such land-based sources as industrial effluents, agricultural run-off and sewage, pollution from exploration and exploitation of the sea-bed and its sub-soil, atmospheric pollution, and coastal erosion. ○

CAD

West Germany's official aid raised

The OECD Development Assistance Committee (DAC) has welcomed the fact that official development assistance (ODA) from West Germany increased in 1979 by 30% in national currency.

ODA disbursements amounted to \$ 3 250 million, i.e. 0.44% of the GNP, compared with \$ 2 300 million in 1978, or 0.37% of the GNP. In 1980, ODA should stay at around 0.44% with disbursements of \$ 3 500 million.

The DAC further welcomed the important decisions taken by the German government to increase future ODA by at least double the rate of the Federal budget. The DAC urged the German authorities to try and bring the ODA up to 0.7% of the GNP in the foreseeable future.

The committee noted that the average financial terms of Germany hardened somewhat in 1979 and that the proportion of tied capital aid had increased a little (although the German share of tied aid still compared favourably with that of most other DAC donors).

Italy plans to increase public aid to 0.34% of GNP by 1983

The OECD's development aid committee has also been reviewing Italy's official aid policy. It has warmly congratulated the Italian authorities who, in a difficult economic situation, had adopted a new cooperation policy designed to increase assistance to developing countries substantially.

In 1979, net official development assistance from Italy had not exceeded \$ 273 million, i.e. 0.08% of GNP. By 1980, it had almost doubled to about \$ 600 million and 0.15% of GNP. Despite this considerable effort, Italy was still well below the DAC average.

For the years 1981 to 1983, the Italian authorities have announced their intention increasing development aid rapidly. They will endeavour to increase their assistance to 0.34% of GNP by 1983. The ultimate aim is to reach a level of 0.70% of GNP by the end of the decade. In accordance with this plan, requests for

new allocations of about \$ 1 000 m have been submitted to parliament for the year 1981.

The Italian authorities are planning to concentrate almost half the bilateral aid on low income countries. Special priority will be given to agriculture, food industry and energy programmes.

The Committee noted the importance for the Italian authorities of further strengthening their administrative capacity in order to utilize efficiently the increased resources which are to be at their disposal.

Apart from its official development assistance, Italy extends substantial export credits to developing countries. In 1979, net disbursements of officially financed or guaranteed export credits amounted to \$ 2 500 m. Total net official and private flows from Italy to developing countries amounted to \$ 4 000 m, equivalent to 1.25% of GNP. ○

COCOA

The EEC signs the new International Cocoa Agreement

The 10 EEC countries and the European Community itself, in the person of its head of delegation in Geneva, signed the new International Cocoa Agreement on 31 March at the UN's headquarters in New York.

In a communique afterwards the EEC stressed the importance which the new agreement could have for relations between developed and developing countries.

Apart from the EEC and its member countries some 16 countries had signed the agreement by that date. They were the USSR, Bulgaria, Czechoslovakia, Finland, Norway, Sweden, Switzerland, Nigeria, Ghana, Zaire, Cameroon, Venezuela, Ecuador, Mexico, Colombia and Papua New Guinea. ○

SEMINARS

Seminar on the North-South dialogue

A seminar, sponsored by the Friedrich Ebert Foundation, was held at ACP House on 9 April on the subject "North-South relations—the challenge of the 1980s".

Many prominent people took part, including the ex-Chancellor of Federal Germany, Willy Brandt, co-author of the Brandt Report, the Commonwealth secretary-general, Mr. Shridath Ramphal, numerous ACP ministers and

ambassadors who had attended the ACP-EEC Council the previous day, Klaus Meyer, director-general for development at the Commission of the European Communities, and his deputies Michel Hauswirth and Maurice Foley.

Mr. Monyake, the ambassador of Lesotho, who was chairing the first part of the seminar, declared at the outset that the world needed the North-South dialogue if it was going to solve the current economic problems facing it. He went on to say that certain people thought it was a dialogue of the deaf but that the North needed the South and the South was just as much in need of the North, for the world formed a whole, as did humanity. However, the present state of international relations does not encourage optimism.

Deteriorating international relations

According to Mr. Brandt, relations between blocs of countries have deteriorated, international life is tinged with militarism and this coincides with a worsening of the economic situation and deadlock in the global negotiations. It is to be feared that the developing countries might be drawn into the conflicts between the big powers.

However, in Mr. Brandt's view there is still a gleam of hope. The publication of the report brought forth a sympathetic reaction in many industrialized countries, particularly among young people. And some countries, such as the Federal Republic and Japan, have made an effort to increase their official development assistance. Also, an informal summit meeting will be held in Mexico City in October at which 24 heads of state will discuss problems raised by North-South relations.

In any case, it is becoming increas-



Ambassador Afolabi of Nigeria



From left to right: ACP secretary-general Thomas Okelo-Odongo, Commonwealth secretary-general Shridath Ramphal, ambassador Monyake of Lesotho and Willy Brandt

ingly urgent that a solution be found to the distressing situation in the Third World, which, according to Peter Afolabi, Nigeria's ambassador to Brussels, although it covers two thirds of the world's surface area, has only marginal control over a quarter of the world's riches. In his view, the African continent is a typical case which gives a perfect illustration of the difficulties facing the Third World. Twenty of the 30 least developed countries are in Africa. On the other hand, Africa has 97% of the world's chromium resources, 85% of platinum resources, 64% of manganese, 25% of uranium; it produces 70% of the world's cocoa, accounts for 20% of petroleum sales and so on.

Europe's contribution

The solutions are to be found in policies such as that underlying the Lomé Convention, as was explained by Mr Meyer of the Commission, and he stated that Europe's contribution to development must be maintained and stepped up. They are also to be found in increased financing for development programmes. The Commonwealth secretary-general, Mr Ramphal, said that, in his view, the Western banks would continue to play a large part in recycling capital in spite of the increasing importance of the Arab banks and, he added, they should be stepping up their activities in the developing countries. The IMF and the World Bank, too, should channel more funds to these countries.

Danger of protectionism

Lastly, the solutions are to be found in the abolition of all forms of protectionism, as was emphasized by Seydou

Diarra, Ivory Coast's ambassador to the Community.

This would have a favourable influence on the developing countries' economies and such development would benefit the industrialized countries as well. Mr Diarra said he thought the developed countries had derived benefit from continued economic growth in the developing countries both during and after the 1974/75 slump. He advocated the establishment of an international code of conduct on foreign trade. ○

CHINA

Emergency food aid

Following the Council's exchange of views on the subject on 17 March, the Commission has now presented a proposal for emergency food aid to the People's Republic of China. Under the proposal 2 000 tonnes of milk powder (1980 programme) and 8 000 tonnes of colza oil will be sent to the provinces of Hebei (suffering from the worst drought in 37 years) and Hubei (hit by the worst floods for 26 years).

The value of this aid at world prices is estimated at ECU 6.2 million.

UNDRO mission

A United Nations mission carried out under the aegis of the UNDRO (United Nations Disaster Relief Organization) has put the needs (1) of the Chinese people affected at over ECU 500 million. The Community contribution reflects its capacity for action, given the

(1) Medicines, blankets, clothing, 1 500 000 t of cereals, 75 000 t of soya, 10 000 t of edible oils, etc.

quantities of food aid it is supplying to other countries. ○

ECA

Seventh meeting of the conference of ministers

The Economic Commission for Africa (ECA) held its seventh conference of ministers in Freetown Sierra Leone, during April. The opening session was addressed by President Siaka Stevens, OAU secretary-general Edem Kodjo, ECA executive secretary Adebayo Adedeji and outgoing chairman Tekolla Dejene. President Stevens drew attention to the economic problems facing Africa, such as shortages of foreign exchange, mounting foreign debts, soaring oil import bills, increasing unemployment, the fall in food production, the increase in population and the general fall in living standards.

International global conference had not yet provided adequate solutions to Africa's socio-economic problems, he said, and in this context he called for the implementation of the Lagos plan of action at all levels by Africans themselves.

President Stevens said Africa did not lack funds for development nor markets for its products. A sound sense of direction was what was required, and intra-African cooperation was indispensable.

Lagos action plan

OAU secretary-general Edem Kodjo called on delegates to find effective ways and means to achieve the objectives of the Lagos action plan, otherwise economic and social conditions would worsen in Africa. Economic cooperation in the continent was crucial if they were to realize the goal of an African economic community by the year 2000 envisaged in the final act of the Lagos plan.

He said cooperation between the ECA and the OAU was very strong and there was also a great deal of helpful cooperation with the UN specialized agencies.

ECA executive secretary Adebayo Adedeji agreed that implementation of the Lagos plan, at all levels, was now the biggest of challenge facing Africa and this was why it was the main issue before the conference of ministers.

Mr Adedeji said both the Monrovia strategy for African development and the Lagos plan had been incorporated in the international development strategy for the third UN development decade. The Lagos plan was the means for achieving a fundamental restructuring of African economies, he said. ○

EUROPEAN COMMUNITY

European Council in Maastricht

A European summit was held in the Dutch town of Maastricht on 23 and 24 March. The Netherlands currently holds the EEC presidency. The 10 heads of government held discussions on the economic situation in the EEC, monetary policy, ways of reducing unemployment, industrial restructuring, particularly in the steel industry, agricultural prices and fishing. As is now the custom, the presidency draws up a summary of the discussions at the end of the meeting. The following text was released by the Dutch Prime Minister, Mr Van Agt.

"The European Council devoted a considerable part of its meeting to a detailed and searching review of the present state of the European Community.

"There was unanimous agreement that in the present difficult economic conditions the Community remains an essential achievement, and an indispensable instrument for limiting the effects of the recession and bringing about the return, on a sound and stable basis, of sustained economic growth and satisfactory levels of employment. To achieve this purpose and reduce the level of inflation the European Council concluded that the continuation of prudent monetary policies, a healthy budgetary management and the reorientation of public and private expenditure in the direction of productive investment are major elements. The European Council expressed the view that the reinforcement of the economic structure of the member states requires an effort that must be maintained over a number of years and that short-term demand stimuli will turn out to be ineffective.

"The European Council welcomed the recent economic measures taken by the governments of some member countries.

"In the field of monetary policy, an intensification of the dialogue with the United States of America is desirable, in particular with a view to achieving a concerted attitude on monetary policy and interest rates. The European Council requested the Council (ministers of finance) to act accordingly and also to pursue its work with a view to making the best possible use of the mechanisms of the European Monetary System.

"High and divergent inflation rates are a threat both to the prospects of growth and to the economic and monetary cohesion of the Community. In this context, the European Council also discussed the effects caused by rigid systems of indexation of incomes and expressed the opinion that an adjust-

ment of such mechanisms should be considered.

"The high and rising rates of unemployment, especially among youth, are a cause of deep concern to the European Council. It was agreed that the fight against this evil should be conducted not only by the member states but also at the Community level. The basis requirement for a general turn for the better lies in the recovery of the employment situation in the private sector. A lasting improvement in this situation requires a structural reinforcement of the European economy through cost restraint and a rise in productive investments and productivity. The European Council considers that in the present situation intensive consultation with the social partners is of vital importance.

"In this context, the European Council recalled its earlier conclusion with regard to the joint Council of ministers of economic affairs, finance, social affairs and employment to consider general economic and social problems and in particular unemployment. It stressed its conviction that a thorough preparation of such a Council meeting is of the highest importance.

"The pursuit of a coherent energy policy remains of great importance for the reinforcement of the European economy. Reduction of dependence on imported oil and the utilisation of alternative fuels are vital to employment and the balance of payments.

"With regard to the future development of the Community, proposals on the restructuring of Community policies in accordance with the decisions taken on 30 May 1980 will be presented in time for consideration at the European Council's next meeting.

"The European Council has discussed the problems of fisheries. It expressed concern at the failure to reach agreement because of its effects on European integration and on those who work in the fisheries sector. It therefore invited the Council (ministers of fisheries) to meet this week to

resolve the problems.

"The European Council requested the Council (ministers of agriculture) to continue and to intensify its discussions on the proposals on agricultural prices and economies for 1981/82 with the will to reach agreement by 1 April 1981.

"The development of other Community policies remains an urgent task if the Community's viability is to be assured in the longer term and if the goals of economic convergence are to be reached.

"With regard to industry, coordinated efforts should be made to foster the development of high technology and innovative enterprises in order to increase the competitive strength of the European economy. Restructuring of industries should be allowed to proceed in an orderly fashion with due regard to the maintenance of conditions of fair competition and to the social aspects.

"Member states should refrain from engaging in a competitive escalation of state aid to industry which would, in the end, be self-defeating and destructive. In particular, the restructuring of the steel industry is a priority objective. The European Council supports all the elements of the conclusions of the Council (industry) on 3 March. It stresses particularly the need to maintain the unity of the market, by scaling down and gradually eliminating the state aid and by reducing less competitive capacities.

"The Community can further contribute to economic recovery by fully utilizing existing mechanisms for policy coordination and by ensuring that the existing funds and financial mechanisms contribute as much as possible to agreed social and economic objectives and the reduction of unemployment. Particular attention should be given in this context to the possibilities of providing advanced technological training and education for youth."

"The European Council believes that in so doing the European Community can successfully traverse the period of economic recession and contribute significantly to the return of more favourable conditions."

Agricultural prices

After the European Council the ministers of agriculture of the Ten met to discuss agricultural prices. Agreement was reached rapidly, allowing the new prices to be applied before the new agricultural season began for the first time since 1974. After the meeting Poul Dalsager, the commissioner responsible for agriculture, made the following statement.

"The cost of the price increases and other measures decided by the Council

can be borne within the 1981 budget and imply a growth in agricultural expenditure in 1982 which should be close to the rate of growth of the Community's own resources.

"The Commission is determined to preserve and improve the CAP, which remains a constant concern. Within the limits of its responsibilities the Commission will do everything it can to achieve a better control of agricultural production within the Community, taking into account the needs of the farming community as well as the existing budgetary constraints. Today's decision is consistent with those aims."

Fishing

Despite the hope expressed during the Maastricht summit that an agreement on EEC fishing policy could be reached, the ministers responsible for fishing, meeting rapidly on the heels of the heads of government in an attempt to break the deadlock, failed to reach agreement. The matter had to be put off until a further meeting.

Steel

The industry ministers also met at the end of March to discuss the crisis in the European steel industry. They adopted a resolution on measures to be taken. Essentially the resolution called for:

- the progressive elimination, within a deadline which has still to be settled, of all aids to the industry and to avoid all distortion of competition,
- the reduction of the Community's overall production,
- a policy of making equivalent reductions in any given company for any new production units which it sets up, so that overall output is not increased,
- any aid to the industry as a result of restructuring to be given within the limits of the preceding points.

The Council reaffirmed the special responsibilities of the Commission under the treaties in the fields of investment and competition, and welcomed the measures announced by the Commission for supervising pricing within the EEC.

The Council also accepted the need for parallel policies in the social field to take account of the restructuring of the steel industry.

In a press conference, Commission President Gaston Thorn said the Council had set out the stages whereby a coordination of policies could be achieved in the European steel industry. He said there was a need to act on internal price levels of steel products in the Community because of the difference, often as high as 20%, between European prices and those in America



EEC/CEE DEBAIZE

The traditional 'family photo' of the EEC heads of government and foreign ministers with the president and vice-president of the Commission

and Japan. Mr Thorn said, however, that he was more optimistic after the Council about the chances of reaching a common policy at the European level.

of the Fondation du Mérite Européen, François Visine. Mr von Hassel, a prominent German Christian Democrat, was formally chairman of both houses of the German parliament.

PRIZES

The Robert Schuman prize

The 1981 Robert Schuman prize has gone to Pierre Uri, the professor of economic science, for his efforts on behalf of European unification. The prize was awarded during a ceremony at the University of Bonn. Pierre Uri was a colleague of Jean Monnet and Robert Schuman at the time of the coal and steel community.

He was director-general of its High Authority from 1952 to 1959 and worked with Paul-Henri Spaak on drafting the Treaty of Rome. Among others who have received the prize, set up with 30 000 DM in 1966, are Gaston Thorn and Leo Tindemans.

European merit: Kai Uwe von Hassel

In the presence of Pierre Werner, Luxembourg's Prime Minister, the European merit gold medal was awarded to Kai Uwe von Hassel, by the chairman

Other presentations by the Foundation of European Merit and the Institute of Diplomatic Relations

A reception was held in the Bedford Hotel in Brussels on 27 March by the Institute of Diplomatic Relations at which François Visine, chairman of the European merit foundation and Emile van Huynegem, international chairman of the Institute of Diplomatic Relations, held a ceremony to confer European and international honours before a gathering of international civil servants, diplomats, and members of orders of chivalry, wearing their ceremonial dress.

Mr Visine, accompanied by Mr Florent Bonn, chairman of the Brussels branch of the foundation, presented the silver medal to Mr van Huynegem and the bronze medal to Mr Jacques Bois-sac, journalist and writer, for their work for European unification.

Mr Visine thanked Mr van Huynegem for agreeing to associate the institute with the foundation for the official pre-

NORTH-SOUTH

A global strategy for the Community

The European Commission has just adopted a communication to the Council which tries to define a global Community approach to the North-South negotiations.

It put forward proposals for policies or negotiating positions in most areas of economic relations between developed and developing countries under such headings as energy, financing development, food supplies, trade, and raw materials.

The document stresses the particular role that the Community can play in the current world economic crisis by adopting a common approach to the North-South talks.

Particular Community responsibilities

Because the crisis has gravely affected the economy of the industrialized world and also the developing world, where it has threatened the stability of a number of them, it was essential to find agreed solutions at the international level as a matter of urgency.

The strong threads of interdependence between the industrialized and developing countries, the Commission points out, means that the North-South negotiations play an important part in trying to bring about a collective effort. The Commission would like to see the Community take specific action from its side on energy, food supplies and financing, and in restructuring its own production.

In the particular field of energy, which the Commission regards as a priority, a strong solidarity of interest appears once the short-term situation is put aside, between the suppliers and users of energy.

The Commission therefore proposes that an international analysis be organized jointly between producers and consumers in order to reach a balance between supply and demand which will be compatible with the requirements of economic growth in the world economy. ○

TEXTILES

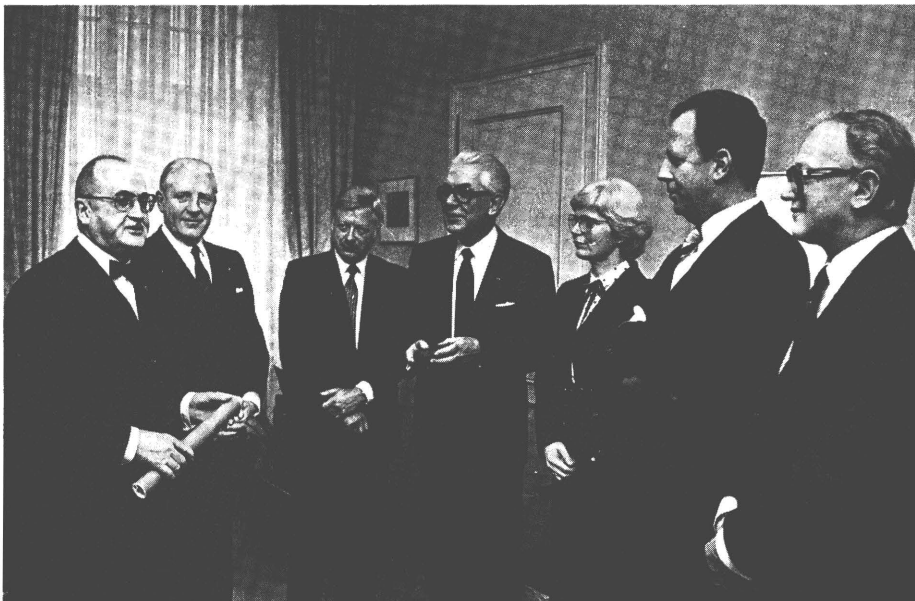
The Commission favours a new multifibre arrangement

The Commission of the European Communities considers that the multi-



EEC/CEE DEBAIZE

Jacques Boissac receiving his medal from François Visine. On the left, Florent Bønn, Brussels chairman of the foundation and Emile van Huynegem; right, Professor Charles Sibenaler



François Visine (left) presenting the medal to Kai Uwe von Hassel (centre). Next to Mr Visine are Luxembourg Prime Minister Pierre Werner, Federal German ambassador Günter Knackstedt, Mrs von Hassel, Luxembourg finance minister Jacques Santer and Euro-MP Nicolaus Estgen

sensation of the awards. Mr van Huynegem presented the trophy and the 1981 international prize for diplomatic relations on behalf of this institution; he also presented diplomas to honorary members and congratulatory medals.

The trophy and the 1981 diplomatic relations prize were awarded to Houphoet-Boigny, President of the Ivory Coast, for his actions to promote peace and cooperation among the peoples of the world.

The awards were accepted by the Ivory Coast ambassador to Brussels, Seydou Diarra, on behalf of the President.

A diploma of honorary member of the institute of diplomatic relations was

awarded to President Anwar El Sadat of Egypt, and accepted on his behalf by Mounir Zahran, of the Egyptian embassy.

President Abdou Diouf of Senegal, represented by his ambassador Seydina Oumar Sy, and Sir Seewoosagur Ramgoolam, Prime Minister of Mauritius, represented by the ambassador Raymond Chasle, also received honorary members' diplomas.

At the same time Roger Vandekerckhove, vice-president of the Institute of Diplomatic Relations, François Visine, Jacques Boissac and Jesus Gutierrez, the artist, accepted congratulatory medals and diplomas from the institute. ○

fibre arrangement (MFA), which is due to expire at the end of this year, should be extended for five years to allow the Community's textile industry to continue the process of restructuring and conversion, while at the same time taking account of the interests of exporting countries, particularly the poorest developing countries. Accordingly, the Commission has adopted a communication to the Council proposing that it be given a mandate to negotiate such an extension on behalf of the Community.

Two earlier proposals

Two earlier Commission proposals on textile trade policy were submitted to the Council in March.

The first deals with imports from various Mediterranean countries which have preferential agreements with the Community, and is intended to replace the informal arrangements with those countries, which expire at the end of the year, by a system of administrative cooperation. This would allow for preferential growth of Mediterranean textile exports to the Community, while any surge in exports likely to disturb the Community markets would trigger consultations to enable an amicable solution to be sought.

The second Commission proposal would harmonize national rules on outward processing trade in textiles, i.e. the temporary exportation of textile products to be worked outside the Community, followed by re-importation of the finished products. Such an arrangement would both boost Community exports of semi-finished products and contribute to the industrialization of the developing countries.

The Commission's view is that the textile trade policy should be backed up by a coherent internal policy designed to achieve the successful restructuring of the Community industry.

The need for a new MFA

In view of the general economic climate and the situation of the textile industry, the Commission is proposing that the MFA be extended for a further five years.

It also thinks the Community should continue its system of bilateral voluntary restraint agreements with supplying countries.

The Commission is also advocating differential export growth rates for low-cost supplying countries, to reflect their level of development. This would make it possible to stabilize imports from the more advanced suppliers and thus give more generous treatment to less-developed countries.

The outward processing arrange-

ments could also be used as an instrument of trade policy and industrial cooperation with textile-exporting developing countries.

Again, the Commission is proposing that the Community seek better access to the markets of the more advanced developing countries and the state-trading countries.

The Commission takes the view that the development of textile industries in the developing countries should contribute to the raising of local living standards, and feels that this principle should be acknowledged in the field of international trade in textiles. ○

ENVIRONMENT

An action plan for the Mediterranean

At an intergovernmental meeting of the states bordering the Mediterranean, the Commission has just proposed that its contribution to the action plan for the protection of the Mediterranean against pollution be stepped up.

The action plan for the Mediterranean was adopted in Barcelona in 1975 by an intergovernmental meeting of the countries bordering the Mediterranean.

All the littoral states (Albania excepted) and the European Community attended the action plan meetings. Apart from the Community itself, 15 states have already ratified the convention and several of the protocols. From the outset, the Community has taken part in this work and in addition to providing the benefit of its experience in this field it has also contributed financially, although only to a nominal extent (approximately ECU 30 000 a year, or 2.4 % of the action plan budget).

UN role

The UN has hitherto funded 25 % of the action plan budget through its specialized agencies but, as announced some time ago, it has been obliged to reduce its commitment considerably, which threatens to affect the action plan adversely at the very time the various programmes are becoming operational.

It is the opinion of the Commission that the Community should increase its financial contribution for the following reasons:

— It would be politically regrettable if cooperation, which has hitherto been an undeniable success, should be impeded by financial problems.

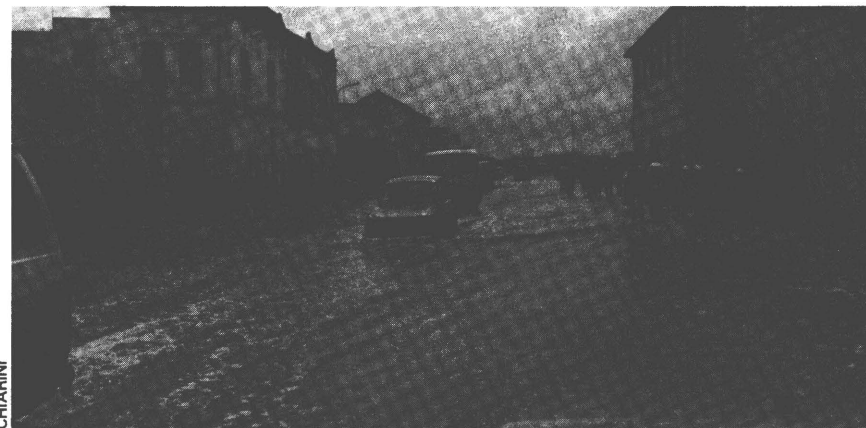
— The Community's Mediterranean seaboard is about 22 000 km long, which is more than half the total Community coastline (41 000 km), and with the accession of Spain this will be greater still.

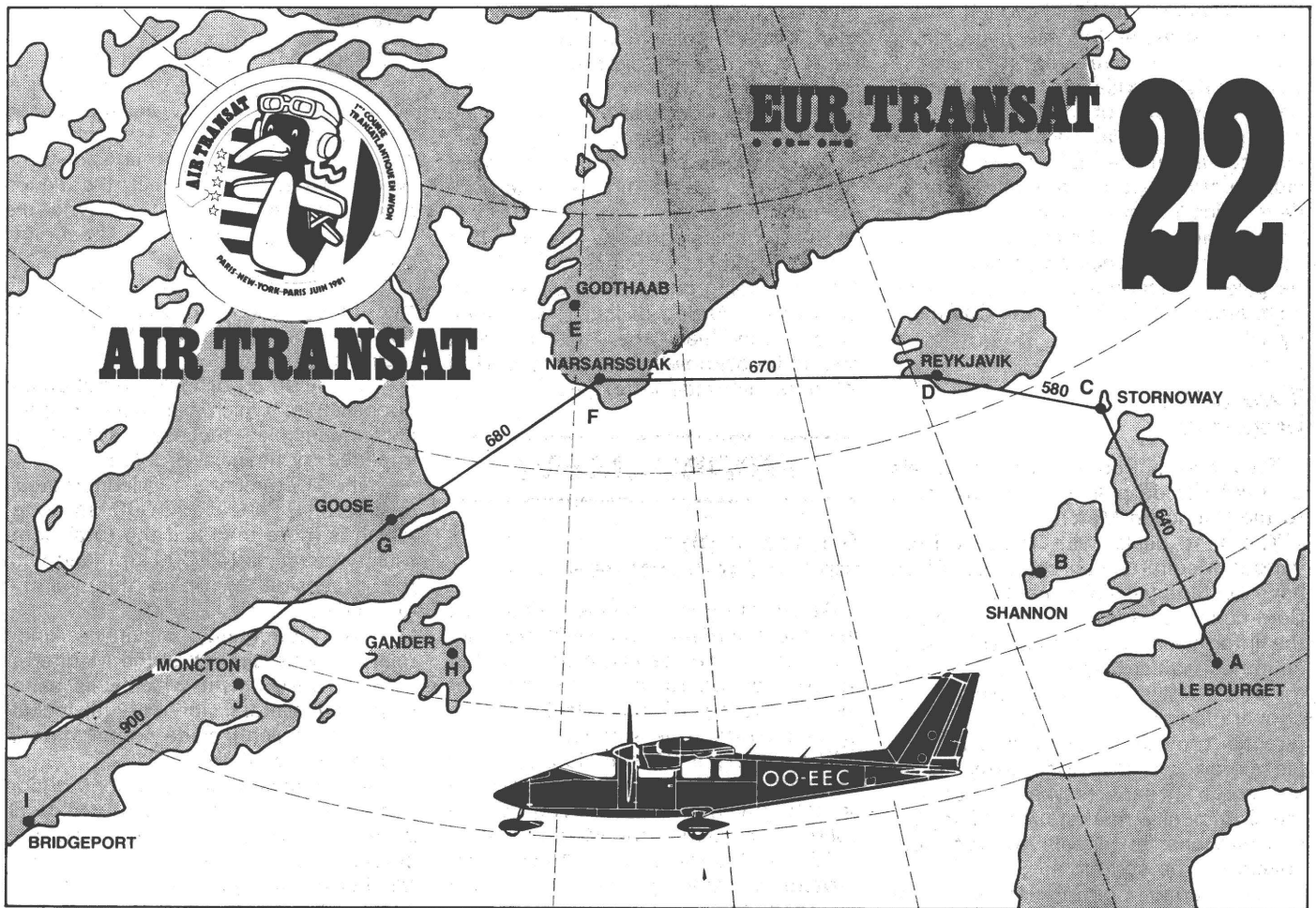
— The Community maintains good relations with almost all the Mediterranean countries with which it is associated by bilateral agreements, including those which include cooperation in environmental matters.

— An increased financial contribution from the Community, which would still be very small in any case, would also emphasize the interest of the non-Mediterranean member states in preserving the Mediterranean, a sea which for political, economic, cultural and touristic reasons is part of the heritage of Europe as a whole.

The Commission therefore proposes that as from 1982, subject to availability of funds and the Community's priorities at the time of drawing up the preliminary draft budget, a significant increase be made in the annual sum contributed by the Community to the action plan budget. ○

At the last minute we received this photo of the floods in Djibouti. Some 200 mm fell in 24 hours, a 10-year record (see page VII)





VAN PARYS

The two pilots, Herbert Allgeier and Elda Stifani

EUR TRANSAT

The Aero Club of the European Communities — a pilot's association of officials of the institutions of the European Communities — will participate in the first transatlantic air race, "Air Transat", with an all-European crew. The participation of the Aero Club is sponsored by Viscount Etienne Davignon, EEC Commissioner responsible for industrial affairs, energy, Euratom supply agency and research, and also by the Fondation du Merite European.

The European crew, whose entry under the name "EUR TRANSAT" has already been accepted by the organizers of the competition, is made up of Herbert Allgeier and of Elda Stifani.

They have chosen for their participation the twin engine P 68 C manufactured by Partenavia, Italy.

With this European participation, the Aero Club of the European Communities intends to draw the attention of all concerned, in particular pilots and manufactures, to the role which the EEC could play in the solution of a number of problems general aviation faces in Europe. Examples of these problems are: mutual recognition of licences and ratings, simplification of customs formalities, cooperation in air traffic control...

This is also in line with the aims set forth by the organizers of Air Transat, to promote general aviation and to improve the image of aviation with the general public.

The purpose of this initiative is to prepare a memorandum on general aviation, which would be submitted to the Commission of the European Communities and to the European Parliament. ○

Centre for
Industrial Development
(ACP-EEC Convention of Lomé)



Centre pour le
Développement Industriel
(Convention ACP-CEE de Lomé)

INDUSTRIAL OPPORTUNITIES

No. 20 — May 1981

EEC industrial partners wanted

BOTSWANA

The Ministry of Commerce & Industry of Botswana is looking for potential EEC joint-venture partners with the Botswana Development Corporation for the following projects: (currency in Pula. 1 Pula = 1 SA Rand or 1.2 US\$ or 2.3 DM).

Foundry

Ref. 81/21a

To produce the following castings: counterweight for tractors, manhole covers, castings for water supply, brake shoes for railways, fittings, pulleys, pots, etc.

Total cost of project 2 400 000 Pula; employment 74; location already selected; market mainly local.

Bottle factory

Ref. 81/22a

To supply local market, and particularly a brewery and liquor plant.

Local raw materials available and study in progress to determine viability of project. In anticipation that results of study will be positive, contacts with eventual joint-venture partners are requested.

Soap factory

Ref. 81/23a

To produce toilet soap and laundry soap. Total cost of project estimated at 4 950 000 Pula; employment 108. Location already selected, market local. Raw materials partly available locally.

Horn processing plant

Ref. 81/24a

To manufacture small items such as shoe horns, brooches, wall vases, forks and spoons, pendants, etc...

80-90 tons of horn per annum available from Botswana Meat Commission. Some local production of handicraft items, but proposed project is new plant to serve export market particularly South Africa and Kenya but also EEC and elsewhere.

Joint-venture partner would need to provide manufacturing and marketing expertise. Investment cost: 42 000 Pula. Location already selected, employment 17.

Ceramic tiles

Ref. 81/25a

Proposals are under consideration for either an industrial or pilot plant for wall tiles, and experimental plant for floor tiles and mosaics. The production of quicklime is also envisaged. Most raw materials are available locally; local market is about 50 000 m² of tiles per annum, whereas production would be 60 000 m² for pilot plant or 170 000 m² for industrial plant. Export markets envisaged in South Africa, Zambia, Zimbabwe, Lesotho and Swaziland.

An EEC technical/financial partner is required.

GHANA

Foundry

Ref. 81/26a

The Bank of Ghana is promoting the establishment of a foundry at Tema near Accra, where a steel mill already exists. The Bank is looking for an EEC technical partner who would be willing to make an equity contribution in the form of the supply of part of the machinery and equipment. The whole project is estimated to cost 28 million cedis (US\$ 10.2 m) and the EEC partner will be expected to control the day to day management. The final terms of investment are negotiable.

KENYA

Agricultural hand tools

Ref. 81/27a

A private Kenyan firm with paid capital of US\$ 1 000 000 specialising in the manufacture of wire products wishes to diversify into the manufacture of agricultural hand tools: hoes, picks and mattocks.

Inquiries are invited from EEC firms capable of providing technical know-how and assistance in the preparation of a feasibility study. Equity participation welcomed but not essential.

NIGERIA

Domestic plastic items

Ref. 81/28a

A Nigerian private firm manufacturing melamine plastic-ware, household plastic products (plates, cups, jugs, trap) for plastic gift items is looking for a technical/financial EEC partner to expand the firm to meet increasing demand.

Marketing is entirely domestic through department stores and local market traders.

Firm originally capitalised at 50 000 Naira recently increased to 300 000 Naira (1 Naira = 0.78 ECU; 1 US\$ = 1.4 ECU).

Enquiries are invited from interested EEC firms.

SUDAN

Agricultural tools

Ref. 81/29a

The Sudan Development Corporation and a Sudanese private company are looking for an EEC technical partner to set up a project for the production of agricultural tools and machinery.

The technical partner should be ready to participate in the financing of the study and to subscribe about 10% of the share-capital of the company to be set up.

The CID has some basic information on the development of agricultural machinery in Sudan.

GUINEA

Fertilizer plant

Ref. 81/30b

The Ministry of Industry of the People's Revolutionary Republic of Guinea is promoting a fertilizer plant project. The CID has been requested to assist with the first phase of the project, i.e. with the construction of a plant for the mixing and granulating of imported materials as well as of a bagging installation equipped with an operational storage and distribution system.

The P.R.R. of Guinea is looking for an EEC firm to carry out the study, follow-up the project and participate in the equity of the joint-venture to be set up.

Positions vacant in ACP countries

Zaire: Yeast factory general manager

A Zairian firm is looking for a general manager for its yeast factory. The candidate, preferably engineer in the fermentation industries, must at least have 5 years of experience in this field.

Working language will be French.

Contract of two years starting 1st July 1981.

Possibility for renewal.

Duty station: Kinshasa.

Basic salary: 100 000.— BF/month paid in Europe plus 5 000.— Zaire/month paid locally plus housing and other advantages.

Applicants should write to CID under reference: 4.ZAI.2.FOO.

CID work programme and budget for 1981

The ACP-EEC Committee on Industrial Cooperation, at its meeting in Brussels on March 18, 1981, has approved the 1981 work programme and budget of the CID. Total appropriations will be EUA 4.5 million, against only EUA 2.4 million in 1980, of which EUA 2.4 million will be for current operating and administrative expenditure, and EUA 2.1 million for programme expenditure.

New priorities under Lomé II

During the period 1981-84, the CID will reduce the variety

of activities as compared with Lomé I. Priority output areas will be:

(1) technical and managerial assistance and training for the rehabilitation, expansion and diversification of existing industries, and

(2) the implementation of new ACP-EEC industrial joint-venture enterprises.

Preference will be given to the development of small and medium-sized enterprises, and the identification and promotion of industrial opportunities in the least favoured ACP countries. Information service activities will be restricted to information requests related to specific industrial projects.

Programme expenditure

Programme expenditure allocations for 1981 are broken down as follows:

Industrial promotion — EUA 740 000

This chapter relates primarily to the establishment of industrial contacts and the identification of production potentials in the ACP countries, such as:

— field activities of the centre's "antennas" in the ACP states and the EEC;

— industrial production potential identification missions to the ACP states;

— two regional promotion seminars (Pacific, Caribbean), and two industrial sector meetings;

— travel incentive scheme for ACP and EEC industrialists;

— in-CID training programme on industrial promotion.

Studies and implementation assistance for new productive undertakings — EUA 800 000

Within this chapter, the CID will support in-depth studies for new industries, and practical implementation measures:

— co-financing of feasibility studies and market surveys;

— in-depth country production potential studies for LFC;

— planning of "industrial development enterprises" with high multiplier effect (e.g. metal working and engineering enterprises);

— assistance with implementation and start-up of industrial enterprises.

Press relations and the CID's information and promotional material, such as brochures, are also financed out of this chapter.

Technical operations and services — EUA 520 000

This chapter relates primarily to:

— assistance for the rehabilitation or expansion of existing ACP industries;

— the development of industrial profiles based on proven adapted technologies, and the implementation of several productions based on such technologies;

— in-plant training to help CID-assisted industries;

— organisation of the CID's technical library, country documentation and computer services.

New organization plan

As the new work programme will be directed more strongly to activities in the ACP countries, it has been necessary to change the organization of the CID, notably in creating a new division called **ACP industrial promotion** through which all contacts with individual ACP countries are channelled.

This division is supported by two specialised divisions:

— the **industrial studies division** will have undertaken all in-depth studies and will liaise with sources of finance and industrial know-how in the EEC;

— the **technical operations division** will support the rehabilitation and technical services, and training, and will organize the centre's documentation and computer services.

Implementation of 1981 budget

Although recruitment activities for new staff had already started in September 1980, only six new staff members had taken up appointment by 1 April 1981. Authorization for recruitment of additional staff was only given at the CIC meeting on 18 March 1981.

This means that the centre will be able to utilize a considerable part of the budgeted funds—starting with a heavy mission activity to generate new projects in the ACP states.

CID missions to ACP countries

In 1981, the CID will undertake 16 missions which will cover a total number of 43 ACP states. The purpose of these missions is:

- a. to establish closer contact with ACP government institutions and industrial development and financing organisations;
- b. to review existing, or to establish new, "antenna" arrangements for the purpose of strengthening the CID presence in the ACP countries;
- c. to follow-up CID-assisted industrial projects, and to identify possibilities for future CID-assistance both for the establishment of new enterprises, and the rehabilitation or expansion of existing industries.

The first seven missions will visit the following countries:

- Tanzania, Uganda, Kenya — May 3-15, 1981
- Barbados, Guyana, Surinam, Trinidad & Tobago — June 1-12, 1981
- Ivory Coast, Upper Volta, Benin — June 13-29, 1981
- Senegal, Gambia, Guinea Bissau — May 25-June 6, 1981
- Jamaica, Bahamas, Dominica, St. Lucia — June 15-27, 1981
- Ethiopia, Somalia, Sudan — 1st half of July, 1981
- Togo, Nigeria — 1st half of July, 1981

The CID's activities under Lomé II

Development of industrial enterprises

CID was created in 1977 by the Lomé Convention and has since assisted in providing the basis for several new ACP industrial enterprises now in production or under implementation. Also a number of existing ACP industries have been assisted with training and technical expertise. ACP and EEC industrialists have obtained joint-venture contacts and industrial information from the centre.

What are the CID's activities?

CID undertakes any action within its economic limits that can provide a catalytic effect towards the establishment, expansion and rehabilitation of an industrial enterprise in an ACP country. This may be through technical, economic analysis and marketing assistance to both individual entrepreneurs as well as to governments.

Most important, however, may be CID's role as a neutral and knowledgeable partner/mediator in creating joint-ventures between the ACP entrepreneurs/governments and EEC industrialists.

Type of industrial enterprises that CID may assist

CID may help (create) any viable industrial enterprise as long as it is in the national interest of an ACP country and as long as the request originates from an ACP party who is capable, and prepared to participate financially in the project.

The type of assistance provided may be with:

- joint-venture promotion and negotiation;
- techno-economic and market evaluations;
- manufacturing potential and feasibility studies;
- planning of industries specifically adapted to ACP countries;
- technical expertise for plant expansion and improvement;
- upgrading and training of workers and technicians;
- introduction to sources of finance.

CID provides assistance but cannot participate directly in financial investments.

Emphasis will be on: *creation of work places and on manufacturing value added.*

The centre concentrates its activities on the promotion of the less capital intensive investments and seeks to create work places at reasonably low costs. Such industries should provide to an ACP country a *high yearly manufacturing value added or foreign exchange saving per unit of investment.*

Small and medium size industries particularly need the assistance of an organization like the CID, the larger industries being usually equipped to manage on their own.

This assistance is, in the first instance, directed at helping the entrepreneur in the ACP country; however, help may also be given to the small EEC entrepreneur who does not have the capability himself to formulate a proposal, nor the capacity to actively implant his industry in a developing country.

Rehabilitation, expansion and improvement of industry

It is obvious that it is far easier, and usually cheaper, to create work places and additional manufacturing value added, if an existing ACP industry can be revived or expanded just by removing a few bottle-necks and still use the already basic invested resources in the form of initial installations, management, developed markets, etc.

CID may, in such cases, provide technical experts and specialized training in plants in EEC or ACP countries.

Engineering and development enterprises to support other industries

A high multiplier effect can be achieved with development enterprises which would either have a sectoral orientation, e.g. in the fields of metal or wood working, or be integrated e.g. as rural industrial development enterprises into specific regional or rural development programmes. The main function of such development industries would be to supply tools, parts and specialized repair and maintenance facilities and, not the least, engineering services to facilitate the creation of expansion of local small industries, eventually reducing the need to import know-how and equipment and creating an indigenous capability to establish new industries.

Such development industries normally require technical assistance for training beyond CID's means and therefore necessitate bi- or multilateral assistance. Simultaneous inputs from several EEC industries should be the basis for such multiproduct industries that may more easily attain viability.

ACP country studies for identification of new industrial opportunities

Besides emphasis on small and medium size industrial enterprises and on development enterprises, the centre gives priority to requests from the least favoured of the ACP states, i.e. the least developed, land-locked and island states. Therefore CID may effect special studies in these countries with industrial sector specialists trying to identify production potentials and propose plans for new enterprises.

Joint-venture contacts, promotion and industrial information

ACP production potential studies and CID's information service with a qualified inventory of EEC industries who have indicated their ACP interests, make a good basis for creating contacts between ACP and EEC partners.

The CID entertains requests at no cost for establishing contacts both from ACP entrepreneurs as well as from EEC industrialists.

Industrial information, e.g. on where to buy equipment, may also be provided free of charge. Entrepreneurs must, however, present their requests on letter-head paper and justify their need for assistance.

Adapted technology applied to ACP enterprises

An important aspect of the technical assistance provided by the centre is the adaptation of technologies and of industries to the needs of the ACP countries, both through specially designed and planned development projects, and through adaptation of industries from EEC to ACP countries, including re-deployment of existing EEC industries.

A number of appropriate technologies that have already been tried out in developing countries, have been evaluated by the centre. Information on these technologies can be made available.

CID assistance in the implementation of industrial joint-ventures and new enterprises

The many obstacles to be overcome in implementing industrial enterprises in developing countries, may involve:

- specialist and management training;
- market development;
- equipment selection, etc.

and most important may be the creation of credibility between partners and elimination of misunderstandings through mediation by neutral intervention.

CID's own staff of industrial experts may assist in solving some of these problems; CID may also provide outside assistance from its many EEC industrialist contacts.

How to get CID assistance

CID assistance is best secured by ACP entrepreneurs associating themselves with local development institutions for industrial or rural development.

A serious request supported by a public or a semi-public institution may more easily get CID assistance and provide a better basis for locating EEC entrepreneurs willing to take the risk in an investment in one, for them, unknown ACP country.

Also, the ACP entrepreneurs and/or respective development institutions should be willing to commit themselves towards participation in costs for studies and in relevant follow-up.

If there is no sense of commitment on the ACP side it is difficult for the CID to justify work and expenses; such lack of commitment is most often reducing the chance for successful search for EEC partners.

It is equally important that *the EEC entrepreneurs* interested in investment in ACP countries have a *sense of commitment and willingness to take a risk*, although CID's participation in the negotiations may reduce such risk.

A QUICK RESPONSE

If you are interested in any of the items mentioned under "Industrial Opportunities", send us a letter or a telex quoting the reference and we will send you further information when it is available.

Please state your name and full address (on telexes), and inform us of your activities and your specific interest in the respective subject(s).

Address all correspondence to:

**Centre for Industrial Development
"Industrial Opportunities"
451, Avenue Georges Henri
1040 BRUSSELS
BELGIUM**

**Telex No. CDI 61427
Telephone (02) 735 80 73**

AFRICA

Keeping pace with economic development by air

Africa is said to be 200 years behind western Europe in its development. Imagine, therefore, the difficulties and pressures of living in the 20th century with the infrastructures of the 18th. As has been pointed out several times in these pages, the cost of driving roads and railways through Africa's jungles and rugged terrain is prohibitive.

To advocate greater emphasis on the development of air transport, on the other hand, would appear, at first sight, a crazy idea. Some would call it putting the cart before the horse.

Yet it has been established that, whereas travel by air is more costly to provide than any other form of transport in the Western industrialized world, the reverse is the case in Africa—a factor that has persuaded most analysts to believe that air transport holds the key to the maintenance of a reasonable pace of development in Africa, at least, until the first half of the next century when, it is hoped, the development of the continent's network of roads and railways will

reach a level that can sustain much more rapid economic growth.

Advantages

Air transport in Africa undeniably means better communication with isolated communities, better education, better distribution of food, goods and emergency aid in a drought- and famine-prone continent and faster evacuation of agricultural produce, especially perishable goods and (in the case of many countries) monocultures to domestic and international markets.

Three recent events drive home some of these points. In May 1977, when its imports were blocked at Dar-es-Salaam, Burundi, mounted big airfreight operations between the Tanzanian capital and Bujumbura, with international assistance, thus averting what many believed would have resulted in a collapse of its economy. Similarly, when the Tanzanian-Ugandan border was closed due to conflict in 1977, Air Rwanda acquired a Boeing 707 to transport coffee and tea, two of Rwanda's principal export crops, to Europe. It should be noted that before the establishment of this service, the only outlet for Rwanda's exports was by road through Uganda to the Kenyan port of Mombasa. There has, however, been nothing as spectacular and illustrative of the role of air transport in Africa as the air freight operation mounted in 1978 by UTA between Lyon in France and Kano in Nigeria. This followed serious congestion in the ports of Lagos and Port Harcourt. The operations, which amazed the airline industry, involved seven 747 flights per week, each carrying 32 000 tonnes of cargo for the Peugeot automobile assembly plant in Kaduna in northern Nigeria. Although the company found the exercise a viable one, the Nigerian authorities put a stop to it, anxious to ensure the full utilization and viability of the country's ports (which have since returned to normal) and railways.

Servicing an aircraft at Abidjan airport (Ivory Coast)



African airlines

The importance of air transport to Africa's development therefore cannot be under-estimated. Gone are criticisms of countries which founded national flag carriers merely for prestige. Time has proved them right. Virtually every African country now has a national airline of some sort, ranging from Gambia Airways, which was formed in 1964 specifically to provide complete ground services to transit aircraft but not operating any of its own, through national flag carriers from Nigeria Airways and Air Zaire to Air Afrique, which is jointly owned by 11 countries.

The role of these airlines has been to provide the services that big foreign airlines either ignore or cannot provide. For many countries, particularly the landlocked and large ones, the provision of domestic air services has become imperative. Indeed, it is in this area that interest in air transport is most marked in the continent. A country as small as Sierra Leone, for example, has two aircraft which, each week, link seven points within the country. The 1979 IATA world air transport statistics show that Ghana Airways had 3622 domestic aircraft departures that year, carrying 159 576 passengers and 105 tonnes of freight; Nigeria Airways 29 911 domestic aircraft departures with 352 210 passengers and 165 tonnes of freight. With 14 airports and 10 aircraft now at its disposal for internal flights, Nigeria Airways is believed to have one of the densest domestic air services in the world; Air Zaire had 10 332 domestic aircraft departures with 499 960 passengers and a high 12 796 tonnes of freight, confirming that the bigger a country is, the more popular domestic air transport becomes.

On the continental level, there is a tendency now for African airlines, in addition to providing few intercontinental services, to fly to more African cities. Air Afrique (1) is well known for these types of flight, although they are mainly to francophone member states.

All over the continent, projects of airport rehabilitation, extension and construction are under way, illustrating once again the premium African countries are placing on this form of transport.

Africa and the world air transport industry

Africa's share of world traffic has, as a result of this growing interest, increased considerably over the years. In 1978 it accounted for 5.2% of scheduled passenger flights, 3.3% of scheduled freight, 30% of domestic passengers and 4% of domestic freight. The rate of growth of international flights between 1968 and 1978 was 14%, as against the world average of 12%; that of domestic flights 12%, as against 6.8%. In 1979, a limited growth of 4.8% in passenger and nearly 9% in freight was recorded. Although figures are not yet available for 1980—the year most experts say was the worst in aviation history because of deregulation and recession in the United States and rising fuel costs: Africa appears to have held on, since its routes were unaffected by the competition and the fare-cutting war that ensued on the North Atlantic—competition which has resulted in the collapse of many airlines.

Obstacles

Euphoric as the above may sound, air transport in Africa is still in its infancy and faces enormous development problems. In spite of the nascent practice of African airlines to fly to destinations in the continent, Africa's internal network is inadequate and chaotic. More often, it is necessary to fly to

(1) Air Afrique was founded in 1961 by 11 francophone countries—Cameroon, Central African Republic, Congo, Ivory Coast, Benin, Gabon, Upper Volta, Mauritius, Niger, Senegal and Chad. Cameroon left in 1971, followed by Gabon in 1976. Togo has joined and it is understood that Sierra Leone has applied for membership.



The "Royal Swazi" aircraft. Air transport is of crucial importance to landlocked Swaziland

Europe or to wait for several days to have a connection from, say, a point in West Africa to another in East Africa. To go to Maputo, Salisbury and several other southern African cities, Johannesburg is sometimes the inevitable transit point. These are just a few of a multitude of oddities in air transport in Africa, in all cases, however, the reason is the same. Most of Africa's international traffic is carried by foreign airlines which are not only profit-oriented but also colonial in outlook, and they are hardly to blame for this; many African countries maintain heavy commercial links with their former colonial masters and it is logical for British and American carriers to prefer to fly to English-speaking countries and French and Portuguese carriers to francophone and lusophone countries—a pattern that can only be broken by economic development, as the Ivory Coast and Nigeria have proved. Both countries are now stop over points for airlines from the divide between francophone and anglophone countries because of their increasing commercial importance to businessmen in Europe and America. This trend, however, may be hamstrung by restrictions on landing rights, which some countries are now applying in order to protect their young airlines.

Foreign carriers are vital

Airlines need aircraft and airports, which in turn need finance and manpower. African countries possess none of these in appreciable levels. Over the years they have had to turn to established foreign carriers for assistance and support in operating their own airlines. This has taken three forms: allowing foreign airlines to acquire shares in theirs; leasing aircrafts from them; and handing over management to them.

The advantage is obvious. African airlines have not only saved money, they have acquired and are still acquiring the necessary experience and skill. Indeed the future of air transport in Africa appears to lie mainly in these types of partnership.

African countries, on the other hand, could take the Air Afrique example: that is an airline jointly owned by several countries but permitting each to found its own carriers and to have exclusive rights over its domestic flights. The fate of East African Airways may discourage many countries but the airline was viable before its collapse. If anything it shows that the greater the number of countries involved in an airline, the greater its chances of survival, as Air Afrique, again has proved.

Rising fuel cost and the high cost of airport construction are two obstacles that are bound to slacken the pace of air transport development in Africa in the coming years, although, for the latter, the readiness of banks and commercial institutions in the West to fund some of the projects is comforting. ○ AUGUSTINE OYOWE

ZIMBABWE

Changing more than an airline's name

by Captain Alan W. MORRIS (*)

The attainment of independence in Zimbabwe in April 1980 ushered in significant changes in general flying and in airline activities, domestically, regionally and internationally. Its most telling advantage has been the reintroduction of the national airline, Air Zimbabwe, into the African and international airline fold.

Prior to a sovereign and independent Zimbabwe, the airline, then known as Air Rhodesia, operated at a severely restricted level. But independence, far from merely returning it to a pre-sanctions stage, has seen it expand into a regionally important carrier.

Amalgamations, mergers and separations

In the historical context, Air Zimbabwe is the final result of a series of amalgamations, mergers and separations which began in the early 1930s.

At that time, an air transport commission was set up by the then Imperial Airways to advise the Southern Rhodesia government on the establishment of a uniform air service. It recommended the amalgamation of a number of smaller air organizations then operating throughout Northern and Southern Rhodesia (later to be known as Zambia and Zimbabwe respectively) and Nyasaland which, at its independence from Britain, changed its name to Malawi. Out of it emerged the Rhodesian and Nyasaland Airways, which continued to serve the three territories. With the outbreak of war in 1939, the embryonic RANA was transformed into a communications squadron by the Air Force.

In 1946, the basic structure was taken over by what was then known as Central African Airways, which was responsible to the three territorial governments. However, with the dissolution of the Central African Federation, CAA established three subsidiaries—Air Malawi, Air Rhodesia and Zambia Airways.

But the arrangement was not destined to last and in 1967 it came to an end, with all three airlines breaking away and serving their own territories. With the exception of the change of name to Air Rhodesia, all three airlines continue to operate as separate entities.

The advent of the Unilateral Declaration of Independence in 1965 saw the application of international sanctions against Rhodesia, though the airline, as Air Rhodesia, continued to function effectively, due mostly to high levels of managerial and technical skill. It maintained profitability throughout the years of sanctions and war and has gone into this, its first year of independence in Zimbabwe, in that same position.

From Air Rhodesia to Air Zimbabwe

In June 1979, the interim government preceding that of independence changed the name of the airline, by statute,

(*) Publicity superintendent, Air Zimbabwe.

from Air Rhodesia to Air Zimbabwe-Rhodesia, with the final transition to Air Zimbabwe occurring shortly before independence itself in April 1980.

Air Zimbabwe is a statutory body controlled by a board of directors appointed by, and responsible to, the minister of transport and power and is wholly owned by the government of Zimbabwe.

An efficient domestic network

Its domestic routes and services cover a countrywide network, linking the majority of the major centres on the commercial, industrial and tourist front as well as complementing and fitting into the national grid of road and rail facilities. Providing scheduled passenger and cargo services, it flies between Salisbury, Bulawayo, Gwelo, Fort Victoria, Buffalo Range, Kariba, Victoria Falls and the Wankie national park.

Services between the capital, Salisbury, and Bulawayo are primarily orientated to business and industry and account for the bulk of domestic traffic and passenger loads. Similarly, services to Gwelo, Fort Victoria and Buffalo Range accommodate a high degree of business activity, although tourism functions as an attraction, particularly in the case of Fort Victoria with Lake Kyle and the Kyle national park and the Great Zimbabwe ruins, from which the country takes its name.

"First link in a chain of developments"

The airline is heavily involved in the major national tourist network, which extends between Salisbury, as both a base and a terminus, and Victoria Falls, Lake Kariba and the Wankie national park. Tourist packages, internally under the Flame Lily scheme, and to neighbouring countries, are marketed with increasing economy and success.

Zimbabwe's tourist attractions in the wild are amongst the best in Africa. Lake Kariba is renowned for the variety of tourist facilities as well as its range of aquatic pursuits; Wankie national park is internationally recognised as having an extraordinarily well-stocked and well-managed game park, while Victoria Falls, one of the wonders of the world, is incomparable for its beauty and unspoiled surrounding, while offering the traveller comforts to international standards.

Much has been done to develop and improve the tourist industry based on these three areas. In addition, services to centres such as Kariba, Fort Victoria and Bulawayo, with their own overt tourist facilities, are also aids to the safari industry, which contributes directly to the national foreign currency coffers. Since independence, the recorded flow of both tourists and visitors from overseas and interregionally has been steadily spiralling upward. The airline is the first link in a chain of developments, many of them founded on Zimbabwe's broadly-based economy, which are already beginning to affect southern, central and eastern African regions.

Extending the regional air links

With the end of sanctions and hostilities, communications with neighbouring states expanded rapidly and continue to do so as the initial groundwork with regard to trade and tourism agreements begins to bear fruit.

In terms of services, passengers carried and cargo freighted, South Africa remains the busiest link in the southern African region. In conjunction with its partners, the airline

operates 20 services a week in each direction between Salisbury and Johannesburg and 11 between Bulawayo and Johannesburg, as well as nine weekly services between Victoria Falls and Johannesburg—direct or via Bulawayo. In addition, there are three weekly services between Salisbury and Durban.

Air Zimbabwe began operations into Lusaka in Zambia and Blantyre in Malawi early in 1980, with reciprocal services operated to Salisbury by the national carriers of those countries. By April 1981 the airline will also operate services to the Kenyan capital, Nairobi, while the national carrier, Kenyan Airways, already flies to Salisbury.

Based on traffic figures and taking into account pooled resources, the airline keeps a constant watching brief on new African markets. Having already negotiated the entry of Ethiopian Airways, Air Tanzania, LAM Mozambique Airlines, Royal Swazi Airways and Air Botswana service into Zimbabwe, the introduction of reciprocal services is under constant consideration. In the meantime, Air Zimbabwe's ground and technical staff are able to provide the full range of servicing requirements and handling expected of an international airline.

For the moment, the airline considers that it has only begun to enter the regional market. Its significance as a potential leader to other African airlines is well illustrated by the success it has already achieved on both regional and international routes. Based on human and technical resources within the airline itself and the potential of Zimbabwe as a well-developed capital of central Africa, the possibility of the airline acting as an axis around which further regional air transport development can occur is strong.

Winging away to Europe

Since April 1980, the airline has successfully operated non-stop services from Salisbury to London, beginning with a leased Boeing 707 jet. The twice-weekly service to London Gatwick is the first non-stop operation implemented between Zimbabwe and Europe. Its popularity led to the introduction of a third weekly service in December last year. This will be increased to four in May this year with the introduction of a stop en route in Frankfurt. Together with British Airway's twice-weekly Boeing 747 flights, Zimbabwe will soon have an almost daily air link with Europe.

Air freight in rapid expansion

As trade develops, Air Zimbabwe's cargo facilities have come to play an increasingly important role, to the advantage not only of Zimbabwe itself, but of neighbouring states also.

Imports and exports have climbed rapidly, as evidenced by an 81% increase in air freight between last year and the previous year. This has been achieved despite the natural restriction of operating narrow-bodied aircraft with their smaller holds and payloads and is represented by a cargo throughput of nearly 3.4 million kilograms, or an average of 277 tonnes a month. And with interline agreements, Air Zimbabwe is able to offer cargo carriage anywhere without changes of documentation.

Flying 707s as "a stop-gap"

The airline's fleet, based on a purely southern African regional network prior to independence, has been rapidly but carefully expanded since April 1980. At the time of independence it consisted of seven BAC Viscount 700 series aircraft and three Boeing 720s with a leased Boeing 707 320. However, the airline is now in the process of buying a further three Boeing 707 320s and it will relinquish the leased



Wankie airport. Air Zimbabwe contributes enormously to the development of the country's tourism

aircraft. A further 2 BAC Viscount 800 series aircraft have been added to the fleet recently.

The use of the narrow-bodied 707 is considered a stop-gap measure until such time as traffic flow develops and finance becomes available for the purchase of wide-bodied, long-haul jets. Plans based on similar thinking are being considered for the eventual introduction of short-haul jets as replacements to the Viscounts. A Douglas DC3 is also operated for both passenger and cargo services to the more remote and inaccessible parts of the country.

Turning efficient training into results

Training of the airline's crew, technical manpower and ancillary services personnel has always been of a high standard, made more so over the last 15 years by Zimbabwe's isolation from international facilities. Self-reliance in all training and servicing techniques has resulted in an inheritance of localized and purpose-suited skills based on a completely multi-racial programme, particularly in the engineering sphere. The value of internal training, begun across the board in 1962, is now seen in the airline having to contract out only 2% of its engineering and maintenance work to external sources.

Regularity factors too bear witness to the efficiency and effectiveness of engineering training translated into action. For many years Air Zimbabwe has enjoyed a regularity factor consistently above 90%, among the highest in the world of civil aviation.

Promoting regional air transport cooperation

Development since the end of 1980 in southern African regional planning is likely to involve Zimbabwe and the airline in broader cooperation in the general field of civil aviation.

At a ministerial committee meeting of the Southern African Transport and Communications Commission (a part of the Southern African Development Coordinating Commission) Zimbabwe was allotted the task of promoting cooperation in civil aviation between the nine member countries of the SADCC—Zimbabwe, Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania and Zambia.

The meeting held in Maputo, Mozambique, in January grouped projects into the areas of civil aviation, ports and associated transport systems, telecommunications and inter-regional transport. ○ A.W.M.

CARIBBEAN COMMUNITY

Civil aviation : a priority area of cooperation

The Caribbean Community (1) consists of a group of 12 English-speaking Caribbean countries which, on the basis of common economic experience and historical traditions, have decided to pool their resources for the purpose of the mutual development of their economies and peoples. Geographically, these countries stretch from Belize on the Caribbean coast of Central America in the north-west to Guyana on the South American continent in the south-east. Between these two extremities lie the chain of 10 islands which make up the rest of the Community—Antigua, Barbados, Dominica, Grenada, Jamaica, St Kitts/Nevis/Anguilla, St Lucia, Montserrat, St Vincent and Trinidad and Tobago.

The countries are separated by large expanses of water and vary considerably in size, population and levels of economic and constitutional development. Together, they have a total land area of some 100 000 square miles and a total population of 4.6 million.

In the context of such a vast spatial separateness of the countries involved, the conscious development of a vibrant and comprehensive transportation network is vital for the free exchange of goods and movement of peoples within the region. Over the years, the pursuit of a regional outlook to the transportation problem has been the basis of the Community's policy to foster intra-regional trade, increased employment opportunities (and growth in regional stock of technical expertise) and foreign exchange savings. By cooperating with each other in transportation, the countries of the Community have been able to avoid unnecessary duplication of services and to share the heavy investment costs involved in the provision of a transportation infrastructure.

Background to regional cooperation

The move to cooperate in the field of transportation in the Commonwealth Caribbean is almost as old as the history of the regional integration movement itself. As far back as 1948, the governments of Trinidad and Tobago, Jamaica, Barbados and the Leeward and Windward Islands inaugurated a regional shipping service which is still performing an effective service to Caribbean economies.

The immediate post-war period ushered into the Commonwealth Caribbean a new awareness on the part of peoples of the region of the vast advantages to be had in sharing and

pooling their limited resources in achieving specific goals. In those early days, the type of cooperative efforts which were practised were of a fairly loose nature and tended to be limited to such areas of common concern as higher education, labour and shipping. But at the same time, these budding processes of regional cooperation served as an important learning process for what was to follow later.

The first significant event to take place in the general movement towards cooperation and integration among the Caribbean countries was the establishment of the West Indies Federation in 1958, followed in 1968 by the formation of CARIFTA (The Caribbean Free Trade Area) which culminated in 1973 in the birth of the wider Caribbean Common Market (CARICOM).

Cooperation in transportation

The history of transport cooperation in the Commonwealth Caribbean centres around two main facets: shipping and air transportation. A regional approach to shipping had been forged since 1948, and in air transportation, the birth of British West Indian Airways during World War II was another visible manifestation of the cooperative approach.

The institutional framework

In its desire to coordinate on a joint basis all matters relating to transportation in the region under one central body, the supreme decision-making organ of the Community—the Conference of Heads of Governments of the Caribbean Community—set up, a standing committee of ministers responsible for transportation (SCMT) in 1976.

In general, this committee is responsible for the promotion of the harmonious development of the regional transport sector in keeping with the stated objectives of the Caribbean Community already enumerated above.

In matters relating to civil aviation, the standing committee is empowered to:

- promote consultation among members on the adoption of concrete measures to rationalize air freight rates and services within the Community as well as to and from the Community;
- promote consultation among members on the adoption of concrete measures to rationalise air passenger services within the Community as well as to and from the Community;
- make recommendations for the updating and standardization of the laws, regulations, procedures and practices relating to Civil Aviation within the Community;
- make recommendations for the establishment, maintenance and improvement of suitable training manpower requirements of the Community's aviation activity;

(1) This article is based on a study by the CARICOM Secretariat for the Intra-ACP Conference on Transport and Communications held in Bangui in June-July 1978.



A student pilot in a flight simulator at the Civil Aviation Training Institute in Trinidad and Tobago

- within its competence to cooperate as far as possible in harmonizing policies in international civil aviation, particularly of a technical nature, especially at ICAO and conference meetings;
- select the Community state which shall stand as the Community candidate for election to the Council of ICAO; and
- to provide a forum for the examination of the adequacy and efficiency of air transportation services affecting the Community as well as to and from the Community and to make recommendations in respect of these matters.

From the above list of objectives, it can be said that the standing committee, like other institutions of the Community, has a very important role to play in the integration exercise. The geography of the Community dictates that a comprehensive transportation network must form an important aspect in the total integration strategy.

In matters of civil aviation in the region, cooperation efforts have not been as far-reaching as those in maritime transport. But in many ways the problems of the air transport are similar to those of the maritime transport systems. For example, there is the problem of rational development of airports in the region in order to avoid over-capitalization and over-investment in airport infrastructure. Such matters can best be tackled effectively through joint approach on all fronts.

Prior to the establishment of the standing committee of ministers responsible for transportation, air transportation grew haphazardly through various ad hoc decisions taken by the member governments and conference of heads of government. Historically, the first air services in the region were provided by Britain in the late 1930s. As inter-island services began to develop with the rapid growth of tourism and the increased movement of Caribbean nationals during the late

'50s and early '60s, so too did the need for a larger provision of aviation resources.

Two factors have dominated the regional aviation affairs in the past—the search for a regional air carrier and the effective control of airline fares charged by carriers operating within, to and from the Community. Methods of ensuring a harmonious development and coordination of regional air transport policy have been the focus of attention of two regulatory and advisory agencies namely:

- Commonwealth Caribbean Advisory Committee on International Air Fares and Rates;
- Committee on Rationalisation of Passenger and Freight Transportation.

Air fares and rates committee

The role of the air fares and rates committee is to consider and make recommendations on all requests for changes in air fares to and from the Caribbean Community including intra-Caribbean fares and rates. There has been, in general, some measure of success in controlling rate increases by Community governments through the governments' control of the granting of air licences and the stipulation that economic justification should accompany all requests for fare increases. Where inadequate justification is made, the Committee has the authority to request additional information before making its recommendations to governments concerned.

A number of important and useful changes have occurred in Community air transport systems since the formation of the committee. For example, the committee has encouraged certain member states to review and amend their national legislation on bilateral agreements and against the background of general discussion and awareness of each other's problems, even to renegotiate some bilateral agreements. Another important aspect in the effectiveness of the committee is evidenced by the reduction in the scope for airlines to apply pressure on individual member governments as a result of action taken by other member governments.

It is now quite evident that air travel forms the predominant mode of passenger travel within the Community and hence there is a great need to ensure an efficient and regular passenger air transport service. Not only that, but in the area of freight movement, air transportation has acquired an increasing role in carriage of such goods as fruits and vegetables, which have a high spoilage rate. It is expected that as plans for increasing the agricultural and industrial potential of the Community bear further fruit, the importance of air transport will increase.

Rationalization of air transportation

In anticipation of this type of increased demand for both efficient passenger and air freight services in the region, the governments of the Community have seen the need to look at the wider question of rationalization of air transport services in the region. The committee on the rationalization of passenger and freight transportation in the Caribbean was specifically set up for this purpose. Already the region has seen some progress made with regard to the rationalization of freight carriers (but little progress with respect to passenger carriers) and cooperation agreements have included the sharing by national airlines like the British West Indian Airways (BWIA) and Leeward Island Air Transport (LIAT 1974) Ltd. of ground facilities, operational and administrative services.

During the West Indies Federation, attempts were made to make British West Indian Airways into a regional carrier. The

principal shareholder at the time was British Overseas Airways Corporation (BOAC) with Jamaica and Trinidad and Tobago acquiring minor shares. These efforts were not very successful and the airline was subsequently taken over by the government of Trinidad and Tobago to ensure continuation of service and to maintain jobs at home.

So far, the Community has made negligible headway in establishing a regional air carrier but efforts are being made to designate such a carrier. In the meantime, the Community is served mainly by foreign airline companies as British Airways, Air France, Air Canada, PanAm to name a few, together with a number of nationally owned airlines such as BWIA, Air Jamaica and International Caribbean Airways. The latter is based in Barbados. These airlines seek to stimulate the tourist trade along established routes which imply some competitiveness. The Leeward Island Air Transport (LIAT 1974) Ltd. which is jointly owned by the CARICOM governments operates the only inter-regional feeder service to the smaller territories. But LIAT has been dogged over the years by operational inefficiency and financial constraints which have conspired to reduce the standard of service of the airline and increase its indebtedness. After the demise of Court Line in 1974, a new company LIAT 1974 Ltd. was formed by Community Governments to ensure continuation of service to the Less Developed Countries (LDCs) and to prevent foreign airlines from exploiting the gap which would have developed in the absence of LIAT.

It was also deemed economically necessary to ensure the continued existence of Leeward Island Air Transport Corporation since all the countries which it served had established over the years thriving tourist industries which depended heavily on efficient and regular air link with the major international airports of the region.

The tourist industry was considered vital because of the job opportunities it created and the foreign exchange brought into the countries. There was need for regular and low-cost air transport to service the tourist industry in the absence of a regional air carrier. However, these national carriers have tended to suffer from time to time by severe operational, managerial and technical deficiencies. For example, LIAT (1974) Ltd. is seriously hampered by lack of night flying facilities in many of the smaller airports of the region. The problem of getting relevant intra-regional connections for travellers bound for the smaller islands has also created difficulties for the management of the intra-regional service.

Another pressing problem in the region is the need for a more rational development of airports. What has tended to take place is the growth of a number of international airports competing in the face of a sensitive tourist trade. In the absence of a regional airport development policy in the past, investment in airport infrastructure followed the tourist trade and led to some heavy investment in large commercial airports. It has been generally recognized that regional airport infrastructure should be more than adequate to handle the growth in passenger traffic generated but secondary bottlenecks, in the lack of competent technical and administrative personnel, could however develop.

The Civil Aviation Training Institute

In an effort to circumvent such problems, the Caribbean Civil Aviation Training Institute (CATI) was set up in Trinidad and Tobago with UNDP assistance. All members of the Caribbean Community with the exception of Dominica, Jamaica and St Vincent participate in the institute in addition

to five non-CARICOM governments (1). CATI's primary purpose is to train candidates from participating states in civil aviation disciplines such as air traffic service, pilot training, aircraft maintenance, avionics, aerodrome, fire and rescue service, airport management and aeronautical information service.

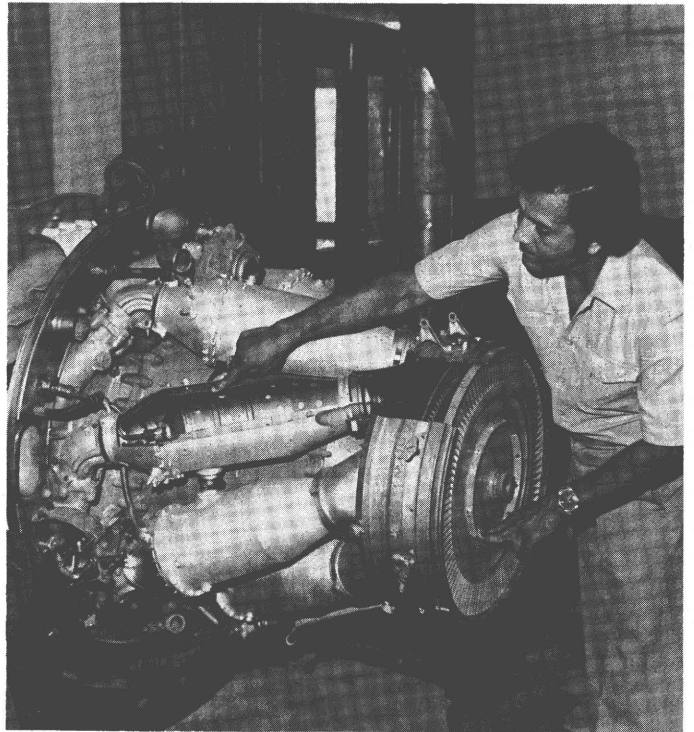
Conclusion

Much work still remains to be undertaken in the field of transportation and especially air transportation in the region, but there is little doubt that the move towards greater cooperation in this field, through the formation of the standing committee of ministers responsible for transportation, is a step in the right direction for the future economic growth of the region. The supply of adequate and efficient transportation hinges on every facet of regional development and the current efforts to stimulate intra-regional trade, and the renewed marketing drives which have been made to overseas markets for Community non-traditional products have served to present the transportation system in a new light.

Throughout the developing world, countries have seen the need to increase trade with each other, and the provision of adequate and efficient transportation is a necessary condition for the fulfilment of closer trading relations between nations. In the context of the external relations and trade policies of the Caribbean Community, the objective is to increase and create new avenues of trade with other developing countries. The Community desires to cooperate with other ACP states and groupings in seeking to develop vibrant sea and air links with each other. There is a growing need to diversify traditional patterns of trade and in so doing, account must be taken of the fact that no plan for industrial and agricultural cooperation will succeed unless due recognition is given to the trading and transportation requirements that will be generated. ○

(1) The Non-CARICOM governments are Surinam, Netherlands Antilles, British Virgin Islands, Turks and Caicos Islands and the Cayman Islands. It is hoped that the other Caribbean countries will subsequently join CATI.

An aircraft mechanic training at the Civil Aviation Training Institute



The South Pacific: a matter of survival

by Peter MORRELL (*)

Air transport plays a vital role in the economies of the islands in the South Pacific; almost all tourists arrive by air and tourism accounts for a significant percentage of foreign exchange earnings—as high as 30% for Fiji. For most countries in this part of the world, air transport is a matter of survival.

Historically, Fiji has assumed a dominant position in the South Pacific air transport system, being a convenient point at which to break the long trans-Pacific journey. Today, Fiji attracts around one third of the total visitor arrivals to the region, followed by Tahiti which accounts for 18% of arrivals and American Samoa which represents 12%.

Situated closer to Australia and New Zealand (under 2 000 km) than the USA (Los Angeles being almost 6 000 km away), Fiji is naturally more dependent on Australian and New Zealand tourists than American; for every 100 tourist arrivals in Fiji in 1979, 39 were from Australia, 24 from New Zealand and 20 from the USA and Canada. Tahiti lies almost equidistant from Australia and the USA and attracts around half its tourists from North America.

Only three islands have direct air service to mainland USA—Fiji, Tahiti and American Samoa. Of the other islands, only New Caledonia, Nauru, Solomons and Norfolk have through services to both Australia and New Zealand. Tonga and Western Samoa have direct links with New Zealand. Papua New Guinea has direct services to Australia, Hong Kong and Hawaii.

In the past year, new services have been introduced by Japanese Airlines and Air New Zealand between Auckland and Tokyo via Fiji, and Thai International have extended two of their three weekly DC-8 Manila flights to Noumea, planning eventually to go further to either Fiji and Tahiti or New Zealand. In late 1977 Lan Chile opened up the South American continent with a weekly B 707 service between Santiago, Papeete and Nadi.

Regional cooperation

The history of regional cooperation in the South Pacific is closely linked with the development of the major airline in the area, Air Pacific (previously Fiji Airways). Prior to the mid-1960s, the role of this airline was primarily to serve the long-haul trans-Pacific destinations of its three shareholders Qantas (Australia), TEAL (New Zealand) and BOAC (UK). In 1965, however, the Fiji government purchased 25% of the share capital, followed in 1968 by participation from the West Pacific High Commission and the government of Tonga (2% each).

Since 1974, the Fijians have gradually been increasing their stake, so that today they own three-quarters of the capital. Other countries in the region have retained a small share in the airline which gives them representation, if little say, in the running of the company. Last year the Fiji government

offered to take over the shareholdings of both Qantas and Air New Zealand, which would give them 94% of the equity.

It must be recognised that as Air Pacific has grown into what is effectively the Fiji national carrier, two airlines whose governments have shares in it—Polynesian Airlines and Air Nauru—have emerged as significant competitors on some routes.

In June 1978, the regional Civil Aviation Council of Ministers requested the South Pacific Bureau for Economic Co-operation (SPEC) to establish an association of regional airlines. The association was set up in 1979 with 11 founder members:

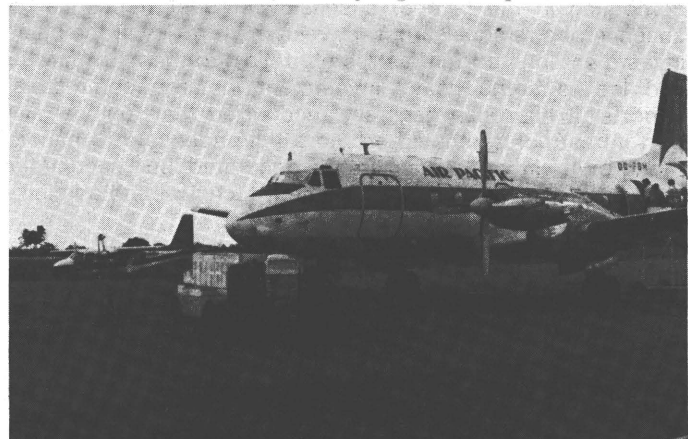
- Air Pacific (Fiji)
- Air Caledonia (New Caledonia)
- Air Melanesia (Vanuatu)
- Air Nauru (Nauru)
- Air Niugini (Papua New Guinea)
- Fiji Air (Fiji)
- Norfolk Island Airways (Norfolk Island)
- Polynesian Airlines (Western Samoa)
- Solair (Solomon Islands)
- South Pacific Island Airways (American Samoa)
- Talair (Papua New Guinea)

Air Pacific provides by far the greatest number of intra-regional services; regular jet connections are offered between Fiji and Vanuatu, Solomons, New Caledonia, Tonga, Western and American Samoa, including almost daily services to Brisbane and Auckland. Air Pacific's monopoly, however appears to be threatened in some of the markets in, third countries, particularly in the relatively attractive Tonga-Auckland market. Currently, Air Pacific flies three times a week, Polynesian Airlines (based in Western Samoa) three times and Air New Zealand twice. The Tongans are rumoured to be setting up their own airline.

Changes in the regional balance stem from both the emergence of local airlines with jet capacity and the change in New Zealand policy. Prior to 1978, when the Fijians initiated renegotiation of the Air Services Agreement between the two countries, the New Zealanders traded favourable traffic rights for their trans-Pacific service via Nadi for Tonga-Auckland rights which the Fijians needed for their Suva-Auckland service.

As time went on, however, New Zealand had less use for the Nadi stop-over, and the Fijians a greater need for non-stop Nadi-Auckland flights, and a more equitable agreement was signed.

Air Pacific: a symbol of regional cooperation



(*) Consultant in air transport economics and planning.

Another important regional airline is Air Nauru, which operates extensive services with an all-jet fleet of Boeing 727s and 737s. These low-fare, heavily subsidized services have not been greeted with much enthusiasm by the islands with their own developing airline, although others have recognised the opportunities for new services and increased airport revenues.

Air Pacific has grown considerably over the past 10 years in terms of both traffic and revenue. Passenger numbers, however, have hardly changed since 1973 because of increasing costs and fares and the transfer of some domestic routes to the domestic airline, Fiji Air. The average length of trip rose from 319 km in 1973/74 to 908 km last year.

Until their recent expansion, Polynesian Airlines experienced declining passenger numbers and stagnating traffic following the 1973 oil crisis. In 1978/79, however, passengers rose by 30% and traffic doubled as the average trip length increased by 70% to 584 km, reflecting the first year of a concerted marketing effort on the Apia-Tonga-Auckland route.

The general level of fares in the South Pacific lies somewhere between the high intra-European and the somewhat lower African levels; substantial variation exists, from the Air Nauru economy fare between Nauru and Suva of US¢ 7.4 per kilometre to US¢ 23.5 for the shorter distance of the Suva-Funafuti route.

The financial record of both Air Pacific and Polynesian Airlines has been poor. Air Pacific recorded an operating profit in only two out of the past eight years, and last year had a record loss of F\$ 1.6 million, faced with sharply escalating costs. Similarly, Polynesian has only made a profit in two out of the past seven years.

Almost half the total Nauru government budget for 1980/81 is to be spent on the expansion and development of Air Nauru (A\$ 29.4 million out of A\$ 59 million). Since it is thought that revenues are scarcely expected to cover fuel costs, it is likely that a large part of this sum is intended for operating cost subsidy.

Trans-Pacific services

Nadi airport, Fiji, has for the past 35 years provided an important staging post on the major trans-Pacific trunk route between the USA and Australia. In earlier days of travel, night stops were required, leading to the construction of hotels and the beginnings of a tourist industry. With jet aircraft, air travel became faster and more comfortable, but a stop enroute was still needed for refuelling.

More recently, however, the introduction of the Boeing 747SP by Pan American (and Qantas in 1981) which can fly non-stop between Sydney and Los Angeles with a full payload has resulted in a serious threat to the islands. The loss of stopover traffic, in the words of Mr B. Vunibobo, Fijian permanent secretary for tourism, transport and civil aviation, "has very serious effects on our tourist industry in the whole of the South Pacific and the viability of our aviation infrastructure".

The number of weekly flights between the USA and Fiji halved from 70 in 1972, with seven scheduled airlines, to 35 in 1974 with only five airlines; in 1981, three airlines served the island with only 14 flights a week.

Similarly, the number of weekly flights to American Samoa has dropped from 12 in 1972 to only 6 in 1981. At the same

Table 1
South Pacific visitor arrivals by air

	1979	1978	% change
Fiji	188 740	184 063	+ 3
Tahiti	100 126	93 223	+ 7
American Samoa	64 924	54 727	+19
New Caledonia	54 521	51 493	+ 6
Western Samoa	49 866	37 814	+32
Papua New Guinea	34 768	33 713	+ 3
Vanuatu	29 549	26 928	+10
Cook Islands	19 722	17 155	+15
Tonga	12 029	11 715	+ 3
TOTAL	564 445	519 694	+ 9

Source: Pacific Area Travel Association.

Table 2
Regional traffic

	Passengers		Passenger-kms (million)	
	Air Pacific	Polynesian	Air Pacific	Polynesian
1972/73	221 201	64 533	68.3	16.8
1973/74	265 508	75 815	84.8	23.1
1974/75	264 658	79 541	98.6	26.6
1975/76	259 676	72 995	120.7	24.1
1976/77	267 295	60 888	153.1	21.2
1977/78	282 777	72 031	198.1	24.8
1978/79	275 364	92 947	218.1	54.3
1979/80	272 448	n/a*	246.9	n/a

* Not available.

time the number of flights operated between Australia and New Zealand and the USA has increased from 74 to 78.

Pan American, in evidence to the US Civil Aeronautics Board investigation on the Pacific Islands Local Service in 1968, proposed a network of regional services which would give the major tourist markets access to the Pacific Islands. Other US carriers put forward similar plans but once permission was granted on the trunk routes the plans were quietly forgotten. Indeed, this year Pan American withdrew entirely from both their Nadi and Pago Pago stop-over points.

Tourism has suffered as a result, with a drop of 16% in US-Fiji traffic between 1976 and 1979, compared to an increase of 76% in the US-Australia market and 58% in the US-New Zealand market over the same period. Even traffic in the Australia-Fiji market has stagnated since 1978.

Outlook

A recent forecast published by the International Civil Aviation Organization (December 1980) showed the growth in traffic in the South Pacific slowing down from an average annual rate of 15% between 1968 and 1978 to 9% over the next decade. This forecast may prove optimistic if ICAO assumptions of continued economic growth and decline in real fares, albeit at lower rates than over the past decade, are not achieved. ○ P.M.

Aid from the Community

By the end of March this year, the European Community had committed ECU 62 473 million, ECU 19 252 m of it as soft loans, to meet ACP/OCT development priorities in the air transport sector.

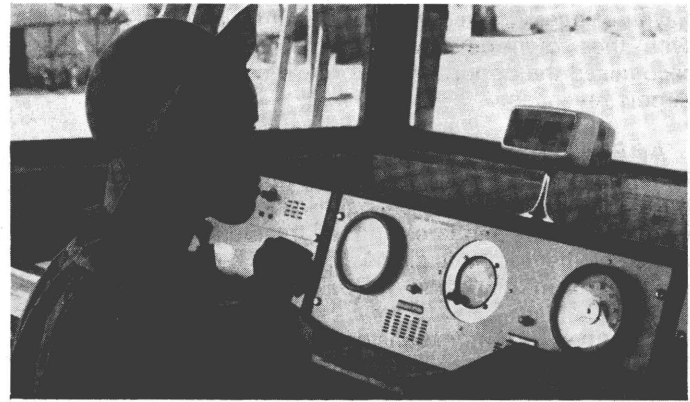
Most of the schemes were in islands or landlocked countries and figures for Lomé I (4th EDF) show that particular attention was paid to the Caribbean and the Pacific.

The Netherlands Antilles got the biggest share of Community commitments in the air sector, with ECU 23 667 m or 38% of the total.

The local government's decision to put priority on developing the tourist sector, through lack of alternatives, combined with the country's geographical situation (there are six islands in two groups more than 900 km apart), explains why four international airports, all able to cater for jumbo jets, are required—on Aruba, Curaçao, Bonaire and St. Martin. The EEC contribution to extending and developing these airports has been a significant factor in the country's recent and very promising tourist boom.

The Community contribution to the Caribbean Civil Aviation Training Institute shows how important air transport is to the economy of the region, and is part of the drive to maintain its acquired reputation as a high spot of international tourism.

The main idea in Africa has been to open up landlocked countries and regions, such as the Juba area in southern Sudan. ○ R.D.B.



Community aid in air transport has been concentrated on landlocked or island countries and territories; above, an air controller at Leabua Jonathan airport, Maseru, Lesotho; below, a trainee mechanic at the Caribbean Civil Aviation Training Institute



The Netherlands Antilles are the principal beneficiary of EEC aid in the field of air transport: photo shows the airport terminal building at Aruba, an EDF project



Summary of Community aid to ACP/OCT air transport as of 31 March 1981

	Recipient ACP/OCT	Commitment ('000 ECU)		Project	
		Grant	Soft loan		
1st EDF	Netherlands Antilles	3 361		Aruba air terminal	
	Central Africa	220		Berberati aerodrome	
2nd EDF	Netherlands Antilles	666	380	Improvements to Curaçao air terminal	
	Mali	8 692		Extensions to Curaçao air terminal	
	Mauritania	882		Bamako airport	
		75		Nouakchott airport Kaedi airport	
3rd EDF	Netherlands Antilles	1 209	4 000	Curaçao airport	
		2 151		Curaçao airport	
		4 008		Improvements to Bonaire air terminal	
	Mali	3 547		Bonaire landing strip	
	Mauritania	2 370		Completion of Bamako airport	
				Development of Kaedi airport	
4th EDF	Netherlands Antilles	40	7 292	Study of St Eustache airport	
		340		Economic & technical studies of St Martin airport	
				Extensions to St Martin airport	
	Belize			500	Belize international airport
	Cayman Islands			330	Reconstruction of Cayman Brac airport
	Central Africa	45			Study of extensions to Bangui airport
	Fiji			750	Landing strips
	Grenada	15			Study of Grenada airport
	Kiribati	258			Landing strips at Aranuka
		232			Landing strips at Tabiteuea south
	Lesotho	120			Technical assistance with civil aviation administration
		235			Assistance with management & training, Lesotho Airways Corporation
	Somalia	500			Study of Mogadishu airport
	Sudan	450			Study of Juba airport
		10 300		6 000	Juba airport Juba airport
	St Kitts	30			Study of air navigation facilities
	Turks & Caicos Islands	180			Air terminal for South Caicos airport
	Regional projects	60			Telecommunications expert to help with air navigation in the Indian Ocean
		160			Study of air navigation telecommunications in the Indian Ocean
		175			Study on the Leeward Islands Air Transport Company (LIAT), Caribbean
	600		Equipment for Tonga airport (Fiji, Western Samoa & Tonga)		
	2 300		Caribbean Civil Aviation Training Institute (CATI) on Trinidad & Tobago		
	Total	43 221	19 252		
	GRAND TOTAL		62 473		

Examples of EDF projects

Sudan: Juba airport

Adequate air transport links between the southern region of Sudan, served by Juba, and the rest of the country are of a high priority, since air transport offers the only means of fast and regular links over long distances (the distance between Juba and Khartoum: is 1 200 km). However, the airport in Juba faces serious problems: the runway is in a very bad condition and can no longer allow regular operations with Boeing 737s. In addition, the installations of the airport do not reach the necessary standard and affect the safety of airport operations. It is the purpose of the proposed project to construct a new runway, a small terminal hall and to provide the airport with adequate navigational aids and safety equipment.

The project cost (including supervision) is estimated at ECU 21 500 000 (exempt from tax) to be financed jointly by the Sudan and the EDF. The contribution of the EDF amounts to ECU 16 300 000, of which ECU 10 300 000 will be committed as a grant and ECU 6 000 000 as a loan on special terms.

The transport network of the Sudan has to satisfy two requirements:

- it has to link the regions at the periphery of the country to the economic centre of the Khartoum area. This is necessary to avoid increasing income disparities on a regional level and its social and political implications;
- it has to allow for transport to the seaports on the Red Sea, thus ensuring the continued participation of Sudan in international trade.

Because of the long distances to be bridged, major funds need to be invested in order to improve and coordinate the different transport modes. The present structure of the transport network can be outlined as follows:

- the railway system totals in length 4 760 km (single track, narrow gauge of 1.067 m). Its most important section links Port Sudan to Khartoum, which carries the bulk of total freight traffic;
- the road network (total length: 19 000 km), is relatively sparse and comprises some 1 500 km of bitumen roads, the rest being gravel roads, and earth tracks, being mostly impassable during the rainy season;
- transport on the River Nile, crossing the country, in a southerly-northerly direction is, because of rapids in the north and of navigational problems in the south, only possible between Karima-Dongola in the north (290 km) and on the Kosti-Malakal-Juba section (1 400 km) in the south.

It is evident that in view of the low density of the road network and the restricted capacity of rail and river transport, a special role falls to air traffic, which is in many cases the only practical means of transport, especially over long distances. The existing facilities for air traffic are as follows:

- the country has 16 airports which are used for scheduled flights. The busiest airports of the country are the interna-

tional airports of Khartoum, Port Sudan and Juba. In addition to the regularly serviced airports there are about 50 airfields, of which many are only suitable for light aircraft. Very few airports have asphalt runways, and the aeronautical communication and navigational equipment of many of the airstrips is either non-existent or of a low technical standard.

— Sudan Airways aircraft fleet consists of three Boeing 707, two Boeing 737 and four Fokker 27 aircraft. The availability of the fleet is not always sufficient; a lack of night-landing facilities on many airfields restricts the operating capacity of the aircraft fleet. Maintenance is up to required operational standards.

Reflecting the efforts to integrate the southern region into the economic life of the country, the government wants to develop a dependable air transport system which can cope with the expected increase in traffic. For this reason, Sudan has requested the World Bank to finance the improvement of the airports at Wau and Malakal. The European Communities have been asked to finance the improvement of Juba airport.

Apart from the scheduled domestic and international flights, the airport of Juba is used by general aviation aircraft, amounting to 2 557 movements in 1978. This traffic is generated by safari companies, aid missions and contractors and will continue to be a regular feature of Juba airport, as has been experienced in most countries of East and Central Africa.

Without the investment proposed under this project, Juba airport will not be able to continue operations on the same scale:

- the runway is in a very bad condition, and will completely fail within the next two years. In the absence of the proposed project a complete closure of the airport to Boeing 737 flights is inevitable. This would necessitate the use of less economic light aircraft, such as the Fokker 27. In view of the failures already encountered and of the structural weaknesses of the runway, reinforced patching of the runway is no feasible alternative;
- the existing facilities of the airport (navigational aids, control tower, communication equipment) are below ICAO standard and affect the safety of airport operations. Their improvement has become necessary.

The main purpose of the project is not to increase the airport's capacity, but to prevent its capacity from falling below the present level, in view of the failure of the runway. Furthermore, the proposed investment will also allow the gradual extension of airport operations at a much safer level. The project will be to the benefit of the southern communities since all official administrative work, foreign donor activities and private business in this area largely depend on an efficient air link to Juba.

The project directly benefits the airline, Sudan Airways, which can continue to use Juba airport with the more economical B737 aircraft, which will also have a bearing on the level of tariffs charged to the passengers. Although the bulk of air transport users are generally from the higher income bracket, the project will have an indirect benefit for the southern region and its population as a whole: reduced air transport costs and more transport capacity, generated by the project, will improve the accessibility of the region otherwise the area would be cutoff from the rest of the country and could hardly develop its potential (in particular, tobacco and tea for export, and tourism).

Project details and financing

Juba airport was first built during the early 1930s and has since been rebuilt and extended several times; the runway was finally extended to 2 400 m around 1970. It received an overlay of asphaltic concrete in 1972/73.

The IBRD funded technical designs for the development of the four airports Port Sudan, Wau, Malakal and Juba, which were carried out between 1973 and 1975, did not foresee any reinforcement of the runway. Following severe pavement failures since 1976, it became evident that the existing runway was too weak to support the aircraft, owing to the bad quality of the construction work, which had been carried out during the emergency period.

The existing control tower is a small and low timber building located at the south-east end of the runway. The view towards the north-west end of the runway is inadequate because of the distance and it is handicapped by the existing small and primitive terminal building. Most of the existing telecommunication equipment and navigational aids are old and in a very poor condition. The fencing is missing over a great part of the airport perimeter, giving cattle and other domestic animals access to graze. Due to the inadequacy of the existing facilities of the present airport, the safety requirements for modern aircraft operations cannot always be met for the time being.

Economic and technical studies carried out in 1979-80 on EDF financing conclude that the best and cheapest solution consists of constructing a new runway parallel to the existing one (at a distance of 225 m). Closure of the airport during the construction period would thereby be avoided and certain existing facilities are reutilised.

The project provides for a new runway (2 400×45 m), airport buildings (approximately 1 950 m²), and for the equipment necessary for permitting safe aircraft operations in accordance with the International Civil Aviation Organisation's (ICAO) recommendations. The design of the project allows for unrestricted operations with B737 aircraft, as well as for a limited number of B707 aircraft (or similar).

The layout of the project also allows for future extensions of the runway, apron, taxiways, terminal building, cargo area, etc.

The final cost of the project is estimated at ECU 21 500 000. The financing plan is as follows:

Sudanese government	ECU 5 200 000
EDF — Grant	ECU 10 300 000
EDF — Loan on special terms	ECU 6 000 000
Total	ECU 21 500 000

In the event that the Sudanese government is not in a position to fulfil its commitment, a request to fund the balance out of the 5th EDF is expected.

The government of the Democratic Republic of the Sudan undertakes:

1. to effectuate out of the Sudanese contribution to the project, the payments for the works and the supervision services as pro rata payments;
2. to take, before the launching of the tendering, all the steps which are required for the land acquisition of the areas needed for the airport and which are to be included within the fenced airport territory;
3. to make such financial and budgetary arrangements as to produce sufficient revenues for Juba airport to cover all

operating expenses, including maintenance costs, relating to the completed project. ○

Mali: Bamako airport (*)

Given its geographical position, Bamako could be a focus for air traffic in Africa. In 1968, the city was one of the rare capitals of the continent with an airport which could not handle the four-engined jets that have now more or less replaced propeller aircraft and medium-haul jets on international flights. It had, in any case, reached saturation point as far as handling its mainly domestic traffic was concerned. The airport was a class B one, between the hills and the Niger, right by the town, with the attendant drawbacks of noise, danger and so on. There were no possibilities of extending the runways to cope with larger aircraft.

But communications, particularly air communications, are vital to Mali, as the country is vast and landlocked in the Sahel and although its capital is near the south-west frontier with Guinea, it is still 1000 km from the nearest coastal town, Conakry. Despite a considerable effort with roads and railways, the size of the country is such that air infrastructure is vital. It takes two hours to fly from Bamako to Goa, for example, but the same journey takes three days by road and six by river. So, as domestic air networks were bound to expand and international civil aviation technology to develop, Bamako would have been in danger of being left out of inter-African and inter-continental air activity, with all the economic and political drawbacks that such isolation would involve. Hence the decision to build a new airport and raise the necessary funds. Moreover, Mali's hopes of developing its tourist trade, which depends on easy access by air, would have remained no more than good intentions. An EDF-financed study showed that the country has considerable tourist potential and could at least be a stopping-off point on the Europe-Senegal holiday route.

Two EDF grants, totalling 12 million u.a. (1), were committed in 1968 and 1972 (2). They met an obvious need in that they enabled the facilities for four-engined jets (a 2700 m runway, parking, etc.) to be provided and access roads and a number of other installations (air terminal, technical services, etc.) to be built at Sénou, 14 km from Bamako. The runway and the parking facilities were completed in 1974 and the buildings in 1975.

The new airport will enable Mali to have a share in international and continental passenger and freight traffic. And there are two other advantages—600 ha of land can be recuperated, solving Bamako's extension problems, now the old airport is closed and the tourist trade should increase now there are fast, direct links between Bamako and the outside world.

Lastly, it is worth noting that, although the EDF has often helped improve existing airports, what it has done at Bamako (3), in close collaboration with the Mali authorities and ASECNA (Agency for the Safety of Aerial Navigation in Africa and Madagascar), is to create a completely new one. ○

(*) From the EEC Commission publication *European Development Fund: 1960-1975*.

(1) About MF 6 800 million at the time.

(2) Inflation following devaluation of the Mali franc in 1967-69 led to a considerable increase in the cost of public works contracts and meant that tenders relating to construction of the airport, which were submitted in November 1969, were far beyond the estimated prices of early 1968 (based on 1967 figures).

(3) See A. Berrrens' article on the Bamako-Sénou airport in the *Courier* no 30 (March-April 1975).

The German Foundation for International Development

When many of the countries of Africa gained independence in 1960, the new Germany, the Federal Republic, was slightly more than 10 years old. It had no commitments, direct or indirect, to the future of the new African states as its involvement with Africa ended directly after World War I.

Yet the German government was quick to understand the great importance of development aid and cooperation in the relations that were to be established between Europe and the independent countries of Africa, Latin America and Asia. It was helped in this by the Treaty of Rome (1958), which set up the common market and laid a number of bases for such cooperation.

So, in 1959, the German Foundation for International Development (Deutsche Stiftung für internationale Entwicklung) was set up by all the political parties in the national parliament. Its headquarters are in West Berlin. The aim of the DSE is to provide all but a few under-developed countries with financial and technical aid and training, with a view to rapidly enabling them to undertake and manage their own economic and social development projects.

Success came rapidly. The DSE budget of DM 1 million in 1959 soon swelled to DM 10 million and it stands at DM 55 million, or US\$ 24 million, today for the period 1981-85. Most of the funds come from the federal bud-



DSE administrator Brigitte Freyh
The DSE board of directors includes the President of the Republic and representatives of the three main political parties

get, the Ministry for the Economy and the federal states and various organizations.

Federal German cooperation with the non-industrialized countries is along three main lines. There is financial aid, channelled via the Kreditanstalt für Wiederaufbau in Frankfurt; there is technical aid from German experts who have done special post-graduate training courses for the developing countries, and there is aid with staffing and training technical, administrative and

even diplomatic staff. The first two types of aid are more or less independent of the third. As the *Courier* heard from a group of DSE officers and notably Mrs Ulrike Moll, head of information and public relations, the Berlin branch's main job is to provide developing country nationals with training in economic and social development and management.

Students come from all over the developing world to follow the training courses and there are even some from the People's Republic of China – which, surprisingly, still classes itself with the under-developed nations.

Since the Yaoundé and Lomé Conventions, the number of ACP nationals (particularly from the Caribbean) with DSE grants has increased a good deal. Although Germany's aid to this part of the world used to be confined to the countries of continental South America, since Lomé the DSE has had many ACP students from the Caribbean. In addition to the training courses, Ulrike Moll explained, the DSE also runs seminars and conferences aimed at getting participants to discuss and exchange their ideas.

So Federal German development cooperation and aid have expanded greatly, in spite of a lack of the sort of historical and linguistic ties that some EEC members have with the ACP countries and in spite of a certain national reluctance that the DSE's press service is doing its best to neutralize by better information. The idea that development aid is not a wasted investment has long been held by this EEC country's economic and political leaders. ○ L.P.



Erika Rabau

Caribbean and European (non-EEC) students on an economic counsellors' and commercial attachés' training course in Berlin last November



DSE headquarters in Berlin: a solid back-up to the organization's aims

SRI LANKA

The soybean solution to malnutrition

by Peyton JOHNSON

Kandy, a small highland city, probably the prettiest town of an island long famous for its beauty, holds a special grip over the hearts of all loyal Sri Lankans. It was the capital of the indigenous kings who for more than a thousand years beat off all comers until they surrendered to the British in the mid-19th century.

Now, 31 years after the island's independence in 1949, Kandy is making a comeback. The hill country around Kandy has become the base of a new farm industry and crop that Sri Lanka believes will provide the solution, or a big part of it, to malnutrition among the nation's 14 million people: soybeans.

"Soybeans grow well here," said Dr Carl Hittle, an American professor from the University of Illinois, who heads a soybean development project in Sri Lanka. "Soybeans contain about 40% protein and 20% oils high in calories and minerals and vitamins. In this country soybeans are the perfect substitute for fish and meat."

The protein content, Dr Hittle said, is particularly important not only because the price of fish or meat is beyond the means of most poor Sri Lankans, but also because the country is essentially



Soya can be made to taste and look like almost any food

Buddhist and many people are vegetarians. Even those who aren't often oppose the slaughter of animals.

The soybean crop is known in Sri Lanka simply as "soya". As *Soyanews*, a monthly newsletter published in Tamil, Sinhala and English, enthusiastically puts it, soya can easily satisfy the daily protein requirements for Sri Lanka of 19 grammes for year-old infants to 52 grammes for adults. According to the newsletter, a pound of full fat soya flour contains 182 grammes of protein, while lean beef contains just 90, fish 80 and eggs 56. In milk form, soya is as nutritious as cow's milk and free of cholesterol.

The Sri Lanka soybean development project got under way in 1973 when the government requested aid and technical assistance in soya development from the United Nations Development Programme and the Food and Agriculture Organization of the United Nations (FAO).

The help was granted, with FAO subcontracting its contribution to the University of Illinois, a pioneer in soya research. UNICEF and CARE, the American relief agency, as well as several friendly industrialized nations, also support the Sri Lankan soya effort.

Though Sri Lanka is still far from establishing a major soya industry, many farmers and housewives are already solidly in favour of the crop.

Versatility

First cultivated 7 000 years ago in China, soya is one of the most versatile crops known to agriculture. The ancient Chinese listed soya as one of the five "divine" crops—the others were rice, wheat, millet and barley—given to humanity by heavenly providence.

Though relatively new to Sri Lanka, it is soya's almost endless versatility that has captured so many of the island's farmers and housewives. Here is a partial list, concentrating on Sri Lankan tastes, of the experimental products made by the Soy Foods Research Centre at Gannoruwa near Kandy:

From soya flour: bread, roti, noodles, biscuits, aluwa, aggala, thosai, pittu, waddai, murukku.

As a dairy product: soya milk for drinking, milk for cooking, yogurt, ice cream, margarine.

Dried: weaning foods, snacks, soups, instant drinks and extruded products.

Oriental foods: soya sauce, tempeh, tofu, miso, curry, bean curd, dhal, soya cutlets, string hoppers, pakoda, soya watalappam, soya rice kanjee, soya keum, kurakkan roti, khiri blat, chutney, rice aluwa.



A few of the new soya products from the Soy Foods Research Centre at Gannoruwa, near Kandy

Miscellaneous: soya oil, soya meal, lecithin, peanut butter, meat substitute, bacon, canned foods and sweets.

This represents by no means all the soya food products the research centre could make. Sampling the multitude of tasty concoctions cooked up in the centre's demonstration kitchen convinces the most sceptical visitor that soya can be made to taste like, look like, even smell like, almost any food.

So far the centre has trained 600 women in how to prepare nutritious protein-rich meals using locally-grown soya and other available ingredients in the typical Sri Lankan kitchen. These highly motivated women, and more will be graduating every year, are carrying the soya message to every corner of the island.

Perhaps the centre's biggest breakthrough so far has been the development last year of a substitute for coconut milk, indispensable in Sri Lankan cooking. Using the centre's formula, the government built a factory at Anuradhapura, in the heart of the country's best soya land, to produce a million pounds a year of drum-dried soya milk, enough to replace 10 million coconuts.

This should be a major boost to the island's whole agricultural economy as it will allow Sri Lanka to put more of its coconuts, 60% of which are normally consumed domestically, on the international market.

There seems no doubt that Sri Lanka will have its soya industry. For, as the irrepressibly optimistic *Soyanews* wrote recently: "What else can double the nutritional content of bread at almost no extra cost? What else makes malnourished children healthy in a hurry? What else is totally acceptable to Hindus and Buddhists as a substitute for fish and meat? What else benefits all who eat it, from the babe in arms to the aged and infirm?" ○ P.J.

TOGO

Training for the hotel trade (1)

One of the aims of Togo's third five-year development plan is to promote the tourist trade by developing sites and setting up reception infrastructure, so as to involve both nationals and foreign residents in tourist activities and get the country on to the African and international tourist map. The policy has essentially been aimed at setting up a proper tourist industry covering the whole country in a rational manner, making the most of the potential in each economic region and such things as local folklore, art and crafts.

Just one example of this is Lomé, which now has no less than four major international class hotels with more than 1000 rooms between them.

With this development of infrastructure and an assessment of the staff required to man it, it very soon became clear that a policy of accelerated vocational training had to be defined to handle the problems posed by the rapid development of the tourist trade, until such time as arrangements for longer courses could be made.

This training policy, designed on the basis of a study of what staff were required (run by the cadre training association for industry and administration (AFCA) in March 1978), led the EDF to provide financial backing for

(1) From the EEC Commission delegate in Togo.

the creation of a hotel and catering school as part of the Le Benin hotel.

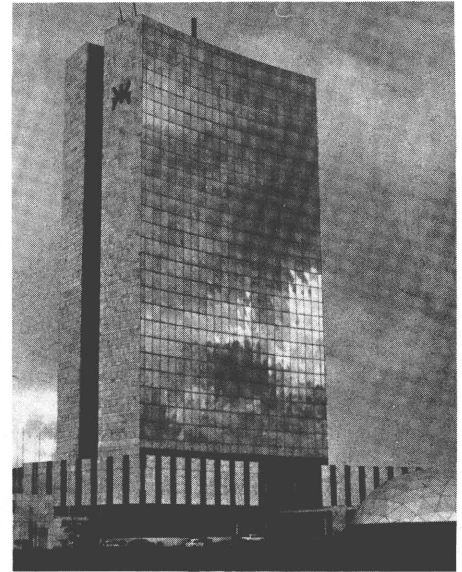
The first stage of the scheme, the short-term development of human resources, involved training 360 manual and 80 managerial staff plus six Togolese teachers.

Financing is as follows:

- EDF aid to cover training grants for the future staff, teaching materials and technical assistance (provided by AFCA after it completed the study mentioned above);
- Togolese government funds to cover the costs of investment and operation.

Training centre

During the first stage, estimated to take 30 months, the training centre was opened, although its statutes have yet to be defined.



The 2 Février hotel, the latest addition to Togo's tourist infrastructure

The centre, which comes under the High Commissariat for Tourism, provides:

- basic training for workers in four kinds of activity (reception, room service, restaurant work and kitchen work);
- training for managers in hotels and catering;
- training for six Togolese teachers.

The centre is housed on the fifth floor of the Le Benin hotel and has five classrooms and offices with a total floor space of 600 m².

The centre has three technical assistants, six Togolese teachers, one bur-sar/book-keeper, two secretaries, one duplicator, one cleaner/maintenance worker and one chauffeur.

Its financial means are CFAF 125 000 000 from the EDF and CFAF 85 000 000 from the Togolese government.

After 24 months of activity, including the period during which the project got under way, the cost per person per training month was about CFAF 95 000 (approx £170). Once the technical assistance has been withdrawn, the cost per training month should not be more than CFAF 45 000 (approx £80).

During the rapid training phase destined to meet the initial needs of new hotels, courses are of the following durations:

- two months for room service (valets and chambermaids);



The reception course. Two-thirds of the teaching time is practical

- four months for reception (receptionist, cashier, doorkeeper, switchboard operator);
- four months for catering (restaurant and bar waiters);
- five months for kitchen work (kitchen hands);
- three months for managerial staff, since these people already have sound professional experience.

These relatively short courses, leading to a final examination in both theory and practice, provide staff with a vocational qualification for a specific job and ensure that individuals are able to become reasonable members of their profession after a long and essential period of practical work in the hotel.

The 380 people trained by the end of 1980 were selected from more than 1200 candidates and recruited on a nationwide basis to maintain regional balance. Each student admitted is given a fitting-out grant and a monthly study grant.

The training programmes, which are geared to local conditions, are organized on a credit system designed to avoid the methods used in ordinary schools.

Realistic experience

The teaching is lively and great use is made of practical and audio-visual methods. Theory accounts for 30% of the time and practical work, which is complemented by technical in-service courses in various hotels at the weekends, for 70%.

This method, in which training is an integral part of hotel life, enables trainees to:

- come into contact with the profession;
- gradually integrate with the life of the hotel;
- get an overall idea of how a hotel is run;
- come into contact with an international clientele;
- get a practical grasp of the problems of the profession.

Figures for the first 24 months of activity are as follows:

	Fully trained	In training
Reception	61	14
Room service	105	
Restaurant staff	62	18
Kitchen staff	50	10
Reception	15	
Hotel management	18	
Catering management	22	

In addition, crash courses were run to meet needs when the 2 Février hotel was opened, 67 people being trained on the hotel side and 61 in catering,



In the kitchens all the trainees get their fingers in the pie



The restaurant course

bringing the totals to 461 fully trained and 42 in training.

The final examination is of the certificate of vocational proficiency (CAP) level and 90% of trainees passed over the period in question.

Over and above these results, the most positive aspect is no doubt the fact that all students found jobs as soon as they left the centre.

A partial assessment suggests that the inevitable dropouts (change of course, etc.) number no more than 10%.

The training centre is being Africanized in the medium term. The Togolese teachers took a four month course in France and then spent the first period after their return home sitting in at the centre, before gradually moving over to the teaching side.

They are currently working in their particular branch under the guidance of experts and, later on, they will be asked to help create their own teaching materials so they can practise the creative aspects of the job of teacher. At that stage, the Africanization campaign will be complete. ○

ACP-EEC cultural cooperation

Chasle report to Joint Committee meeting in Freetown

At the meeting of the Joint Committee in Maseru (Lesotho, 28 Nov.-1 Dec. 1977), the general rapporteur, Mr Guillabert, referred in his introductory speech to cultural cooperation. He said that one of the weaknesses of the Lomé Convention was the absence of any reference to the importance of cultural cooperation between the ACP countries and the EEC. He therefore proposed that the cultural aspect should be included in the Convention to ensure that joint efforts did not concentrate exclusively on material questions.

On the occasion of the meeting of the Joint Committee in Bordeaux, Mr Wijntuin of Surinam was asked, on 31 January 1979, to prepare a draft report on cultural cooperation. When Mr Wijntuin was no longer able to take part in the work of the Joint Committee, Mr R. Chasle of Mauritius was entrusted with this task.

Mr Chasle made his report to the Joint Committee meeting at the end of February in Freetown, where it aroused great interest. A working group of the joint cultural cooperation committee, which had already

adopted the report, is now due to meet either before or after the "social partners" meeting in Geneva in June to draw up a suitable resolution which will be put to the next Joint Committee meeting at Strasbourg in September.

The report begins by observing that EEC-ACP cooperation has established a zone of solidarity between the two groups of countries "based on equality, interdependence and the respect of national sovereignty". Any cultural cooperation project should be constructed around the "elements which constitute the basis of this cooperation", in order to strengthen it.

Mr Chasle traces the development of the concepts of culture and cultural cooperation, outlines the particularities of ACP and European culture and looks at ACP-EEC cultural cooperation as a complement to the cultural situations on each side and to cultural aspects of the Lomé Convention. He lists areas in which future cultural cooperation might be developed between the EEC and the ACP countries.

The return of cultural works to their country of origin or their restitution if they have been illegally appropriated

Many of the ACP countries are among the countries which have been dispossessed, in the course of their history, of their works of art. Despite the efforts undertaken since its inception by UNESCO, the recovery of these works of art presents many complex problems of a technical and legal nature.

A convention designed to prohibit the illicit importation, exportation or transfer of ownership of cultural works was adopted on 14 November 1970 at the sixteenth session of the General Conference. In 1973 the United Nations General Assembly recognised the special obligations incumbent on countries which have only had access to these works by virtue of colonial or foreign occupation.

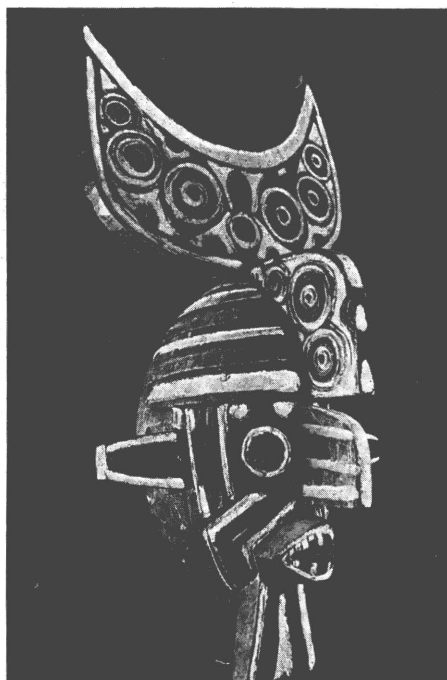
The nineteenth session of the UNESCO General Conference, held in Nairobi in 1976, decided, in the light of the work of a committee of experts which had met in Venice from 29 March to 2 April 1976, to set up an inter-governmental committee to facilitate bilateral negotia-

tions for the restitution or return of cultural works to their countries of origin.

The statutes of the committee were approved by the UNESCO General Conference held in Nairobi in 1979.

The inter-governmental committee to facilitate bilateral negotiations for the return of cultural works to their country of origin, or their restitution in the event of illegal appropriation, met at UNESCO headquarters from 5 to 9 May 1980. The task entrusted to the committee is to constitute particularly representative collections of this heritage by the return of some at least of the works lost. The committee attempted to define a code of ethics and to place the objective of the return of cultural works in the perspective of the maintenance, reconstitution and development of the cultural identity of all peoples. The committee formulated various principles which can be summed up as follows:

- (a) each country wishing to constitute representative collections of its cultural heritage should draw up, in collaboration with ICOM and UNESCO, an inventory of the works on its own territory and an inventory of the works in other countries;
- (b) to put an end to illicit traffic in cultural works which continues to impoverish the cultural heritage of all peoples, each state should take appropriate administrative and legislative measures and ratify in particular the



Statuette from Upper Volta in a European museum: sending it back to Africa would involve "numerous and complex technical and legal problems"

1970 convention on the prohibition of the illicit importation, exportation or transfer of cultural works;

(c) a form should be drawn up by the secretariat to standardize information concerning requests for return or restitution and the observations of the member states to whom these requests are addressed, and be distributed to all the UNESCO member and associate member states after approval by the committee;

(d) states involved in bilateral contacts should inform the committee and all the other member states about progress made;

(e) interested member states should coordinate all forms of cooperation such as the sending-out of experts, the training of specialized staff and provision of equipment;

(f) in order to create a climate of mutual comprehension and solidarity which is indispensable for the realization of these objectives, information campaigns should be run both in countries seeking the return or restitution of works of culture and in the countries to which their requests are addressed, in order to make the people concerned aware of the importance of the protection and conservation of their historical and artistic heritage and to make public opinion in the holding countries aware of the situation so that they understand the reasons behind these requests.

The second meeting of the committee is to take place in Paris in September 1981. The UNESCO General Conference meeting in Belgrade in August 1980 adopted the committee's recommendations and expressed the wish that the genuine dialogue which has been opened between all the parties concerned should be continued and intensified and asked its director-general to implement as soon as possible the operational measures worked out by the committee. It is therefore desirable that this question should be pursued in the institutional framework of UNESCO which has set up the necessary concertation machinery and that activities which have already been carried out successfully by certain ACP states, vis-à-vis certain member states of the Community, should be continued. At all events the member states should undertake to do everything they can to give a favourable response to new requests addressed to them by ACP states which meet the UNESCO criteria. At the same time those ACP states and member states which have not already ratified the convention adopted by UNESCO on 14 November 1970 should do so.

In view of the very large number of works from the ACP countries which are scattered around the museums,



Art need not be consigned to a museum: the splendid "durbar" of northern Nigeria is a live recreation of the African cultural heritage

libraries and other institutions of the member states, the Community should undertake a complete inventory of all these objects to enable the ACP to gain a full picture of their cultural works in Europe.

The legitimate efforts of the ACP states to construct museums or similar establishments, to build up representative collections and to give local populations access to vestiges of their past should be energetically supported as far as possible. At the same time the ACP states should be given the necessary technical assistance for the scientific conservation of their works of art and particular attention should be devoted to the training of museologists and other technical staff required for this purpose in the ACP states.

In this effort to reconstitute the national heritage of the ACP states a very special place should be given to the upgrading of traditional arts, and particularly, crafts which for a long time formed one of the main occupations of local populations.

The Community could effectively aid the conservation of the cultural heritage of the ACP by financing the sending of works of art affected by insects, larvae or micro-organisms in wood to the nuclear study centre in Grenoble for gamma ray treatment.

This solidification process, which is carried out at a very reasonable charge, is particularly valuable for the salvaging of objects from underwater excavations.

The Community could also grant a number of scholarships to ACP stu-

dents for specialized courses at the centre for European studies on the conservation of the urban and architectural heritage at the College of Europe in Bruges, the international centre for studies on the conservation and restoration of cultural works of the University of Rome and the European centre for the training of craftsmen to preserve the architectural heritage, in Venice. Some courses could be reoriented to take account of the specific needs of the ACP countries.

Cultural data bank

In a world marked by the dissemination of research and information it is becoming a matter of increasing importance to assemble all the information of interest to the development of cultures. A desirable development would be the creation of a bank of cultural data comprising all the archives on the ACP countries which are scattered around the member states, and particularly those which are of interest in connection with the reconstitution of the history of the people of Africa, the Caribbean and the Pacific.

Some of the Community's member states do not seem to want to return to their country of origin archives which were taken away during the colonial era. However, these states always give a ready response to precise requests addressed to them by the countries for which they were once responsible. Apart from any action which the member states might be led to make at bilateral level or in the framework of UNESCO, they could accept the idea of making available to the ACP copies of documents of interest to groups of countries or sub-regions.

In a number of European universities major research relating to the ACP countries has been carried out in recent years in the various disciplines and numerous theses have been written on the arts and literature of the ACP countries. It would be very interesting to make a full inventory of all these researches and studies, to classify them and make available to the ACP the fruits of these studies undertaken by research workers and students from Europe or the ACP.

The cultural data bank could also collate all relevant information in the cultural field, such as dates and conditions of participation for cultural events open to ACP artists and lists of associations or institutions interested in cultural exchanges between the countries of the Community and the ACP.

Information

General considerations

Information is recognized today as one of the essential elements of culture and development. At international lev-

arts d' AFRIQUE NOIRE

4 JUL - 5 SEPT 1976



LES ATELIERS DU GRAND-HORNU
GALERIE D'ART

148, SAINTE LOUISE, 7001 HORNU (BRUXELLES) BELGIQUE. TELEPHONE: 065/7760268
2118, AVENUE ROBERTS, 1000 BRUXELLES

Exhibition in a converted Belgian coal mine: surely an African setting would be more appropriate?

el, the information media are still in the hands of monopolies which fail to stress the real problems and aspirations of the developing countries, or even go as far as to manipulate and confiscate information.

Cooperation between the ACP and the Community should encompass cooperation in the field of information. Although the member states of the Community have no power to influence the media directly, they can take some measures which would help to redress the balance in the flow of information between the ACP and the EEC. Ways and means should be sought for fostering or increasing exchanges of information, films, and radio and television productions between the ACP and the countries of the Community. The Community's audio-visual services could expand their activities by devoting a series of their productions for the European readers to the ACP. The services of the Commission's development aid division could be strengthened. The "Courier" is a publication which has made an appreciable contribution to providing its readers with knowledge about the ACP states and should receive increased financial and intellectual support which would enable it to improve its presentation, extend its field of activities and increase its circulation. In this respect, increased participation by the ACP in the editing and management of the "Courier" would be desirable. It could give a greater place to the ACP's points of view on problems facing their countries and reduce the space given to explanations of the achievements of the EDF, which are out of all proportion to their importance and weighed down with details which interest only a minority of readers. In the past the "Courier" has taken laudable initiatives as regards publicizing ACP culture. This policy should be supported with regular contributions from the ACP which would fill out the section devoted to cultural questions. In view of the importance of providing Europeans, and particularly the general public, with information about the culture and development of the ACP, it would be desirable for the "Courier" to appear not only in French and English, but also in all the other Community languages.

Scientific and technical information

It is becoming increasingly evident that the exchange of scientific and technical information is a priority in, and a main vehicle of, international cooperation and offers rich prospects for the future.

The countries of the Community possess a wealth of scientific and technical

knowledge, both published and unpublished. The organization and dissemination of scientific and technical information offers a field of action which can help to improve the living conditions of the peoples of the developing countries by making available to them recent scientific findings and making it possible to improve the utilisation of resources in the development of technologies and their industrial applications.

The United States, for example, possesses communication networks and offers access to them even to applicants in geographically distant regions: it is prepared to grant access to the developing countries.

The Europe of Nine has organized a Community data network known as EURONET. France has its TRANSPAC network. The MACRONET project supported by UNESCO would enable developing countries to have access to data bases established by the industrialized countries.

The British Library, the country's national library, is one of the United Kingdom's major sources of information and offers facilities to library users with a rapid and exhaustive service covering more than 90% of the



goethe institute
lagos



cultural activities

march - april 1978

European cultural institutes run busy programmes in the ACP countries: for how long will it be a one-way traffic?



Local history on display at the Bahamas Historical Society

requests received. This service is used not only by the industrialized countries but also by some 70 developing countries who use the limited issue of order forms put at their disposal by the British Council.

The Community and the member states could considerably contribute to the development of the ACP by placing findings in the scientific fields and techniques relating to the life sciences at the disposal of research workers, economists and politicians in the ACP in the form not only of bibliographic data providing lists of references but also factual data bases providing answers to specific questions. This aid could provide a substantial contribution to the development of national resources and the growth of productivity in the ACP countries.

The fragile structure of the documentary systems of the ACP hampers their access to the knowledge available in the outside world which could be of interest to them. There is a lack of staff for assembling, synthesizing and programming the scientific and technical information received. The Community and the member states could provide effective aid by contributing to the training of engineers and technicians specialized in information science and communication technology, and to the establishment of documentation systems, the allocation and consolidation of installations and technical material and finally the creation of national organizations capable of implementing national scientific and technical information policies.

Cultural exchanges between the ACP and the Community

After centuries of exportation by Europe of its cultural values to the developing countries, it should be the Community's concern today to give Europeans a better idea of the cultures of the ACP countries. Although one cannot deny the diversity and originality of the peoples and regions of Europe, it would be extremely useful for the Community to foster in its member states a more open attitude to the cultural values of the ACP and thus to redress the balance in the flow which has so far been virtually one-way. It is only fair that the ACP cultures which have been the object of denigration and discredit in the past should now be given greater importance.

Some European universities already offer very interesting courses of study in African civilization and languages. There are also programmes such as the Programme of African Studies offered by the London University Institute of African and Oriental Studies, and the INALCO course in African languages in France. Some member states already support the study of African languages and culture in establishments which already exist or are being created, such as the Centre for African Studies and Research in Kenya, the Centre for African and Arab Civilizations in Zanzibar and the University of the South Pacific in Suva, which has annexes in the other Pacific islands. Such activities should be extended to include all the ACP states and should be supported by the Community.

The Community could give assistance to universities and institutes in Europe and the ACP countries which would be interested in devoting specialized programmes of studies to the ACP countries. It is also essential that the history, geography and culture of the ACP states should be taught in schools. Apart from some exceptions, the burning issues of development are not touched on at all except in university economic science courses.

The Community should also do everything in its power to improve the social and cultural situation of students and workers from ACP countries residing in the Community. There are many practical ways in which intensive cultural cooperation could be achieved between the ACP countries and the EEC. It would be possible jointly to produce and finance radio and television programmes to be broadcast in the various continents concerned. It should also be possible to show more films produced in the ACP—many of which are of a high artistic value—in cinemas, cultural and youth institutes in Europe. Active encouragement should be given to exhibitions and, more generally, to all cultural events which could increase European knowledge of ACP cultures. One successful example of this was the 32nd Book Fair held in Frankfurt/Main from 8 to 13 October 1980. This book fair was devoted to literature and publications from and about Africa under the motto, "Africa — a blossoming continent." African publishers were able to present their works and seminars and talks were organized between African publishers

and writers and their counterparts from other continents. It was a particularly great success because the principal meetings were regularly reported on in the cultural programmes of European television services.

The Community could also take measures to ensure that free movement is accorded to cultural works—where they are being moved legitimately—and that administrative and fiscal restraints are relaxed. The rights of ACP artists and technicians whose works are disseminated or performed in member states should be given the same protection as that accorded to cultural workers in the member states.

A large number of national and international non-governmental organizations based in the member states of the Community play quite an important role in the development sector. In the context of cultural cooperation these organizations could play a positive role if they were endowed with the necessary financial resources. There are also a number of non-governmental cultural organizations which could be given increased support to enable them to make a more effective contribution in the framework of cultural cooperation between the ACP countries and the Community.

Foundation for the promotion and dissemination of ACP culture

A foundation should be set up with the aim of promoting and disseminating ACP culture. It could be funded by contributions from the member states of the Community, voluntary contributions from the ACP states, para-state or private institutions and individuals. European firms with major trading links with the ACP could also be asked to contribute, as could European industrial undertakings with branches in the ACP.

This foundation could be administered by ACP and European nationals on an equal footing. Its activities within the framework of the main objective would be defined by common agreement between the Community and the ACP. In order to guarantee the autonomy required for its proper operation, ACP or Community citizens called upon to manage the foundation should be free of any political affiliation.

The foundation could organize cultural events and promote the dissemination of works by ACP artists and writers and publish books and documents devoted to the history, arts and literature of the ACP. Any revenue from

such events and activities would be re-invested in similar enterprises.

The foundation could establish various forms of collaboration with universities, institutions concerned with culture and study and research centres concerned with ACP cultures, organize meetings and seminars and promote contacts and meetings between artists, writers, researchers, journalists and scientists from the ACP and EEC. It could organize cultural voyages intended to make people more familiar with the ACP countries, their values, problems and aspirations.

It could also constitute a powerful lobby in the press, radio and television world to encourage the media to do more to increase knowledge of the ACP peoples. The foundation could also organize cultural competitions with prizes to encourage the activities of institutions or individuals who make a significant contribution to the promotion of ACP cultures.

Conclusion

It is for the ACP and the Community to determine whether they wish to include cultural cooperation in their relations under the Lomé Convention.

The considerations prompted by the subjects mentioned in this report could at first lead to the short-term realisation of a number of concrete activities and provide the basis for an experience

which would enrich the successors to Lomé II.

Global cultural cooperation by the Community with the ACP as a complement to the bilateral efforts of member states and freely defined by the ACP according to their aspirations and specific needs would have beneficial economic effects, contribute to social progress in the ACP, and stimulate a flow of exchange of benefits both to the ACP and to the Community and its member states.

This new philosophy of integral cooperation based on a real sense of reciprocity would consolidate rather than run counter to intra-ACP cooperation, and would be a turning-point in the history of development; it would help to bring the peoples of the Community and the peoples of the ACP nearer to each other and would thus constitute a new decisive step towards the institution of a new world order.

As the members of parliament are the intermediaries between, on the one hand, the public opinion which they represent and on which they exert a determining influence and, on the other, the governments who have to take account of their points of view, they have a special position and should therefore be able to give the necessary impetus to this plan.

It is significant that it was within the Joint Committee, which has always been open to innovation and whose initiatives have marked the various forms of ACP-EEC partnership, that the idea of enlarging ACP/EEC cooperation by including a cultural dimension was put forward. By the action which they can take in the European Parliament and within the national parliaments, the members of the Consultative Assembly can and must play a decisive role in generating the necessary efforts and creating a climate of opinion which would favour the acceptance of any plans for cultural cooperation which would have the backing of the ACP.

Cultural cooperation is a project which needs collective awareness of what is involved and the mobilization of all the active forces of society. Running in parallel with bilateral and multilateral government agreements which provide the framework for certain precisely defined activities, cultural cooperation should not only be carried out via official organizations but should be a permanent living contact between peoples, institutions and individuals maintained by contacts between universities, schools, radio and television stations and private associations and by meetings between writers, artists and scientists. ○



Combining art and culture with business and pleasure: an international fashion show

Berlin's window on the Pacific

Issue 65 of the *Courier* contained an article on African art in the Völkerkunde Museum in Berlin. This institution, which dates back to the Prussian era, does not just display the art and culture of Africa, it also contains sections on other parts of the world, including the Pacific.

The latter is a window on the Pacific islands. The sea and their natural wildness have constantly challenged their peoples, and the Berlin collection clearly shows how these two elements have shaped the art and civilization of this part of the world. Take the outriggers, which reveal just what skilful sailors the Pacific islanders were (see pictures). The only difference between these simple craft and our modern sailing boats is the refinement and the comfort of the latter.

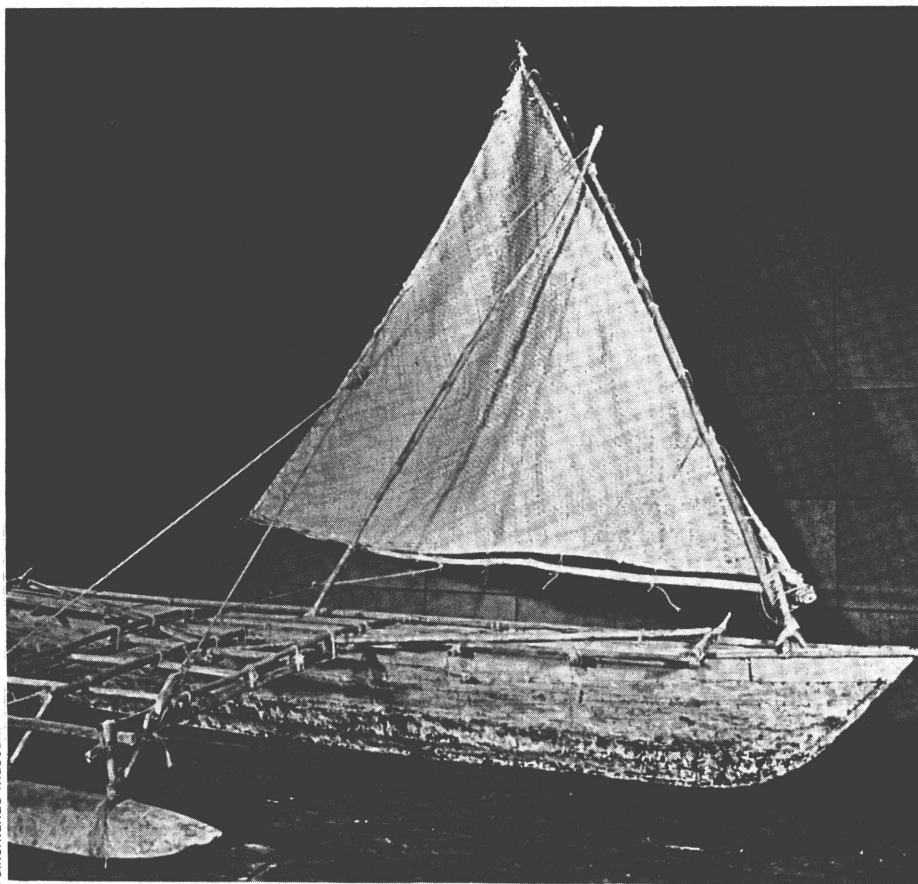
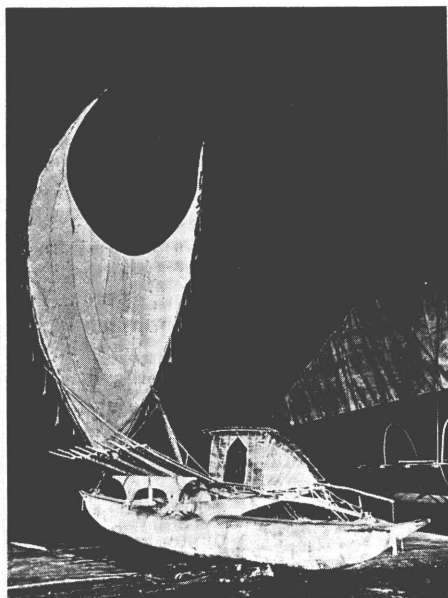
The islanders knew about multi-hulled boats well before Captain Cook went there in the 18th century.

Unspoiled natural surroundings and virgin forests have always inspired the non-mechanized civilizations to look for divine protection rather than to seek mastery and domestication, and this comes over clearly in the various art works, the masks, the statues and the other ritual objects on display in Berlin.

The Pacific collection has the same main aim as the African collection, which is to generate greater understanding, enabling the public to know and come to grips with the art and life of other peoples. ○ L.P.



A mask from New Guinea (1 metre long) and South Pacific boats (5-15 metres) which, crude though they look, allowed the islanders to perform some remarkable feats of navigation



Books

Frédéric BARON and Gérard VERNIER — **Le Fonds Européen de Développement** (The European Development Fund) — Presses Universitaires de France, "Que Sais-je?", collection no 1414, Paris — 128 pages — 1981

After more than 20 years of operation, the European Development Fund is now being brought to the attention of a much wider public in this book by two EEC Commission officials, Frédéric Baron and Gérard Vernier.

They start by putting the "principal instrument of financial and technical cooperation between the EEC and the ACP group" in the context of Community development policy and by outlining the historical framework in which the EDF has worked. They then describe the activities of the fund in a three-part analysis.

Part one deals with the structures of the EDF—the legal structures, which define both the nature of the fund and the rules that apply to it; the financial structures, which the autonomy of the EDF within the Community budget (thanks to the system of direct contributions by the member states) makes so original; and the administrative structures. The chapter on the latter describes the executive bodies (the Commission and the ACP institutions) and the financial and political controls to which they are subjected.

Part two covers EDF aid. It begins with a brief summary of the recipients and goes on to specify the criteria used for distribution. Two long chapters are then devoted to the arrangements for the aid granted—a description of the methods of financing (grants predominate, but there is an increasing tendency towards co-financing), an analysis of the fields of intervention showing the flexibility of aid which can be adapted to the special requirements of development in the ACP countries and a breakdown by sector, with copious examples.

Part three, on EDF procedures, sets out to dissect the various stages in the life of a project, from the programming of Community aid, through the preparation and assessment of projects and the financial phase (financing proposal, decision and agreement) to actual implementation (award and payment of contracts). The description of this machinery, the practical part of the book, ends with an outline of the Lomé II provisions on rationalizing the implementation of these procedures and

ensuring better monitoring by the administrators.

The authors conclude by stressing the reciprocity of interests that the EDF has brought out among European and ACP partners since the Treaty of Rome.

This book, which was mentioned in *Courier* no. 66, is a condensed and clearly presented explanation of everything one needs to know about the EDF.

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Robert CORNEVIN — **La République Populaire du Bénin. Des origines dahoméennes à nos jours** (The People's Republic of Benin. From Dahomian origins to the present day) — Editions G.P. Maisonneuve et Larose, 15, rue Victor Cousin, 75005 Paris — 592 pages — 1981

In November 1975, Dahomey changed its name to Benin—a return to the old name that the French minister Delcassé abandoned in 1894, after the surrender of Behanzin, in favour of one reminiscent of the ancient kingdom of Abomey.

Robert Cornevin once worked as an administrator in this country and has been back several times since. In 1962, he produced a history of Dahomey, which covered the long period from prehistoric times to independence and it is this work, updated and revised, which has appeared under a new title. In this book, the author describes the peoples and kingdoms of the past—the kingdoms of Allada, Porto Novo and Abomey in the south and Mali and Yoruba in the centre, the Bariba monarchy and the Somba people of the north. He goes on to the European period, the arrival of the French along the coast (1839-1887), then the Dahomey period, the southern frontiers and the French administration. Cornevin also deals with political trends and the drive for independence, ending with president Kérékou's rise to power on 26 October 1972. The modern period is described up to 1980 and the work also includes an extensive bibliography, containing, in particular, theses and dissertations written by students and researchers from Benin since independence.

This is a most interesting work for researchers, but it should also appeal widely to the general public. The author, whose erudite descriptions are based on an intimate knowledge of his

field, is well known in Africa and Europe. Now 62, after spending 15 years working in Africa he presented a doctorate in arts. For many years he gave classes at the international institute of public administration and at the University of Paris XIII. He has written more than 20 works on the history of Africa and, since 1961, he has been with French documentation, in charge of the African study centre. He is scientific director of the *Afrique contemporaine* journal. Since 1971, he has been permanent secretary to the Overseas Academy of Science.

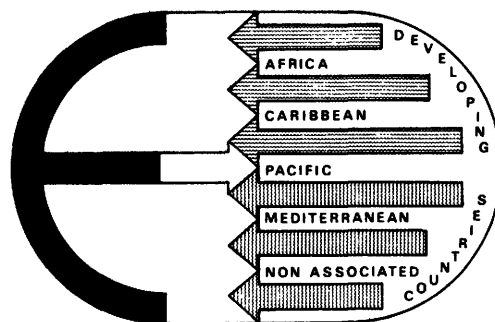
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Eustache PALEOLOGUE — **Les nouvelles relations économiques internationales (The new international economic relations)** — IEDES, Collection Tiers Monde, Presses Universitaires de France, 108 bvd. St.-Germain, 75006, Paris — 278 pages — FF 95 — 1980

There are two attitudes to the international economic situation. One is that the period we are now in is merely an accident and that we can hope for restoration of the old order, come what may, and the other is that international economic relations will never be the same again. Since there are no scientific criteria to help distinguish the normal from the pathological in this case, Paleologue sets out to find the real meaning of the behaviour that has altered the functioning of the international economy over the last few years. He begins by isolating a number of pertinent features, using the only viable method in social science, namely empirical investigation. An examination of these elements, and an analysis of the way they function, leads him to question the scope of the traditional hypotheses governing the dominant views in international development.

Paleologue considers that his raw materials entitle him to stress one or two important ideas—some of which manifestly run counter to standing thinking—and he proposes an overall interpretation of the transformation of international economic relations in which the various aspects overlap due to an integrated, global approach which brings out the necessary links in the thought process. What is original about this work is that it brings out unsuspected tendencies by means of attentive observation of government policies, whereby a picture of gradual, careful action (but radical action nevertheless, because of its grasp of the

Operational summary of EEC-financed development schemes



OPERATIONAL SUMMARY No. 4 — May 1981

The following information is aimed at showing the state of progress of EEC development schemes prior to their implementation. It is set out as follows:

Geographical breakdown

The summary is divided into three groups of countries, corresponding to the main aspects of Community development policy:

- the ACP countries (Africa, the Caribbean and the Pacific), which signed the multilateral conventions of Lomé I (28 February 1975) and Lomé II (31 October 1979), plus the OCT (overseas countries and territories) of certain member states of the EEC, which get the same type of aid as the ACP countries;
- the Mediterranean countries (Maghreb and Mashraq), which signed cooperation agreements with the EEC in 1976 and 1977;
- the non-associated developing countries of Asia and Latin America, beneficiaries since 1976 of annual aid programmes.

The information within each of these groups is given by recipient country (in alphabetical order).

Information given

The following details will usually be given for each development scheme:

- the title of the project;
- the administrative body responsible for it;
- the estimated sum involved (prior to financing decision) or the amount actually provided (post financing decision);
- a brief description of projects envisaged (construction work, supplies of equipment, technical assistance, etc.);
- any methods of implementation (international invitations to tender, for example);
- the stage the project has reached (identification, appraisal, submission for financing, financing decision, ready for implementation).

Note

As the information provided is subject to modification in line with the development aims and priorities of the recipient country, or with the conditions laid down by the authorities empowered to take financial decisions, the EEC is in no way bound by this summary, which is for information only.

Main abbreviations

Resp. Auth.: Responsible Authority
Int. tender: International invitation to tender
Acc. tender: Invitation to tender (accelerated procedure)
Restr. tender: Restricted invitation to tender
TA: Technical assistance
EDF: European Development Fund
mECU: Million European currency units

ACP STATES

BAHAMAS

Food technology laboratory. Resp. Auth.: Ministry of Agriculture and Fisheries, Nassau. 0.446 mECU. Establishment of first food technology laboratory in the Bahamas. Gross area 520 m² consisting of a chemical and microbiological laboratory, pilot processing plant, store rooms and offices. Building construction: acc. tender. Equipment and fittings: restr. tender. TA: two food technologists specialist in processing and in standards and quality control. Tenders: 1st half 81. Contracts: 1st quarter 82. 4th EDF.

BARBADOS

Oistins fisheries project. Resp. Auth.: Ministry of Agriculture. EDF 0.950 mECU. Local 0.450 mECU. Construction of the western complex of the existing fish market, jetty construction, erection of a fish-handling centre, sellers' stalls, shops, 80-vehicle car park and a boat repair yard. Work contracts already awarded. Equipment: int. tender in several lots in 81. Minor equipment: restr. tender or direct agreement in '81. 4th EDF.

Integrated rural development of Scotland District, phase 1. Resp. Auth.: Ministry of Agriculture. Estimated total amount of 8.7 mECU. Estimated external financing 5.6 mECU. Request has been made to the IADB to finance 65% of the total cost of the project. EDF assistance is requested for financing afforestation programme. Objectives: natural resource conservation; improvement of socio-economic well-being of the region; diversification of agricultural output, crop development and afforestation. Project clearly identified, 5th EDF.

BENIN

Djougou-Porga road. Resp. Auth.: Ministère des Travaux Publics. Intermittent road improvements over 180 km. Economic study: SEDES Consultant (F). Technical study to be done. Short-list already drawn up. 4th EDF.

Dassa-Parakou road. Resp. Auth.: Ministère des Travaux Publics. 0.7 mECU. Reinstatement and asphaltting of the road (210 km). Economic study: SEDES Consultant (F). Technical study to be done: restr. tender after prequalification. 4th EDF. Works: 5th EDF.

Upgrading of health service infrastructure in Porto Novo Hospital and in Cotonou Maternity Clinic. Resp. Auth.: Ministère de la Santé Publique. Porto Novo: renovation and construction of the hospital building and equipment. Cotonou: construction and equipment of new building. Technical and architectural studies: Cabinet SODOGANDJI Consultant (Local). Date foreseen for financial decision, 2nd half '81. 4th EDF.

Parakou polytechnical complex. Resp. Auth.: Ministère de l'Enseignement Moyen, Général, Technique et Professionnel. Construction of 8 000 m² of pedagogical and administrative buildings and hostels. Supplies and equipment. Studies done: (a) Programming: Bureau S.G.I. (Lux.) (b) Technical and architectural: Arch. VINOUE (Local). Date foreseen for appraisal and financial decision: 2nd half 1981.

Livestock development in the Borgion region. Resp. Auth.: Ministère des Fermes d'Etat, de l'Elevage et de la Pêche. Numerical and stabilizing cattle improvement for meat production increase. Study on hand: SCET International (F). Project stage: identification. 5th EDF.

BOTSWANA

Poultry-farming development project. Resp. Auth.: Ministry of Agriculture. Estimated Cost: ±1 mECU. Supply of equipment and possibilities for T.A. Date foreseen for financial decision: 2nd half '81. 5th EDF.

BURUNDI

Consolidation of tea production. Resp. Auth.: Ministère du Plan. 8.9 mECU. To increase productivity and to improve quality production of tea projects previously financed. TA foreseen for 6 years, '81 to '86. Short-list already drawn up. Crop inputs: int. tender '81 to '84. 4th EDF.

Institut Universitaire de Sciences de l'Éducation (IUSE). Resp. Auth.: Ministère de l'Éducation Nationale — 0.7 mECU. Construction and equipment of educational buildings (general teaching classes, laboratories, workshops). Architectural and technical studies: TETRA Consultants (B). Evaluation study: short-list already drawn up. Project on appraisal. 4th EDF.

Rural development of East Mpanda. Resp. Auth.: Ministère de l'Agriculture. Development of 5 950 ha of land — irrigation, construction of a road network, socio-economic infrastructure, for a population of 5 320 families (of which 3 835 are to be installed). Duration 7 years. Estimate 30.8 mECU. Cofinanced project. Foreseen funding: IFAD 10.5 mECU — Local 7.0 mECU — AFDF 6.9 mECU — EDF 4.3 mECU — OPEC 1.5 mECU — PAM 0.6 mECU. Project clearly identified. 5th EDF.

High altitude foodcrop production. Resp. Auth.: Ministère de l'Agriculture. First phase (4 years), estimate 8.3 mECU. Cofinanced project. Production of selected seeds, their distribution and commercialization of surplus products, fertilizer and plant-health products, training. Foreseen funding: Local 0.4 mECU — USAID 4.1 mECU — EDF 3.8 mECU. Financial agreement between USAID and government signed on April 1980. For EDF: project clearly identified. 5th EDF.

Kirundo hospital and rehabilitation of 4 health centres. Resp. Auth.: Ministère de la Santé. 2 440 mECU. Works and equipments. Work contracts already awarded. Equipments: int. tender 1st quarter '81. Project in execution. 4th EDF.

Livestock development project. Resp. Auth.: Ministère de l'Agriculture. Estimated Cost: ±1 mECU. Supply of equipment and T.A. Study on hand: SEDES Consultant (F). Date foreseen for financial decision: 2nd half '81. 4th EDF.

CAMEROON

Douala-Yaoundé road. Resp. Auth.: Ministère de l'Équipement. Construction of a modern road and new bridge (±219 m) over Dibamba-river. Estimated cost: 211 mECU. Cofinancings: Af.D.B. BADEA, FRANCE, EDF, NEDERLAND, ABU-DHABI, KOWEIT, IDB, WORLD BANK, CANADA. Local. EDF: ±4.1 mECU for the bridge. Project on appraisal. 4th EDF.

Extension of Ecole Nationale Supérieure Polytechnique. Resp. Auth.: Ministère de l'Éducation. Construction of 3 050 m² of pedagogical buildings (EDF part) and construction of 1 560 m² of administrative buildings, plus equipment (GOC part). Estimated cost for EDF 1.5 mECU, Local 4.5 mECU. Technical and architectural studies: Buban Ngu Design Group Consultant (Local). Works: Acc. tender. Date foreseen for financial decision: 1st half '81. 4th EDF.

Rural development in the North-West Province. Resp. Auth.: Ministry of Agriculture and North-West Cooperative Association. Cofinanced project. Estimated cost: 31.65 mECU. Increase of production of agricultural foodstuffs, improvement for professional training of staff of the extension service, rural credit to promote foodcrop development and coffee production, and repairing regional road network. Funding (estimated): EDF 8.92 mECU, Local 7.74 mECU, IFAD 8.37 mECU, KfW (D) 6.62 mECU. Works: direct agreement, after Acc. tender. Supplies: Int. tender and direct agreement. T.A.: Short-list already drawn up. Int. tender: 2nd half '81.

Transcam — realignment of Eseka-Maloume railway. Resp. Auth.: Office des Chemins de Fer Transcamerounais (OCFT). Geotechnical study: Coyne et Belier (F). Economical study: Sofrerail — OCCR Inter G (F). 4th EDF. Works foreseen 2nd quarter '82, 5th EDF with cofinancing. Estimated cost: ±86 mECU. Works: Int. tender with prequalification end '81.

CAPE VERDE

Praia water supply and sewerage (urgent part). Resp. Auth.: Ministère des Travaux Publics. City of Praia. 1.2 mECU. Improvement of the existing system concerning water supply (limited to present available resources), sewerage (public fountains, wash-houses and lavatories) and town refuse collection. Study: Bureau W.P.W. (D). Works: direct agreements. Equipment: int. tender, 1st half '81. TA: direct agreement. 4th EDF.

Sal international airport improvement. Resp. Auth.: Ministère des Transports et Communications. Technical study financed by Italy. Partial financing envisaged. Project stage: identification. 5th EDF.

CENTRAL AFRICAN REPUBLIC

Rural development in Ouham. Resp. Auth.: Ministère du Développement rural. (SOCADA). Int. tender foreseen 2nd quarter '81 for supply of materials for phytosanitary treatments, insecticides and fertilizers. Estimation '80: 0.5 mECU. Project in execution. 4th EDF.

Improvement to the running of the Société Nationale des Eaux (SNE). Resp. Auth.: Ministère de l'Équipement des Transports et du Tourisme. 0.555 mECU. Supply of valves and meters and TA. TA: Bureau S.L.E.E. (F). Supply: int. tender, 1st half '81. 4th EDF.

Renovation and equipment of Lycée Technique de Bangui. Resp. Auth.: Ministère de l'Éducation. Supply of equipment and renovation works. Studies to be done. Short-list already drawn up. Date foreseen for financial decision: 4th quarter '81. 5th EDF.

Navy school of instruction in Bangui. Resp. Auth.: Ministère de l'Éducation. Building and equipment of the school. Studies to be done: a) Programming. b) Technical and architectural study. Short-list not yet drawn up. Project on appraisal. 5th EDF.

CONGO

Repairs to the Sibiti-Bihoua road. Resp. Auth.: Ministère des Travaux Publics. 2.6 mECU. Reconstruction of the asphalted road. Works: Acc. tender, 1st half '81. 5th EDF.

DJIBOUTI

Randa drinking water supply. Resp. Auth.: Ministère de l'Agriculture. 0.150 mECU. Installation of a water supply, town network. Date foreseen for financial decision: 2nd quarter '81. 4th EDF.

DOMINICA

Development of essential oils. Resp. Auth.: Ministry of Agriculture. 0.200 mECU. Pilot farm for cultivation of patchouli, laurel, cardomun. T.A. and Supply of equipment. Date foreseen for financial decision 1st half 81. 4th and 5th EDF.

ETHIOPIA

Health project. Resp. Auth.: Ministry of Health. 4.3 mECU. Construction and equipping of two rural hospitals and a school for laboratory technicians in Addis Ababa plus the supply of laboratory equipment to the Central Laboratory in Addis Ababa. Studies: architectural design, Norman and Daubarn (UK). Establishment of list of equipment: Mr V. Welles (UK). 4th EDF.

Cotombie — Combolcha power line. Resp. Auth.: Ministry of National Resources and Energy. Construction of a 300 km 135 KV power line. Feasibility study: ACRES (Canada). Study: final design and tender documents: directly by GOE and a Consultant to be determined. Project on appraisal. 4th EDF.

Fisheries Development. Resp. Auth.: Fisheries Development and Marketing Corporation. 2.078 mECU. EDF 1.513 mECU, Local 0.565 mECU. Supply of equipments, facilities and T.A. Supplies: Int. tender in '81 and '82. T.A.: short-list already drawn up. Project in execution. 4th EDF.

Amartis river diversion. Resp. Auth.: E.EL.P.A. Ethiopian Electrical Power Authority. Estimated cost: 10 mECU. Dam and tunnel. Study and T.A.: short-list already drawn up. Works: Int. tender in '81 and '82. Project on appraisal. 5th EDF.

Electrical tariffication study. Resp. Auth.: E.EL.P.A. Short-list not yet drawn up. Project on appraisal. 5th EDF.

FIJI

Three airstrips. Resp. Auth.: Public Works Department. 0.750 mECU. Construction of 3 airstrips. Moala and Kandavu, works: acc. tender, 2nd quarter '81. Cicia: direct labour. 4th EDF.

GABON

Reafforestation (improvement of the reafforestation brigade's activity in the 1st zone). Resp. Auth.: Ministère de l'Agriculture. EDF part for renewing and completing equipment. Project stage: identification. 5th EDF.

GAMBIA

Artisanal fisheries development. Resp. Auth.: Ministry of Agriculture and Natural Resources, Fisheries Dept. 1.485 mECU. Processing, handling and marketing facilities at Gunjun Beach, preservation and distribution of the fish, improvement of access to fishing centres. Tenders for works and equipment, first half 1981. 4th EDF.

Brikama College, phase II. Resp. Auth.: Ministry of Works and Communications. 1.925 mECU. Construction and equipment of academic and residential buildings. Works by mutual agreement. Equipment for phase II: int. tender, first half 1981. 4th EDF.

Banjul sewerage and drainage project. Resp. Auth.: Ministry of Works. Estimated Cost: ± 15 mECU. Cofinancings: BAD/FAD 7.3 mECU, EDF 3.5 mECU, KFW (F.R.G.) 3.3 mECU, Local 0.9 mECU. Construction of a sewerage and drainage network, 2 pumping stations, T.A. and training. T.A.: short-list already drawn up. Works: Int. tender, 2nd half '81. Project on appraisal. 5th EDF.

GHANA

Jema/Enchi rubber project. Resp. Auth.: Ministry of Finance and Economic Planning. Feasibility study for the identification of 3 500 hectares of rubber including processing installations. Consultant: IRCA and MANCONSULT (F. and local). 4th EDF.

Central and Accra Regions Rural Integrated Programme (CARRIP). Resp. Auth.: Ministry of Finance and Economic Planning. Prefeasibility study for the identification of potential projects within the two regions, with the aim of improving the food situation in Accra and other coastal towns. Consultant Halcrow-ULG (UK). 4th EDF.

Oil palm development in Ghana. Resp. Auth.: Ministry of Finance and Economic Planning. Study of state farms oil palm plantations as a basis for a possible rehabilitation and development programme (Pretsea excepted). Consultant: Harrison Fleming (UK). 4th EDF.

Pretsea oil palm plantation rehabilitation. Resp. Auth.: Ministry of Finance and Economic Planning. 7.390 mECU, EDF 1.910 mECU, Local 5.480 mECU. Complete rehabilitation of 4 500 hectares of oil palm plantation and of an existing oil palm extraction mill at Pretsea. Supplies funded by EDF. Int. tender: on 1st quarter '81. Works financed by GOG. Restr. tender. TA: Harrison Fleming (UK) selected. 4th EDF.

Improvement of the agriculture and assistance to rural banks. Resp. Auth.: Ministry of Finance and Economic Planning. 2.521 mECU. Supply on credit of basic crop inputs and TA to the Bank of Ghana. TA: short-list already drawn up. Supplies: direct agreements in '81. 4th EDF.

GRENADA

Eastern Main Road Rehabilitation. Resp. Auth.: Ministry of Publics Works. 2.5 mECU. EDF 1.440 mECU, Local 1.060 mECU. Geotechnical study: Geoprogetti Consultant (I). Works: Contracts already awarded. Supply: Equipment for public works, int. tender in '81. 4th EDF.

GUINEA

Land development in Kankan and Labé regions. Resp. Auth.: Ministère de l'Agriculture et des F.A.P.A. 2.5 mECU. 1st phase. Cultivation of 1 000 ha of hydro-agricultural land by rural development brigades. Works, supplies, furnitures and vehicles and T.A. Work and supply: Int. tender and Acc. tender or direct agreement. T.A.: short-list already drawn up. Date foreseen for financial decision. 1st half '81. 4th EDF.

2nd phase. Estimated cost: 5 mECU. Hydro-agricultural land by controlled flooding. Carrying out of plan: Bureau EUROCONSULT (N). Project on appraisal. 5th EDF.

Renovation and extension of the SOGUIPLAST plastics factory. Resp. Auth.: Government of Guinea. 13 mECU. Fundings: EDF 5.8 mECU, Iraq (E.I.F.D.) 4.7 mECU, Local 2.5 mECU. Engineering, training, provision of services, renovation work, supplies and installation of auxiliary equipment: int. tender after prequalification. Prequalification made. Supply and installation of plastics production equipment: int. tender following E.I.F.D. regulations, end '81. 4th EDF.

Dairying in Guinea. Resp. Auth.: Premier ministre. Dairying improvement for population nourishment. Study in progress: pasteurized milk reconstitution unit by Danske Mejeriers Arkitektkontor (DK). Project stage: identification. 4th EDF.

GUINEA BISSAU

Improvement of small scale fishing in Cacheu. Resp. Auth.: Secretariat d'Etat pour la pêche. Improvement of infrastructure and equipment. Cold factory. Project stage: identification. 4th and 5th EDF.

North-East rural development. Resp. Auth.: Commissariat Général au Développement Rural. Estimated Cost: 10.8 mECU. EDF 6.8 mECU, F.A.C. 4 mECU. Crop production development (cotton, pea-nut, cereals) by harnessing cultivation, rural credit and correct crop trading. Study: C.F.D.T. (F). Work: by direct labour. Supply of crop inputs by int. tender in '81 and '82. T.A. by direct agreement. Date foreseen for financial decision, 3rd quarter '81. 5th EDF.

IVORY COAST

Human hydrolics improvement. Resp. Auth.: Ministère de la Santé Publique et Ministère des Travaux Publics, des Transports, Construction et Urbanisme. Estimated 12 mECU. Water tanks, wells and bore-holes. Solar pumps and health training programme. Supervision of works: short-list not yet drawn up. Works and supplies, int. tender 1st quarter 82. Project on appraisal. 5th EDF.

KENYA

Machakos integrated development programme. Resp. Auth.: Ministry of Economic Planning and Community Affairs. 23.140 mECU. EDF 17.700 mECU, and Kenya government and farmers' contributions 5.440 mECU. Main elements are water development (construction of earth dams and other low-technology water schemes), agricultural (crop and livestock) improvement, soil conservation and strengthening of local community institutions and services. Works by acc. tender in 1981 and 1982. Supplies (cotton insecticides and crop inputs) by int. tender 1981/82, 1982/83. TA awarded to Salzgitter Consultant (D). Project in execution. 4th EDF.

Geophysical survey (Kerio Valley). Resp. Auth.: Ministry of Planning. 1.0 mECU. Survey to identify mineral prospects in the Kerio Valley. Study: restr. tender. Date foreseen for financial decision. 1st half '81. 4th EDF.

Smallholder rice, Nyanza Province. Resp. Auth.: Ministry of Agriculture. Rehabilitation of 4 smallholder rice schemes (650 ha). Study on the way: NEDECO (N). Project on appraisal. 5th EDF.

Kenya Trade Promotion. Resp. Auth.: Kenya External Trade Authority. 1 mECU. T.A. for sales and marketing missions, provision of equipment and materials for the Training Division. Date foreseen for financial decision 1st half '81. 5th EDF.

KIRIBATI

Aranuka airstrips. Resp. Auth.: Public Works Department. 0.224 mECU. Construction of an airfield on the island of Aranuka. Works: direct labour. 4th EDF.

Tabiteuea South airstrips. Resp. Auth.: Public Works Department. 0.232 mECU. Construction of an airfield. Works: direct labour. 4th EDF.

LESOTHO

Maseru airport. Resp. Auth.: Ministry of Transport and Communication. Estimation 34 mECU. Provision of a modern international airport 15 km south of Maseru. Foreseen funding: Lesotho 2.2 mECU - Saudi Fund 7.4 mECU - Kuwait Fund 3.1 mECU - ABEDA 4.4 mECU - OPEC 2.2 mECU - Abu Dhabi 0.6 mECU - ADB 7.7 mECU. EDF 3.0 mECU - Project on appraisal. 5th EDF.

LIBERIA

Coffee and cocoa development project at Zwedru and Plahn. Resp. Auth.: Ministry of Agriculture 5.7 mECU, EDF 2.9 mECU, Local 2.8 mECU. To develop 980 hectares of robusta coffee and 1 320 hectares of cocoa in Grand Gedeh and Sinoe countries. Works by restr. tender end '80 — Supplies by int. tender on 1st half '81. TA: SATMACI Consultant (Ivory Coast). 4th EDF.

MADAGASCAR

Development of coconut palm plantations in Sambava. Resp. Auth.: Ministère de l'Agriculture et de la Réforme Agraire. 5.757 mECU. Creation of 2 000 ha new plantations. Equipment, crop inputs, infrastructure. Works and equipments: int. tender, 1st half '81. Crop inputs (fertilizers and pesticides): int. tender, 1st half '81, '82, '83, '84. Project in execution. 4th EDF.

Development of Namela Plains. Resp. Auth.: Ministère de l'Agriculture et de la Réforme Agraire. Hydro-agricultural development of 700 ha. Study: Bureau SOMEAH-SOGREAH (Local + F). Project on appraisal. Date foreseen for financial decision: 3rd quarter '81. 5th EDF.

Hydrological study of Basse Betsiboka Plains. Resp. Auth.: Ministère de l'Agriculture et de la Réforme Agraire. Study to improve knowledge of Basse Betsiboka hydrology. Estimated cost 0.2 mECU. 4th EDF.

Water supply in the South. Resp. Auth.: Présidence de la République. 9.6 mECU. EDF 9.120 mECU, Local 0.480 mECU. Construction of water tanks, wells, boreholes, supply of equipment and TA. Supply: int. tender 2nd quarter '81. TA: Bureau Land System (I). Project in execution. 4th EDF.

Rural hydraulic. Resp. Auth.: Ministère de l'Agriculture et de la Réforme Agraire. Estimated cost: 8 mECU + Local. Irrigation improvement for traditional rice-plantations in the Hauts Plateaux. Works by direct labour in '81 up to '85. Supply of means of transport and equipments: int. tenders in '81 up to '83. T.A.: short-list not yet drawn up. Date foreseen for financial decision, 3rd quarter '81. 5th EDF.

MALAWI

National rural development programme, phase I. Resp. Auth.: Ministry of Agriculture. Integrated rural development

programme financed in parallel with other donors. Infrastructural improvement, roads, housing, boreholes. EDF 7.9 mECU, UK 9.0 mECU, Germany 5.1 mECU, IBRD 14.6 mECU. CIDA 2.0 mECU, USAID 0.6 mECU, Local 7.5 mECU. Int. tender for vehicles and equipment during 1981. TA: Huntings Consultant (UK). Project in execution. 4th EDF.

Blantyre-Mwanza road. Ministry of Works. Resp. Auth.: Reinstatement and asphaltting of the road (± 95 km). Economical study: Hoff & Overgaard Consultant (DK). Technical study: short-list already drawn up. Project on appraisal. 4th EDF.

Chirimba Industrial estate. Resp. Auth.: Ministry of Planning. 3.205 mECU. Provision of land infrastructure for an 80-acre industrial estate. Study: feasibility, design, tender documents, S.W.K. Consultant (UK). Project in execution. 4th EDF.

Creation of Small-scale Enterprise Development Organization of Malawi (SEDOM). Resp. Auth.: Ministry of Planning. 2.860 mECU. Technical and financial assistance to Small-scale enterprises. Works: direct labour. TA: short-list already drawn up. 4th EDF.

Central Lake Fisheries Development. Resp. Auth.: Fisheries Department Lilongwe. 1.739 mECU. EDF 1.300 mECU, Local 0.439 mECU. Equipment and installations. T.A. Works by direct labour. Supplies: Acc. tender in '81. T.A.: TROPICAL PRODUCTS INSTITUTE (UK). Project in execution. 4th EDF.

Dairy cattle development. Resp. Auth.: Ministry of Agriculture. Cross local bovine breed with european dairy breeds. Study to be done: factibility. Short-list already drawn up. Project stage: identification. 5th EDF.

MALI

Seed protective device and crop conservation, phase 2. Resp. Auth.: Ministère du Développement Rural. 1.360 mECU, EDF 1.040 mECU, Local 0.320 mECU. Equipping an industrial workshop to produce insecticides and fungicides, with imported active materials. Works: direct agreement. Equipment: contracts already awarded. Supply of active materials for insecticides: int. tender 1st quarter '81. Project in execution. 4th EDF.

Strengthening of sanitary infrastructure in the Nioro region. Resp. Auth.: Ministère de la Santé et des Affaires Sociales et Ministère des Transports et T.P. Buildings, equipments, training. Architecturals and technicals studies to be done. Shortlist not yet drawn up. Project on appraisal. 4th EDF.

N'Dama Yanfolila operation. 2nd phase. Resp. Auth.: Direction Générale de l'Élevage. Estimated Cost: 3.140 mECU. EDF 2.500 mECU, Local 0.640 mECU. Production of race N'Dama improved begetters and cattle for harnessing. Valuation and orientation study: I.E.M.V.T. Consultant (F). Rural engineering works. Supply of equipments. T.A. Project stage: identification. 5th EDF.

Rice Ségou Project. Resp. Auth.: Ministère du Développement Rural. Estimated Cost: 17 mECU. Hydroagricultural improvements. Social-economic and topographic study: HYDROPLAN Consultant (D). Works: Int. tender, 2nd half '81. Supply of agricultural equipment: int. tender and mutual agreements, 4th quarter '81. T.A. and monitoring: direct state supervision in '82. Date foreseen for financial decision, 3rd quarter '81. 5th EDF.

Sevare-San road repairing. Resp. Auth.: Ministère des Transports et Equipement. Complementary study: short-list

already drawn up. Project on appraisal. 4th EDF. Works by int. tender 4th and 5th EDF.

MAURITANIA

Extension of Kaédi regional hospital. Resp. Auth.: Ministère de l'Équipement. 1.925 mECU. Construction, equipment and TA for Kaédi hospital (100 beds). Works: direct agreement. Medical-technical equipment: int. tender, 1st quarter '81. TA: short-list not yet drawn up. 4th EDF.

Aleg-Boghé road. Resp. Auth.: Ministère des Travaux Publics. Reinstatement and asphaltting of 62.1 km. Existing technical study for execution, financed by non-EEC aid. Project will be presented for funding 2nd quarter '81. Estimated cost 14.270 mECU. Co-financed by: Germany 5.611 mECU, EDF 3.700 mECU. Works: int. tender after prequalification, 1 st. quarter '81. 4th EDF.

Fourm Gleita Dam (Development of the Gorgol Noir Valley). Resp. Auth.: Ministère du Développement Rural — Société Nationale pour le Développement Rural (SO.NA-DE.R). Estimated cost: 68.39 mECU. Foreseen funding EDF 9.385 mECU, KfW 6.35 mECU, Saudi Fund for Dev. 7.0 mECU, Libya 7.0 mECU, Abu Dhabi Fund 4.20 mECU, Islaic Dev. Bank 4.0 mECU, IFAD 7.0 mECU, F.A.C. 3.6 mECU, I.D.A. 10.5 mECU, Local 7.02 mECU. Construction of a dam reservoir, development and improvement of the hydro-agricultural infrastructure and TA. Work contracts already awarded. TA: Bureaux: SCET International (F) LANMEYER (D) BINNIE AND PARTNERS (UK). Project in execution. 4th EDF.

Monitoring for small irrigated areas. Resp. Auth.: Ministère du Développement Rural. Estimated cost: 3 mECU. T.A. and monitoring, direct agreement, 4th quarter '81. Supply of agricultural input and pumping equipment: int. tender, 1st quarter '82. Works by direct labour. Project on appraisal. 5th EDF.

Regeneration of Gum-tree plantations. Resp. Auth.: Ministère du Développement Rural. Estimated Cost: 1.5 mECU. Feasibility study: Bureau COURTOY (B). Works, T.A. and supplies. Project on appraisal. 5th EDF.

MAURITIUS

Mauritius housing project. Resp. Auth.: Mauritius Housing Corporation and the Ministry of Housing, Lands, and Town and Country Planning. 3.2 mECU. Financing (for low income households) of approximately 1 250 housing units. Infrastructure work for urbanisation and service plots: int. tender, mid-1981. Consultancy service: short-list not yet drawn up. 4th EDF.

Development of Ile Rodrigues. Resp. Auth.: Ministry of Agriculture. Development centred on agricultural production. Study to be done: a) Definition of the programme. b) Economical and technical study. Short-list already drawn up. Project stage: identification. 5th EDF.

NIGER

RN 1 road, Birni N'konni-Guidam Roundji section. Resp. Auth.: Ministère des Travaux Publics. 7.300 mECU. Strengthening maintenance works over 186 km. Study: Inventory, Denzinger Kg, Consultant (D). Works: int. tender on 2 July 1980. Supervision: Denzinger Kg. (D). Possible funding also on 5th EDF. Project in execution. 4th EDF.

Guidam Roundji-Tchadama road widening. Resp. Auth.: Ministère des Travaux Publics. Study: Inventory. Short-list already drawn up. Works: int. tender end '81. Project on appraisal. 5th EDF.

Development of modern rice-growing on Niger river. Resp. Auth.: Ministère de l'Agriculture. Office National des Aménagements Hydro-Agricoles (ONAHA). 5.5 mECU. Development of 375 ha in fully controlled water to allow double annual rice cultivation. Works and supplies: int. tenders end '80 and '81. Technical supervision and monitoring: BELGRO-MA (B). 4th EDF.

Namarde Goungou Area. Resp. Auth.: Ministère du Développement Rural. Estimated cost: 3 mECU. Hydro-agricultural improvement (± 170 ha) under full water control. Works and supplies (irrigation and drain network). Int. tender end '81 or 1st quarter '82. T.A. and monitoring: direct agreement. Project on appraisal. 5th EDF.

Mechanized well brigade. Resp. Auth.: Ministère des Mines et de l'Hydraulique. Direction de l'Hydraulique (OFEDS) 1.95 mECU. Pilot project to drill wells (1.5 m diameter) in relatively soft soils up to 60-80 m deep. Purchase of sink equipment: int. tender in 1981. TA: GITEC (F). Project in execution. 4th EDF.

Main lines for regional development of areas affected by Kandadji Dam. Resp. Auth.: Ministère des Travaux Publics, des transports et de l'urbanisme. Consultancy service (study): Main lines. Short list not yet drawn up. Project on appraisal. 4th EDF.

Extension of C.H.U. in Niamey. Resp. Auth.: Ministère de l'Enseignement Supérieur et de la Recherche. Construction and equipment of new buildings. Study to be done: a) Extension programming. b) Architectural and technical study. Short-list already drawn up. Project on appraisal. 4th EDF.

Niger health programming. Resp. Auth.: Ministère de la Santé. Analysis of the health situation. To determine action programme for needs of the country. Study to be done. Short-list not yet drawn up. Project on appraisal. 4th EDF.

NIGERIA

Hydraulic development. Resp. Auth.: Ministry of Education. Estimated Cost: 2.350 mECU. Equipment for Technological Institute of Kaduna. T.A.: Bureau M.R.T. (UK and Nigeria). Supply of drilling equipment: int. tender: 2nd quarter '81. Project on appraisal. 5th EDF.

PAPUA NEW GUINEA

Development of beef and veal production. Resp. Auth.: Ministry of Agriculture. 1.868 mECU. Project to consider possibilities to develop cooperative ranch. Study to define project: Bureau Hunting (UK). Supplies: Restr. tender in '81. Project in execution. 4th EDF.

Foodstuffs production on the south coast. Resp. Auth.: Department of Primary Industry. Development of seasonal cultivation and marketing. Technical and economic studies. Definition of the project: Produce Studies Ltd. Consultant (UK). Date foreseen for financial decision: 3rd quarter 81. 4th EDF.

Fisheries Resources Assessment Vessels. Resp. Auth.: Department of Primary Industry. 1.260 mECU. Purchase of two multi purpose resource vessels. Int. tender 1st half '81. 4th EDF.

RWANDA

Bugesera water supply. Resp. Auth.: Ministère du Plan. Construction of a drinking-water network in Bugesera. Project on appraisal. 5th EDF.

Development of Zaïre Nil Crest. Resp. Auth.: Ministère de l'Agriculture. Development of agricultural production and social-economic infrastructure. Feasibility study: SCET International (F). Project on appraisal. 5th EDF.

Complementary funding for Faculté de Médecine in Butaré: Resp. Auth.: Ministère de l'Éducation. 0.650 mECU. Supply of scientific equipment. Study for list of equipment: Dr. De Schaepdryver (B). Date foreseen for financial decision: 2nd quarter '81. 5th EDF.

ST LUCIA

Roseau Resettlement Scheme. Resp. Auth.: St. Lucia Model Farms Ltd. 0.86 mECU. Land development, microdam building, roads, causeway, housing and purchase of machinery and equipment. Works: restr. tender or direct labour, 2nd quarter 1981. Supplies: restr. tender or direct agreement: 2nd quarter 1981. 4th EDF.

ST VINCENT AND GRENADINES

Union Island clinic. Resp. Auth.: Ministry of Health. Estimated 0.350 mECU. To improve health care at the remote Union Island by establishing a new clinic (total gross area $\pm 400 \text{ m}^2$) and also housing accommodation for the staff ($\pm 300 \text{ m}^2$). Studies: design and tender documents: Tomlin, Voss Associates (Local). Project on appraisal, 5th EDF.

Improvement of the general hospital at Kingstown. Resp. Auth.: Ministry of Health. Estimated 1.540 mECU. Follow-up of phase 1 financed from 4th EDF. New extension. Studies. Master plan for the extension: Watkins, Gray Woodgate (UK). Final design and tender documents: short-list not yet drawn up. Project on appraisal. 5th EDF.

SAO TOME PRINCIPE

Fishery development. Resp. Auth.: Ministère de l'Agriculture et de la Pêche. 0.350 mECU. Rehabilitation of cold stores. Supply of ice-factory with cold store. Training. Study: valuation on existant installation, SCET International (F). Date foreseen for financial decision, 2nd half '81. 5th EDF.

Oleagineus cultivation. Resp. Auth.: Ministère de l'Agriculture. Estimated Cost: 3-4 mECU. EDF ± 2.1 mECU, Local 0.9 or 1.9 mECU. Selected oil palm-tree plantations over 300 to 500 ha. Works, supply and T.A. Project stage: identification. 5th EDF.

SENEGAL

Increase of cereal-growth in S.O. Resp. Auth.: Ministère du Développement Rural. Estimated Cost: 4 mECU. Preparatory study: SODEFITEX (Senegal). Hydro-agricultural improvements in small areas. Works by direct labour. Supply of crop inputs and pumping equipment: int. tender end '81. T.A. and monitoring: direct agreement end '81. Project on appraisal. 5th EDF.

Construction of the "Ecole Nationale des Infirmiers et Infirmières d'Etat (ENIIE) at Dakar. (Dakar nursing school). 1st phase. Resp. Auth.: Ministère de la Santé, Ministère de l'Équipement. 2.281 mECU. EDF 1.350 mECU, local 0.931 mECU. Works: acc. tender in '81. Supplies and equipment: int. tender in '81. 4th EDF. 2nd phase. Estimated 2.2 mECU. Project on appraisal. 5th EDF.

2nd phase. 1.995 mECU. Works and equipments. Int. tender in '81. Date foreseen for financial decision: 1st half '81. 5th EDF.

Study on water supply to the ISC industrial Complex. Resp. Auth.: Ministère de l'Équipement. Direction de l'Hydraulique Urbaine et Rurale. (D.H.W.R.). 1.1 mECU. Technical studies, T.A. and drilling into the quaternary and into the Maastrichtian. Works: restr. tender for quaternary and int. tender for Maastrichtian. Studies and T.A.: short-list already drawn up. Tenders and contracts 81-82. 3rd EDF.

SIERRA LEONE

Forest resources development in Sierra Leone. Resp. Auth.: Ministry of Agriculture and Forestry. Feasibility study in order to analyse the forest resources and submit proposals for their further development. Study: Consultant Atlanta (D). 4th EDF.

North-western integrated agricultural development project. Resp. Auth.: Ministry of Agriculture and Forestry. Four-year integrated programme to develop mangrove swamps, upland crops, coastal fishing, infrastructure. Project on appraisal. 4th EDF.

Koinadugu integrated agricultural development project. Resp. Auth.: Ministry of Agriculture and Forestry. 7.080 mECU, EDF 5.9 mECU, Local 1.180 mECU. Four-year integrated programme to develop inland swamps, upland crops, livestock sector, infrastructure, marketing and credit system. Works: restr. tender. Supplies: int. tender, 1981 and 1982. TA: Carl Bro International (DK). 4th EDF.

Support for existing educational institutions. Resp. Auth.: Ministry of Education. 2.050 mECU. Water and electricity supply and equipment for Njala University College, building and equipment of additional hostel accommodation at several teacher training colleges. Njala University: works for water supply, int. tender 2nd quarter 1981 agricultural equipment: int. tender, 3rd quarter 1981. Teacher training colleges — building works: int. tender, 2nd quarter 1981. 4th EDF.

SOLOMON ISLANDS

Forestry Programme. Resp. Auth.: Forestry Division. 0.625 mECU. Establishment of 1,800 ha of tree plantations (mahogany and teak). Associated infrastructure and equipment. Works: direct labour. Equipments: direct agreement on 81,82 and 83. 4th EDF.

SOMALIA

Saakow rural experimental centre. Resp. Auth.: Ministry of Agriculture. Creation of an irrigated area (60 ha) with all facilities and equipment. Aim: agronomical experiments. Study: Bureau Nuovo Castoro (I). Project on appraisal. 4th EDF.

Bardheera Dam. Resp. Auth.: Bardheera Dam Authority (BDA). 433 mECU. (Estimated) Dam Project 349 mECU. Powerline to Mogadishu 84 mECU. Funding: EDF 44 mECU, Italy 36 mECU, Germany 32 mECU, France 18 mECU, Saudi Arabia 18 mECU, Local 20 mECU. Total 168 mECU. Power and river regulation for agricultural development. Construction of a concrete gravity dam with hydro-power station, associated infrastructure and electrical transmission lines. The dam will provide water, flood protection and power for

up to 233 000 ha of irrigated agriculture in the Juba Valley, and energy to Mogadishiu. Consultancy services: restr. tend. procedure after prequalification. Prequalification made in a second stage 5th EDF Project the consultant will supervise construction. Civil works: first int. tender during 1982. Transmission lines: int. tender in 1982. Equipment: power-house main equipment and auxiliary equipment, int. tenders in 1983. Gates, valves, intake equipment, int. tender in 1984. Study: 4th EDF. Works: 5th EDF.

Mogadishiu Slipway. Resp. Auth.: Ministry of Planning. 3 or 4 mECU. Construction of a slipway and ship repair facilities in Mogadishiu harbour. Feasibility study to be done. Short-list already drawn up. Date foreseen for financial decision: 1st half '81, 4th EDF.

Mogadishiu Dairy. Resp. Auth.: Ministry of Planning. Rehabilitation of the existing dairy in Mogadishiu. Feasibility study, design, tender: B.M.B. Consultant (N). Date foreseen for financial decision: 3rd quarter '81, 4th EDF.

SUDAN

Jebel Marra rural development project. Resp. Auth.: Ministry of Agriculture, Food and Natural Resources. 15.043 mECU. EDF 11 mECU. Local 4.043 mECU. Agricultural extension and improvement of rural infrastructure (road improvement and maintenance, forestry programme, community development programme). Works: project building, and houses (new + rehabilitation) int. tender, first quarter '81. Supplies: vehicles, trucks, animal cultivation equipment, furnishings, int. tenders in 1981 to 1983. TA: Hunting Technical Services Ltd (UK). Project in execution. 4th EDF.

Aweil rice development project. Resp. Auth.: Ministry of Agriculture, Food and Natural Resources of the Southern Region. 5.747 mECU. EDF 4.4 mECU. Local 1.347 mECU. Project comprises the initial, 21/2 year phase of an overall project for the development of an area of 2,865 ha, suitable for irrigated rice production under full water control. Works: contracts already awarded. Supplies: vehicles and equipment and agricultural inputs: int. tenders 1981. TA: Euroconsult b.v. (N). Project in execution. 4th EDF.

Nuba Mountains rural development project. Resp. Auth.: Ministry of Agriculture, Food and Natural Resources. 6.650 mECU. EDF 5.5 mECU. Local 1.150 mECU. Introduction of improved farming techniques and systems in two nucleus development centres of the Nuba Mountains region. Works: contracts already awarded. Supplies: vehicles, furniture and animal traction equipment, int. tenders in 1981, 1982. TA: SATEC Consultant (F). Project in execution. 4th EDF.

Gum arabic development. Resp. Auth.: Ministry of Agriculture, Food and Natural Resources. Rehabilitation of gum arabic production in the Sudanese gum belt (including production and marketing aspects). Preliminary study: gum arabic development in North Kordofan Province. Bureau GITEC (D). Project on appraisal. 4th EDF.

Upper Talanga tea project. Resp. Auth.: Ministry of Agriculture, Food and Natural Resources. 8.350 mECU. Establishment over 10 years of a 1 000 ha tea plantation in Eastern Equatoria Province of the Southern Region. Phase 1 '77-'81. Phase 2 beginning 2nd quarter '81. Factory, access road, project buildings and houses, vehicles, equipment and technical assistance. Works: tea factory (turn-key project) int. tender in '81. Supplies: land development equipment, int. tender in '81. TA: Agrar und Hydrotechnik (D). Contracts for buildings, houses and vehicles already awarded. Project in execution. 4th EDF.

Juba airport. Resp. Auth.: Civil Aviation Department. 21.5 mECU. EDF 16.3 mECU. Local 5.2 mECU. Construction of a new airport. Consultant: bureau NACO (N). Works: Int. tender, 1st quarter 1981. 4th EDF.

University of Juba, phase II. Resp. Auth.: Ministry of Education. 7 mECU. Additional facilities on the new campus for a capacity of about 400 students: 3 hostels, (1 100 m² each) dining hall and kitchen (360 m²), 3 college buildings (1 850 m²), 21 staff houses (each 170 m²). Works including infrastructure for water, sewerage and electricity: int. tender in 1981. Equipment: int. tender in 1982. Work supervision: short list not yet drawn up. 4th EDF.

Four higher secondary technical schools. Resp. Auth.: Ministry of Education. 6.3 mECU. Renovation and new constructions of four existing schools, each with a capacity of 324 students. Works contracts already awarded. Equipment: int. tender in 1981. Supervision of works: GBWA Int. (Irl.) Project in execution. 4th EDF.

Juba-Laboni road study. Resp. Auth.: Ministry of Public Works. Technical study and design for improvement of ± 106 km feeder road in Southern Sudan. Study: Bureau GITEC (D). 4th EDF.

SURINAM

Kabalebo Hydroelectric Power Project. Resp. Auth.: Ministerie van Openbare Werken. Estimated Cost: 400 mECU. Foreseen funding: EDF 26 mECU, Netherlands 143 mECU, World Bank 14 mECU, Local 14 mECU. Concrete and rockfill dam (17 km of dykes) on the Kabalebo river at Davis Falls. (Guyanese border). Reservoir of 1,250 km². Production of hydroelectricity for general use and the aluminium melting industry. Prequalification of civil works contractors is underway. Calls for tender foreseen 2nd quarter '81. 5th EDF.

SWAZILAND

Teacher training college at Nhlngano. Resp. Auth.: Ministry of Works. 2.5 mECU. Construction and equipping of a fully residential teacher training college with a capacity of 400 students. Works: contracts already awarded. Supervision: Consultant Design + Planning International DPI (Local). Equipment: Int. tender 1st half 1981. Project in execution. 4th EDF.

TANZANIA

Coffee improvement programme. Resp. Auth.: Coffee Authority of Tanzania (CAT). 25.434 mECU. EDF 12.677 mECU. Local 12.757 mECU. To increase quantity and quality of coffee production in the main coffee areas of Tanzania by improving the extension services, supply of farm inputs, provision of training facilities, renovation of central pulperies and road improvement. Works: Contracts already awarded. Supplies: nature of tenders to be decided but launched on 1st half of 1981. TA: Mr. Maxwell (UK). Project in execution. 4th EDF.

Coffee improvement programme phase 2. Resp. Auth.: Coffee Authority of Tanzania (CAT). Extension and intensification of the activities promoted under the phase 1. The programme will cover improvements in production (through extension services, inputs, supply), roads and storage facilities. CAT will itself prepare the phase 2 project. Project stage: identification. 5th EDF.

Agricultural development project in Iringa region. Resp. Auth. : Iringa Regional Development Directorate. 6.5 mECU. To increase agricultural productivity in the Iringa Region, through strengthening of the extension services, improvement of infrastructure and supply of farm inputs. Works: contracts awarded. TA: Agrar und Hydrotechnik (D). Supplies: driers for pyrethrum, int. tender first half of 1981. Project in execution. 4th EDF.

Iringa integrated rural development, phase 2. Resp. Auth. : Iringa Regional Development Directorate. To extend and intensify the activities currently being carried out under phase 1. Main elements are strengthening of extension services, provision of farm inputs, extension of the oxen cultivation programme, improvements of the road system and promotion of animal production. Study; project preparation, Agrar und Hydrotechnik (D). Project stages: identification. 5th EDF.

Lusahunga-Bukambe road. Resp. Auth. : Ministry of Works. 20 mECU. Bitumen road of 127 km. Works: Int. tender 1st quarter 1981. Supervision of works: restr. tender 1st quarter 1981. Regional Project. 4th EDF.

Technical teacher training college, Mtwara. Resp. Auth. : Ministry of Education. 1.4 mECU. Training facilities for technical teachers. Classrooms, laboratory and workshops, dormitories and sanitary block, administration. Total area 3 765 m². Works: contracts awarded. Equipment: int. tender with possibility of restr. tender or direct agreement depending on nature of supply. Supplies: restr. tender. Project in execution. 4th EDF.

Idetero-Paper Mill Road. Resp. Auth. : Ministry of Works. 11.4 mECU. Bitumen road of 40 km. Works and supervision. Works: int. tender 1st quarter '81. Supervision: restr. tender 1st quarter '81. 4th EDF.

Extensions to the Mbeya Water Supply System. Resp. Auth. : Ministry of Water, Energy and Minerals. 4.050 mECU. Construction of an abstraction point, a pipeline, a pumping station, reservoirs. Supplies and site supervision. Works and supplies: int. tender after prequalification. Contracts: direct agreement. Date foreseen for financial decision 1st half '81. 4th EDF.

TOGO

Cattle-raising in palm plantation. Resp. Auth. : Ministère du Développement Rural. 1.136 mECU, EDF 0.884 mECU, Local 0.252 mECU. Stock-farming under palms to improve meat production and to make industrial palm plantation maintenance easier. Study: project plans, Bureau SOTED (Local). Works: direct labour. Supplies: vehicles, int. tender 1981. Supplies, equipment and cattle purchase: direct agreement. 4th EDF.

Adele Ranch. Resp. Auth. : Ministère du Développement Rural. 3.207 mECU, EDF 2.788 mECU, Local 0.419 mECU. Establishment of a cattle ranch for local supply of oxen, improved heifers and breeding bulls, surplus for local slaughter and market. Works: direct labour. Supply: graders and vehicles, int. tender, 1st half '81. TA: short list not yet drawn up. Project in execution. 4th EDF.

TRINIDAD AND TOBAGO

Food processing development unit. Resp. Auth. : Ministry of Agriculture. Estimated cost: 0.400 mECU. Unit for processing local fruits. Study to be done: Technical and economical feasibility and final design. Short-list already drawn up. Project on appraisal. 4th EDF.

UGANDA

Agricultural rehabilitation studies. Resp. Auth. : Ministry of Agriculture. 0.250 mECU. To provide basis for financing proposal concerning four agro-industrial sectors: tea, coffee, seeds and cotton. Studies: Booker Agriculture International (UK). 4th EDF.

Rehabilitation of poultry farming. Resp. Auth. : Ministry of Animal Industry. 0.500 mECU. Supply of equipment, one-day chicks and female chicks. Works and equipment: direct agreement. Supply of chicks and female chicks: int. tender first half 1981. Project in execution. 4th EDF.

Kampala-Masaka road. Resp. Auth. : Ministry of Works and Housing. 5 mECU. Repair and asphaltting of 60 km and supervision of works. Works: int. tender in 1981. Supervision of works: SAUTI (I). 4th EDF.

Nutritional rehabilitation centres. Resp. Auth. : Ministry of Health and Ministry of Works. 1.100 mECU. To improve health care in rural areas and to reduce malnutrition (particularly widespread among children). Contribution and equipping of 10 centres. Supply of 30 vehicles for health inspectors. Works: acc. tender. Supply: int. tender. Project in execution. 4th EDF.

Uganda Hoes Ltd. Resp. Auth. : Ministry of Industry. Estimated Cost: 1.9 mECU. Rehabilitation of the factory. Establish rehabilitation scheme study: AGI PLAN (D). Project on appraisal. 4th EDF.

Lake-Katwe Road. Resp. Auth. : Ministry of works and Housing. 1.4 mECU. Gravel road, 24 km. Works: direct Labour. Supplies of graders, int. tender 2nd half '81. T.A.: short list already drawn up. Project on appraisal. 4th EDF.

UPPER VOLTA

Stock-farming in Hauts Bassins and Comaé ORD. Resp. Auth. : Ministère de l'Agriculture (Direction services élevages). 1.961 mECU. Improvement of traditional breeding conditions and continued development of animal-drawn tillage. Various works and supplies: direct agreement. Supply of means of transport: int. tender, 1st quarter '81. TA: short list not yet drawn up. 4th EDF.

Ouagadougou — Yako Road. Resp. Auth. : Ministère des Travaux Publics. Estimated: 19 mECU. Bitumen road ± 100 km. Works and supervision. Technical study: Europrogetti Consultant (L). Works: Int. tender, 3rd quarter 81. Supervision: direct agreement, 3rd quarter '81. Date foreseen for financial decision: 2nd quarter '81. 5th EDF.

Mine of Poura rehabilitation. Resp. Auth. : Upper-Volta Government. Estimated cost: 46.1 mECU. Foreseen funding: EDF 4.0 mECU (4th EDF) and 4.14 mECU (5th EDF), CCCE 9.3 mECU, BOAD 3.1 mECU, Private investment 2.0 mECU, Coframines and others 2.8 mECU. IDB 2.7 mECU, Local 8.3 mECU Project on appraisal. 4th and 5th EDF.

Rural villages drinking water supply. Resp. Auth. : Ministère du Dév. Rural. Direction de l'Hydraulique et de l'Équipement rural. (H.E.R.) Estimated: 10.800 mECU. EDF 10.500 mECU. Local 0.300 mECU. Construction of 660 water-points: wells and bore-holes. Supply of drill equipment. T.A. Works by direct labour. Wells partly int. tender partly direct labour. Supply int. tender. T.A.: Short-list not yet drawn up. Date foreseen for financial decision. 1st half '81. 5th EDF.

Improvement of Dakiri plain. Resp. Auth. : Ministère du Développement Rural. Estimated Cost: 2.5 mECU. Hydro-agricultural improvement (± 200 ha). Irrigation and drain network. T.A. and monitoring. Works: int. tender, 1st half '82.

T.A. direct agreement. Date foreseen for financial decision, end '81, 1st quarter '82. Project on appraisal. 5th EDF.

ZAIRE

Completion of the Butuhé tea-project. Resp. Auth.: Département de l'Agriculture. (Commission Agricole du Kivu). 3.030 mECU. Extension of 100 ha tea plantation and upgrading of nearby ground to install a small power station. Works: plantation by direct labour. Power station: acc. int. tender in '81. Supplies: equipment for power station: int. tender in '81. TA and supervision of works: ILACO Consultant (N). Project in execution. 4th EDF.

Cotton improvement programme. Resp. Auth.: Département de l'Agriculture (Caisse de Stabilisation Cotonnaire). 7.750 mECU. To place financial means at disposal of Caisse de Stabilisation and cotton — mills to provide equipment, spare parts, vehicles, insecticides, fertilizers. Supplies: partially int. tender, partially direct agreement, awarding on the way. Project in execution. 3rd and 4th EDF.

Extension of Kinoisé market garden's. Resp. Auth.: Département de l'Agriculture (Centres des Produits maraichers: CECOMAF). 7.880 mECU. EDF 4.85 mECU, FAC and local 3.03 mECU. Development of three valley floors to grow vegetables ad fruit. Area 3 000 ha, of which 185 ha intensive cultivation and pisciculture and 584 ha orchards, rest for protection. Works: acc. int. tender 1st half 1981. Supplies: in tender and direct agreement, 1st half 1981. TA: FAC (F). Project in execution. 4th EDF.

Akula-Gemena road. Resp. Auth.: Ministère des Travaux Publics. Upgrading and asphaltting of the road (115 km). Economic study: Bureau SPE (Local). Technical study to be done. Short list already drawn up. Project on appraisal. 5th EDF.

Gosuma oil-palm factory. Resp. Auth.: Département de l'Agriculture. Palmerais du Zaïre (PALMEZA). 8 mECU. EDF 7 mECU, Local 1 mECU. Building of an oil palm factory in Gosuma. Initial capacity 20 T bunches/hour and later 30 T/hour. Works and supplies: direct agreement after restr. tender. Restr. tender under way. Supervision of works and management: direct agreement after restr. tender. Restr. tender already made (contract will be awarded to a local consultant specialized in the sector). 4th EDF.

Thé Butuhé. Resp. Auth.: Département de l'Agriculture (Commission Agricole du Kivu). Estimated Cost: 2.5 mECU. Strengthening and prosecution existing projects. T.A. for management and trading. Project stage: identification. 5th EDF.

Overseas Countries and Territories (OCT)

BELIZE

Animal health laboratory. Resp. Auth.: Ministry of Agriculture and Ministry of Public Works. 0.400 mECU. To improve the existing veterinary investigation service. Works: direct labour. Equipment: int. tender in 1981. 2 vehicles: direct agreement. Project in execution. 4th EDF.

Three junior secondary schools. Resp. Auth.: Ministry of Education and Ministry of Works. 1.250 mECU. Technical and practical skills in rural areas. Classroom blocks, work-

shop blocks, principal's house. Works: direct labour. Supplies: furniture and equipment, restr. tender or direct agreement. Project in execution. 4th EDF.

NETHERLANDS ANTILLES

Curaçao Slaughterhouse. Resp. Auth.: Stichting Plan Bureau. 2.7 mECU. Construction of a new slaughterhouse, general and technical facilities, cattle boxes. Final design and tender document: Consultant Janga (Local). Works: int. tender 1981. Equipment: int. tender end '81. Works supervision: short list not yet drawn up. 4th EDF.

St Martin Airport. Resp. Auth.: Ministerie van Openbare Werken. 7.292 mECU. Construction of new air terminal. Study and works. Study: execution, Flughafen Frankfurt (D). Works and supplies in '81. 4th EDF.

REUNION

Hydro-agricultural development of Bras de Cilaos Ministère de l'Agriculture. 2.650 mECU. Installations of a first section of water-supply network. Supplies and duct-laying and accessories, int. tend. in '81. 4th EDF.

ST PIERRE AND MIQUELON

Deep water quay building. Resp. Auth.: Ministère des Transports de la Rép. Française. Estimated total cost 3.051 mECU. EDF 1.600 mECU France 1.451 mECU. Works: int. tender 1st half '81. Date foreseen for financial decision: march '81. 3rd and 4th EDF.

MAYOTTE

Longoni harbour. Resp. Auth.: Ministère des Transports. Deep water quay building. Technical and economic studies: Bureau Sogreah (F), french funding. Project on appraisal. 4th EDF.

FRENCH POLYNESIA

Tahiti territorial abattoir. Resp. Auth.: Service de l'Economie Rurale, Papeete (Tahiti). Secrétariat d'Etat des Départements et Territoires d'Outre-Mer, Délégation de la Polynésie Française, Paris. 0.850 mECU, EDF 0.730 mECU, Ministère Français de l'Agriculture 0.120 mECU. Modern abattoir to replace old slaughterhouses and improve hygienic conditions for meat provisioning. Capacity 2 000 cattle and 13 000 pigs per year. Study: expert to verify technical dossier drawn up by administration. Short list not yet drawn up. Project on appraisal. 4th EDF.

WALLIS and FUTUNA ISLANDS

Poi-Tuatafa track. Resp. Auth.: Administration territoriale. 0.665 mECU. Construction of a track suitable for motor vehicles, 8.4 km. Works: acc. tender end '80. Supplies: int. tender in '81. 4th EDF.

Mata Utu road system. Resp. Auth.: Administration territoriale. 0.850 mECU. Local roads and drainage road system. Total length 10 km of which 2 km to be asphalted. Works: acc. int. tender end '80. 4th EDF.

Regional Projects

BELIZE

Caricom grains project, pilot farm. Resp. Auth.: Caribbean Development Bank. Development of 400 pilot farm. Estimate 2.145 mECU. EDF 1.826 mECU. Works: acc. tender 1st quarter '81. Supplies: equipment and vehicles: acc. tender 2nd quarter '81. 4th EDF.

BOTSWANA — SWAZILAND

Regional Railway Training Scheme. Resp. Auth.: Office of the Botswana President and Swazi Minister for Finance and Economic Planning. 2 mECU. TA, training, architectural studies. TA: short-list not yet drawn up. 4th EDF.

CARRIBBEAN REGION

Assistance to Caribbean Development Bank. Resp. Auth.: Caribbean Development Bank 1.06 mECU. Pilot schemes and studies. TA for studies in agriculture and fisheries. Mutual agreement: first quarter '81. 4th EDF.

COMMISSION DU FLEUVE NIGER (CFN) IN NIAMEY

Hydrological forecast system of river Niger basin. Resp. Auth.: CFN. 6.8 mECU. EDF 1.5 mECU. UNDP, OPEC, CFN, member states 5.3 mECU. To provide CFN possibilities to take hydrological dates on the whole Niger basin. Supplies: hydrometrical instruments, means of transport, equipment for teletransmission, supplies, int. tender in 1981. TA: supplied by Organisation Mondiale Météorologique (UNDP funds), direct agreement. 4th EDF.

COUNTRIES MEMBERS OF C.I.L.S.S. (SAHEL)

Large basins dams inventory in West Africa. Resp. Auth.: Secretariat du CILSS (Oudgougou). Study to be done. Short-list not yet drawn up. Project on appraisal. 4th EDF.

DJIBOUTI — ETHIOPIA

Djibouti-Addis railway. Resp. Auth.: Ministère des Transports — Ministry of Transport. Railway, short-term, rehabilitation. Study: Carlo Lotti (I). Project on appraisal. 4th EDF.

FIJI — TONGA — WESTERN SAMOA

University of the South Pacific — agricultural and marine resources programme. Resp. Auth.: South Pacific Bureau for Economic Cooperation (SPEC). 3.2 mECU. Buildings and teaching facilities, vehicles and small vessels, technical assistance and programme finance for: development of Marine Resources Centre, Fiji — Rural development Centre,

Tonga — Applied Agricultural Research Programme, Western Samoa. Contracts for work and equipment already awarded. TA for Fiji: four man years in marine biology and fishing technology from Europe and study programme assistance. For Tonga: five man years for the centre director and technologist and study programme assistance. For Western Samoa: four man years in plant breeding and agricultural economics. Short lists not yet drawn up. 4th EDF.

Creation of UDEAC HARBOUR ZONE — DOUALA HARBOUR CAMEROON Resp. Auth.: Government of Cameroon. Estimated Cost: 2.6 mECU. EDF 1.7 mECU, BDEAC 0.400 mECU. Local 0.500 mECU. Works: int. tender, 1st half '81. Project on appraisal. 4th EDF.

O.C.A.M.

Building and equipment of Institut Africain et Mauricien de Statistiques et d'Economie Appliquée in Kigali. Resp. Auth.: I.A.M.S.E.A. Pedagogical, administratives and hostel buildings (4,500 m²). Correspondent equipment supply. Studies: a) Programming. b) Architectural and Technical. Bureau SPADOLINI E GORI (I). Project on appraisal. 4th EDF. Building and equipment. 5th EDF.

COUNTRIES MEMBERS OF ORGANISATION AFRICAINE POUR LA PROPRIETE INTELLECTUELLE (O.A.P.I.)

Building and equipment of Centre Africain de Documentation et Information en matière de Brevets. Resp. Auth.: O.A.P.I. 1 mECU. Construction of 1,350 m² of buildings, and supply of equipment. Technical and architectural study: BRUSA PASQUE (I). Date foreseen for financial decision. 2nd quarter '81. 5th EDF. Study 4th EDF.

GAMBIA — SENEGAL (O.M.V.G.)

Bridge barrage on the river Gambia. Resp. Auth.: Ministry of Works and Ministère des Travaux Publics. Estimated cost in 78: 60 mECU. Foreseen funding: F.R.G. 20 mECU. UK 4.4/8.8 mECU. Canada 21.7 mECU, USA 11/22 mECU, Technical study: DHV-Rijkswaterstaat-Waterloopkundig Laboratorium Delft (NL). Project stage: identification. 5th EDF.

GUYANA — SURINAME

Guyana — Suriname ferry-link. Resp. Auth.: Ministère des Travaux Publics and Ministerie van Openbare Werken. Link ferry on Corentine river. Study to be done: economic and technical. Short-list already drawn up. Project on appraisal. 4th EDF.

RWANDA — ZAIRE

Hydro-electric development «Ruzizi II». Resp. Auth.: Ministères des travaux Publics. Estimated cost: 50/60 mECU. Economic and technical studies under-way (4th EDF): Bureau Tractionnel (B). Construction of a central hydro électric plant of 35 MW. Foreseen funding: EDF, ADB, ABEDA. Project on appraisal. 5th EDF.

Methane gas from Lake Kivu. Resp. Auth.: Ministères des Travaux Publics. Estimated cost: not available. Pre-feasibility study underway. Feasibility study when terms of reference will be known. (Studies 4th EDF). Foreseen funding: EDF, Belgium. Project stage: identification, 5th EDF.

SENEGAL — GUINEA

Tambacounda-Labe road. Resp. Auth.: Ministère des Travaux Publics. Upgrading and asphaltting of the road (455 km). Economic study: SONED (SE). Technical study to be done. Short list not yet drawn up. Project on appraisal. 4th EDF.

SOMALIA — DJIBOUTI

Somalia-Djibouti Road Link. Resp. Auth.: Ministère du Plan. Economic study: Economic Consultant (UK). Technical study to be done. Short list not yet drawn up. Project on appraisal, 4th EDF.

SUDAN — KENYA

Juba-Lodwar road. Resp. Auth.: Ministère des Travaux Publics. Estimated cost: 17 mECU, EDF 10 mECU, USAID 7 mECU. Contribution for bridge-building and intermittent improvements over 655 km of gravel road. Project on appraisal. 4th EDF.

TOGO — BENIN

Integrate development of the Mono Valley. Resp. Auth.: Ministères des Travaux Publics. Estimated cost: 110/114 mECU. Construction of a dam and a hydro-electric power plant of 2X30.7 MW. Foreseen funding: World Bank, EEC (EDF + EIB), France, FRG, Canada, ADB, BOAD, ABEDA, UNDP. Feasibility study done. Completion envisaged 1982/85. Project stage: identification. 5th EDF.

UPPER — VOLTA

Fada-Border Niger Road. Resp. Auth.: Ministère des Travaux Publics. Estimated cost: 28 mECU. Construction and surfacing of the road for 171 km. Possibility of partial financing on 5th EDF. Economic and practical study completed. Project on appraisal. 5th EDF.

WEST AFRICA REGIONAL PROJECT

Regional project to improve millet, sorghum and niébes. Resp. Auth.: CILSS. Institut du Sahel, Bamako (Mali). Estimated cost 3 mECU. To test in various trial centres results from rural research institutes. Date foreseen for financial decision: 1st quarter '81. 4th EDF.

17 COUNTRIES:
BENIN — CAMEROON —
CENTRAL AFRICAN REPUBLIC
CHAD — CONGO — GAMBIA —
GHANA — IVORY COAST —
LIBERIA — MALI —

MAURITANIA — **NIGER — SENEGAL —** **SIERRA LEONE — TOGO —** **UPPER VOLTA — ZAIRE**

Academie Régionale des Sciences et Techniques de la Mer in Abidjan. Resp. Auth.: Conférence Ministérielle des Etats de l'Afrique de l'Ouest et du Centre sur le transport maritime. Extension and renovation of the school. For EDF: supply of pedagogical equipment and TA. Project on appraisal. 5th EDF.

CONGO — GABON — **EQUATORIAL GUINEA —** **SAO TOME PRINCIPE**

Regional study on sea fishing in the Bay of Guinea. Resp. Auth.: Direction des Pêches of the 4 countries. 1.05 mECU. Inventory of fish resources. Marketing. Juridical evaluation — situation and future prospects. Consultant: SCET international (F). Study to be done: evaluation campaign by echo-integration on pelagic coastal fauna. Short list not yet drawn up. Date foreseen for financial decision: 1st quarter '81. 4th EDF.

TROPICAL AFRICA REGIONAL PROJECT

Rice, mais, niébes, soja improvement programme. 1st phase. Resp. Auth.: I.I.T.A. (Institut International d'Agriculture Tropicale) à Ibadan. Nigeria. Estimated EDF contribution 2.250 mECU. Experimentation and demonstration improved varieties. Works, supplies and experts recruitment by I.I.T.A. with local agreements. Project on appraisal. 5th EDF.

TOGO — MALI — UPPER VOLTA **— NIGER — CHAD**

Agricultural produce regional stocking centre. Resp. Auth.: Ministères du Plan and Ministère Affaires Economiques for Niger. Harmonization of stocking possibilities for the population and trade improvement. Technical and economic feasibility study: Bureau SATEC (F). Project on appraisal. 4th EDF.

SEYCHELLES — MAURITIUS — **COMOROS — KENYA —** **SOMALIA — TANZANIA —** **MADAGASCAR**

Telecommunications for flying airways in the Indian Ocean. Resp. Auth.: Civil Aviation Departments, Directions de l'Aviation Civile. Supply and installation of telecommunication equipment. Study: preliminary appraisal, Mr. Durieux and Amory (F). Study to be done: technical detailed study. Short-list already drawn-up. Project on appraisal. 4th EDF.

SOUTHERN AFRICA

Foot-and-mouth disease prevention. Resp. Auth.: Development Committee. Study to be done: Feasibility. Short-

list already drawn up. Project stage: identification. 4th EDF.

Countries acceding to Lomé Convention

VANUATU

Project to develop stock-farming in the Melanesian milieu. Resp. Auth.: Ministry of Agriculture. 1.762 mECU, EDF 0.900 mECU, Local 0.862 mECU. Increasing livestock production and improving marketing throughout the archipelago. TA: direct agreement, last quarter 1980. Agricultural equipment: int. tender 1st half '81. 4th EDF.

MAGHREB — MASHRAQ

ALGERIA

Livestock development study for vine-growing reconversion areas. Resp. Auth.: Ministère de l'Agriculture et de la Révolution Agraire. 0.095 mECU. Possibilities for development of dairy cattle. Study to determine project contents: SCET International (F). Project stage: identification.

Study for artificial insemination development in Algeria. Resp. Auth.: Ministère de l'Agriculture et de la Révolution Agraire. 0.080 mECU. Study to establish an artificial insemination service. Short list already drawn up. Project on appraisal.

Contribution towards the creation of six vocational training centres and the extension of five others. (C.F.P.). Resp. Auth.: Ministère du Travail et de la Formation Professionnelle (M.T.F.P.) — Ministère de l'Urbanisme, de la Construction et de l'Habitat (M.U.C.H.). 20 mECU. Community's contribution for buildings, technical and teaching equipment, technical assistance and training of instructors. Works: contracts already awarded. Supplies: int. tender 1st half '81. TA: direct agreement in '81.

EGYPT

Soil improvement programme in Kafre-el-Sheikh Governorate. Resp. Auth.: Executive Authority for Land Improvement Projects (EALIP). Provisional amount 9-14 mECU. To reclaim an area of 65 000 acres of saline soil, located in Hamoul district of the Kafre-el-Sheikh Governorate. Feasibility study of the project: Euro Consult (N). Project on appraisal.

Improvement of agricultural input storage facilities in the Daghalia Governorate. Resp. Auth.: Principal Bank for Development and Agricultural Credit. Provisional amount 4.5-8 mECU. Feasibility study of the project: Berlin Consult (D). Project on appraisal.

Preliminary study on the export potential of Egyptian products. Resp. Auth.: Egyptian Export Promotion Centre. 0.025 mECU. First phase, selection of a limited number of products or groups of products with the biggest export

potential and to draw up exact terms of reference for the main study. Short list already drawn up. Report due end '80. Main study due 1st half 1981. Short list not yet drawn up. Results of the preliminary study will determine amount to be allocated for main study.

Developing Vocational Training for Industrial Trades. Resp. Auth.: Ministry of Industry and Mineral Resources. (Productivity and Vocational Training Department — PVTD.) 2 mECU. Community's contribution over a period of 3 years for TA and equipment. TA: direct agreement in '81. Equipments: int. tender in '81.

Sinai Water Resources Study. Resp. Auth.: Ministry of Irrigation's Water Research Centre. Total Cost: 3.75 mECU. EEC Contribution: 2 mECU. Equipments, and T.A. over 3 years. Contracts and int. tender foreseen in '81.

Helwan waste water Project. Resp. Auth.: Government of Egypt. Estimated Cost 125.040 mECU. EEC Contribution estimated 31.540 mECU, Nederland 2.660 mECU. Construction of a sanitation system within an area of 9,500 ha. Collector mains, pumping stations and treatment works. Works and supplies: int. tender, 2nd half '81.

Intervention programme for investments promotion and for cooperation at companies level. Resp. Auth.: Ministry of Economy and External Trade, Ministry of Industry and Mineral Resources. 2 mECU. T.A., training and investment promotion. Project on appraisal.

JORDAN

Assistance to the Jordan Valley Farmers' Association. Provisional amount 1.5 mECU. Resp. Auth.: National Planning Council (NPC) and Jordan Valley Farmers' Association (JVFA). To assist the JVFA in the implementation of an agricultural machinery repair and servicing centre, and a vegetable seedling propagation unit. Study: feasibility of the project, Minister Agriculture Int. (UK). Project on appraisal.

1 Secondary Industrial School (SIS). Resp. Auth.: National Planning Council (NPC) and Ministry of Education. EEC 0.950 mECU. School for technical education at secondary level at Mafraq. Buildings to be financed by Jordan. Training and TA programmes also. Study: to identify and define project. Tema Consultant (I). Financial decision: November '80.

2 Trade Training Centres (TTC). Resp. Auth.: National Planning Council (NPC) and Vocational Training Corporation. Cost estimate 1.650 mECU for EEC. The TTCs offer apprenticeship in cooperation with local trade and industry. One TTC for about 400 boys at Zarqa. One TTC for about 400 girls in Amman. Buildings to be financed by Jordan. Training and TA programmes also. Study to identify and define project, TEMA Consultant (I). Date for financial decision, in 1981. Project on appraisal.

Faculty of Engineering and Technology. University of Jordan. Resp. Auth.: Ministry of Education. EEC-Contribution: 6.68 mECU. Supply of Laboratory and workshop equipment and T.A. over 5 years. Jordanian Government will finance buildings. Supplies: int. tender in '82. T.A.: Contracts in '81 and '82.

Faculty of Science-Yarmouk University. Resp. Auth.: Ministry of Education. 2.5 mECU. Supply of equipment, T.A. and training. Supplies: int. tender in '82. T.A. contracts in '81 and '82. Project on appraisal.

LEBANON

Industrial planning and industrial census. Resp. Auth.: Ministère de l'Industrie. 0.518 mECU. Foreign expert to

supervise local experts for census. Mission in Lebanon 2 months. EEC contribution covers all expenses for foreign expert and $\pm 50\%$ of total cost of the project. Project on appraisal.

MOROCCO

National laboratory for the production of veterinary vaccines. Resp. Auth.: Direction de l'Élevage du Ministère de l'Agriculture et de la Réforme Agraire. 2.255 mECU, EEC 1.980 mECU, Local 0.275 mECU. Financing of equipment, installations, supplies and the raw materials for a veterinary laboratory for the production of veterinary vaccines. Works: completion and adaptation of the existing buildings, mutual agreement contract. All material, equipment and raw materials, int. tender in 1981.

Nador and Safi water supply. Resp. Auth.: Office National de l'Eau Potable (ONEP). Ministère de l'Équipement et de la Promotion Nationale. Estimated cost 20.890 mECU, EEC 15.5 mECU, Local and Saudi Fund for Development 5.390 mECU. SAFI: water supply extension, partly service main, partly treatment and pumping station. NADOR: Regional water supply realization, service mains and treatment and pumping station. Works and supplies except pumping station and electrical connections: several int. tenders in 1981.

Monitoring and equipment of 10 Instituts de Technologie Appliquée (ITA). Resp. Auth.: Ministère du Travail et de la Formation Professionnelle (MTFP). 34.510 mECU. EEC 15.500 mECU, Local 19 mECU. Community's contribution for technical and teaching equipment, training of instructors and TA at the beginning of the project. Equipment: int. tender in several lots in '81. TA: direct agreement in '81, '82 and '83.

Intervention for Laboratoire Officiel d'Analyses et de Recherches chimiques de Casablanca. Resp. Auth.: Ministère de l'Agriculture. 1.200 mECU. Equipments: int. tender in '81. T.A. and training. Project on appraisal.

TUNISIA

Sewerage scheme for 17 towns. Resp. Auth.: Office National d'Assainissement (ONAS). Estimated cost 40 mECU, EEC 24 mECU, Local 16 mECU. Improvement of the sewerage system (mainly for sewerage and rainwater) for 17 towns. Service mains extension, building of purification stations. Study: to define programmes and prepare the implementation project. Short list already drawn up. Funding phase 1 end 1980 (12 mECU). Phase 2: 2nd quarter 1981 (12 mECU). Works: int. tenders, several lots in '81.

Expansion of industrial development activities. Resp. Auth.: Ministère de l'Industrie, des Mines et de l'Énergie. Agence de Promotion des Investissements (API) and the Banque de Développement Économique de Tunisie (BDET). 0.630 mECU. TA and studies. Contracts by direct agreement in '81.

Office National Tunisien du Tourisme (ONTT). Resp. Auth.: ONTT. 0.300 mECU. TA, studies and tourism promotion. Contracts by direct agreement in '81.

Participation to create 3 Training Vocational Centres: in Nabeul, Menzel-Bourguiba, Zagouan. Resp. Auth.: O.T.T.E.E.F.P. (Office des Travailleurs Tunisiens à l'Étranger de l'Emploi et de la Formation Professionnelle.) EEC Contribution 3.870 mECU. Supply of equipment, T.A. and training. Supplies: int. tender in '81 and '82. Contract T.A. and training, '81 and '82. Project on appraisal.

Non-associated developing countries

BANGLADESH

Tea rehabilitation project. Resp. Auth.: Bangladesh Tea Board (BTB). EEC 6.6 mECU, UK and Local 55.680 mECU. Purchase of machinery for tea factories. Call for quotation in EEC member states and Indian subcontinent in 1st quarter 1981.

Emergency food grain storage. Resp. Auth.: Ministry of Food. EEC 8 mECU. Construction of flat grain storage buildings in six different locations to store approximately 32 000 tons of grain. Works: restr. tender May 1981. Supply of building materials (cement and steel) int. tender December 1980. TA and local consultancy, mutual agreement, November '80 and January '81.

Cotton Development project. Resp. Auth.: Cotton Development Board. Estimated Cost: 13.500 mECU. EEC 6.5 mECU, Local 7 mECU. Supply of equipment, T.A. Works. T.A.: direct agreement or int. tender in '81. Works and supply procedure to be determined.

BURMA

Palm oil development. Resp. Auth.: Ministry of Agriculture and Forest. Estimated cost: 16.300 mECU. Financing: EEC 4.9 mECU, Switzerland and local 11.40 mECU. Expanding production for domestic consumption. Supplies and T.A. Supply: int. tender 81 and 82. T.A. short-list already drawn up.

INDIA

Cyclone and flood protection project, Orissa. Resp. Auth.: Ministry of Finance. EEC 1.5 mECU. Miscellaneous works to increase security in cyclone and flood-prone areas (reafforestation, drainage sluice, anti-erosion works, helicopter landing places, elevated platforms and shelters. Works: direct labour or restr. tender, end 1980 or 1st half '81.

Flood protection project, West Bengal. Resp. Auth.: Ministry of Finance, Government of India. EEC 3 mECU. Construction of 85 flood protection shelters on elevated earth platforms. Design and production of a rescue boat. Works and development of a rescue boat: restr. tender, end 1980 or 1st half '81.

INDONESIA

Pilot project on integrated soya and foodcrops development in Sumatra. Resp. Auth.: DG for economic, social and cultural relations (Department of Foreign Affairs). EEC 4 mECU. Local 1.4 mECU. To investigate the feasibility of arable cropping (mainly soya) and establish a seed multiplication centre in Jambi Province (Sumatra). TA: contract awarded. Works: direct labour. Supplies: int. tender or restr. tender to be determined end 1980.

S.E. Sulawesi transmigration and area development project. Resp. Auth.: Directorate General of Transmigration. EEC 3 mECU. Islamic Development Bank, Local 44.943 mECU. Contribution to a settlement programme consisting of studies for future development and local costs for housing, land irrigation, roads. Consultancy services (studies) restr. tender. Works: direct agreement. 1st half 81.

Lower Citanduy Irrigation. Resp. Auth.: D.G. for contagious diseases control. Estimated cost: 76.9 mECU. EEC 3.8 mECU, ADB 42.4 mECU, Local 30.7 mECU. Construction of irrigation and drainage canals, feeder roads, village water supplies for 287 villages in S.W. part of C. Java. Works: Acc. tender. Supplies: int. tender in '82.

Talungagung flood control and drainage. Resp. Auth.: Brantas River Basin — Development Executive Office — Ministry of Public Works. Estimated Cost: 48.3 mECU. EEC 6.1 mECU, ADB 28 mECU, Local 14.2 mECU. Increasing the capacity of the existing drainage system. Supplies: int. tender, 1st half '81. Works: Acc. tender, 2nd quarter '81.

Baturraden Dairy Development. Resp. Auth.: D.G. for livestock services. Estimated cost: 8.385 mECU. EEC 4.4 mECU, Italy 0.410 mECU. Construction, infrastructure, supply of equipment, T.A. Works and supplies: int. tender 1st half '82. T.A.: direct agreement 1st half '81.

LAOS

Seedling propagation centres. Resp. Auth.: Department of Agriculture. Ministry of Agriculture, Forestry and Hydrology. Mekong Committee Secretariat. EEC 2.9 mECU, Local 0.800 mECU. To establish six seedling propagation centres and to rehabilitate the agronomical research centre of Hat-Dok-Keo to supply selected seeds for the irrigated areas of Mekong plains. Works: direct labour. Supplies: modalities to be agreed between EEC Commission and government. TA by advertisement in member states newspapers, end 1980 or 1st quarter '81.

NEPAL

Livestock project. Resp. Auth.: Department of Agriculture. Agricultural Development Bank of Nepal. EEC 2.2 mECU. ADB, Australia, UNDP. Local 9 mECU. Upgrading of animal health facilities and development of livestock production and marketing in two specific areas. Building and civil works: intern. tender. Date unknown. Project managed by ADB.

PAKISTAN

Baluchistan livestock development. Resp. Auth.: Provincial Government of Baluchistan. The Department of Fisheries and Livestock. The Baluchistan Development Authority. EEC 6.7 mECU, ADB 5.8 mECU, Local 1.4 mECU. Development of rangeland for sheep and goat production, construction of kid and lamb fattening units at selected locations, development of the dairy sector, establishment of local vaccine production, construction of a feedmill, training and consultancy services. Works, supplies and consultancy services, int. tenders. Dates unknown. Project managed by ADB.

Rural hydraulics programme in Baluchistan. Resp. Auth.: Rural Development and Local Government Department. Irrigation and Power Department. (KDLG) and (I.P.D.) Estimated cost: 25 mECU. EEC 4 mECU, UNICEF and Local 21 mECU. Construction of 180 small drinking water supply. Supplies: int. tender, 2nd quarter '81.

SRI LANKA

Mahaweli Ganga development. Resp. Auth.: Mahaweli Development Board (MDB). Integrated rural development project. 43 000 ha area with a population of 140 000. Priority to food crops development. EEC 2 mECU, IDA 87.2 mECU (joint funding EEC-IDA, IBRD, UK, N, Canada, USA). EEC contribution for social infrastructure and civil works. Modalities: World Bank procedures.

Integrated rural development in the Mahaweli Ganga region. Resp. Auth.: Mahaweli Development Board (MDB). Estimated cost 9 mECU, EEC 2 mECU. Development of 2 326 ha irrigated land and rehabilitation of 1 910 ha deteriorated land. Socio-economical infrastructure to allow settlement of 12 000 rural families. TA: FAO implementation not yet started because Sri Lanka authorities have asked for revision of certain project components and have still not signed tripartite agreement with EEC and FAO.

Eastern Region rehabilitation project. Ministry of Coconut Industries. EEC 3 mECU, Italy 0.375 mECU, small UK and FAO contributions, balance up to 7 mECU financed by Sri Lanka government. Rehabilitation of coconut plantations devastated by a cyclone and diversification of agriculture in the same region. Feasibility study financed by Italian bilateral aid executed by AGROTEC (I). Works: direct labor. Supplies: modalities for tenders to be determined, first quarter '81.

THAILAND

Cooperation training and marketing. Resp. Auth.: National Economic and Social Development Board (NESDB) and Bank for Agriculture and Agricultural Cooperation (BAAC). EEC 3.037 mECU. To provide training facilities for the personnel of agricultural cooperatives and equipment for cooperative marketing unit. Int. tender in '81.

Rubber smallholdings yield improvement. Resp. Auth.: Rubber Research Centre (RCC). Ministry of Agriculture and Cooperatives. EEC 1.8 mECU, Local 1.8 mECU. To introduce and popularize new tapping techniques to improve the yield of old rubber trees before their felling. TA by direct agreement. Supplies: modalities of tenders to be agreed between EEC Commission and government. Tenders in mid '81, '82, '83, '84.

Irrigation Studies (PA MONG). Resp. Auth.: National Energy Administration. 0.700 mECU. Engineering studies. Direct agreement, 2nd half '81.

HUAY-MONG-Irrigation and drainage Scheme. Resp. Auth.: National Energy Administration. Estimated Cost: 25 mECU. EEC 11 mECU, A.G.C.D. (B) 1.8 mECU. Works, T.A. and Supplies. Contracts ad int. tender for works and supplies, 2nd half '81.

THE PHILIPPINES

Bicol River-basin Development. Resp. Auth.: Ministry of Public Works and Ministry of Public Highways. Estimated cost: 53.6 mECU. EEC 4.5 mECU, ADB and others 35 mECU. Irrigation and drainage facilities, village water supply, feeder roads to serve an area of 17,000 ha in S. Luzon. Works: direct labour or acc. tender in '81 and '82.

Crop protection Programme. Resp. Auth.: Ministry of Agriculture. Estimated cost: 8.596 mECU. EEC 3.5 mECU, F.R.G. and Local 5.096 mECU. Strengthen and expand the existing crop protection service. Works and supplies (vehicles and equipment). Way of execution to be determined. Timing: '81 and '82.

YEMEN ARAB REPUBLIC (YAR)

Resource investigation for agricultural planning in the Wadi Rasyan Basin. Resp. Auth.: Tihama Development Authority, Ministry of Agriculture. Studies concerning physical characteristics, natural resources and potentialities of Wadi Rasyan Basin and preparation of first development plan. Studies: Consultant DHV (N).

ASEAN

Regional collaborative study on aquaculture. Resp. Auth: The ASEAN Committee on Food, Agriculture and Forestry (COFAF). EEC 0.300 mECU. To assess the present and future potential of rural aquaculture in the ASEAN countries, and in particular study means of developing existing applied research training and extension facilities in this field. Contract will be awarded by mutual agreement to a mixed team composed of ASEAN and EEC experts. Last quarter of 1980 or '81.

ASIAN DEVELOPMENT BANK (ADB)

TA Programme through the ADB. Resp. Auth: ADB — EEC 1.200 mECU — Research and evaluation of agricultural projects in ADB member countries. Consultancy services (studies) contract awarded according to ADB procedures. Selection of consultants end 1980 or 1981.

CIAT — Centro Internacional de Agricultura Tropical, Cali (Colombia)

Research support 1980. Resp. Auth: CIAT. Estimated total amount 10 mECU, EEC 1 mECU. Parallel co-financing within the framework of CGIAR. EEC contribution: bean and cassava improvement programme. Project managed by CIAT.

CIP — Centro Internacional de la Papa (Internacional Potato Centre). Lima, Peru

Research support 1980. Resp. Auth: CIP. Estimated total amount 6.2 mECU, EEC 0.5 mECU. Parallel co-financing within the framework of CGIAR. EEC contribution: programme components with a view to the creation of regional better-adapted potatoes, to nematode and insect control and to regional research and training. Project managed by CIP.

HAITI

Integrated rural development of Asile region. Présidence de la République. Estimated cost: 12 mECU. Foreseen financing: EEC 5 mECU, IDB 7 mECU. Feeder roads, rural monitoring, irrigation, social infrastructure. Financial decision: 1st quarter '81.

Public health and drinking water in rural area. Resp. Auth.: Département de la Santé Publique et de la Population. Estimated cost: 4.893 mECU. EEC 1.6 mECU, IDB 3 mECU. Drinking water supply system for 100 rural communities. EEC contribution to supply equipment and accessories. Int. tender for supply to be decided by IDB.

Training and research for rural production development. Resp. Auth.: Département de l'Agriculture, Ressources naturelles et Développement Rural (DARNDR). Cost: 0.412 mECU. EEC 0.300 mECU, France 0.112 mECU. Construction of tank and reservoirs and wells. Contracts and supplies, direct agreements. 2nd and 3rd quarter '81.

HONDURAS

Rural water supply and sewerage. (Saveamiento Basico). Resp. Auth.: Ministerio de Salud Publica y Asistencia Social. Dirección de Saveamiento Basico. Cost: 6 mECU. ECE 3.2 mECU. Well construction, water supply, health installations in the Olancho region. T.A. direct agreement, 2nd half '81. Supplies, contracts already awarded. Works, direct labour, 2nd half '81.

HONDURAS — COSTA RICA

Regional grains stocking and trading programme. Resp. Auth.: (Banco Centro-americano d'integración económica). Total cost: 21.43 mECU. Financing: EEC 1.80 mECU, IDB 15.18 mECU, BCIE — BANAFOM — CNP 4.45 mECU. In Honduras building of 6 complementary grain-stores, in Costa Rica 7 grain-stores with a capacity of 46 000 tons (total). IDB envisages partial reallocation of Costa Rica project for Nicaragua.

LATIN AMERICA

Rural micro-projects. Resp. Auth: Ministerios de la Agricultura. IDB special fund. EEC contribution for the programme 2 mECU. To be decided.

International Rice Research Institute (IRRI) — Manila (Philippines)

Research support 1980. Resp. Auth: IRRI. Estimated total amount 11.6 mECU, EEC 1 mECU. Parallel co-financing with the framework of the Consultative Group on International Agricultural Research (CGIAR), EEC contribution: water management, scholarships and the Genetic Evaluation and Utilization Programme (GEU). Project managed by IRRI.

ICRISAT — Institute of Crops Research in the Semi-Arid Tropics — Hyderabad (India)

Research support 1980. Resp. Auth: ICRISAT. Estimated total amount 6.2 mECU, EEC 0.8 mECU. Parallel co-financing CGIAR. EEC contribution: research and training on the pulses improvement programme. Project managed by ICRISAT.

BOLIVIA

Irrigation Programme Altiplano-Valles (Cochabamba). Resp. Auth.: Service National de Développement Communautaire (S.N.D.C.). Cost: 9 mECU. EEC 2 mECU, KFW (F.R.G.) 6 mECU, Local 1 mECU. Construction of small dams and irrigation canals. Works by direct labour. (Outstanding project).

EQUATEUR

Irrigation in Chambo. Resp. Auth.: Institut National Equatorien de Ressources Hydrauliques (I.N.E.R.H.I.). Cost: 5.92 mECU. EEC 2.9 mECU. Repairing and extension irrigation system. T.A., training and supplies. Works, direct labour or direct agreement: 2nd quarter '81. Supplies: acc. tender, 2nd quarter '81. T.A. and training different phases in '81 and '82.

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logic of the system) can be projected onto the horizon of the new international economic order. It is the result of careful thought and it helps us understand the upheavels of today and visualize the international economy of tomorrow.

The work is useful for information, for training and for reference and it is aimed both at the specialist, who has outlines and precise documentation on each particular point, and at all those interested in international economic problems. The theoretical details are brought together, so the general reader can skip them without losing the overall view, and the many notes on terms and concepts should reassure those who are put off by economic jargon.

Mr. Paleologue is a member of the UN Secretariat. Since 1964, he has taught international economic relations at the University of Geneva and at the institute for the study of economic and social development at the University of Paris I.

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Felice RIZZI — **Educazione e sviluppo nei paesi del terzo mondo** (Education and development in the countries of the Third World) — Collana "Bilanci" — Editrice La Scuola, Brescia — 232 pages — Lit. 6 500 — 1981

This major work examines responses to the special problems of education in the Third World, with direct reference to economic and social development.

Among the many problems facing the countries of the Third World, not the least is education. In this field as elsewhere, to try and take over wholesale the criteria, methods and systems prevailing in technologically and socially more developed countries is impossible, and would indeed be counterproductive. Yet such mistakes have been all too common, not only during the colonial era but in more recent times too.

There is therefore a need for first-hand knowledge of how societies function in countries which, although they may only recently have come to political independence, nevertheless possess a cultural heritage deserving of respect, particularly if one accepts that education cannot be divorced from the cultural life—in the broadest sense—of society as a whole.

Professor Rizzi bases his approach to the problem not only on wide study

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and the findings of seminars and conferences, but on first-hand experience gained in his long spells in various African and Latin American countries.

His observations and reflections are founded on fact. He deals with all aspects of his subject, as the chapter headings make plain: new prospects for economic development; rural education; integrated development, participation and cooperation; educational planning.

The book also contains a long introduction by *Aldo Agazzi*, who provides a closely-argued 30-page summary of the main issues in Third World education.

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Klaus W. GREWLICH — **Transnational enterprises in a new international system** — Sijthoff & Noordhoff (Alphen aan den Rijn, Netherlands — Rockeville, Maryland/USA) 1980 — ISBN 90 286 0650 5 — 239 pages, cloth, Dfl. 85.00/\$ 42.00

The author of the book is a lawyer and economist, a former close collaborator of the Secretary General of OECD and member of the Foreign Service of the Federal Republic of Germany. He has been working since 1978 in the Commission of the European Community.

The book is prospective and action-oriented. Its basic idea is that Transnational Enterprises (TNE) can make an effective contribution to world development and may play a positive role in a new international system.

In a first study, published three years ago, the author had already examined the impact of direct investment activities taking place among OECD countries. The present book has a worldwide scope and concentrates on the elaboration of standards for direct investment and the activities of transnational enterprises in particular in developing countries.

The author believes that these standards should serve three vital purposes: increasing the TNE's contributions to development, the reduction of political tensions, and the maintenance of an efficient international economic system. Thus the proposed standards intend to establish the right balance between freedom and responsibility; between complete uncertainty and an over-rigid legalistic approach; between the uncontrolled use of sovereign rights and the exercise of transnational power. The standards are responsive to the particular needs of developing countries, while preserving the vital force of economic liberalism and entrepreneurial freedom.

The proposed world-wide framework for direct investment and transnational enterprises is part of the process of rethinking and reshaping the bases of the international system.

THE COURIER

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