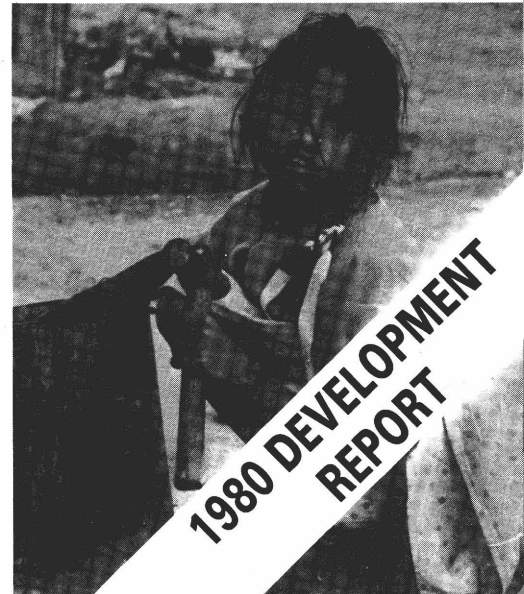
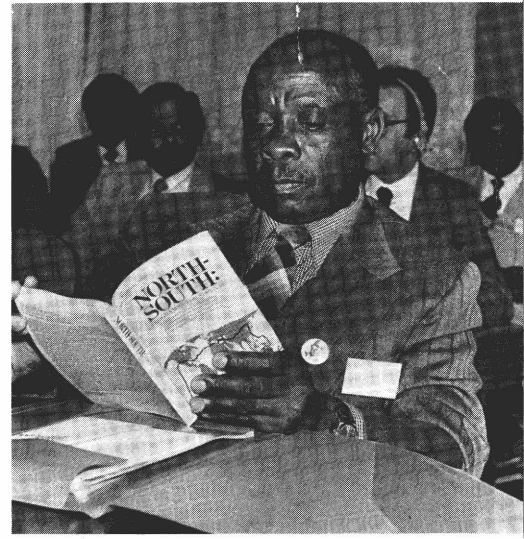
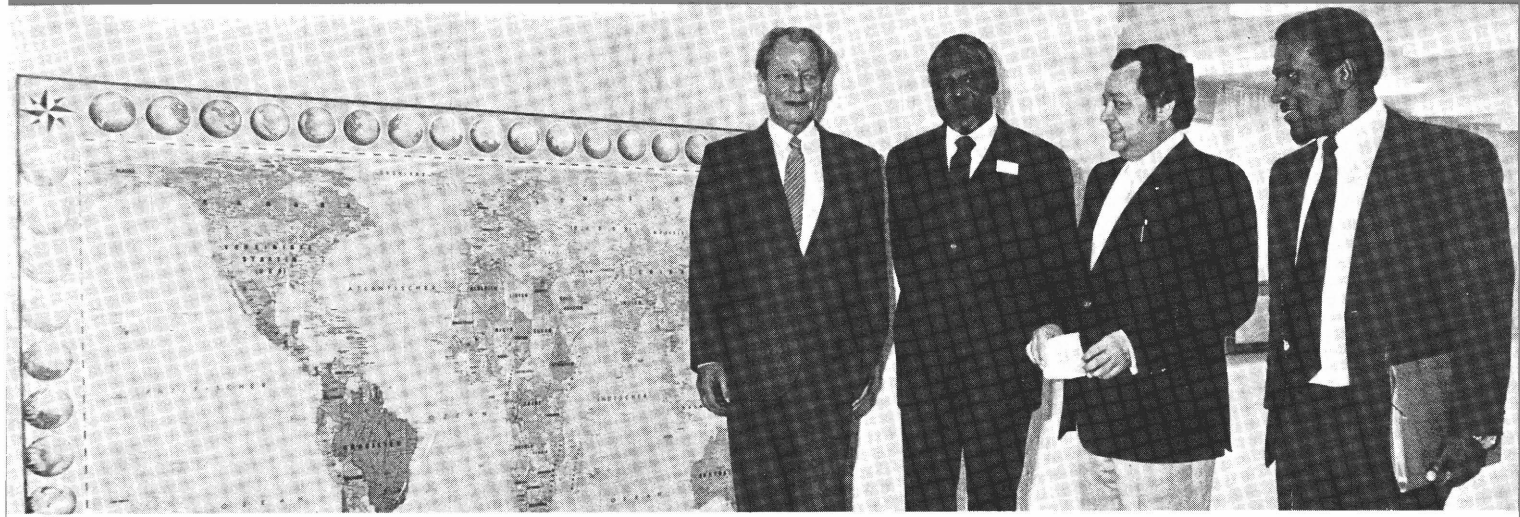


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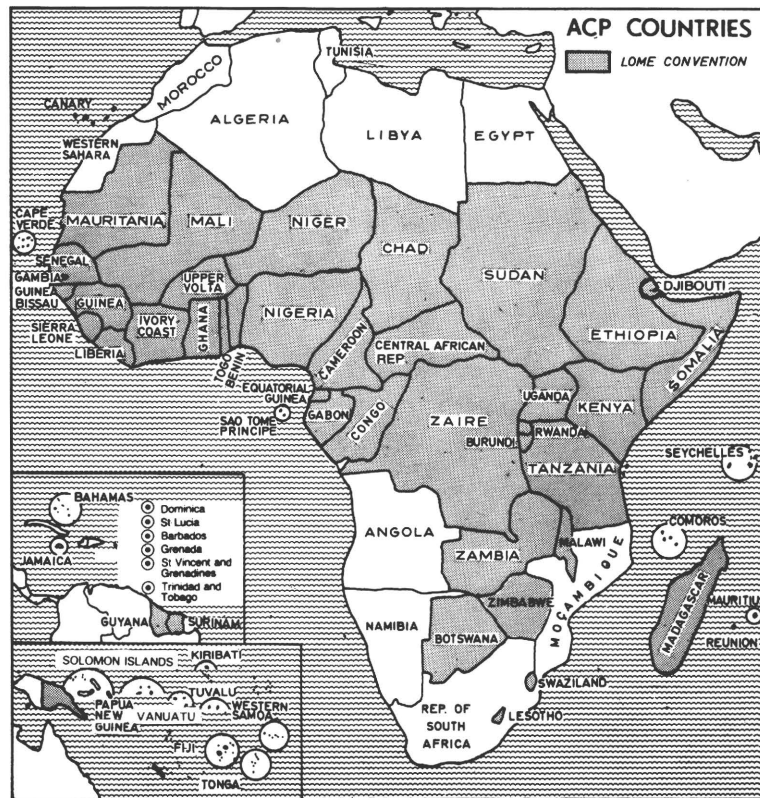
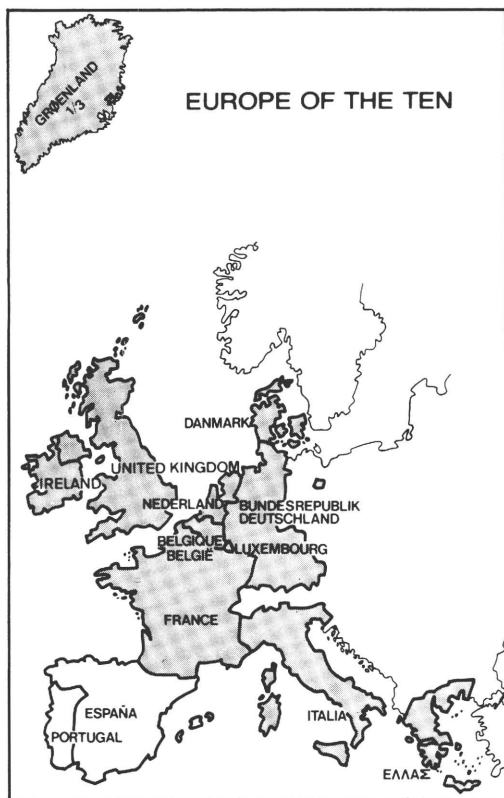
1980 DEVELOPMENT
REPORT

THE EUROPEAN COMMUNITY

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

THE ACP STATES

BAHAMAS	GUINEA BISSAU	SIERRA LEONE
BARBADOS	GUYANA	SOLOMON ISLANDS
BENIN	IVORY COAST	SOMALIA
BOTSWANA	JAMAICA	SUDAN
BURUNDI	KENYA	SURINAM
CAMEROON	KIRIBATI	SWAZILAND
CAPE VERDE	LESOTHO	TANZANIA
CENTRAL AFRICAN REPUBLIC	LIBERIA	TOGO
CHAD	MADAGASCAR	TONGA
COMOROS	MALAWI	TRINIDAD & TOBAGO
CONGO	MALI	TUVALU
DJIBOUTI	MAURITANIA	UGANDA
DOMINICA	MAURITIUS	UPPER VOLTA
EQUATORIAL GUINEA	NIGER	WESTERN SAMOA
ETHIOPIA	NIGERIA	VANUATU
FIJI	PAPUA NEW GUINEA	ZAIRE
GABON	RWANDA	ZAMBIA
GAMBIA	ST. LUCIA	ZIMBABWE
GHANA	ST. VINCENT & GRENADINES	
GRENADA	SAO TOME PRINCIPE	
GUINEA	SENEGAL	
	SEYCHELLES	



FRANCE

(Overseas departments)

Guadeloupe
Guiana
Martinique
Reunion
St Pierre and Miquelon

(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

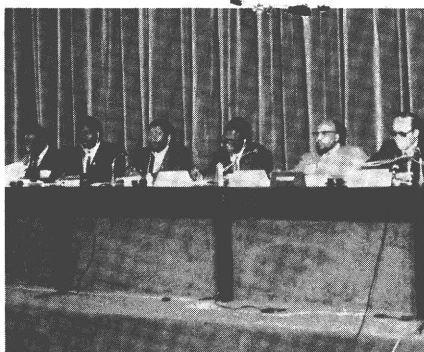
(Overseas countries and territories)

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.

Cover: EEC-Third World cooperation has many facets. Photos show (top) Willy Brandt, ACP secretary-general T. Okelo-Odongo, Commonwealth secretary-general S. Ramphal and deputy ACP secretary-general E. Carrington; (centre) representatives of Syria, Jordan and Egypt signing cooperation agreements with the EEC and (right) a delegate at a North-South meeting reading the Brandt report: (below) putting words into action—coffee in Papua New Guinea and development of bananas in Jamaica; child in India, one of the non-ACP countries to receive Community food aid (Photos: EEC, Papua New Guinea information service, J. and P. Hubley)

Trade — As a result of a number of resolutions adopted by the ACP Council of Ministers, the first-ever conference of ACP trade operators took place in the Togolese capital, Lomé, from 6-10 July. After overcoming inevitable teething problems, the conference agreed to set up a "light structure" — a centre for trade and development — as a first step towards the establishment of an ACP federation of chambers of commerce which is seen as a cornerstone of intra-ACP trade. **Page 2**



Comoros — The Comoros archipelago in the northern Mozambique channel achieved independence in November 1975. Its recent history has been rather troubled. After the "student revolution" which forced the former president, Ali Soilih, to put almost all political and economic power into the hands of inexperienced young people, power was taken by Ahmes Abdallah in 1978 and the federation proclaimed. Although it has limited resources, the country has the advantage of political unity which will allow it to face up to serious economic problems in the future. The head of state and minister of finance explain their priorities. **Page 6**

Belize — On 21 September Belize, Britain's last dependency on the American continent, becomes independent. It has already indicated its desire to join the ACP group. The internal change for Belize will be small since it has been self-governing since 1964. Independence, which would normally have followed in a few years, had to be delayed because of a territorial dispute with neighbouring Guatemala. Although small and economically vulnerable, the new country has enough resources to ensure a relatively prosperous future, and a good start has already been made, with international assistance, under the government of Premier George Price. **Page 18**



Dossier — The European Community has a close relationship with the countries of the Third World enshrined in a number of cooperation agreements such as the Lomé Convention (with the ACP states), and the Maghreb, Mashreq, Latin American and Asian agreements. The objectives, activities and results of this development policy have been analysed in a report for the year 1980 covering not only EEC help for developing countries but the Community's role in global cooperation and the North-South dialogue. **Page 30**

The arts — UNESCO, set up in 1946 to contribute to the maintenance of peace and security by strengthening cooperation among nations through education, science and culture, has now been in existence for 35 years. Its projects in the various fields are now numerous, whether it is organizing literacy campaigns in Africa or Latin America, or saving the Nubian monuments or the ruins of the kingdom of the Incas. Despite their diversity Hervé Bourges, director of UNESCO's information office, has put together a summary of the organization's achievements in the cultural field. **Page 74**



THE COURIER

AFRICA - CARIBBEAN - PACIFIC
— EUROPEAN COMMUNITY

No 69 September-October — 1981

CONTENTS

2. **Intra-ACP cooperation:** The Lomé conference of intra-ACP trade operators

AFRICA - CARIBBEAN - PACIFIC

6. **Comoros:** An island nation in a difficult economic situation
8. Economic and political outline of the Comoros
10. Solidarity with Islam and dialogue with France: Interview with President Ahmed Abdallah
13. Said Kafé, minister of finance: "We are aiming for self-sufficiency in food"
15. EEC-Comoros cooperation

OCT

18. **Belize:** a late starter in the independence stakes
22. Prime Minister George Price: "Our main achievement has been the creation of a sense of national identity among the Belizean people"
24. Background to independence

EUROPE

27. Public opinion in the European Community
30. **DOSSIER: The European Community's development cooperation policy 1980**
31. Anxiety about the North-South dialogue: Edgar Pisani, for the Commission, briefs the Council of Ministers
33. Europe and the Third World
35. EEC cooperation with the developing countries
43. The Community and the North-South dialogue
46. Cooperation with the various regions of the Third World
64. Food aid and emergency aid
65. Cooperation with non-governmental organizations (NGOs)
66. The institutional framework of cooperation

DEVELOPING WORLD

70. "UNU is the first in a new generation of higher learning institutions": an interview with rector Soedjatmoko

EDF PROJECTS

72. Caribbean Tourism Association: 1981 prize to the EDF

THE ARTS

74. UNESCO: 33 years of service to peace, justice and development
77. Cape Verde and its music
81. Tassili: A prehistoric age laid bare
83. **BOOKS**

NEWS ROUND-UP (yellow pages)

OPERATIONAL SUMMARY
(blue pages)

LOMÉ

Conference of ACP trade operators: Call for a centre for trade and development

Delegates from 24 ACP states were in the Togolese capital Lomé, the home of the Convention, for the first-ever conference of ACP trade operators from 6-10 July.

Intra-ACP trade and a federation of ACP chambers of commerce were on the agenda, and the participants came with the flair characteristic of businessmen whenever business is concerned.

Foreseen under a number of resolutions adopted by the ACP Council of Ministers, and in particular those adopted in Montego Bay (Jamaica) in July last year, the turn-out at the conference was disappointing given the considerable length of time available for preparation. The outcome, however, is by no means negligible. Indeed, it is doubtful whether the presence of representatives from all 61 member states would have made much difference to the conference's achievement. That, at least, is the opinion of Koffi Djondo, president of the Togolese Chamber of Commerce, Agriculture and Industry, who chaired the conference.

Judging from complaints by some of the participants that they received their invitations only three days before the conference, the poor attendance may have been due to the fact that many trade operators received their invitations either too late or not at all by the time the conference took place. It was hardly surprising that the question of communication and information cropped up, now and again, during the deliberations: several delegates complained of lack of information and lack of contact with their governments and with the ACP Secretariat. Some complained of never having seen a copy of the Lomé Convention and of receiving the preparatory papers for the conference just hours before it began. If what threatened to be an incoherent and useless meeting turned out to be orderly and relatively successful, it was thanks mainly to the able guidance of the

chairman of the committee of ambassadors, L. B. Monyake, the chairman of the sub-committee for intra-ACP cooperation, Raymond Chasle, and ACP secretary-general Thomas Okelo-Odongo.

An ACP federation of chambers of commerce

The Lomé conference, it should be noted, was an attempt to give practical expression to the lofty concept of intra-ACP trade, which aims at collective self-reliance within the group: by trading and investing among themselves the ACP countries aim to reduce their dependence on the markets of the developed countries, which are increasingly becoming closed to some of their vital products. Elaborated at the November 1979 ACP-EEC conference in Nairobi, it fits in with the global move towards South-South cooperation.

The idea of an ACP federation of chambers of commerce, on the other hand, was mooted by President Gnassingbé Eyadema of Togo during the signing ceremony of the Lomé II Convention. Details of his proposal were presented and adopted at Montego Bay by the ACP Council of Ministers, which directed the committee of ambassadors to convene a conference of ACP trade operators to examine "immediate opportunities for accelerated trade promotion arrangements between ACP states".

No doubt the establishment of an ACP federation of chambers of com-

merce was and still is viewed as the most effective way of realizing these objectives, and many delegates came to Lomé with it uppermost in mind—hence their initial impatience for getting on with the subject and not "biting too much" into the evidently voluminous agenda.

However, discussion of the Nairobi report was to a certain extent inevitable and desirable, in order to acquaint those trade operators who professed ignorance with what it is all about—briefly, the virtues of intra-ACP trade and the obstacles towards their realization. (See *Courier* no.s 59 and 63). However, the intervention of Professor T.M. Yesufu, director of the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture, was timely in warning the conference, before it got bogged down in unnecessary debate, of the options facing it: it had either to examine, point by point, the Nairobi recommendations, reaffirm its belief in them and disperse, he said—or examine seriously the mechanisms for putting the recommendations into practice.

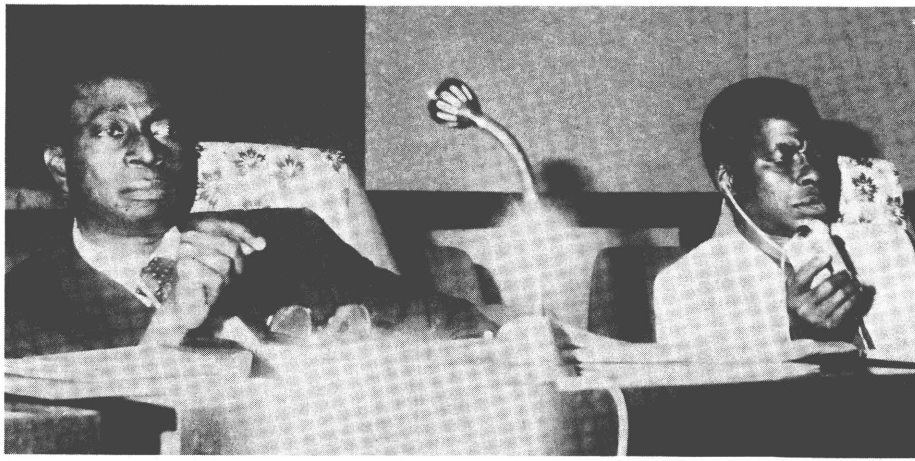
Working groups

It was at this juncture that the conference was constituted into two working groups—the first under Chief Adeyemi Lawson, president of the Nigerian Association of Chambers of Commerce, was charged with examining the "possibilities of cooperation among ACP firms, institutions and organizations engaged in export/import trade; the establishment of an ACP federation of chambers of commerce, industry, manufacturing associations, etc. (with the Togolese proposals as the bases); and the establishment of export trading houses".

The second group chaired by Mr Konna, secretary-general of Cameroon's chamber of commerce, was to examine intra-ACP trade with special reference to joint action among ACP



Opening session of the conference. Ambassadors Chasle and Monyake are first and second respectively from the right; Koudjoulou Dogo, Togolese minister of planning, is fourth; and ACP secretary general Okelo Odongo on the extreme left



Adeyemi Lawson (left), chairman of working group 1, which dealt with the creation of an ACP federation of chambers of commerce

firms in production and in specialized services and technology, and the development of capacity for transport, warehousing, refrigeration and other related services.

No one had any illusion that an ACP federation of chambers of commerce would come into being with the Lomé conference. After all, the trade operators hardly knew each other and this came out strongly during the plenary session. Delegates had, as a result, called for "prudence" and "caution" in approaching the issue. But as the magnitude of the obstacles emerged with subsequent debate, it became clear that the federation could not even be a short- or medium-term objective, as many had expected, but only a long-term aim. There is the geographical factor: the long distance between the various parts of the group and its implications with regards to transport and communications. There is the lack in some countries of chambers of commerce, and the difference in character of the chambers in the countries where they exist: for example, many ACP countries have constitutional, statutory or parastatal institutions which can function only to the extent permitted by law, while others have voluntary or private organizations completely independent of the government. There are the moves in various international fora on chambers of commerce — at the OAU, UNCTAD, etc. — and the question of duplication. (ACP secretary-general T. Okelo-Odongo nonetheless gave an assurance during the conference that he was in touch with the secretariats of the institutions concerned to identify areas of cooperation and coordination). There is also the problem of information gathering and dissemination that the conference heard so much about, and many other pertinent questions: for example, what

the status, the authority and the policies of an ACP federation of chambers of commerce will be vis-à-vis governments, regional and sub-regional organizations. Above all, there is the question of how such a federation will be financed.

Working group I

The task of working group I was not made easy by these realities. After unanimously adopting the objectives set out in the Togolese proposal (see box) the group examined the kind of "light structure" that could be set up as a first step. A Nigerian suggestion for the setting up of a consultative chamber of commerce, which could meet every two years to recommend action on the formation of an ACP federation of chambers of commerce, and for an ACP centre for trade and development working in the meantime with the ACP Secretariat, was supported by the Togolese delegation. It was to form the basis of discussion and detailed examination with regard to status, financial resources and timetable. There were delegates who thought the proposal was too ambitious for a start. Many, while supporting it, disagreed on how the two institutions should be financed, but after a sub-committee was constituted to reconcile the various views, compromise recommendations were unanimous approved by the working group and eventually by the plenary session.

The recommendations include the following:

- A centre for ACP trade and development should be set up. Such a centre need not necessarily be based in Brussels.
- Pending the establishment of the centre, the ACP Secretariat should be strengthened by way of a specialized

unit, as a matter of urgency, to handle the affairs of the proposed ACP federation of chambers of commerce.

— There should be a conference of ACP national chambers of commerce and other economic operators every two years.

— An ad hoc committee of ACP national chambers of commerce and other economic operators, composed of two representatives from each of the six ACP regional groupings, should be appointed. The ad hoc committee should examine the modalities of the development and operation of such a federation of ACP chambers of commerce and other economic operators, and submit recommendations to the conference, the first meeting of which shall be held in 1983. The ad hoc committee should also undertake the preparatory work for the conference. (It should be noted that during the closing session of the conference, this ad hoc committee was named. It comprises: for West Africa, Nigeria and Togo; for East Africa, Kenya and Mauritius; for Central Africa, Gabon and Cameroon; for southern Africa, Zimbabwe and Lesotho; for the Pacific, Papua New Guinea and Fiji; and for the Caribbean, Jamaica and Barbados. Each region reserves the right to change its representatives on the committee).

— The ad hoc committee should begin its work not later than June 1982. The ACP Secretariat should provide it with the necessary secretariat services.

— Existing ACP chambers of commerce and other economic operators should, as a matter of priority, exchange information among themselves for export promotion purposes. At the same time, such information should be communicated on a regular basis to the ACP Secretariat.

— The ACP Secretariat should compile and disseminate a directory of chambers of commerce and other economic organizations. For this and similar purposes, the Secretariat should be free to communicate direct with the ACP national chambers, but keeping the governments informed.

A vital point not mentioned in the recommendations, but extensively discussed and encouraged during the debate, is the need for each of the six ACP regions to form a federation of chambers of commerce as a prerequisite to a federation on the ACP level. A similar recommendation, it should be recalled, was made for Africa at the OAU economic summit in Lagos last year. At present West Africa is the only region where such a federation exists.

Working group II: the role of international organizations

The EEC Commission's representatives, Albert Te Pass and Robin Saville, contributed to the deliberations of the second working group particularly in pointing out the kind of assistance that would be available from the EEC, within the framework of the Lomé Convention, for intra-ACP trade. Mr Te Pass told the working group that it was the Community's policy that each country and each region should decide on its own priorities. "The Commission deals with people, products and institutions", he said. "The EEC invests in advisers, people to help wherever necessary", but he warned that certain questions need answers when talking of intra-ACP trade: is it profitable? Are the products marketable and transportable? Can the market be adequately satisfied? Businessmen, with the instinct for profit, naturally ask themselves these questions, but Mr Te Pass's warning helped to bring to the fore once again the enormous difficulties involved in increasing intra-ACP trade which, at the moment, represents only 2% of the ACP group's total foreign trade.

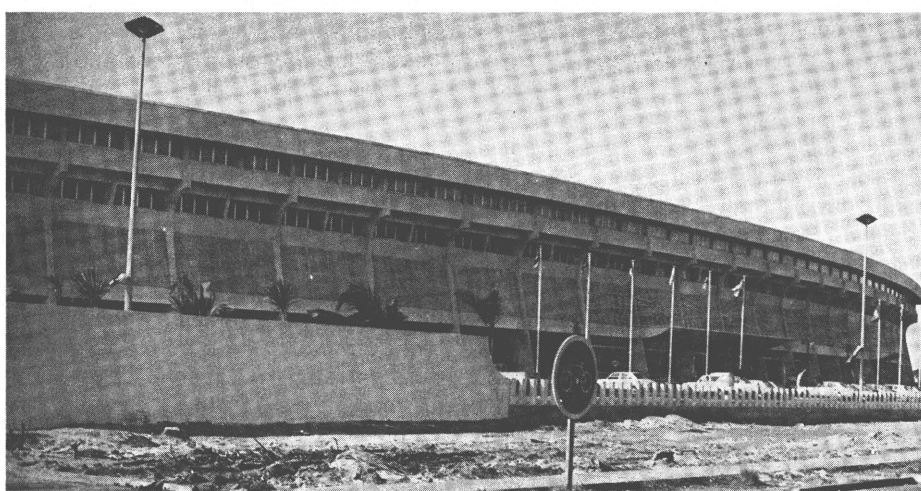
For his part, Mr Saville made the essential point that it was one thing to attempt to boost exports and to improve foreign exchange earnings, and quite another to know how to make the best possible use of them—certainly food for thought as the ACP states embark on increased cooperation.

On the question of information, Mr Saville said the Commission was at the disposal of the ACP states as far as this was concerned. He informed the conference of the free availability in the Commission of various publications (including the *Courier*). The EEC's delegations in the ACP states, he said, could also be of help, although they were not specifically designed for that kind of service.

Offers of assistance in this area were also made by the representatives of the International Chamber of Commerce (ICC), the International Trade Centre (ITC) and GATT, who attended the conference as observers.

How to improve intra-ACP trade

The working group recognized that there was a growing need for "intensifying efforts" to collect and disseminate trade information to ACP trade



Sorting out dried fish in Mali for export to neighbouring countries (top) and the Sarakawa (above), one of the new hotels in Lomé which welcome an increasing number of tourists, mainly from other West African countries. They form part of intra-ACP trade that requires further development. The transport infrastructure (below) must first be improved



The Togolese proposals adopted by the conference

At the ACP ministerial meeting held in Montego Bay, Jamaica, the Togolese delegation submitted the following proposals from President Eyadéma of Togo, laying out the objectives of an ACP federation of chambers of commerce.

The chamber, according to the proposals, shall concentrate on the development of intra-ACP trade by carrying out trade promotion activities from the production to the final distribution stages so that ACP states may turn their cooperation to maximum benefit.

The objectives

- Reduction of the ACP states' economic dependence on imports, by full development of those products for which they have a sure potential.

- Creation of widespread markets in ACP states by eliminating the obstacles preventing their development and integration.

- Promotion and expansion of intra-ACP trade and trade with neighbouring non-ACP countries.

- Strengthening of bodies set up by ACP states to promote regional cooperation and integration.

- Assistance to ACP business organizations in their activities aimed at improving production and the marketing of their products abroad.

- Setting up and improving of the organization of bodies, centres or firms participating in the development of ACP trade.

- Assessment of the ACP states' needs for qualified staff, financial management and working methods.

- Basic management training and advanced vocational training for tech-

nicians in the areas of national and international development and trade.

- Policy for product research, processing, guarantee, quality controls, packaging and launching.

- Development of basic infrastructures, including transport and storage facilities, for the easy flow of ACP exports.

- Advertisement of products to be marketed.

- Cooperation among the ACP countries' economic operators and between them and non-ACP countries.

- Carrying out and use of market research.

- Collection, analysis and dissemination of quantitative and qualitative data on trade and the introduction of a system providing free access to information among ACP states.

- Participation of ACP states in fairs and exhibitions and especially in specialized international shows.

- Granting of assistance to small and medium-sized firms in the identification and development of products and trade outlets, and to similar marketing undertakings.

- Providing incentives for the setting-up of new producers' associations for primary products exported by ACP countries.

- Strengthening and support of existing producers' associations and effective use by them of the means for obtaining fair and profitable prices for their exports, to preserve and improve their purchasing power in real terms and increase the real value of their export earnings.

- Drawing up of policies, methods and arrangements for the award-

ing of joint import contracts in order to purchase goods, technology and services in developed countries and adopt standardized specifications and procedures.

- (i) Study of the means and mechanisms for implementing joint import policies and the ways of strengthening ACP countries' import capacity.

- (ii) Intensification of the ACP countries' collective negotiating power, in particular through any arrangements enabling joint purchases in the public sector, joint invitations to tender, considerable purchases of commodities, common operations of trade organizations, and the adoption of a policy of mutual preferences for awarding the ACP countries' public contracts.

- Setting up, in ACP countries, multinational marketing firms which will share the advantages arising from the commercialization of transport and the distribution of their products.

- Consultations between ACP producer and consumer countries in order to ensure satisfactory supply and purchase conditions for both sides.

- Adoption of common strategies with a view to stepping up the ACP countries' participation in the processing, transport, marketing and distribution of their export products and increasing their share of the profits so derived.

- Intensification of trade (agriculture, stock-farming, industry) between ACP states.

- Reciprocal exchange of information between ACP states on their productions, needs and possibilities.

- Study of impediments to intra-ACP trade.

operators and chambers of commerce and expressed appreciation of these offers. To promote intra-ACP trade it made recommendations which were adopted by the plenary session. They include notably:

- the establishment of preferential trade areas;

- laying greater emphasis on trade fairs;

- financing by the EEC of the activities, including the training of personnel and the meetings of officials of ACP trade operators and chambers of com-

merce, in their efforts to promote intra-ACP trade;

- the establishment of an ACP-EEC trade cooperation centre as provided under article 94 of the Lomé Convention (a different body from the one proposed by the first working group);

- that existing ACP chambers of commerce should take the initiative in promoting cooperation among ACP technological firms;

- that tenders for EDF finance projects should be organized in such a way as to give a margin of preference

to ACP firms, which should regularly be informed of them whenever they are issued.

Recognizing the need for further examination of these proposals, particularly with regard to their financial implications and the timetable for implementing them, the conference called on the committee of ambassadors and the ACP Secretariat to re-examine them and to make recommendations to the ACP Council of Ministers. ○

AUGUSTINE OYOWE

Comoros

An island nation in a difficult economic situation

Not surprisingly, perhaps, people even in countries like neighbouring Tanzania know very little about the Comoros. Internal and external isolation due to geographical factors and, to a certain extent, to recent history, is the Federal Islamic Republic's big problem.

The four islands that make up the Comoros—Grande Comore and Anjouan, the two biggest, and Moheli and Mayotte (Mahore)—are at the northern end of the Mozambique Channel. Although the archipelago was once on the main shipping route across the Indian Ocean, today it is off the tourist track through the countries of that part of the world, Tanzania, Kenya, Madagascar, Mauritius and even Réunion, a French department.

There are only two flights a week from Moroni, the capital, to Dar-es-Salaam in Tanzania and Mombasa in Kenya and, in the absence of any infrastructure and, indeed, traffic, sea transport is practically non-existent.

Domestically, the republic has the same problem all islands have to face, that of no natural physical links. But in spite of what might be called natural handicaps, barely more than a subsistence economy and an only emergent administration, the Comoro Islands form a real nation and one that is attached to unity, in spite of the ser-

ious upheavals before and since independence in 1975.

The economy

This is based on four export products—ylang-ylang, vanilla, copra and cloves.

Ylang-ylang oil, a perfume base, is the principal product and the Comoros the world's biggest producer, selling nearly 300 t between 1974 and 1977, for example, to perfume and soap industries in many countries. Anjouan, with 40 t p.a., has the biggest output. But this crop, which was brought to the islands from Indonesia about 75 years ago, has been deteriorating steadily over the last few years. Although it grows easily on poor ground, yield still depends on soil quality. So, although Grande Comore has 600 000 trees and Anjouan 500 000, the latter produces twice as much oil as the former and Mayotte, with only 250 000 trees, produces just as much as Grande Comore. But the most serious problem facing the industry is that the quality of the product is deteriorating because of the very poor distilling equipment and the inefficient methods of the small producers. Serious difficulties are now also arising from the fact that this sector of the economy, the country's main source of foreign exchange earnings, is being affected by substitute synthetics

produced in the importing countries.

Vanilla is the second product and here Grande Comore, with its 4000 ha plus, is the biggest producer, bringing in half the export earnings in this sector. Vanilla production developed rapidly with the subsidized distribution of better quality plant stock, but it fell off again in 1970-1974, when less than 300 t (the 1969 figure) were harvested. However, the feeling is that, in spite of problems arising from a failure to reach agreement with Madagascar on defending vanilla prices on the international market, the sector will expand again. The present situation is behind many of the republic's vanilla marketing losses and, in addition to this, the yield and quality of the vanilla it produces have dropped because no plant health treatment is given. There are now plans to get the sector off the ground again in Moroni, in the hope that the economic upswing in the industrialized countries will lead to a demand for proper vanilla instead of the cheaper synthetic products.

The outlook for Comoran vanilla has improved since 1977, with Stabex aid from the EEC, and 32 % of the exports now go to the Community, while the USA is the biggest buyer.

The importance of cloves to the national economy has increased over the last 30 years, having gone up, according to the World Bank, from 2 % to about 30 % of the country's foreign exchange earnings. The big landowners planted cloves for years and there are now 900 ha of them on Grande Mayotte, Anjouan and Moheli. Mayotte is too dry for them and Anjouan seems to be the best suited, having more than 100 000 of the total 150 000 trees on the three islands (World Bank figures). Market prospects do not seem too bad, the World Bank report says, and, over the past five years the authorities



Town house in Moroni...



... and the traditional Comoran home

have made a big effort to spread clove-growing by distributing thousands of young plants and pushing up prices considerably (7% p.a. approximately). However, it is worth noting that the future of this sector also depends very largely on trends in the clove trade in Indonesia, the world's largest producer, and in Tanzania and Madagascar, both of which are expanding their production.

Although Comoros has many vast coconut plantations along the shores of all the islands, the republic's production of copra, as of other export goods, is decreasing, the main reasons being the age of the palms and a failure to provide plant health treatment to prevent attack from rats. Coconut production, at 50 000 t, is still high, but considerably less is now transformed into copra, partly because the major part (i.e. more than 30 000 t) of what is produced goes to meet the basic needs of the population — food, drink, oil, fuel, construction materials and rope.

The government nevertheless intends launching a major campaign to develop the coconut plantations and to wipe out the rats and, alongside this, a large-scale price support scheme will be run to encourage the planters. At the moment, copra prices are tending to drop, going from CFAF 101 per kg in 1977 down to an estimated CFAF 96 in 1985. This export situation is making things very difficult for the state finances and for the main food imports, particularly rice, which is a staple food in the Comoros, as it is throughout Africa. However, the government wants to reduce the country's heavy dependence on ever-increasing foreign aid and food imports.

Food crops — sound potential

The Comoros do not suffer from the sort of famine that is common in some of the countries of Africa, but their food situation is precarious because of the great dependence on foreign aid, in cash and in kind, from the Arab countries (Saudi Arabia and the Emirates), the EEC (see article on EEC-Comoros cooperation) and, among the EEC member states, France in particular. French aid channelled to the islands via the cooperation ministry went up from FF 23 493 301 in 1979 to FF 56 928 217 in 1980, an increase of more than 50% in one year. Aid enables the country to keep going, but the risk of impasse, of Comoros living beyond its means, is considerable. But the authorities are trying to make use of financial and technical assistance from various international organizations (the UNDP, the FAO, IBRD, the EEC and



Growers wait for buyers of their ylang-ylang flower crop: Comoros is the world's main producer of the aromatic ylang-ylang plant



Vanilla needs careful cultivation



Another Comoran spice, cloves, is produced by massive trees which only blossom every four years

so on) to give food production a new lease of life.

EDF aid, for example, has been used to get a major maize programme under way, so that rice imports can be cut, and it will also provide the means of developing poultry farming alongside. The growing of bananas, manioc, upland rice (12 000 t imported every year) and peas will also be developed and there is a stock-breeding programme, concentrating on sheep and goats.

The production ministry says that, over the coming years, the government wants to lay the foundations for proper self-sufficiency in food. Here, of course, it is counting both on the national effort and on technical and financial support from friendly countries and international organizations. This agricultural programme is particularly important to the republic as there are practically no other possibilities, for example, in fishing. Contrary to what one might expect, the Comoros' territorial waters are poor in fish, as the Indian Ocean here is shallow and the conditions are not right for reproduction.

Crescent moon and four stars

The administrative structures that would enable the economy to tick over properly are missing and they too have to be established if the vast economic programme of Comoros, with its growing (2.7% p.a.) population, is to be a success. The country is short of cadres, in spite of the fact that educational coverage has improved rapidly, from 10% in 1975 to the present 40%, and many UN (mainly UNCTAD) experts are helping the authorities set up the requisite economic and administrative structures.

In addition to the enormous economic problems the government has to contend with, there is still the Mayotte issue to settle. This island voted to stay with France in 1975, but the President of the Republic, Ahmed Abdallah Abderemane, still looks upon it as an integral part of Comoros and the crescent moon and four stars on the country's green flag reflect the authorities' desire to bring it into the republic. President Abderemane is confident that an answer can be found, particularly since France seems willing to look for a solution and the UN recognizes a republic of four islands, not three. Yet the Comoran nation is a true nation and there is genuine national feeling. The only real problem facing the republic is the economy — and this, for the moment, is a very difficult one to solve. ○

Comoros

Economic and political outline



Comoros, a country in the Indian Ocean at the northern end of the Mozambique Channel, consists of four islands—Grande Comore (1150 km²), the biggest, Anjouan (420 km²), which has the greatest potential and the largest population, Moheli (300 km²) and Mayotte or Mahore (370 km²). The four islands cover 2240 km² between them and have a total population of around 385 000. Although Mayotte is considered to be an integral part of the republic, it is still French territory according to the results of the 1975 referendum that led to independence.

A brief history

Comoros was a French colony for more than 130 years. But in 1975, they say, it only took the colonists 130 hours to leave, slamming the door behind them. The history books tell us that the first people on the islands were Africans, Bantus in fact.

The busy trade that grew up between Asia and East Africa in the Vth century brought in many Asians too. And many Arabs came later, in the VIIth century, creating thriving trade links. Even more Arabs came in the XVth century, often to the detriment of the black population, who took to the hills on Grande Comore and Anjouan—to which the Arabs also brought Islam. Although the islands were also a base for many a European pirate and political exile fleeing the Napoleonic regime, the two smaller of them, Moheli and Mayotte, were conquered by the Madagascans in 1831 and it was not until 1841 that the French settled on Mayotte. France signed a treaty with Sakalawa, Prince of Madagascar, making Mayotte French territory, in 1843, but France was prevented from expanding its possessions in the area by the English settling on Anjouan, by the Germans arriving in 1884 and by Queen Fatima of Moheli opting to go

under the protection of Zanzibar (now part of Tanzania). However, it was the Arabs who, in spite of this long period of colonization, had the decisive influence on the economic and social development of the islands. First they gave them their name. "Comoros", according to Mr Mikidache, technical adviser to President Abdallah, comes from "Al Comor", the Arabic for moonlight. When the Arabs came, they noticed that it was only in this part of Africa and the Indian Ocean that the moon shone so beautifully.

Islam, the family and the "high school revolution"

Islam is the keynote of society in Comoros and much more markedly so than in Mauritania or Senegal or any other Moslem-dominated country of Africa. Islam is the natural tie that binds all Comorans, which means that, in spite of all the economic and geographical handicaps, the Comoran nation is a real nation.

The family is also important to Comoros and a vital part of the social organization, as is the national language, which, apart from one or two local variations due to different foreign influences, is very similar to the Swahili spoken in Tanzania. "Comoros", Mr Mikidache went on, "is the only country of Africa where tribalism is unknown". But although the notion of tribe is far less marked in the republic, that of region is more important, particularly on Anjouan, where the people are generally thought to be the most hard-working and enterprising of all the islanders. This feature of the Anjouan character is put down to the difficult natural conditions on the island, which have always forced the inhabitants to fight for survival in an inhospitable environment, while, on Moheli and Mayotte, nature is kinder and the land better and people have had to make less effort. However, none of this is decisive. These are



The mosque is the principal building in the centre of Moroni

minor, albeit characteristic, details which may be met with in any developed or developing country.

The family

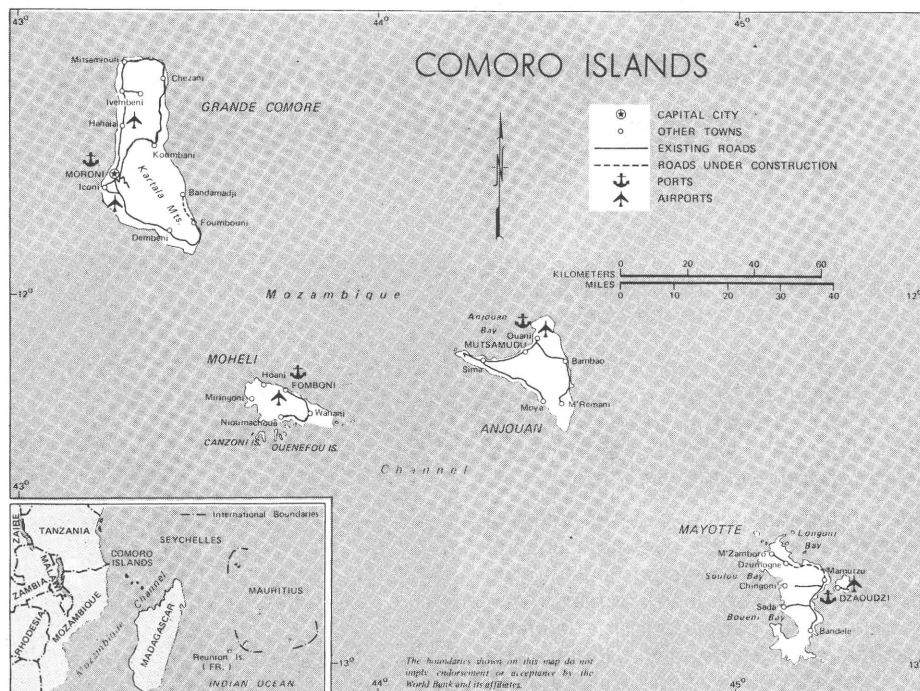
The family unit is, like Islam, one of the fundamentals of Comoran society. According to the Koran, a man may have up to four wives, but, although Comoran men are firm believers, they tend not to take advantage of this law systematically. Those who do marry up to four have what is known as a *grand mariage* with one of them (regardless of her rank), which provides the occasion for a festival for the whole village and the opportunity to obtain or retain a privileged position in society. This custom, which is very strong on all the islands, is peculiar to Comoros and an attempt to abolish it was one of the causes of the downfall of the Ali Soilih regime.

Political problems following the high school revolution

Ali Soilih, who overthrew Ahmed Abdallah shortly after independence, based his system of government on giving considerable powers to young people in the *moudrias*, the economic and social design and decision-making centres in each village. Most of the young people involved were still at high school and, when they found themselves pushed to the fore and given considerable powers, their age and lack of experience soon led to excesses. It was the doubt cast on basic social structures and on religion combined with the physical constraints on the people that led to a general rejection of the *moudria* system. As Mr Mikidache put it, "Ali Soilih tried to do too much", and that was his downfall. This is the general feeling in Moroni. People feel that, although the *moudrias* system, (getting the people involved in the decision-making centres and in the planning of development means), was a good idea, it was catastrophic in practice. The transformation of the country from a unitary to a federal republic when Ahmed Abdallah returned to power in 1978 seems to have been inspired by the *moudria* system of the Ali Soilih regime. But Ali Soilih was brought down by more than the dismantling of the embryonic administrative structures. The failure of the economy was also fatal.

The return of Ahmed Abdallah after

Facts & Figures



Size: 2240 km² with Mayotte and 1870 km² without
Population: 385 000 (growth rate = 2.7 % p.a.)

Capital: Moroni, on Grande Comore, where Hahaya airport is the gateway to and from the islands

Main towns: Moutsamoudou; Domoni (Anjouan), where President Abdallah was born; Fombouni; Mitsamiouli; Fomboni (Moheli); Dzaoudzi (Mayotte)

Independence: 6 November 1975

Character of state: Islamic Federal Republic

Languages: Comoran (similar to Swahili) and French

Per capita GNP: US\$ 180 approx.

Principal resources: ylang-ylang, vanilla, cloves, copra, coffee, cocoa, rice, maize, manioc, livestock

School attendance: 40 %

Trade balance: see chart

Member of: OAU, UN, Islamic Conference

a putsch in 1978 obviously helped restore order and genuine social peace and it got the country back to its old way of life. But the very difficult economic problems remained unsolved and the return of the man who proclaimed his country's independence against the will of the colonial power paradoxically put Comoros in an invidious position *vis-à-vis* the other countries of Africa and France. Criticism of the federal republic proclaimed in 1978 has come from both left and right. The involvement of mercenaries in the putsch in Moroni was felt by some to be a dangerous precedent in Africa and it led, ultimately, to disapproval on the part of the OAU. Others today, officials in Moroni explained, "are trying to discredit both the republic and the gov-

ernment in an attempt to dissuade the people of Mayotte from joining the national unit".

That, then, is the political situation in Comoros. But the president appears to think that the outside world does not realize what is going on in his country and that African opinion and international opinion will only regain confidence in the republic when the real situation is properly understood. So Ahmed Abdallah is travelling about Africa and talking with people from the world of Islam, whose various organizations Comoros belongs to. One of the consequences of these closer relations with the Arab countries is that they now make an important contribution to the Comoran budget (see Facts & Figures). ○ L.P.

Interview with President Ahmed Abdallah Abderemane

Solidarity with Islam and dialogue with France

The head of state of the Comoros gives his view of the country's situation in an interview to the *Courier*

► *Mr President, the period of independence in 1975 and the three years that followed were marked by a fairly acute internal crisis. What is the social and economic situation like today?*

— Independence always provokes a crisis because of the overnight change of regime and this was particularly true in our case because, against the wishes of the people and the leaders, the change was brutally sudden. The fact that the country consists of a number of islands opened the way for what we hope to be only a temporarily different choice on the part of Mayotte, where the referendum of 22 December 1974 was run under somewhat doubtful conditions. What happened was that in three pro-independence villages, the elections were declared void by the board—which consisted entirely of French magistrates—an illegal move which prevented us from getting more than 50% of yes votes as we otherwise would have done.

Yet we maintained good relations with the ex-colonial power and with the whole world and it took three years of darkness, as we call it, for our young state to get over the worst crisis of its history. Our administration was in pieces, there was economic anarchy and there was moral and spiritual disorder. Three years of chaos. We can still, alas, remember the humiliation inflicted on women and children and on old people, to the point where many of the people of Anjouan, for example, fled their motherland in pirogues and exposed themselves to the perils of the sea rather than submit to such a dictatorial regime. And the whole region still remembers, as Réunion took in many of the refugees, who went from there to France.

Today, order has been established once more in a democratic and liberal fashion throughout our country, as you can see when you visit our towns and villages.

And as I said again recently at a memorable day in the Itsandra district, the unity of all Comorans is my dearest



Ahmed Abdallah Abderemane

political aim. Comorans do not fight each other willingly. Or not for long, at least. "Oxen don't eat oxen", as we say in our national language.

I cannot lay too much emphasis on the unity that the Comorans have managed to win back and keep in spite of isolated attempts at dispersion. Nothing is possible without unity and, if there is more to be done, it is in peace of mind, confidence and harmony, not hate and lies. So much for the political situation today. The economic situation, I think, will emerge as I answer your questions.

► *It seems that the Comoros' economic dependence on foreign aid has increased. How far does the economy really depend on external contributions and what overall policy is your government planning to put into practice to right the situation?*

— We are on the way to recovery and we are not content simply to set the ball rolling. Obviously we do depend on foreign aid, but what country can honestly say it has never depended on other powers economically?

You have come to talk to me in the name of a European organization that would not exist without such links of interdependence. Doesn't modern Europe owe its recovery to a certain Marshall Plan? I shan't give you the figures for the aid we get. They're easy to get from my colleagues, particularly from the report my PM gave to the Federal Assembly on 24 April this year.

What you should know, however, is that the aid we receive does nothing to compromise our independence. We speak out loud and clear, quite freely, to all countries, regardless of any disagreements we might have—as we shall see in the Mahore (Mayotte) issue with France.

This international aid and the many expert missions from the UN, the World Bank, the IMF (there are some here at the moment), the European Community and our sister Arab states prove that we are worthy of confidence and interest.

And don't forget either that we don't just get aid from international financial organizations. We also benefit from a large number of cooperation schemes, both bilateral and multilateral, and there are our ties of friendship with many countries, with the USA, with China, with France and Canada, Tunisia and Kuwait and with Saudi Arabia and the United Arab Emirates too.

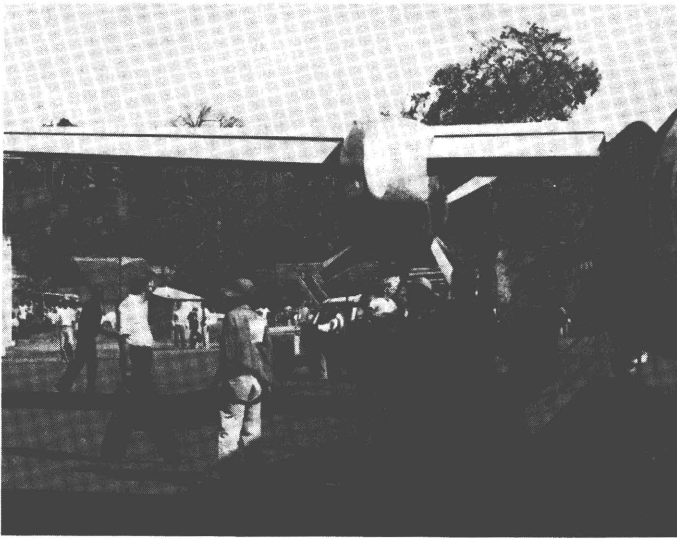
But I feel I should make clear that, generally speaking, the financial aid we get is given as part of development schemes and so mainly consists of project financing and technical assistance.

And, of course, because we are finding it difficult to balance our books because our export products are dropping in price and not selling too well, a few friendly countries are giving us more direct support. There are two or three of these.

But the ultimate aim, the panacea for all our ills, can only be reached through economic development. Which is why we are resolutely committed to it, with the priorities I mentioned just now.

► *So, with this in mind and remembering the size of the problems, what are the priority fields for foreign aid schemes?*

— They are those of any developing country. Plus, of course, those of any island. In other words, self-sufficiency in food and communications. None of our islands had much of a road network on independence, and communications between them is a considerable problem. And of course, we have



Transport is a critical problem in the Comoros, which are only linked by internal flights such as this (stop-over at Moheli en route to Anjouan and Mayotte)

Anjouan is the most densely populated island; its line beaches also attract the most tourists

to put priority on public health and education and training.

I shall give you one example of our health needs. The World Health Organization suggests that it will cost CFAF 1100 m to rid the country of malaria, which is a serious problem here, and we are looking for ways to finance the campaign now.

The 5th EDF gives us a lot of help under Lomé II with building ports to help inter-island communications. The Kuwait development fund and ABEDIA have joined with the EDF to develop our telecommunications network, which is saturated and by no means adequate in a country which is well on the way to recovery. But we are still seeking financing for telephone exchanges.

If I mention self-sufficiency in food, it is because we are determined to get our people to provide enough food of the right quality for themselves. But this doesn't mean that we are forgetting to develop certain products, such as vanilla, cloves and ylang-ylang, in view of the international market, so we can reduce our trade deficit.

► *Early this year you attended your first Islamic conference in Mecca. What is the aim of the conference and, more practically, how much Arab aid is channelled into the development of Comoros and on what terms?*

— Yes, indeed I did go to the Islamic summit in Mecca and in Taif and so I was able to meet all the heads of our sister countries, all the emirs and presidents who were kind enough to express their friendship and their confidence in Comoros, to me.

I shall not go into the history of the conference, which does such a useful and increasing amount of work and is one of the positive manifestations of

the rebirth of Islam, our religion, to which all Comorans are so deeply attached.

Islamic solidarity is not, for the Comorans, something vain. It is apparent in a whole variety of fields, as we have just seen. It is apparent in the ports, on the roads, in telecommunications and in public health, agriculture and, of course, education too. Many Koran schools have been opened and equipped with books thanks to the generosity of our sister countries Kuwait and Saudi Arabia.

We also have students in these countries and my foreign affairs and cooperation minister, who is now on mission in our sister countries of Africa, has signed extra cooperation agreements to give us study grants in the Islamic countries.

It is also important to underline the fact that the Islamic conference is constantly preparing for a new Arab-Islamic economic order and Comoros has every right to be proud of its concertation with the other countries on this.

As I said when I came home from the 3rd Islamic conference, it has given birth to many hopes in the hearts of the hundreds of millions of Moslems the world over who have always been the brothers of us Comorans. And my meeting with King Khaled of Saudi Arabia and the Emir of Kuwait led to even greater cooperation between our countries.

It is important to underline the fact that this Islamic solidarity and cooperation involved the oil producing Arab states at Taif in giving \$3000 million for the development of all the other states. And Comoros will be getting some of it, I am sure.

► *Problems with transport and*

communications are a serious handicap for the development of Comoros and they compromise its aim of being open to the rest of the world. What are the prospects for genuine regional cooperation with the other countries of Africa here?

— As I said, Comoros' insular situation increases our problems. Transport is no easy matter and our communications and telecommunications are often perturbed. What we need is for genuine cooperation with the other countries of Africa and the Indian Ocean to be speeded up and we shall certainly applaud and participate in anything done in this respect.

This is a field where we very much depend on the regional projects that are now being drawn up with EDF help (the Indian Ocean maritime company, the transport assistance project, etc.) and the ECA-planned schemes, particularly the UN-generated air programme for the transport decade.

Mention should also be made of the Panafel programme, which comes under the International Telecommunications Union in Geneva and which recommends that high frequency telephone and telex links be set up between Moroni and Dar-es-Salaam, Moroni and Nairobi and Moroni and Antananarivo.

► *What contribution has the European Community, within the framework of the Lomé Convention, made to the economic and social development of Comoros?*

— It would be impossible to ignore what the European Community has done—although this doesn't stop us from expecting to see it make an even greater and more active contribution in the future.

Many valid projects are being com-

pleted by world-renowned experts. Our economic and social progress and, indeed, the equilibrium of the whole region depends on it.

When Michel Hauswirth, deputy development director at the Commission, came out to Comoros last December to work on the EEC indicative aid programme, in accordance with Lomé II, I received him and he told me how much he had appreciated the reports my negotiators had put in, how well he thought they reflected our needs. All our talks, as the final communiqué made clear, were held in an atmosphere of mutual understanding and friendship that reflected the spirit of the Lomé Convention.

My colleagues' documents will give you all the details and figures for the development objectives of this programme and our priority sectors.

Taking part in regional projects

And I shall say once again, as much for the present European commissioners as for the French external relations minister, our republic ensured that the programme stated the fact that it is our wish to take part in regional projects in the telecommunications, transport, fisheries, meteorology and training sectors.

So, you see, Comoros is by no means turning its back on the region, by which I mean both the Indian Ocean and greater regional cooperation with the neighbouring countries of Africa. There is already a higher management training institute in Arusha, in Tanzania, in which Comoros is involved along with 16 other countries of southern Africa and the Indian Ocean. And other



Aiming at reducing Comoros' economic dependence "as much as possible"

similar schemes are under way within the ECA context, in line with the cooperation plan that the African heads of state adopted at the OAU summit in Lagos in 1980.

► *After independence in 1975, relations between Comoros and France went through a fairly difficult period. They reached breaking point, in fact. But things seem to have got a bit better over the past three years. How much aid do you get from France and how do you see the future of relations between the two countries, particularly as far as Mayotte is concerned?*

— As you know, France and Comoros have been together since 1841 and a long period of this kind creates firm ties and all sorts of relations, the solidarity of which goes beyond occasional differences between the parties.

Independence in 1975 did not come in friendship and cooperation as we had ardently hoped. This is why there was a break. And the previous Comoran régime did not, in my opinion, do all it should have done to cushion the shock and bring out the goodwill and understanding in our partner.

I have always said that there is no point in pitching a coconut against a block of steel, which is why, with the confidence of my compatriots, we planned and embarked upon dialogue with France. This has improved our relations and enabled various cooperation agreements to be signed. This too was in line with recommendations from the UN and the OAU and our intention is to respect and apply these agreements.

"First class" relations with France

Now as to how much aid we get from France, all the figures and programmes are in our files. What you should know, at all events, is that we Comorans are extremely satisfied with this aid and with the first class relations that we have with the French people working here with us and with France itself. When President Mitterrand answered my message of congratulations, he emphasized the fact that the long past our two countries share is a trump card when it comes to developing our cooperation links in an atmosphere of friendship and confidence.

We are attached to the region and we are even more firmly and deeply attached to our island of Mayotte. When I am on Anjouan, in Domoni, my home town, I always look across to this sister island only 50 km away.

The future of Mayotte

And what does the future hold for Mayotte? I repeat what I told my colleagues on a day of union and relaxation last month.

Mayotte is an integral part of the state of Comoros, of that there is no doubt. The vote took place under the conditions I described and Mayotte was arbitrarily separated from its sister islands. But, for us, this is only a temporary situation. Mayotte is our land, our native land in many cases — for the minister of finance, for example.

We have to fire on all four cylinders, not limp along on three, and I firmly believe that, with Allah's help, the reasonable, peaceful solution we desire will soon be found. Inch'Allah. ◊



A street scene in Moroni—a quiet, easy-going capital

Saïd Kafé, Minister of Finance

We are aiming for self-sufficiency in food

As minister responsible for economic affairs, finance and planning, Saïd Kafé outlines the economic objectives of his country.

► *Minister, what are the causes of your country's serious trade and budget deficits?*

— We do indeed have a budget deficit and we are likely to have one for several years to come, largely because France withdrew all its financial and technical assistance as soon as we became independent. In 1974, when Comoros was still under French administration, we received an estimated \$25 million from France, nearly two and a half times our domestic income

► *Obviously you have to increase your income to reduce the deficit. How have things developed since 1978?*

— Since 1979, the government has done a number of things to push up income and cut back on expenditure. In 1979, we altered the tax arrangements and increased import duties (particularly on luxury goods), turnover tax, income tax and profits tax and there are other fiscal reforms on the drawing board following recommendations from the IMF. We are convinced that we have only very limited possibilities of making substantial increases in our income and that any improvement depends on the economic progress we are now promoting.

services—and we can hardly reduce them any further.

Our civil servants, for example, haven't had any pay increases since 1975, although prices have gone up a lot. We monitor state spending closely and we have brought back the commitment control system that the previous regime abolished.

► *Food imports account for a very large part of your trade deficit and many of your government's reports mention self-sufficiency in food. How and when do you think you can reach this?*

— Food accounts for a major part of our imports, obviously,—more than a third in 1980, to be more precise—mainly due to the fact that the emphasis during the colonial period was on cash crops, to the detriment of food crops and livestock. The government is remedying this situation by running a number of schemes in the agricultural sector and in livestock and fisheries.

We have the coconut project, with World Bank financing of \$5.2 million (1980-1985), which is aimed at increasing the production of coconuts and, therefore, of copra, by wiping out the rats which currently destroy about a third of the harvest.

Then there is the EDF-financed maize project (\$3.1 million, 1978-1982) to extend and improve the growing of maize, for which conditions in Comoros are right. The ultimate aim is to get the people to eat maize instead of imported rice and thereby to gain obvious benefits in terms of added value and foreign exchange. The choice of maize was dictated by the local ecological conditions and by the people's eating habits.

And lastly we have the poultry farming project, with financing (\$2.3 million) from the EDF, the UNDP and UNICEF, which should soon enable us to produce four million eggs and 325 tonnes of meat every year.

Of the various projects already financed and about to be implemented, I should like to emphasize the one to develop small fishing concerns. This project, which is being financed by the ADB, is in two distinct phases. First, the acquisition of motor-boats to pull pirogues to and from the fishing grounds and, second, the installation of refrigeration facilities so that the catch can be preserved. The total cost of this scheme is \$5.1 million and it will cover the period 1981 to 1986.

And there are more projects on the drawing-board—the development of rice-growing on Moheli, for example,



The market in Moroni is lively enough but supplies are irregular

that year. Then, independence brought with it costs we didn't have before and all this has swelled the expenditure the state has to cope with.

However, income hasn't swollen with it. Our economy is essentially an agricultural one. We have no industry to speak of and very little income from taxation, most of it coming from customs duties and sales tax. And, as everyone knows, our main export products, ylang-ylang and copra, have been doing badly over the last couple of years and vanilla, which makes up almost 50% of our exports, has slowed down since the boom of 1979; like all the other products, it is prey to the fluctuating prices of agricultural products on the international markets.

Our domestic income since 1978 has increased, as this table shows.

Domestic income 1978-1980			
	1978	1979	1980
	(million CFAF)		
Federal income	1478	1508	1547
Islands' income	—	1045	1165
Total	1478	2553	2712

Our official expenditure is not really adequate to cover the precarious public

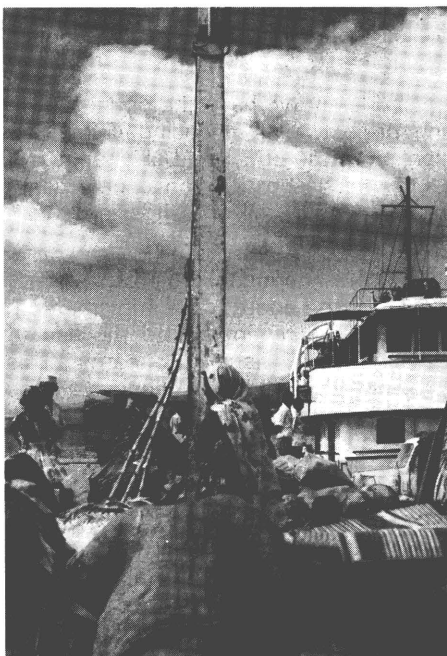
which has the right sort of conditions for this crop; the development of salt-ings; cattle-raising on the high plateaux and sheep and goat farming in agricultural areas.

I should like to bring up another important point. With a view to the development of all these farming, livestock, and fishing activities, we have opened a rural design, coordination and support centre, the CEFADER, a national body helped by several secondary centres on the islands. These centres, which play a vital part in implementing projects and popularizing agricultural methods, are financially independent and supply producers with selected seed, fertilizer, tools, livestock, etc. at cost price.

► *You have to have a plan of implementation of specific projects if your considerable general economic objectives are to be translated into an investment programme of the kind that will attract foreign investors. What are the main lines of this plan and how is it going?*

— For the last six months now, we have had an IBRD expert helping us as part of the UNDP-financed project and we are expecting two others to draft this plan now. But our government has already defined its development strategy for the 1980s under six main headings—self-sufficiency in food, communications between the islands, energy production and water supplies, public health and demographic policy, training and regional development and housing.

There are also plans to promote pri-



Moroni port: the arrival of a ship, or even a plane, is still something of an event



The maize project is proving a definite success: local maize could help reduce rice imports and support small-scale animal husbandry

vate investments via a development bank that is scheduled to begin operating in October this year.

And pending the arrival of these experts, we have begun to think about an interim development plan, which should see the light of day in the coming months.

► *Livestock and fisheries seem to have been a bit neglected so far, even if potential in the latter is fairly limited.*

— Livestock and fisheries are very important to our policy of self-sufficiency in food. We have the poultry project under way, for example, with the aim of producing an annual 4 million eggs and 323 t of chicken.

There is also the cattle-raising project, which involves developing a 5000 ha production unit at Sangani on Grande Comore. This will be an experimental unit which will study the practical possibilities of extending herding on the high plateaux. The government also intends to promote the sort of herding of goats, sheep and some cattle that is currently carried on in the agricultural areas. An International Agricultural Development Fund mission that came to the Comoros six months back investigated this question and it should be sending the government a report on the elements of a project.

As to fishing, the government has signed a \$5 million loan agreement with the African Development Bank. The project in question here is, as I already mentioned, to provide motor-boats to pull pirogues to and from the fishing grounds and to set up refrigeration facilities to preserve the catches. So these two sectors are far from being neglected.

► *Your high population growth rate puts something of a brake on economic progress. From another point of view, social progress is felt to be the best way of reducing rapid demographic growth. What sort of policy do you feel will reconcile economic demand*

and sociological pressure?

— We are aware of the sociological pressures upon us when we try to reduce demographic growth. And we also know that a population explosion is a brake on our economic and social progress. The government's family planning campaign will initially involve giving the public information by printing and distributing brochures and by broadcasting the relevant programmes.

► *The Comoros receive grants from the EDF, but how else does the country benefit from Community cooperation?*

— The republic is a signatory of Lomé II and so it is covered by title II of the Convention, the export receipt stabilization system, and title III, financial and technical cooperation. And the general provisions for the least developed, landlocked and island members of the ACP group also apply to us.

The European Investment Bank has also just financed the studies for a Comoros development bank and is getting ready to provide capital for it.

► *Although Comoros is on the main shipping route across the Indian Ocean, it is recognized here that the islands are isolated from the rest of the world. Do you think ideological differences are a real barrier to cooperation with the neighbouring islands and countries of East Africa?*

— Absolutely not.

► *I should like to finish by asking whether your government has an overall view of the economic and social development of Comoros.*

— Yes, it does. As I said just a while ago, the government has already defined the fundamental options for the economic and social development of Comoros and it will soon be introducing an interim development plan, pending the arrival of the team of experts we asked to help with the plan proper. ○

EEC-Comoros cooperation

EEC-Comoros cooperation dates back to the 1st EDF, to 1958, when the Comoros was still a French overseas territory. Since independence in 1975, this cooperation has increased with the signing of the Lomé Convention and the appointment of Saïd Kafé, minister for finance, economic affairs, planning and external trade, as national authorizing officer of the EDF. The Comoros ratified Lomé II on 1 August 1980.

Under the 3rd EDF, financial aid totalling ECU 9.48 million went to the Comoros. The 4th EDF indicative programme amounted to ECU 6.32 million (excluding food aid and financial aid from other sources) and the 5th EDF to ECU 13.16 million.

Cooperation under Lomé I

The Comoros is concerned with all the sectors covered by Lomé I and if the country was able to make the most of the provisions, particularly those on financial and technical cooperation, it was mainly due to the efficiency of the national authorizing officer and to close collaboration with the Commission delegation.

Commercial cooperation

The EEC is Comoros main trading partner. Between 80% and 90% of the country's exports, mainly ylang-ylang oil, vanilla and cloves (representing 90% of the value of all exports between them), go to the Community. The average value of exports over the five-year period 1976-1980 was CFAF 2600 million and imports were CFAF 4800 million over the same period. In 1978, roughly 38% of imports came from the EEC.

In view of the export problems, particularly with ylang-ylang where the world market seems to be saturated, the EEC has just financed a study, at the Comoran government's request, on the possibilities of promoting exports of ylang-ylang, vanilla and cloves.

Stabex

The export earnings stabilization system covers Comoros' four main products — ylang-ylang, vanilla, cloves and copra.

Yields and prices vary every year and so Stabex payments for one or more of the products have been made annually ever since the system was introduced. Total payments in 1975-1979 (inclusive) amounted to ECU 2.33 million, or about CFAF 686 million. The applications for 1980 are being assessed at the moment.

Industrial cooperation

The Centre for Industrial Development (CID) has made a series of expert reports on, in particular, export industries and the use of potential local sources of energy (gasification of coconut shells), with a view to setting up small industries to provide jobs and diversify the economy.

Financial and technical cooperation

The 4th EDF indicative programme involved ECU 6.32 million in all (not including delegation costs), broken down into rural development (45%), telecommunications between the islands (39.6%) and training, trade promotion and technical assistance 0.8%, leaving a 5.6% reserve. The whole of the aid was in the form of grants. The degree of commitment was 99.5% and, by mid-1981, 35% of the indica-

tive programme had actually been paid over.

The apparently slow rate of payment is due to the fact that the most important part of the programme, rural development, consists of multiannual agricultural projects and that the inter-island telecommunications project had to start with a preparatory period of studies and a search for co-financing before work could get under way in 1981.

After running the relevant studies, the European Investment Bank should be contributing to the financing of a national development bank.

As far as regional cooperation is concerned, the final study for the air navigation assistance project for countries in the Indian Ocean is under way. The cost of this project, which covers Comoros, Kenya, Madagascar, Mauritius, Seychelles, Somalia and Tanzania, is an estimated ECU 7.96 million.

As well as the indicative programme, Comoros also got ECU 2.6 million emergency aid to help repatriate and settle 16 000 refugees from Majunga in 1977 and, quite recently in late 1980, a further ECU 0.3 million (also emergency aid) to repair damage caused by violent storms.



Education and training are one of the main sectors of EEC-Comoros cooperation

The importance of co-financing

The financing of studies for the islands telecommunications project combined with the 4th EDF financing agreement for part of this scheme acted as a catalyst and enabled the

government to find co-financing from ABEDIA and the Kuwait Fund for the whole of the project (estimated to cost CFAF 1560 million).

Phase three of the operation, the provision of urban networks, is financially more important and seems to interest the Saudi Arabian Fund.

Cooperation outside Lomé I

The republic received food aid worth CFAF 1 130 million (world prices) between 1978 and 1980. Part of this milk powder, was distributed free of charge and part of it was sold to enable the government, which has considerable financial problems, to help with the financing of development projects.

The Comoros also received a US \$0.7 million loan for road maintenance. This came via IDA, the World Bank subsidiary, as part of the CIEC special action.

Cooperation under Lomé II

The programming mission led by deputy director Michel Hauswirth went out to the Comoros from 29 November to 6 December 1980 and the indicative programme was signed on 3 December. The EDF will be giving the Comoros between ECU 13 and 16 million (a 105-153% increase over the 4th EDF programme), with 60% going to economic infrastructure, 18% to agricultural development and 9% to social infrastructure. The 13% left over has been earmarked for microprojects, trade promotion, training and a general reserve fund.

The fine spirit of cooperation during the programming mission is worthy of note, as is the frank, constant collaboration between the Comoran authorities and the Commission at all levels.

Paga bridge on Anjouan was carried away by heavy rain. It will be rebuilt with EEC emergency aid

Summary of EDF aid (1958-1980)

1st EDF	ECU
Extensions to the quay at the port of Mutsamudu	866 000
Asphalting of the main roads	1 148 000
Improvements to the road network	247 862
Electricity supplies to Moroni & Mutsamudu	348 000
School of domestic studies, Mutsamudu	198 000
Public health training, Mamoutzou & Fomboni	234 000
Four maternity units	274 000
Total 1st EDF	3 315 862
2nd EDF	
Studies of and improvements to the road networks	2 316 230
Electricity supplies to Moroni & Mutsamudu	4 000
Study grants	51 000
Public health training, Fombouni	230 000
Total 2nd EDF	2 601 230
3rd EDF	
Modernization of roads on, Anjouan and Mayotte	2 142 526
Water supplies to Moroni	1 422 349
Total 3rd EDF	3 564 875
4th EDF	
Total (see details below)	6 320 000
5th EDF	
Total (see details below)	13-16 million ECU
(1) Mayotte inclus du 1 ^{er} au 3 ^e FED.	



Aid under Lomé I (4th EDF)

PROJECT	Amount ('000 ECU)			PROJECT	Amount ('000 ECU)				
	Planned	Committed	Disbursed by 15 June 1981		Planned	Committed	Disbursed by 15 June 1981		
I. Rural development — The development of maize growing — The development of poultry farming — Soil improvement and protection in the Nioumakele area	2 850			IV. General reserve — Remainder reserve	350				
		1 900	821				(34)		
		300	66			Total 4th EDF indicative programme	6 320	(6 320)	2 204
		650	112						
		2 850	999	B. Other aid V. STABEX (Payments in 1976-1980)		2 326	2 326		
II. Internal telecommunications — Studies — Inter-island telecommunications project	2 500	334	313	VI. Emergency aid — Aid for refugees from Majunga — Emergency aid for rain damage, 1980		2 597	2 367		
		2 268	319			300	73		
		2 620	632			2 897	2 440		
III. Training, technical assistance & promotion — Training — Technical assistance — Export promotions study (ylang ylang, vanilla & cloves) — Development bank study	620	100	30	VII. Food aid 1976-1980 (Value at world marked prices)					
		621	517	Total EEC aid (1976-1980)					
		80	12	VIII. Regional cooperation — Assistance with air navigation in the Indian Ocean — Regional maritime fisheries study		7 960	360		
		15	14						
		816	573						
Sub-total committed (99.5 %)	—	6 286							

5th EDF indicative programme

Sector	% anticipated	Approx. equivalent in ECU million (1)
I. Communications & economic infrastructure — Contribution to development of port infrastructure on Grande Comore and Mohéli — Development of national energy resources	60 %	9.6
II. Agricultural development — Increasing food self-sufficiency — Soil protection & improvement	18 %	2.88
III. Social infrastructure — Drinking water supplies	9 %	1.44
IV. Microprojects	2 %	0.32
V. Trade promotion	0.5 %	0.08
VI. Training	2.5 %	0.40
VII. Reserve	8 %	1.28
Total 5th EDF indicative programme	100 %	16.0

The amount of money liable to be channelled into regional projects in the Indian Ocean is between ECU 15 and 20 million. The European Investment Bank has noted the Comoran government's request for financial assistance for a development bank.

¹ NB: This is the maximum amount — i.e. between ECU 13 and 16 million.

BELIZE

A late starter in the independence stakes

A small country on the Central American mainland, bordering Guatemala and Mexico, Belize is among the last of Britain's dependencies to achieve independence. Neither the Belizean nor British government wanted it that way, but the territorial dispute with Guatemala has made it impossible for Belize to accept independence without guarantees that its national integrity and sovereignty would be respected. The date has now been fixed for 21 September this year. Until then the country will remain one of the overseas countries and territories (OCT) of the EEC. After 21 September Belize will be able to apply to join the ACP group. The government of Premier George Price runs the country as if it were already independent. The British governor is responsible only for internal security, the public service, external affairs and defence. Admittedly these last two responsibilities have been crucial while the dispute with Guatemala remained unresolved. But in other areas the Belizean government exercises effective power, and has done so since the present constitution was introduced in 1964.

Belize became a British colony, under the name of British Honduras, in 1862, although effective British control had existed since the battle of St George's Cay in 1798 when the settlers, with British naval support, defeated the Spanish. The history of Belize prior to the arrival of the present, very mixed, population is rather patchy, but the area formed part of the extensive Maya civilization of Central America until its collapse in about 1000 AD. Remnants of the Maya population were still to be found when European influence first came in the 17th century and remain today. The foreign settlement of the area began in 1638 by shipwrecked British soldiers and expanded after Britain's capture of Jamaica from Spain in 1655. The economy of the settlement was dominated by the logwood industry, and timber remained the main activity until the development of the agricultural sector which now dominates the economy.

A constitution was granted as early as 1786, and a limited franchise legislative assembly came in 1853. Ten years later the settlement became a

colony with a lieutenant-governor under the governor of Jamaica. In 1871 the assembly was replaced by a nominated council, but the elective principal was to return again in the constitution of 1935. Meanwhile, in 1884, the administrative link with Jamaica was ended.

With the advent of universal adult suffrage in 1954 the political system developed. Since national elections began they have always been won by the People's United Party (PUP) of Premier George Price. In the last elections in 1979 the PUP took 13 of the 18 seats, the remaining five going to the United Democratic Party (UDP).

Changing names

The territory changed its name in 1973 from British Honduras to Belize. The capital has also changed, moving inland 80 km from Belize City to a new site — Belmopan. The new capital has a tiny population of 3000, the main urban centre remaining Belize City, on the coast, where almost one third of the total population of the country lives. The move of capital has created a new pole of activity inland and also avoids the climatic dangers of the coast, where hurricanes cause extensive damage.



Sugar cane being weighed for processing. The sugar industry is the main employer and main foreign exchange earner

Belmopan is as yet remote and still rather artificial. The new ministries bustle with activity and there are already two banks, a cinema and the odd restaurant. But there is no airport — just a strip that cannot take jets — and no hotel. Visitors are faced with commuting the 80 km from Belize City along a road which varies in quality according to age and season. Internal communications are, not surprisingly, a government priority. Belmopan is slowly expanding, and as it does it will acquire the facilities it now lacks. It is more centrally located than the former capital, although as one Belize Defence Force member also pointed out, it is now nearer to Guatemala than the sea.

A squeezed existence

Belize has the sea on one side and Guatemala on the other and, in a sense, the country has been squeezed between the twin threats of the Caribbean weather and a Guatemalan invasion. However the Anglo-Guatemalan negotiations which began in May 1980 have relieved the threat of invasion by providing a basis for a settlement of the long-standing territorial dispute. Unfortunately for Belize, the menace from the sea cannot be dealt with in the same way. Periodic hurricanes remain a serious threat to life and the national economy: agriculture has still not fully recovered from hurricane Greta in 1978.

Illusive potential

Weather and territorial problems apart, Belize has a number of develop-

ment possibilities. A major drawback is manpower. With a population of only 144 000 the development of its potential will be held back by a lack of human resources. Only 15 % of the land suitable for agriculture is in use and large tracts of land are available for development. Agriculture, forestry and fishing provide a quarter of GDP, but manufacturing, especially clothing, accounts for a significant 13 %. With one third of the population in Belize City there is an urbanized population sufficiently concentrated for small-scale manufacturing. Forestry too, which in the past was the main economic activity, is underexploited. It is estimated that some three million acres of forest are economically exploitable.

Belize has the largest barrier reef in the Western hemisphere, providing ideal inshore fishing and also considerable tourist potential.

Finally, although no commercial petroleum deposits have been found, the indications are good and prospecting continues.

Three crop agriculture

Three products, sugar, citrus and bananas, dominate agriculture, with sugar by far the most important. In 1979/80 sugar exports were worth almost B\$95 m, more than half the value of total domestic exports (1)

The government's objective in agriculture is basically twofold—to increase foreign exchange earnings from higher production and, where appropriate, further processing of agricultural export crops; and to reduce food imports, which account for 22 % of all imports.

Higher production will come from improved productivity on existing land and by bringing more land under cultivation. The government has been taking steps in a number of fields to increase production. Land availability is no problem, but tenure and land use are being reformed to encourage farming and an effort is being made to strengthen the extension services, which lack adequate numbers of skilled staff. Both the University of Minnesota and the University of the West Indies are involved in training schemes. A new college of agriculture will provide expanded training facilities locally which at present are confined to 20 places for one year courses in the school of agriculture.

The Development Finance Corpora-



Cattle on central farm (Belize), where much of the research into better crops and farming methods takes place



Bee-keeping and honey production has become a profitable small-scale enterprise with growing overseas markets

tion (DFC) also needs more technical staff to help it improve its crucial role as the main source of agricultural finance in Belize. The EDF has provided an ECU 400 000 line of credit for the DFC.

Marketing through the Belize Marketing Board (BMB) is being improved by providing handling, storage and grading facilities, identifying markets and, perhaps most important of all, creating incentives through guaranteed prices. According to some studies the price control system needs to be more flexi-

ble if the incentive impact of prices is to be felt.

Agricultural infrastructure is being improved as well, particularly through the construction of feeder roads, and research is being carried out by the department of agriculture on both crops and livestock. The government is also trying to encourage more regular calls by shipping lines at Belize to ensure that perishable agricultural exports are not blocked by lack of transportation.

Replanting sugar cane

Almost 25 000 hectares are planted with sugar cane in the Corozal and Orange Walk districts in the north. Production in 1979/80 was 103 000 tons but exports of 97 100 tons were short of the combined EEC and International Sugar Agreement quotas of 111 000 tons. Smut disease and labour shortages have both affected production. Smut-resistant sugar cane varieties have been developed in conjunction with neighbouring countries, in particular Mexico and Barbados, and replanting is actively under way. Grower interests are represented in Belize by the Cane Farmers' Association, which has been raising loans for on-lending to members so that replanting can be carried out as quickly as possible. The labour problem is dealt with by the use of migrant labour from neighbouring countries. As the 1980-83 economic plan put it, "the need for seasonal importation of labour in the agricultural

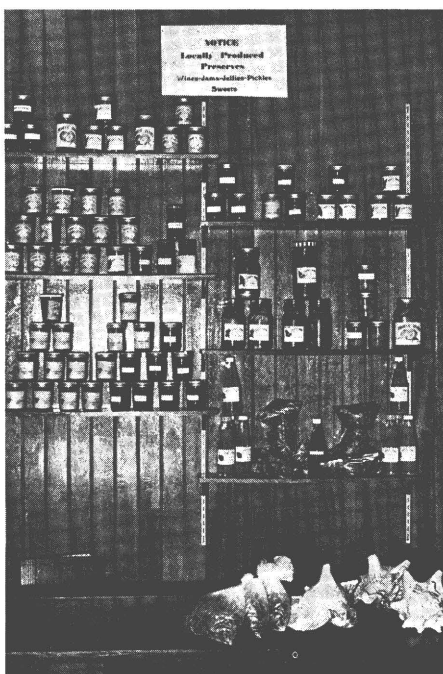
(1) Production and export figures are taken from the annual report of the Ministry of National Resources (B\$ 2 = US\$ 1).

sector does not reflect the absence of unemployment in Belize. Rather it is indicative of the preference of some Belizeans for other types of employment". There is, in fact, still some drift from the countryside to the towns.

The Cane Farmers' Association is also involved in plans to expand factory capacity, in cooperation with the Caribbean Development Bank, to meet the demands of the expected increase in cane production. The two existing factories at Libertad and Tower Hill can cope with just over a million tons of cane, producing about 110 000 tons of sugar and 33 000 tons of molasses.

Price-sensitive citrus

Towards the end of 1980 Brazil released a large amount of citrus fruit onto the world market, threatening prices for other producers. This came at a bad time for Belize since its 1980 crop was very good, the second largest in 25 years. Frosts in Florida came to Belize's assistance, however, reducing the danger of a regional glut of citrus, and ensuring relatively good prices. The slip in export volume that was experienced was due more to storage and shipping problems than price. This is a general difficulty for the Belize economy as a whole. Citrus prices are very variable. Last year exports at 12.8 million tons were roughly the same as 1977, but income at B\$16.4 m was three times greater than in 1977. Expansion of the present 4000 hectares will depend on stable markets. The export of fruit juice to the Caricom countries is one area the Citrus Growers' Association is keen to develop. It would mean an expansion at the two processing plants in Belize.



Processing and manufacturing accounts for over 13% of GDP

with a number of irrigation schemes by the government. 1980 showed the importance of irrigation when rain proved inadequate for good yields in the first half of the year. Banana production was particularly badly hit by the 1978 hurricane, but bananas are nevertheless a good economic proposition for Belize. Marketing is again an important factor.

In terms of exports, a number of other products are important for the national economy. Mangoes, which grow well, have a limited but lucrative market overseas. Fungus diseases limit production, and transport problems are a headache (25 000 fruit were dumped last year because there was no transport).

Mexico is a major honey exporter, and in neighbouring Belize a small-scale honey industry is about to try and increase its production by almost 50%, mainly through increased private investment.

Beef has also become a small-scale export to the USA and Mexican markets. There is a national herd of 46 000 with an annual off-take of about 8000 head. During the present plan period (1980-83) the aim is to double the national herd. The Belize Beef Corporation has a USA-certified abattoir which means that most Belize beef exports go to the USA. Mexico and the French Caribbean are also good markets which are open to development. So far dairy production is limited to one commercial dairy run by the Mennonite community, an enclosed

Christian group of European origin which moved into Belize and has set up its own farms, schools, clinics and so on. If they have done nothing else for Belize, this remote and exclusive religious sect has shown what can be done in terms of agricultural production. Their need to separate themselves from society and remain self-sufficient in every way forces them to survive, no matter how difficult the physical conditions. The average Belizean farmer is not in such a position, but the example set by these curious neighbours has not gone unnoticed.

The food gap

There is no reason why a country with such a small population and so much empty land should not be self-sufficient in food, but at present this is the largest single item on Belize's import bill. In many products—rice, sugar, fruit, poultry, eggs, maize, beef—Belize can provide for its needs; in others—beans, for example (an important food in Latin and Central America)—it has seasonal deficits. The UNDP and the Commonwealth Development Corporation are looking at a dairy project to supplement the Mennonite production of milk and cheese, but old habits will have to be overcome, such as the preference for imported tinned milk. Pork and vegetables, in some seasons, are other important products that are imported. During the current plan period an effort is to be made to improve food supply, within the financial and manpower constraints the country faces, in order to reduce the 22% of imports currently accounted for by food.

UN forestry study

In some years Belize has to import wood for its local building industry. Such a fact is difficult to believe given the forest area of the country and the variety of wood available. A UN study concluded that 49 m cubic feet of tropical hardwood could be cut annually whereas only 2 million cubic feet are needed locally. The export potential is therefore considerable. Exports have, in fact, been growing steadily, reaching B\$3.8 million in 1979, but could grow dramatically with proper forest management and exploitation.

Industrial growth

Forestry also offers possibilities for industrial development through saw mills and secondary processing. The

Agricultural exports 1980		
	Volume	B\$
Sugar	97 100 tons	95 m
Citrus	12.8 m lbs	16.4 m
Bananas	33 m lbs	6.9 m
Honey	0.4 m lbs	0.5 m
Mangoes	1 058 tons	4.4 m
Beef	0.3 m lbs	0.7 m

Source: Annual report - Ministry of Natural Resources.

Irrigation to boost banana production

The expansion of the area under banana cultivation will go hand in hand

constraints on industrial growth in Belize are considerable, however. The present plan lists the three main constraints as the small domestic market which "limits the scope and range of import substitution"; the shortage of local management and technical expertise, and finally the limited opportunities for more agricultural processing. In addition there are the problems of transportation and lack of skilled manpower.

The government is trying to encourage foreign investment in industry. The economic plan may be on the pessimistic side in saying that agro-industrial potential is low, but it does mention "enclave" industries as a possibil-

ity. Manufacturing already accounts for almost 14% of GDP and the garment industry in particular is well established and a good exporter. Since the local market is so small, further industrialization will mainly depend on foreign markets in the Caribbean, and more widely in the Americas, and the government is therefore intensifying the efforts of the export promotion unit.

Twin attractions of the barrier reef

From the Rio Hondo to the Sarstoon River, Belize is only 300 km from north to south. The coastal area is very much longer when the "cays" are taken into account. These cays, or coral islands, form the largest barrier reef in the Western hemisphere, creating a perfect breeding ground for fish and a potential tourist paradise. On the land there are numerous Mayan archaeological sites, and varied flora and fauna, but it is the sea which is the main attraction, particularly for sportsmen and those who like the dramatic beauty of the coral reef. Government policy is for "orderly and systematic growth of a tourist industry in which Belizeans as far as possible maintain control and ownership of facilities and plant... and which minimizes the negative social and economic impact of an uncontrolled industry". Belize is well placed to tap the North American tourist mar-

ket and Americans and Canadians already account for more than a third of all tourism. Tourist receipts have grown throughout the 1970s and in 1979 were almost B\$18 million. This is just a beginning but growth will be steady rather than spectacular given the government's careful approach.

Fishing provides the largest single contribution to GDP from locally owned industry. It is wholly in the hands of cooperatives and has achieved a level of considerable efficiency which is often used as an example for other sectors of the economy. In 1979 fish exports were worth almost B\$8 million, mainly of lobster and conch caught within the barrier reef. Both these species are being overfished and the government's policy is to conserve and diversify. Diversification would increase the inshore catch, but the real untapped potential lies beyond the great reef and this will require new technology and re-training to exploit. Credit for expansion is being made available through the Development Finance Corporation, and the government plans to set up a fish handling complex including freezing and cold storage facilities. But, as with all sectors of the economy, the fishing resources of Belize can be developed only as fast as the financial and human constraints allow.

The prospects for independence

As independence approaches, the main concern of Belize is security. Once that threat is lifted the prospects for Belize are quite good. Independence will bring wider international contacts and, it is hoped, more development finance. Belize's resources are considerable for a country of its size. Manpower will remain a serious constraint, but the new state will begin life with an economy which is already varied and developing. Its production has already been significantly diversified, there is a solid, if small, manufacturing sector and Belize can look to the Caribbean, European and the North American markets for an expansion of its trade. The country's administration already has a good reputation in managing aid and setting priorities and, although it has not yet gone through the process of a change in leadership or party in power, the political system is stable, and relations between the various ethnic groups are good. All this amounts to a good basis for independence. With proper management of its resources there is no reason why Belize should not look forward to a steady increase in its prosperity. ○ IAN PIPER

Industrial production 1979

Cigarettes (million)	61
Beer ('000 gal)	731
Batteries	3 431
Flour ('000 lb)	15 821
Fertilizer (short tons)	4 089
Nails ('000 lb)	345
Roofing ('000 lb)	758
Garments ('000)	1 400
Feed pellets (tons)	3 200

Source: Central Planning Unit.



Garment making is the most successful manufacturing industry and is contributing substantially to exports

"Our main achievement has been the creation of a sense of national identity among the Belizean people"

An interview with Premier George Price

Although still a British dependency, Belize has had internal self-government for almost two decades. When it gains independence on 21 September and joins the ACP group, as the government wishes, Premier George Price will be a relative newcomer to the world of the Lomé Convention. But he will not be a newcomer to the role of leading a national government. In power for some 20 years, George Price will be one of the longest-serving heads of government among the ACP states.

As an overseas country and territory (OCT), Belize has already received Lomé aid, but the relationship will obviously develop once independence comes. In the following interview Mr Price explains his country's need for security, its achievements so far under internal self-government, and the priorities an independent Belize will have to adopt to develop its small economy.

► *The independence of Belize has been delayed because of the territorial dispute with Guatemala. What guarantees are you seeking to enable Belize to gain independence and a secure future?*

— Yes, independence has been delayed because of the territorial dispute with Guatemala. The guarantee we seek for the secure independence of Belize, with all its territory intact, is either a peaceful settlement of the Anglo-Guatemalan dispute or a suitable security arrangement. These are known as the parallel roads to independence and they are not dependent on each other. At this moment we are pursuing both roads by trying to reach an honourable settlement of the Anglo-Guatemalan dispute and at the same time preparing for independence with a security arrangement.

A Belizean identity

► *Despite the delay in independence, Belize has had internal self-government since 1964, and you have headed the government since 1961. What would you say have been your main achievements over the last 20 years?*

— Our main achievement has been the creation of a sense of national identity—Honduras and by gaining national acceptance of the Belizean anthem—"Lands of the Gods". Then we have popularized the national symbol, the



Premier George Price

identity among the Belizean people. This we have done in many ways. Firstly by restoring the ancient name of the country "Belize" from what was British Belizean flag, which flies from our National Assembly and on all government buildings. We have also gained international acceptance of the Belizean flag.

The other achievements include national participation in the political, economic and social development of

Belize, the introduction of just laws, and the maintenance of the democratic process through universal adult suffrage. We have also introduced a land reform programme and sound income tax laws, and sought an equitable distribution of wealth among the citizens of Belize. We have managed our affairs in such a way that we collect sufficient revenue to run the country and leave surpluses for our capital budget.

► *What are your main priorities for economic development after independence?*

— We have an economic plan which goes into 1983 for the development of agriculture, agro-industry and infrastructure in order to do three things: firstly, promote balanced development between the rural and urban areas; secondly, continue the process began earlier in laying the basis for development, and thirdly, enable Belizeans to share in the processes and benefits of development.

► *What are you doing to bring more land under cultivation and improve agricultural productivity?*

— We are carrying out a land reform programme, making land available in every district. Recently we reorganized our land development authority which will implement development of the lands. In addition, there is the Development Finance Corporation which provides agricultural credits, finances industrial development and tourist development. The DFC has done much to help agriculture. In order to improve the service there is need for more funds to lend. The machinery has to be streamlined for greater efficiency. There is also a land clearing service provided by the Ministry of Natural Resources. Finally we have a research programme and an expanded agricultural extension service.

Spreading the economic base

► *Are you concerned that the relative importance of the sugar industry will make Belize too vulnerable to external factors affecting the international sugar trade?*

— Yes, we are concerned. That is why we have been diversifying in citrus, bananas, beef, crawfish, garments and grains. By offering development concessions we encourage the development of light industry, which is part of our import substitution strategy.



The banana industry recovered slowly from the devastation caused by hurricane Greta in 1978

► How well have the citrus and banana industries recovered from the devastation caused by hurricane Greta in 1978?

— The citrus industry has made a good recovery. The value of citrus exports increased from \$ 10.8 million in 1979 to \$ 14.4 million in 1980. As a result of the rehabilitation programme the banana industry has also recovered from the 1978 hurricane. Value of exports rose from \$5.8 million in 1979 to \$6.9 million in 1980. In order to place it on a viable basis there is need for further expansion which is on the way. There is also an irrigation system under construction.

► How important is the cooperative movement in Belize's economy?

— The fishing industry is completely controlled by cooperatives, and there are also cooperatives in the honey and rice industries. Credit unions, too, play a very important role, and there is a Ministry of Cooperatives which gives stimulus to the movement as a whole.

► How serious a drawback is the poor transport infrastructure, and what are the main priorities?

— Although the road and transport infrastructure has improved over the



Belize has considerable agricultural potential and there is plenty of free land, but people have to be encouraged to earn their living from the land.

last 20 years, there is a need for some roads to be upgraded and for feeder roads to open up additional lands. At the moment, with the limited funds at our disposal, we are endeavouring to improve the western and northern highways. A lot has yet to be done.

► Will the paucity of local trained manpower mean a long-term dependence on foreign skilled manpower?

— At this time there is a shortage of trained manpower. However, there are several training programmes in existence, sponsored by the government, which should reduce the time of dependence on foreign skills.

Limited resources for industry and tourism

► *The industrial sector is already well advanced for a small developing country. How will you encourage further expansion?*

— We are encouraging further expansion of the industrial sector by granting concessions, by offering credits through the DFC and by developing industrial sites within our limited resources. We are also increasing our industrial promotion programme, again, within a very limited budget.

► *The tourist potential of Belize is obvious. Taking account of other developing countries' experience in this field, what is your government's policy for this sector?*

— Although tourism is not our number one priority, much work is going on within our limited resources to establish a 10-year development plan for tourism. The number of tourists to Belize is increasing but the main problem at this time is lack of hotel rooms. There is a market for more hotels.

Building on international contacts

► *Belize has been a member of Caricom since 1974. Why is regional cooperation important to your country and how do you want to see it developed?*

— Caricom has been most helpful to our country in obtaining international support for Belize's strategy of independence. Moreover, the Caribbean Development Bank has been our main international source for loans. In the future we would like the Caribbean Development Bank to have more funds for lending under its special development fund, which provides long-term loans at low interest rates.

► *What relations will Belize have with the EEC once independence is achieved?*

— Good relations. The EEC can buy more sugar from Belize and help us to build a hospital with adequate funds. Belize wants to accede to the Lomé Convention, and at this very moment we are preparing our application to become a member of the Lomé Convention and the ACP group. ○

Interview by I.P.

Background to independence

In May 1980 Britain and Guatemala agreed to find a negotiated settlement to the Belize dispute. Since then there has been a series of talks on details and Britain announced that it would like to see Belize become independent in September 1981. Britain and Guatemala signed "heads of agreement" in March this year, the main points of which are:

- Guatemalan recognition of Belizean independence with full sovereignty within existing frontiers;
- guaranteed Guatemalan access to the Caribbean;
- use and enjoyment by Guatemala of the Ranguana and Sapodilla cays and rights in sea areas adjacent to these islands as may be agreed; and
- detailed provisions for cooperation between Belize and Guatemala on free port facilities, road projects, oil pipelines, pollution control, navigation and fishing, joint exploration and exploitation of minerals.

Historical background

In 1859 Guatemala signed and ratified the UK-Guatemala Treaty in which she recognized the existing boundaries between the two countries. The treaty also contained an article calling upon both parties to use their best efforts to build a means of communication be-

tween Guatemala City and the Atlantic coast. The British government conducted a survey of the route but, in view of the difficulties encountered, both countries concluded a convention in 1863 under which Britain proposed to pay £ 50 000 as her contribution to the cost of a road project. The convention lapsed following the Guatemalan government's failure to ratify it.

In 1939 Guatemala denounced the 1859 treaty and claimed Belize on the grounds that the road project undertaken had not been fulfilled. In 1946 the Guatemalan government wrote into its new constitution an article to the effect that Belize was part of Guatemalan territory.

In 1964 Belize became self-governing and secured a new Constitution on the basis of universal adult suffrage. But the Guatemalan claim to Belize prevented Britain from setting in train the constitutional procedures leading to full independence. For some 17 years attempts have been made to find a solution through negotiation.

Developments since 1969

Between 1969 and 1972 there were negotiations aimed at finding a solution to the dispute. Following the collapse of these talks Britain reinforced its gar-

ison in Belize. Further talks in 1975 also got nowhere and the matter was taken to the UN.

A UN resolution overwhelmingly endorsed Belize's rights to self-determination, independence and territorial integrity and called for new negotiations, but Guatemala moved forces to the border and Britain again reinforced its garrison. Talks resumed in 1976-77, and the Commonwealth heads of government called on Britain to grant independence to Belize; however, in July 1977 the border position again became tense after a Guatemalan threat to invade Belize.

The heads of government of Colombia, Venezuela, Mexico, Costa Rica, Panama and Jamaica, meeting in Bogota, issued a declaration supporting a peaceful settlement in accordance with the principles of territorial integrity and self-determination of peoples. In November 1978 the Guatemalan foreign minister restated Guatemala's claim to the whole of Belize and rejected British proposals, though indicating willingness to continue negotiations. He also rejected a proposal for resumption of diplomatic relations. A month later the UN General Assembly approved a resolution in support of Belize by 128 votes to nil with 12 abstentions, and in 1979 the general assembly approved a further resolution (134 votes to nil with 8 abstentions) urging respect for the right of the people of Belize to self-determination, independence and territorial integrity. Meanwhile the People's United Party, led by George Price, won 13 of the 18 seats for the House of Representatives in the Belize general election. The PUP had made independence one of its election issues.

In May 1980 Mr Ridley, minister of state at the British foreign office and Ing. Castillo Valdez, Guatemalan foreign minister, accompanied by two representatives of the Belize government, met in Bermuda for a new round of negotiations. The ministers expressed the firm determination of the Guatemalan and British governments to pursue their efforts to find a solution satisfying the interests of the Guatemalan, British and especially the Belizean peoples.

This was followed in March 1981 by further talks in London, opened by Lord Carrington, in which Mr Ridley and Ing. Castillo Valdez together with their teams of officials, reached an agreement on the basis of which a full settlement of the dispute would be negotiated. o I.P.



Causeway for the new deep water port in Belize city: the 1980 agreement provided for closer cooperation between Guatemala and Belize in the area of transport



Prepared for British Information Services by the Central Office of Information, London
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Profile of Belize

Area	22 963 square km
Population	144 857 (1980) (growth rate 1.8 %) (Belize City 39 887)
Capital	Belmopan (pop. 3000)
Languages	English, Spanish, Creole, Maya and Carib.
Head of State	Queen Elizabeth II, represented in Belmopan by the Governor
Head of government	Premier George Price
System of government	Parliamentary democracy Present house of representatives People's United Party 13 United Democratic Party 5

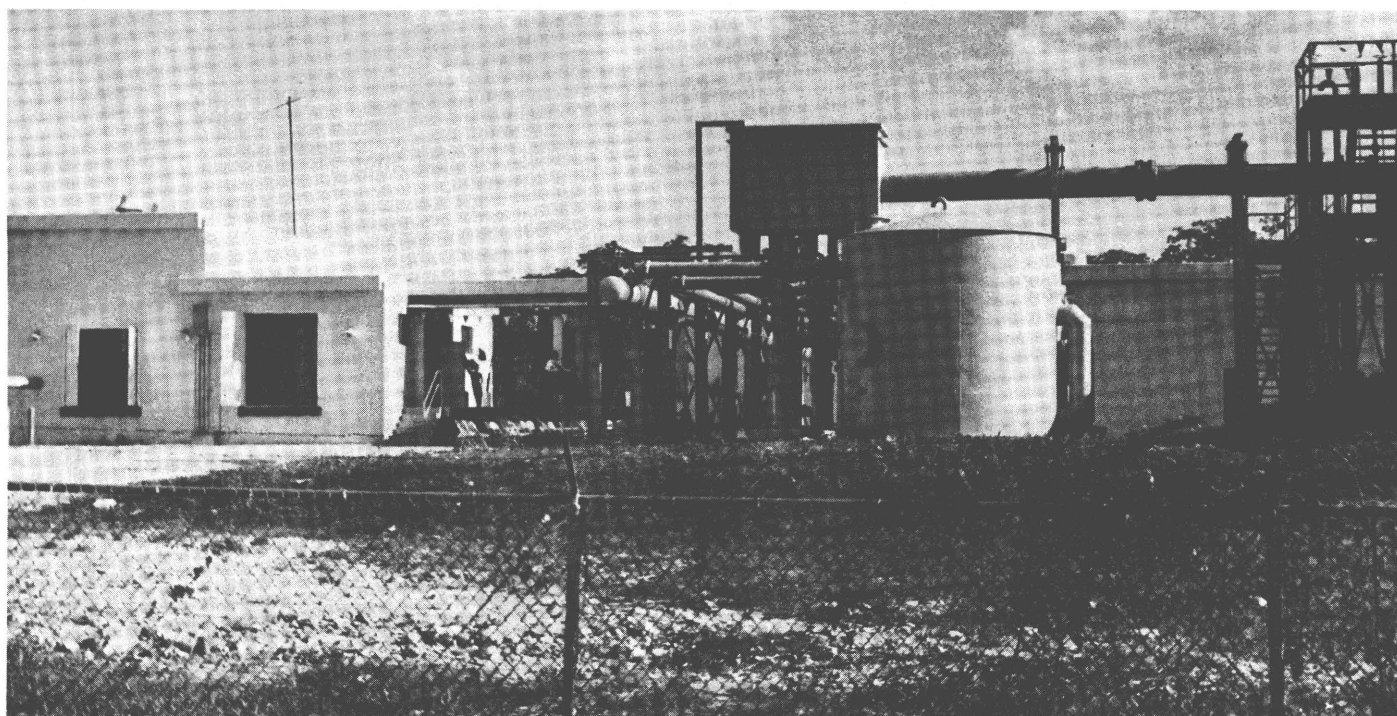
Currency	Belize dollar (B\$2 = US\$ 1)
Exports	US\$ 138.7 m (1980)
Imports	US\$ 156.8 m (1980)
Main trading partners	USA, Britain, Canada, Caricom
Main exports	Sugar, citrus fruit, garments, bananas, fish, wood and molasses
Main imports	Food, machinery, manufactures
GNP	US\$ 139 m (per capita US\$ 1000) (1979)
External debt	(end 1979): US\$ 46 m (debt service ratio 2.5 %)
Membership of organizations	Caricom (since 1974)
Adult literacy	86 %

Sources: Belize economic plan, C01 London, Belize census, World Bank

EEC indicative programme for Belize

	Amount (ECU)	Loan P Grant S	Committed (ECU)	Disbursements (ECU)
Belize Int. Airport	500 000	P	500 000	166 000
Radio Belize	645 000	P	645 000	—
3 Junior Secondary Schools	1 250 000	P	1 250 000	200 000
DFC Line of Credit	400 000	P	400 000	69 300
Veterinary Laboratory	55 000	S	55 000	18 177
Reserve	400 000	S	400 000	—
Lowcost housing	65 000	P	—	—
Totals	500 000	S	—	—
Totals	3 815 000		3 250 000	453 477

STABEX: ECU 202 714 (1977) to compensate for loss of earnings from sawn wood.
ECU 1 = B\$2.06 = US\$ 1.03 (approx).



Water treatment

Public opinion in the European Community

This survey, conducted in the field between 23 March and 30 April, covers the *ten* countries of the Community (1). As the previous "Euro-barometer" poll had already included Greece, ahead of that country's actual accession, real comparisons can be made between the attitudes of Greeks and those of people in the other countries: the "first generation" — the Six — and the "second generation" — the Three (Denmark, Ireland and the United Kingdom).

This report contains three chapters on European public opinion in the spring of 1981:

1° *The mood of Europeans*, considered from two angles: the first — more personal — bearing on the general feeling of satisfaction or dissatisfaction with the life we lead; the second — more socio-political — bearing on basic attitudes towards society.

2° *Attitudes towards Europe and the Community*: this is the longest chapter since several questions were asked in addition to the standard ones on "effective" support for the efforts to unify Europe and on the "utilitarian" assessments of one country's membership of the Community. Some of these additional questions had already been asked in previous years and so answers will reveal how thinking has developed, while others were put for the first time, the object being to shed more light on certain aspects determining European public opinion and on certain topical issues.

3° *Attitudes towards the creation of a European passport*: this plan, launched in 1974 by the member states' governments and strongly supported by the European Parliament, has a certain symbolic, and thus political, value. It seemed worthwhile trying to find out what the man in the street feels about it.

The mood of Europeans

Individual answers on *satisfaction with life* express a general, diffuse feeling, generated by a host of perceptions, judgements and comparisons of 22 living conditions in the widest sense of the term.

Previous analysis has shown that people in certain countries (Denmark, Luxembourg and the Netherlands) are in each survey distinctly more satisfied with life than people elsewhere (France, Italy). It is the same this time; nothing has changed much. The results for Greece, where the question was

asked for the first time, put it below France and Italy, but with the striking feature that it has both more "very satisfied" (19% as against 12% in

France and 13% in Italy) and far more "not at all satisfied" (22% as against 7% in France and 9% in Italy).

The other indicator, which measures the *basic attitude towards society*, is used as an indirect gauge of the degree of confidence in the future of society and the functioning of its institutions. Previous analysis has shown that the choice expressed between one suggestion or another ("revolutionary action", "gradual reforms", "valiant defence against all subversive forces") corresponds closely to systems of socio-political values and probably to certain types of personality, which, in a given situation, determine attitudes and behaviour. Hence the value of continuous observation, afforded by the frequency of "Euro-barometers".

Among those who give a definite reply, the "reformist" option still wins a large majority in all countries, except in Germany, where "defence against subversive forces" is again slightly ahead. The table below shows the trend in Germany over the last 10 years of those who opt for one or the other.

The revolutionary option, which is a sharp contrast with the other two, remains below 10% of respondents in all countries except Greece — where the 10% figure recorded in October 1980 when the question was first asked is repeated — and the United Kingdom. To find 10% of "revolutionaries" in the UK is a new phenomenon which will bear watching.

		Germany	
		Improvement of society by gradual reforms	Valiant defence against all subversive influences
1970	February-March	76%	22%
1976	November	56	42
1977	Oct.-November	44	54
1979	April	56	42
1980	October	50	46
1981	April	47	50

		"The entire way our society is organized must be radically changed by revolutionary action"			
		France	Italy	United Kingdom	Greece
1970	February-March	5%	8%		
1976	November	14	13	8%	
1977	April-May	15	11	9	
1980	October	9	6	7	10%
1981	April	9	8	10	10

(1) When we speak here of the "European Community" with no other qualification, we mean the nine or 10 member countries according to dates. (In the calculation of averages weighted by population figures, the addition of Greece makes little difference to the results). If we have to make a distinction we specify "EUR 6" (the Community from 1952 to 1972) or "EUR 9" (the Community from 1973 to 1980).

Another point to note to make it easier to compare results from one survey to another: Greece (Ellas) does not appear in the correct alphabetical order but after the United Kingdom.

In tables where countries' names are given in full in the national language, Greece appears as "Ellas"; where abbreviations are used, however, GR has been adopted, since it will be more easily recognized.

Attitudes towards Europe and the Community

This part of "Euro-barometer" was considerably amplified this time in order to discover whether and how far attitudes hitherto observed—largely favourable in eight countries out of the ten—were still the same despite the present difficulties.

The findings must be qualified.

To begin with, *general and diffuse support for the unification of western Europe* appears not to have waned—or not yet. Roughly eight out of 10 are in favour in Luxembourg, Italy and the Netherlands, with no sign of weakening; the proportion is seven out of 10 in Germany and France and six in Belgium, Ireland and Greece; it is only just over five in the United Kingdom and just under five in Denmark.

From one survey to the next favourable attitudes have declined significantly in Germany (–9 points) and especially in the United Kingdom (–11). We cannot therefore rule out the possibility that this general support, this "reservoir of good will", is beginning to drain away, even in a country like Germany where the efforts for unification of western Europe have always found solid public support.

Other signs confirm this apprehension. For example, the answers to a question about how *understanding between the member countries of the Community* has progressed over the last 12 months.

In 1981, as in 1978 and 1977, the majority of the public gave a neutral answer ("no change") or did not reply.

But what has changed is that: — the answer "decreased" has now overtaken the answer "increased" in nearly all countries, the only exceptions being Ireland, where they almost balance out, and Greece, which has only just joined the Community and is still basking in what might be termed the "honeymoon effect"; — there has been a sharp advance in negative answers in all countries and particularly in Ireland, compared with the results of autumn 1978.

Another point is that in each country the opinion leaders, meaning the most mobilized individuals, those who most frequently talk politics and try to influence those around them, are more inclined to believe that understanding between the member countries has decreased.

But if we analyse answers by country and by leadership rating, we find that among the most mobilized citizens there is a far stronger tendency now



Women are increasingly making themselves felt in European public affairs and their opinions carry considerable weight in the development of the Community (photo: a young Dane)

than in 1978 to feel that understanding has decreased, and this adverse trend is more evident among opinion leaders in Germany than elsewhere.

Views about membership of the Community have customarily been measured, since 1973, by a "good thing"/"bad thing"-type question. But to gain a deeper insight into what makes up the public's attitudes and what causes them to change, this latest survey included several further questions.

Between 70 and 80% of people interviewed in Luxembourg, the Netherlands and Italy still feel that membership of the Community is a good

thing for their country. This is the view of roughly half the Belgians, the Germans and the French. In none of these countries—the six founder members—does the proportion of opponents appreciably exceed one out of 10: 9% in Belgium and Germany, 11% in France. Nevertheless, even in some of those countries, notably Germany, the number of favourable answers has fallen since previous polls.

In the three countries which joined in 1973 the trend is scarcely favourable, though less unexpected: decline in popularity in Ireland, compared with 1977-78, but still twice as many for as against (46% for 22% against); majority against in the United Kingdom, the proportions being the opposite of those in Ireland (24% for 48% against). Of the three countries of the second Community generation, only Denmark seems not to be experiencing too much loss of faith, with almost as many positive as negative answers (32% for and 29% against in October 1980 and 30% for and 31% against in April 1981).

With 42% viewing the Community as a "good thing" and only 22% a "bad thing", Greece looks impressive among the countries to enter after the six founders.

Any overall judgement is the result of a host of ideas, feelings and perceptions. The factors determining one and the same answer may vary from country to country, from one stratum of society to another and even from individual to individual.

A set of 10 questions, asked for the first time, aims to ascertain what *advantages and drawbacks are most frequently attributed to membership of the Community*.

The results show that in the Community as a whole it is only in three areas, albeit key ones, that a majority of the public attributes as many bad effects as good effects to belonging to the Community:

- the prices of products in shops and stores,
- agriculture,
- the labour market and employment.

In the other seven areas, positive judgements prevail over negative ones. The lower risk of being dragged into a war is considered the prime advantage, followed by the selection of goods found in shops and stores.

Detailed scrutiny of the results country by country reveals few differences in the ranking of the 10 points. But what differences do appear are very interesting.

	Membership of the Community is:	
	"a good thing"	"a bad thing"
<i>Germany</i>		
1973	63%	4%
1975	59	7
1980 October	62	6
1981 April	49	9
<i>Belgium</i>		
1973	57%	5%
1975	58	3
1980 October	54	4
1981 April	49	6
<i>France</i>		
1973	61%	5%
1975	66	4
1980 October	48	10
1981 April	50	11

Points ranked higher than elsewhere are:

- *growth of exports*, in the Netherlands, Denmark, Ireland, Belgium and Luxembourg;
- *agriculture*, in Ireland and Denmark.

Points ranked lower than elsewhere are:

- *the better chance of avoiding a war*, in Luxembourg and Ireland;
- *the role that the country can play in the world*, in Denmark;
- *the chances of coping better with the economic crisis*, in Germany.

Preliminary analysis of the results

has also shown that, generally speaking, relationship between the overall judgement of membership of the Community and the more detailed assessments of advantages and drawbacks tends to be more marked among the Community's adversaries in those countries where the general tendency is very favourable, and among its supporters in those countries where the tendency is adverse.

To help forge strong links of solidarity between nations was at the outset one of the basic objectives of the Community. How far has this got?

Two questions were asked on this point: one on the respondents' *willingness to see their own country aid another member country facing major economic problems*; the other on the *willingness of each individual to accept certain sacrifices, such as paying more taxes, to help another country in difficulties*.

As might be expected the first question produced more positive answers than the second. The proportion of people interviewed who say they are prepared to accept certain sacrifices to help another country is higher in Italy (69%), Greece (56%) and Luxembourg (54%) than in other countries.

Lastly, a question about *withdrawal from the Community* was asked in the three member countries where political groups are advocating such a move, and also in France to obtain a basis for comparison.

Though it is admittedly only a measure of tendency, the results are none the less very interesting.

In Denmark, 49% of those who actually reply are in favour of staying in the Community and 51% want to leave: an almost equal split, when there has been no explicit proposal and no organized airing of the whys and wherefores.

In the United Kingdom, the majority of those who answer (61%) are in favour of withdrawal, compared with 39% who want to stay in.

The proportions are exactly the other way round in Greece, where 61% want to stay in and 39% want to leave.

Lastly, in France, where the question is purely hypothetical, 82% want France to remain a member, against only 18% who do not (1).

For or against the European passport

This plan was launched in December 1974 at a meeting of the heads of state or government. No decision has yet been taken but public opinion is very much in favour in eight of the 10 countries. Only Denmark and especially the United Kingdom are against it. Strongest support comes from Greece, Italy and Luxembourg.

The opinions expressed on this plan, which will cost little but has great symbolic value, highlight the gulf between the implicit aspirations of a broad majority of citizens in most countries and the slowness of the procedures which could satisfy them.

(1) "Don't know" are 22% in Denmark, 12% in the United Kingdom, 32% in Greece and 29% in France.



The anxious process of European construction—women are helping to share the load

The European Community's development cooperation policy, 1980

compiled by Hans SCHIPULLE (*)
with material from the Commission of the European Communities

CONTENTS

Anxiety about the North-South dialogue: Edgard Pisani, for the Commission, briefs the Council of Ministers	<i>page 31</i>
1. Europe and the Third World	<i>page 33</i>
— Exacerbation of the developing countries' problems	
2. EEC cooperation with the developing countries	<i>page 34</i>
2.1. Europe's aid to the Third World	
2.2. Trade between Europe and the Third World	
— The development of trade	
— Trade promotion	
3. The Community and the North-South dialogue	<i>page 43</i>
4. Cooperation with the various regions of the Third World	<i>page 46</i>
4.1. Africa, the Caribbean and the Pacific: the Lomé Convention	
— Commercial cooperation	
— Earnings from commodity exports	
— Financial and technical cooperation	
— Industrial cooperation	
— Aid to the Overseas Countries and Territories	
4.2. The Arab and Mediterranean countries	
4.3. Latin America and Asia	
5. Food aid and emergency aid	<i>page 64</i>
5.1. Food aid	
5.2. Emergency aid	
6. Cooperation with non-governmental organizations (NGOs)	<i>page 65</i>
7. The institutional framework of cooperation	<i>page 66</i>
7.1. Parliament – the Commission – the Council of Ministers	
7.2. Joint cooperation institutions	
7.3. The directorate-general for development	

N.B. The European currency unit (ECU) is used throughout this report, even when referring to its earlier form, the European unit of account (u.a. or EUA). Values originally expressed in u.a. or EUA have not been converted to the 1981 ECU equivalents.

(*) Former spokesman of the Federal German Ministry of Economic Cooperation, seconded to the Commission in order to produce the following report as part of the exchange scheme between European and national civil services.

Anxiety about the North-South dialogue

Communication to the Council by Edgard Pisani, on behalf of the Commission, concerning the North-South dialogue on the eve of the conferences of Ottawa, Cancun, Nairobi and Paris.

The Council's discussions on the Commission proposals have enabled agreement to be reached on essential substantive and procedural issues for what must be referred to as the North-South dialogue.

The European Council gave the seal of approval to the Community consensus on the main issues affecting relations between industrialized and developing countries, and appealed for a multilateral dialogue. We now know the approach which the Community and its member states will be following *vis-à-vis* the countries of the North, and more particularly the West — for the measures taken to date have proved inadequate, as the results of the development decades show, to help those of the South — in order to prevent the growing interdependence between nations from exacerbating inequality and insecurity, integrate the developing countries more fully in the system of international relations by giving them more rights and more responsibility, and encourage all concerned to work for the recovery of the world economy, without which the efforts of both sides are doomed to failure.

It will be their aim to eradicate the horrors of hunger and absolute poverty.

The North-South dialogue features on the agenda of the Ottawa and Cancun summit meetings, and the practical work will get under way in August in Nairobi, on new and renewable energy sources in the developing countries, and in September in Paris, with the conference on the least developed countries.

With these events in the offing, the Commission feels it must convey to the Council the anxiety it feels concerning the future of the North-South dialogue, particularly since the European Council in Luxembourg, even at this late stage, produced neither a thorough discussion of the matter nor a clear and substantial agreement.

The Commission's concern is caused by three factors:

- the direction being taken by the new US administration;
- the reactions of the leaders of the main countries of the South to the stagnation and possible failure of the dialogue;
- the fragility of the Community's consensus plus the lack of credibility of Community positions, which are further undermined by inadequate coordination of member states' own policies.

The US position

This is becoming clearer by the day. Admittedly, the USA has asked for time to consider certain points

and says it is open to discussion, but there are numerous indications that while Europe is trying to reason in terms of interdependence and reform of the system of international relations, the Americans today are talking about establishing or restoring supremacy.

In line with this thinking, the US administration is saying that it can best help the world economy and the Third World by recovering its own strength and equilibrium.

The USA is giving clear priority to restoring its position in the East-West power game both over the restructuring of international economic relations and over the North-South dialogue; it is preparing to take the best advantage it can of the world's current economic and monetary disorders.

With the developing countries, it tends to prefer a bilateral approach, where the balance of power between the parties comes into play.

This is a result of the worsening international strategic picture, and is at the same time an expression of historical and ideological confidence.

In a similar spirit, the USA is reviewing its support for international institutions and attaching less importance to the negotiations at multilateral or global level where the Third World can present a united front. This is not just a matter of distaste for global negotiations, but a calling into question of progress achieved at the expense of protracted and hard bargaining, in connection with the law of the sea, IDA VI, the implementation of the Integrated Programme through commodity agreements, world food security (Wheat Convention) and the Common Fund.

There is a feeling among the developing countries, therefore, that the desire for a North-South dialogue has evaporated. Soviet Russia has never taken an interest and has refused to be involved; now the USA, which has been playing its part for years, is losing interest as well. Many developing countries feel the North-South dialogue no longer holds out any hope unless Europe can dig in its heels and reverse the trend.

South-South cooperation, so dear to the developing countries, is not a substitute for the North-South dialogue; it is a *sine qua non* for a more autonomous development of the South.

The reactions of the developing countries

The developing countries' reactions are beginning to make themselves felt. Hopelessness and "rejectionism" have replaced the optimism of Havana, where the non-aligned movement found a plan of action and a cause to overcome their differences, proposing that North and South enter into "global negotiations" on all the international inequities operating against the South.

“Rejectionism” carried the day in New Delhi at the third UNIDO conference, where the leading radicals of the Group of 77 managed to convince the developing countries that since they could expect nothing from either East or West, they might as well demand the impossible.

Rejectionism has overtaken a country which has opted for a market economy and alliance with the West, and is now refusing flatly to adhere to the new cocoa agreement regardless of the cost to its economy. The Ivory Coast government sees the cocoa agreement as a symbol of the Western countries’ refusal to devote the same attention to the economic stability of the developing countries they accord to their own producers. Taken to its logical conclusion, this would call Stabex itself into question.

Such feelings, aroused by the probability of the North-South dialogue’s failure, could in time reach such proportions as to threaten world stability.

The Community’s responsibilities

If the North-South dialogue did in fact turn out a failure, it would not be the fault only of the US’s attitude or the more radical behaviour of the Third World; the Community too would take its share of the responsibility, particularly if, despite unanimity on principles and above all needs, it split up in the actual negotiations and on political utterances.

The Community has just made a ringing declaration on the resumption of the North-South dialogue, but there is still a lack of coherence when it comes to putting the Community’s positions into effect. This is true both of the general approach and of the positions adopted on the cocoa agreement, the MFA renewal talks and ODA, etc...

It is not enough simply to state a Community position for the North-South dialogue, for the Community’s political institutions are too ready to confine themselves to the traditional “foreign affairs” sphere, whereas the time has come to look at North-South as a substantial element in our economic recovery policies.

The slowing down of growth in the non-oil developing countries (with their enormous external deficits and mounting indebtedness) will have a serious effect on the world economy. The political and social consequences of the slowdown in some of the countries affected could have significant regional or indeed worldwide repercussions.

The Community would not remain untouched. It cannot stand by and see a lasting contraction of its most important and vigorous markets added to all the other factors restricting its chances of recovery. For Europe, open to international trade and concerned to maintain a stable environment, resumption of and steady progress in the North-South dialogue is a vital element of economic policy.

But this is not all. Europe has always been keen for its development activities to make a significant contribution to international geopolitical stability and the shaping of a world based on the values on which it is founded itself. The Lomé Convention, both instrument and symbol of this intention, could become meaningless if the ways of the world do not change. Stabex could dwindle into insignificance on the international

market unless commodity agreements are struck to check the recent and harmful wild fluctuations of prices.

The Commission considers it its duty to issue an appeal to the member states on the eve of the Western summit, the Nairobi and Paris conferences, the Cancun talks and the resumption of the global negotiations. Accordingly, it would appeal:

— for consistency, so that specific positions more faithfully reflect general guidelines and are firmly maintained;

— to the member states present in Ottawa to uphold the Community’s desire for a resumption and enhancement of the North-South dialogue; and to display solidarity in the effort to convince their American interlocutors that the US approach places the world at risk since it imposes unacceptable risks on the Third World.

However, if Ottawa should indeed produce the disagreement foreshadowed in the preparatory work, nothing could be less desirable or more dangerous than to conceal the divergencies or worse still, to issue a bare communiqué with no real reference to the major issue of North-South relations. The United States’ power and responsibilities leads it to take a fairly intransigent stand, and Europe’s only source of strength will be to reaffirm its links with the Third World and its intention of creating a new order which is fair to all.

At Ottawa, therefore, Europe must get over to its partners, the United States in particular, its own particular view of the world and its own interests.

It will then be necessary to work out a form of Western cooperation in diversity, which takes account of different situations and views.

In the short term, the prospect of Nairobi, Paris and Cancun obliges the Community to take up a specific approach.

At Nairobi, the Community should announce its willingness to provide additional funds for energy cooperation with developing countries and take a lead on the projects and programmes adopted in promoting the use of new and renewable energy sources in the developing countries.

In Paris the Community will have to be able to take the initiative in finding ways to relieve the plight of the least-developed countries; in particular, the Community and member states should set a specific ODA growth target for such countries, to be regarded as binding.

At Cancun the Community countries must approve any proposals which could improve the climate of North-South relations and encourage specific action at regional or sectoral level. However, such proposals cannot replace a global North-South dialogue, which remains an economic and political necessity. The member states must reaffirm their commitment to the idea of global negotiations and their intention of overcoming the obstacles in the way of their effective inauguration.

International commodity agreements and the Common Fund should be supported, since they can provide the stability needed if Stabex is to be fully effective; otherwise it may well prove inadequate despite its resources. ○

THE CONVENTION AT WORK

Activities of the ACP Committee of Ambassadors (*)

15-19 June

At its weekly meeting on Wednesday 17 June 1981 at ACP House in Brussels, the Committee of Ambassadors appointed the chairmen of its 10 sub-committees for the next year.

Acting on a report from its chairman, Lesotho ambassador M. Monyake, the Committee of Ambassadors approved the recommendations of the *ad hoc* working party, as follows:

I. Central Africa

- (1) Sub-committee on administration and finance - chairman from the Cameroon.
- (2) Sub-committee on Stabex - chairman from Zaire.

II. East Africa

- (3) Sub-committee on trade cooperation - chairman from Sudan. (1)
- (4) Sub-committee on financial and technical cooperation - chairman from Uganda.

III. Southern Africa

- (5) Sub-committee on ACP cooperation - chairman from Lesotho.

IV. West Africa

- (6) Sub-committee on agricultural cooperation - chairman from Benin.
- (7) Sub-committee on industrial cooperation - chairman from Nigeria.
- (8) Sub-committee on the least developed, island and landlocked countries - chairman from the Gambia.

V. Caribbean

- (9) Sub-committee on sugar - chairman from Barbados.
- (10) Sub-committee on customs cooperation - temporary chairman from Grenada.

It should be remembered that the ACP sub-committees are essential places for study and reflection in the decision-making process of the Committee of Ambassadors. The chairmen are appointed for one year (renewable).

At the Wednesday meeting, the ACP Committee of Ambassadors also finished debating its final position on the reduction of Stabex transfers for 1980.

(1) Summary based on ACP group press briefings.

The ACP position was passed on to the EEC Committee of permanent representatives on 19 June.

22-26 June

Government experts met to discuss finance and banking at ACP House on Monday 22 to Thursday 25 June 1981.

At the four-day session, ACP experts made a thorough assessment of two reports on the plan to set up an ACP trade and investment bank. The reports were drafted in response to successive requests from the ACP Council of Ministers. One was produced by a group of UN experts led by Mr Frinpon-Ansah, one-time official at the Central Bank of Ghana, and the other, a complementary study, was the work of Mr Roy Jones, a consultant from Jamaica. Both reports recommended that a trade and investment bank be set up. The Council of Ministers had again mentioned the interest of setting up an ACP institution of this kind, geared to the collective autonomy of the ACP group, at the extraordinary session in Montego Bay.

At the end of the session, the ACP government experts recommended that the institution be concerned with both trade and investment.

They felt that the idea, in particular, was to carry out investment projects

Also in the yellow pages

The Convention at work

- III. EDF decisions
- V. EIB decisions
- VI. Stabex transfers
- VII. European parliamentarians visit Ethiopia

General Information

- VIII. Aid to non-associated developing countries
- IX. UN Conferences: Pisani in Nairobi
- X. World hunger
- XI. Ottawa summit

European Community

- XII. Luxembourg summit
- XIII. Leaders of national parliaments meet

CID

- XVI. Industrial opportunities

with a view to promoting export products via a system of guarantees (export, insurance and re-insurance). It was urgent for emphasis in the trade sector to be placed on non-traditional exports and on trade within the ACP group.

The Bank's activity should include sponsoring training in the trade promotion sector.

The ACP experts agreed, in particular, that the bank should be a flexible institution that can take account of the needs of the ACP states and of their central banks, their trade banks and the international banking community.

It should enter into technical assistance agreements with other public and private national and international institutions.

The ACP experts recommended that the bank set up a special fund to develop exports. This would be fed by voluntary contributions from members and others.

ACP states, institutions designated by these states, non-ACP states and/or institutions designated by these states, intergovernmental organizations, private trade banks and finance companies designated by the Member States could be members of the bank.

The ACP experts agreed that capital would be \$250 million and that the ACP countries would hold 51% of the shares. Once the bank was set up, 10% of the capital paid in by the ACP States, i.e. \$12.5 million, could be called up and paid. They stressed that the profits from investment of this amount should cover the bank's administrative costs. The proposed unit of account is the IMF's SDR.

The figure for the capital reflects the contributive capacity of the ACP states and an assessment of inter-ACP and total ACP exports.

The experts also came up with a series of economic scales for the breakdown of capital among the ACP member countries. They specified a traditional management structure involving a board of governors, a nine-member administrative board, an executive vice-chairman and a chief administrator.

The bank would be able to set up branches.

These various recommendations will be discussed by the ACP Committee of Ambassadors before a final decision is taken by the Council of Ministers.

The meeting was chaired by Komlavi Klousseh, Togo's national director at the Central Bank of West African States. It was attended by representa-

(1) On 30 July Tanzania replaced Sudan (see p. III).

tives of 34 ACP countries and 12 international and regional organizations.

- The chairman of the ACP sub-committee on sugar, ambassador Oliver Jackman of Barbados, on 25 June, issued the following press statement.

"ACP sugar producing countries are greatly disturbed by press reports appearing in recent days suggesting that member countries are disposed to accept the offer made by the European Community for ACP sugar for the campaign year 1981/1982. I should like to state in the most unequivocal terms that the ACP countries have formally rejected, and continue to reject, the increase of 7.5% which the Community has proposed for ACP raw sugar, bearing in mind the increase of 8.5% proposed as the main EEC sugar price."

On May 21, the ACP ministerial spokesman on sugar, the Sir Satcam Boolell, Minister of Agriculture of Mauritius, said:

"I must make it clear that we cannot accept an increase below the 8.5% which has been fixed for the main EEC sugar price as even a starting point for our discussions."

On 5 June, the interim Chairman of the Committee of ACP Ambassadors, Alfred Raoul of the Congo, sent addressed a letter to the chairman of COREPER in which he said, *inter alia*: "... It would be necessary that the new mandate from the Council should provide for a satisfactory basic price for our sugar and for one from which all elements of discrimination have been removed."

The ACP continues to expect that the negotiations on sugar prices for the 1981/82 campaign year will be resumed at an early date in accordance with the letter and spirit of the Sugar Protocol, which is the legally binding basis for relations between ACP states and the Community.

29 June - 3 July

- Sir Satcam Boolell, Mauritian agriculture minister and ACP sugar spokesman, held a press conference at ACP House on the sugar issue on Tuesday 30, the eve of the reopening of negotiations on the guaranteed price. It was attended by Minister Hope from Guyana and ambassadors Chasle (Mauritius), Jackman (Barbados) and Insanally (Guyana). Sir Satcam again pointed out that the ACP countries could not agree to the proposed increase of 7.5% on last year's price. What they wanted to do this time was to negotiate properly, as the protocol said, and get the cost of freight included in the fixed price.

Wednesday 1 July

- The ACP-EEC negotiations on

the guaranteed price for raw sugar for 1981-82, which were suspended on 21 May, started up again. The ACP delegation, led by ACP spokesman Sir Satcam Boolell rejected the Community's 7.5% offer for the guaranteed price for raw sugar. The ACP group called for an increase of at least 8.5%.

In the absence of the European agricultural commissioner, Poul Dalsager, development commissioner Edgard Pisani headed the EEC team.

The ACP group felt that the weight of major economic factors (i.e. inflation and freight costs) and the question of marketable quality were two separate issues and each of them had to be taken into consideration in a structured price fixing process, so that there could be proper negotiations between the ACP countries and the EEC.

The ACP signatories of the ACP sugar protocol were essentially concerned with the guaranteed price and felt that the 7.5% offer did not take account of the economic factors they had mentioned.

The average increase in the guaranteed price over the first five years was, for example, 3% p.a. It was up to the EEC rather than the ACP group to play the main part in solving the problem of attributing the effects of the major economic factors, as outlined in the protocol, if there were problems for sugar marketing in the Community.

The ACP refusal was partly based on the fact that the EEC offer was formulated in such a way as to preclude proper negotiations. Lastly, this offer of a 7.5% increase in the guaranteed price introduced a difference between the increases for raw and white sugar. The 1% difference proposed, against the wishes of the ACP group, was in no way justified and clearly had to be considered as unfair.

It was also important to realize that, if the price of ACP sugar went up by 7.5%, the net price *cif* on 1 July 1981, less the compensatory amounts, would be far below what it was on 1 July 1980—and the European refiner's margin had not gone down over the same period either.

So the ACP group had produced a memo asking the Commission to adopt a revised negotiating mandate with a view to doing away with this discrimination and to join with the ACP countries in planning a new procedure for the future in such a way as to ensure that all the important economic factors were taken into consideration in full at genuinely effective negotiations.

13 - 17 July

- The chairman of the ACP Committee of Ambassadors chaired the weekly meeting on Thursday 16 July. Mr

Monyake told the Committee that Mr. H. Shearer, the chairman of the ACP Council of Ministers, had written to Lord Carrington, his European counterpart, about the serious ACP concern as to the Stabex and sugar issues.

The Committee said it supported the principle of an extraordinary session of the ACP-EEC Council of Ministers being held as soon as possible to discuss these matters.

The Committee was told about the working trip that the UN Training and Research Institute (UNITAR), led by executive director Davidson Nicol, had made to ACP House. The delegation came to ask for assistance from the regional fund with financing a training programme for civil servants from the ACP countries. The Committee agreed to look into this.

The ACP request to become an observer at the sessions of the contracting parties and of the meetings of the representatives of the General Agreement on Trade and Tariffs (GATT) was the subject of a favourable discussion at the GATT Council meeting on Wednesday 15 July.

The Committee of Ambassadors elected its officers for the coming six months. The new team was to take over on 1 August. The chairman is now M. Seydina Oumar Sy, the Senegalese Ambassador (West Africa) and the other officers are the ambassadors of Burundi (Central Africa), Somalia (East Africa), Swaziland (southern Africa), Surinam (Caribbean) and Fiji (Pacific).

The Committee heard various reports from the sub-committee chairmen and it was decided to call an ACP seminar on education, research and training with a view to the autonomous development of the ACP states, on 5-9 October 1981.

The Committee also expressed its agreement to the signing of the protocol on Greece's accession to the Lomé Convention being postponed until September 1981.

The ambassadors also discussed various questions of ACP information, which will be debated further later on.

The Committee ended by discussing its attendance as an observer at the UN conference on the least developed countries in Paris.

27 - 31 July

- At the weekly meeting on Thursday 30, chaired for the last time by Lesotho ambassador Mr Monyake, whose term of office expired at the end of July, the Committee approved the change of chairman of the ACP sub-committee on commercial cooperation.

The Tanzanian ambassador will now

be chairing the sub-committee, as the Sudanese ambassador elected previously is unable to do so.

In his speech, the chairman of the Committee of Ambassadors outlined what his team of officers had done and thanked the Committee for its full cooperation over the previous six months. The new officers led by chairman Seydina Oumar Sy, the Senegalese ambassador, who is also the leader of the African group in Brussels, were due to take over on 1. August.

The Committee heard about the courtesy visit which Edgard Pisani, the new development commissioner, had made to ACP House. Pisani had agreed to the ACP request for him to meet the Committee for a working session on 18 September 1981. The Committee was also informed that the joint ACP and EEC chairmen of the Committee of Ambassadors had, in accordance with instructions, adopted the annual report of the ACP-EEC Council of Ministers destined for the ACP-EEC Consultative Assembly.

The Ambassadors discussed and adopted the principles that should underlie the first issue of the ACP bulletin that is due to come out this year. An editorial committee, (the list will be completed later) was approved.

The meeting then heard an oral progress report on the next ACP seminar on cooperation in education, research and training, scheduled for 5-9 October 1981.

A precise report was made on the sugar issue, in the light of a letter from Edgard Pisani—negotiations with the EEC on the guaranteed price for 1981-82 broke down on 1 July. It emerged that the ACP countries rejected any guaranteed price increase of less than 8.5% and various ways of getting the ACP position understood and supported were mooted.

The Committee then looked at a report on certain questions relating to the ACP building and a number of directives were formulated.

Lastly, Pierre Ilboudo, Upper Volta's ambassador, and K.V. Dagadou, Togolese ambassador and doyen of the African and ACP ambassadors, took their leave of the Committee. Ambassador Dagadou's farewell message was passed on to the Committee by Mr Monyake, the chairman.

Deadlock on sugar

ACP/EEC negotiations on the price of sugar were still floundering in deadlock as August began, despite the fact that the Community had expressed understanding for the ACP states' concern over fixing a guaranteed price for their sugar for 1981/82. The ambassador of Mauritius, Mr Chasle, who

replaces the chairman of the ACP sugar sub-committee, told the press that he had informal talks at the Commission to discuss the situation. Since the ACP states said they could not accept the Community offer for their sugar and that the Commission has not obtained a revised brief from the Council along the lines wanted by the ACP States, the resulting situation was a "legal void". Mr Chasle said that the Community stand was unchanged and had been reiterated in a formal declaration by Mr Pisani to the ACP states. In this letter understanding was expressed on behalf of the EEC for the ACP States. An offer to carry out a study on transport costs for ACP sugar was also repeated (this would involve calculating the costs of transport from factory to port of destination for each of the ACP states).

Mr Chasle said that the ACP states cannot give a decision on this offer before the most important question is resolved, i.e. the price issue. The ACP states are complaining in particular about the fact that they have been discriminated against because while the price of Community sugar has risen by 8.5%, ACP sugar is penalised because the EEC makes a distinction between a rise in white sugar (8.5%) and in unrefined sugar (7.5%). The ACP states would be willing to discuss a rise of 8.5% even if from the economic standpoint a very much higher rise would be justified.

Faced with this deadlock, the ACP states would like a special ACP/EEC ministerial session to look at this question. Apart from the 1981/82 prices it would also be the occasion to discuss the way in which the sugar protocol is applied. o A.T.

EDF

Following favourable opinions from the EDF Committee at its 158th and 159th meetings the Commission adopted financing decisions for the projects described below, bringing total commitments under the fourth EDF to ECU 2 818 303 000.

Nigeria

Cooperation between Nigerian and European universities
Grant: ECU 725 000
Fourth EDF

The Community aid will help finance teaching and applied research activities being undertaken by Nigerian universities in collaboration with Dublin and Trieste Universities. Cooperation is for four years in both cases.

Zambia/Botswana/Zimbabwe

Aid for training Namibian refugees and students
Grant: ECU 1 000 000
Fifth EDF

The EDF will finance a crash training programme from 1981 to 1983 for Namibian refugees, to include the following:

- a programme of accelerated further training in Europe for vocational training staff;
- an adult literacy and education programme, in collaboration with other international organizations;
- a basic management and further training programme.

Ethiopia

Addis Ababa water supply
Grant: ECU 48 450 000
Special loan: ECU 5 000 000
Fifth EDF

The aim of the project is to improve the water supply to Ethiopia's capital, Addis Ababa. The Community aid will finance:

- the upgrading of water treatment installations and uprating of their capacity;
- the laying of 18 km of wide-bore pipeline;
- the installation of 7 new pumping units and 7 new service storage reservoirs;
- the construction of 20 km of distribution mains.

Mauritania

Aleg-Boghe road
Grant ECU 3 700 000
Fourth EDF
Grant: ECU 500 000
Fifth EDF

The Community aid will finance the construction of an asphalted road on the 62 km stretch between Aleg and Boghe, to replace the present track. The road will connect with the West-East highway linking the capital, Nouakchott, to the eastern region (Kif-fa-Nema). The road will play an important part in the success of agricultural projects along the Senegal river.

Ghana

Axim-Mpataba-Elubo road
Grant: ECU 3 000 000
Fourth EDF
Grant: ECU 7 000 000
Fifth EDF

This financing decision will provide extra funds for the Elubo-Mpataba and Mpataba-Axim sections of road. A financing decision for the same project was taken in 1978, but for a variety of

reasons the contract proved unattractive and the initial estimates were exceeded.

Burundi/Tanzania/Zambia

Mpulungu harbour
Grant: ECU 2 240 000
Fourth EDF

Mpulungu, Zambia's only international harbour, is at the southern end of Lake Tanganyika, and carries trade between Zambia and eastern Zaire, Burundi and western Tanzania.

The Community aid will go to finance maintenance and improvement of the port's capacity, including the construction of a new quay, an oil jetty and an access road, the purchase of a crane, and the development of the port area.

All ACP states

General secretariat of the ACP states
Grant: ECU 5 250 000
Fifth EDF

The money will be used to continue under the fifth EDF with the provision of experts and consultants for the ACP's states' general secretariat, until expiry of the second Lomé Convention.

Botswana

Nata-Kazungula road
Grant: ECU 6 500 000
Fifth EDF

The aid will be used to build and asphalt the second section (120 km) of the Nata-Kazungula road.

The total sum is broken down into 1 500 000 ECU under Botswana's Lomé II indicative programme and 5 000 000 ECU for regional cooperation under Lomé II. The first section of this road (180 km) was financed from the fourth EDF. The road will provide a direct link between the two landlocked countries of Botswana and Zambia.

Members of the West African Economic Community

Financing a programme of regional trade cooperation
Grant: ECU 2 500 000
Fifth EDF

The ECOWAS member countries are finding expansion of their trade hampered by various obstacles, including:

- insufficiently competitive industries;
- a host of administrative and financial problems;
- the lack of inadequacy of assistance for exporters;
- lack of information about neighbouring countries' products.

At the request of the ECOWAS

secretariat, the Community is providing funds to help overcome these problems by:

- identifying the problems and suggesting solutions;
- providing training in industrial and commercial organization for executives from public and private enterprise;
- providing firms with industrial marketing assistance;
- studying the possibility of setting up an export management company.

Mauritius

Supply of drugs, pharmaceutical and medical products
Grant: ECU 1 700 000
Fourth EDF

A series of natural disasters (hurricanes and floods) in 1979 and 1980 have exacerbated Mauritius's economic problems and disrupted its public services.

The Commission is granting aid to enable Mauritius to buy pharmaceutical and medical products and thus enable the health service to resume normal activities.

St Vincent and the Grenadines

St Vincent health project
Grant: ECU 2 million
Fifth EDF

The aid is to be used to:

- continue the construction work at Kingstown hospital;
- establish social and health services in the Grenadines (Union Island).

EDF financing will cover the construction and purchase of equipment for the new hospital at Kingstown (90 beds) and for the new health centre on Union Island (10 beds).

Gabon - Congo

Construction and equipment of a boarding section at the Ecole des Postes et Télécommunications in Libreville
Grant: ECU 2 020 000
Fourth EDF

The purpose of this project is to construct and equip the boarding section of the Ecole des Postes et Télécommunications (EPT) in Libreville.

This improvement in facilities will allow the school to take in more students from other Central African countries.

ACP states

Trade promotion
Grant: ECU 2 400 000
Fifth EDF

This overall commitment will help to finance (under their national programmes) ACP States wishing to participate in international trade events (fairs and specialized shows) the member states of the Community and in other countries for the period between 1 July 1981 and 31 December 1982.

Sao Tome and Principe

Fisheries development
Grant: ECU 350 000
Fourth EDF

The purpose of the project, designed to help develop fisheries in Sao Tome and Principe, is as follows:

- to overhaul the refrigeration facilities and provide an ice-making unit with storage capacity;
- to train refrigeration technicians;
- to delegate the role of contracting authority.

The main results to be expected from this project are:

- the improvement of artisanal fisheries;
- the improvement of marketing.

Saint Lucia

Secondary roads
Grant: ECU 1 100 000
Fifth EDF

The project provides for the construction (± 3.2 km) and reinforcement (± 4.8 km) of secondary roads in rural areas of St Lucia.

The main results of the project will be:

- a reduction in transportation time and costs;
- an improvement in the transportation and marketing of agricultural products.

Gambia/Guinea/Senegal

Causeway dam over the Gambia (technical study)
Regional project
Grant: ECU 780 000 — Fourth EDF
ECU 500 000 — Fifth EDF

ECU 1 280 000

The aim of this project is to finance a technical study on the construction of a causeway dam which the Gambia River Development Organization plans to build near Yelitenda, 132 km from the sea.

- The dam is intended to:
- enable road traffic to cross the Gambia river;
 - keep the river navigable;
 - create a fresh water reservoir, while at the same time holding back the salt water.

Djibouti

Randa water supply
Grant: ECU 150 000
Fourth EDF

The aim of the project is to provide an improved water supply for the population, livestock and irrigation of the village of Randa.

The work covered by Community financing involves the tapping of a spring, the construction of the necessary earthworks (sub-surface drain, repair of storage reservoirs and tank) and the supply and installation of equipment (e.g. piping, pumping equipment).

Tonga

Multiannual training programme
1976-80
Grant: ECU 20 000
Fourth EDF

This financing will enable four senior government officers to attend specialist courses either in Europe or in the Pacific region.

Member countries of OCAM

Training assistance
Regional project
Grant: ECU 1 000 000
Fourth EDF

OCAM (Organisation Commune Africaine et Mauricienne—African and Mauritian Common Organization, comprising Benin, the Central African Republic, Ivory Coast, Mauritius, Niger, Rwanda, Senegal, Togo and Upper Volta) is particularly concerned with training in the following spheres—health, government service, banking, company management and planning.

The aim of this project is to continue the Community aid given to OCAM, which is requesting that teaching staff be sent to provide technical assistance, and is also requesting a contribution towards the organization of seminars and the granting of study awards.

Barbados

Multiannual training programme
Grant: ECU 250 000
Fifth EDF

The main training needs of Barbados are in the fields of administration, management and industrial technology.

The total cost of the multiannual training programme is ECU 350 000, of which ECU 100 000 has already been committed. This Community financing will cover the organization of training either in Europe or in the regional training establishments in the Caribbean.

Solomon Islands

Training programme
Grant: ECU 50 000
Fourth EDF

This financing is intended for the training of senior national civil servants in fields such as agricultural development, engineering technology in appropriate small-scale industries and project appraisal. ○

EIB

Loans for construction of a glassworks in Burundi

The European Investment Bank has lent ECU 4.2 million under the second Lomé Convention to help finance construction of a glass bottle and jar factory in Burundi.

The funds have been provided in the form of two conditional loans from the risk capital resources administered by the bank:

- ECU 1 million over a term of up to 25 years at 2% to Burundi to cover a substantial portion of its equity participation in Verrundi Verreries du Burundi, the promoter of the project;
- ECU 3.2 million over 20 years at 3.5% to the Banque Nationale de Développement Economique (BNDE), which will take a ECU 200 000 shareholding in Verrundi and lend the company 3 million ECUs; the shareholders of Verrundi include the state, European companies and the International Finance Corporation, which is also helping to finance the factory.

The plant is to be built at Bujumbura, the capital. Relying largely on energy from local hydro-electric sources, the factory will have an annual capacity of 8 000 tonnes of bottles and glass containers. It will supply both the local market and neighbouring countries (Rwanda and possibly Eastern Zaire), under the terms of the Great Lakes Community agreements. The project, costing at ECU 17 million, is scheduled for completion in the latter half of 1983, and is expected to boost the country's balance of payments as well as create some 170 jobs in what is a particularly disadvantaged part of Africa.

Loan for a power station in Djibouti

The EIB has lent the equivalent of ECU 1.8 million under the second Lomé Convention towards upgrading a thermal power station at Djibouti.

The funds have been advanced in the form of a subordinated loan from risk capital resources provided for under

the Convention and managed by the EIB. The loan has been granted for 20 years at an interest rate of 2% for the first seven years and 6% thereafter. The borrower is Electricité de Djibouti, a public utility responsible for electricity generation and distribution throughout the country.

The project, costing at an estimated ECU 5.2 million, centres on installation of a 5.5 MW generating unit at Boulaos power station and reinforcement and expansion of distribution facilities within the town of Djibouti. The new unit is due to be commissioned in mid-1982 and will raise the plant's installed capacity to 36.2 MW.

Also helping to finance the project is the Caisse Centrale de Coopération Economique (France).

In 1979, under the first Lomé Convention, the EIB lent ECU 1 million towards part-financing construction of Djibouti's Tadjourah thermal power station, designed to supply electricity to a mineral water bottling plant in the north of the country.

Loans for uranium production and electricity projects in Gabon

The bank has also granted two loans under the second Lomé Convention totalling the equivalent of ECU 22 million (approximately CFAF 6.6 billion) for development of uranium mining in Gabon and expansion of a hydro-electric power station.

Increasing uranium production

ECU 15 million (CFAF 4.5 billion) have been made available to Compagnie des Mines d'Uranium de Franceville (COMUF) for 15 years at 8%, after deduction of an interest subsidy met from European Development Fund resources.

The loan will contribute towards financing modernization and expansion of a uranium ore processing plant, extension of the mine itself and improvements to related infrastructure in the east of the country.

The project, costing at almost CFAF 27 billion, will increase the processing plant's capacity from 1 000 to 1 500 tonnes of uranium metal per annum and should make for substantial foreign currency earnings, in addition to creating some 400 local jobs.

Comuf's shareholders include the State, Cogema of France and the French group Imetal-Mokta.

Development of hydro-electric resources

ECU 7 million (CFAF 2.1 billion) lent

to the state—also for 15 years at 8%, net of EDF interest subsidy—will help to finance the uprating of a hydroelectric power station in the south-east of the country to about 35 MW. Electricity generated by the plant supplies the COMUF ore-processing works and uranium mine; the expansion also has high national priority because it will help to improve conditions for development in a region which is handicapped by its remoteness. The project, which includes erection of transmission lines, has been designed and planned, with technical assistance from EDF-Electricité de France, by Société d'Énergie et d'Eau du Gabon which is responsible for operating the power station; the new installations are due to come into service by end-1983.

Loan for developing bituminous sandstone deposits in Madagascar

Finally the EIB has lent the equivalent of ECU 2.17 million under the second Lomé Convention to assist in financing a study on the development of bituminous sandstone deposits at Bemolan-ga, Madagascar.

These deposits cover an area of more than 400 km² and are considered to rank among the three largest in the world. Reserves have been estimated at 3 billion tonnes of bitumen, of which 780 million tonnes could be tapped.

Preliminary studies were backed by the EIB in 1979.

The funds have been advanced to Madagascar in the form of a conditional loan carrying a term of 13 years with interest payable at 2%. The operation has been financed from risk capital available under the Convention and managed by the EIB.

The proceeds of the loan will go towards financing feasibility studies involving in particular geological investigations as well as extraction and treatment tests on samples, totalling around 60 tonnes, of the different types of sandstone which could be developed economically and replace oil imports at their present level for at least 15 years. The studies are costed at ECU 3.34 million, while the results are expected in early 1982.

Development of these deposits is expected to have a considerable impact on the country's balance of payments as the venture may well enable Madagascar to achieve self-sufficiency on the energy front. In 1979, its oil imports bill (500 000 tonnes) represented the equivalent of 20% of export earnings.

It is expected that the World Bank will also contribute to the financing of these studies.

Correction

On page 9 of The Courier No. 68 (July-August 1981) in an article on the EIB the figure in the table for subsidized loans should have read ECU 685 m and not 68 m. o

STABEX

Transfers for 1980

Representatives of the European Commission and the ACP states have signed a series of agreements on Stabex transfers for the 1980 financial year. The transfers total some ECU 137.97 million from the ACP appropriation and ECU 5.1 million from the funds set aside for the Overseas Countries and Territories (OCT).

Below is a full table of the transfers. **Appropriation for Overseas Countries and Territories.** Transfers correspond to the applications that were deemed justified since not enough funds were available to meet all the applications.

— **St Vincent.** Product: fresh bananas. ECU 913 286.

Vanuatu. Product: copra, coconut oil. ECU 3 776 616.

— **Vanuatu.** Product: cocoa beans. ECU 410 207.

Total: ECU 5 100 109.

The inadequacy of resources for 1980 stems from the fact that for the first time, in major proportions and at the same time, the two negative situations which the Stabex must remedy arose: natural disasters reducing productions; collapse of certain prices reducing export earnings. The circum-

ACP appropriation

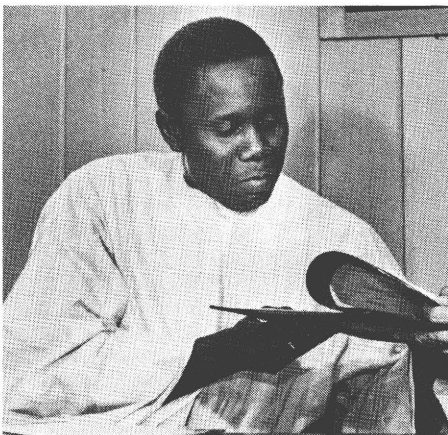
Applicant ACP state	Product	Earnings losses in ECU	Transfer in ECU
Transfers reduced by 52.64%			
Senegal	Groundnut products	64 093 584	30 353 160
Senegal	Oilseed cakes	17 428 751	8 253 832
Ivory Coast	Raw or unroasted coffee	40 532 892	19 195 390
Madagascar	Vanilla	2 557 569	1 211 202
Kenya	Raw or unroasted coffee	21 183 952	10 032 204
Jamaica	Fresh bananas	6 839 447	3 238 995
Fiji	Coconut oil	1 778 588	842 296
Transfers reduced by 40.49% (except for applications of less than ECU 1 million, which have been met in full)			
Guinea-Bissau	Groundnuts, husked or in shells	2 117 015	1 259 747
Guinea-Bissau	Palm nuts and kernels	273 919	273 919
Cape Verde	Fresh bananas	214 764	214 764
Mali	Groundnut products	4 288 009	2 551 615
Somalia	Fresh bananas	2 392 010	1 423 385
Somalia	Raw skins	415 854	415 854
Tanzania	Raw or unroasted coffee	10 511 504	6 254 857
Comoro Islands	Copra	246 447	246 447
Comoro Islands	Essential oils	852 402	852 402
Rwanda	Raw or unroasted coffee	11 015 781	6 555 031
Central Africa	Raw or unroasted coffee	1 627 397	968 396
Burundi	Raw or unroasted coffee	18 525 195	11 023 569
Chad	Cotton	4 268 231	2 539 846
Malawi	Tea	2 236 690	1 330 961
Dominica	Fresh bananas	4 248 229	2 527 944
St Lucia	Fresh bananas	2 267 910	1 349 538
Lesotho	Mohair	242 279	242 279
Gambia	Groundnuts, husked or in shells	6 372 472	3 791 992
Gambia	Groundnut oil	5 362 846	3 191 205
Gambia	Oilseed cakes	1 905 990	1 134 175
Sierra Leone	Palm nuts and kernels	1 592 741	947 774
Western Samoa	Cocoa beans	2 055 245	1 222 990
Tuvalu	Copra	14 495	14 495
Kiribati	Copra	497 742	497 742
Tonga	Copra products	602 239	602 239
Sudan	Groundnuts, husked or in shells	22 544 954	13 415 560
Total		261 107 143	137 975 905



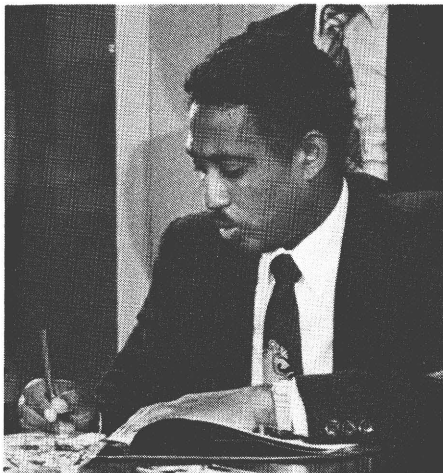
Azim Khan from Fiji signed on behalf of his country, Kiribati and Vanuatu



Jamaica's ambassador in Brussels, Carmen Yvonne Parris



Silcarneyni Gueye from Senegal signing the Stabex transfer agreement



Omar Elmubarak of Sudan

stances notably provoked very significant losses for two products: coffee and groundnuts, which with their sub-products cover 80 % of transfers. Senegal alone lost ECU 81.5 million in earnings from groundnuts and oil-cakes, Sudan 22.5 million. For coffee, the losses were particularly heavy for Ivory Coast (40 million), Kenya (21 million), Burundi (18.5 million).

In conclusion, the main characteristics of the transfers decided are:

- **advances.** Six ACP states—Senegal, Gambia, Jamaica, Dominica, St Lucia and Madagascar—had obtained advances in 1980 and the beginning of 1981, amounting to ECU 36 million.

- **grants.** Out of total transfers, 48 %, amounting to ECU 66 million, are in the nature grants, being paid in favour of countries classified as the less developed, which do not have to contribute to rebuilding the system's endowment.

- **transfers in connection with the OCT's endowment.** No financing problem arose for these transfers, in favour of two recent ACP states, namely:

- **St Vincent.** ECU 913 286 in connection with earning losses for bananas.

- **Vanuatu.** ECU 3 776 616 for co-

prah and coconut oil, ECU 410 207 for cocoa beans.

The total for these transfers was therefore, ECU 5 100 109.

- **transfers for ACP endowment.** Six countries see their applications reduced by 52.64 %, namely: Senegal (38.5 million for groundnuts and oil-cakes), Ivory Coast (19.2 million for coffee), Kenya (10 million for coffee), Jamaica (3.24 million for bananas), Madagascar (1.21 million for vanilla) and Fiji (ECU 842 296 for coconut oil).

21 countries see their applications reduced by 40.49 % (when the sum exceeded 1 million) or maintained as such (when the sum was lower than 1 million). The main beneficiaries are Sudan for groundnuts (13.4 million), Burundi for coffee (11 million), Tanzania for coffee (6.25 million).

Edgard Pisani on the merits and limitations of Stabex

It might be asked whether Stabex, which is one of the major Lomé Convention instruments "should not be imitated here and there in order to solve the world's problems", even though it could not resolve them alone. This statement was made by the com-

missioner for development policy, Edgard Pisani, when signing the 1980 agreement on Stabex transfers. Speaking to ACP representatives, Mr Pisani wondered how Stabex alone could possibly regulate world markets and added that a start could be made on regulating disorder by reaching agreements on individual products. Together with Stabex, a system of agreements would provide the scope and certainty the ACP states needed.

Mr Pisani said that Stabex had been through a period of difficulty this year (some transfers have had to be reduced) because of the problems there had been in meeting applications with available funds.

As a means of getting over this problem it had been tempting to continue transfers to the detriment of other forms of aid. However, Mr Pisani said, it was impossible to increase Stabex funds by depriving other instruments of money.

Speaking of whether the present problems would persist or not, Mr Pisani said that next year would also be a difficult one but that in time, Stabex would find its own balance again. Similar difficulties had been experienced in 1978 but had been resolved. Winding up, Mr Pisani said that it was possible that the system of organizing Stabex rigidly in years might be one source of the difficulties and wondered whether improvements might not be made by making the year-on-year policy more flexible. ○

VISITS

European Parliament delegation in Ethiopia

"Ethiopia has used EEC food aid and development funds both competently and efficiently on its economic and social development projects.

This success is an active encouragement to the European countries to further develop their relations with Ethiopia and I believe there are great opportunities in this area", stated Michel Poniatowski (Lib. F.) leader of the European Parliament delegation that visited Ethiopia between 29 June and 4 July at the invitation of the government.

The delegation represented a full cross section of the political views of the EP and included apart from Mr Poniatowski (Lib. F.); Giovanni Bersani (EPP, It.) co-chairman of the ACP/EEC Joint Committee; Jacques Denis (Comm. F.); Heinz Kühn (Soc. D); Andrew Pearce (ED, UK) and Marco Panella (Tech. Coord., It.). The group had meetings with the principal members of the government and Michel

NIGER

Food aid

In September 1980 Niger announced that it was self-sufficient in food, the first Sahel country to have achieved this, and it did not apply for any external aid. But the last rains were disappointing, and around 30% of Niger's population (1 700 000 people) are short of cereals.

The Commission is therefore proposing that 5 000 t of cereals to a value of ECU 940 000 (1) be allocated to Niger from the general reserve of the 1981 food aid programme. ◊

(1) At world prices.

UGANDA

Exceptional aid to Uganda

The Commission has decided to provide ECU 3 m of emergency aid to Uganda under Article 137 of the Lomé Convention.

Already severely afflicted by political unrest, drought and famine, Uganda is now facing a critical shortage of salt. The Community aid, to be used for purchasing salt, will cover the country's needs for about six months.

Since March 1979, the Community has provided Uganda with emergency aid totalling ECU 3.8 m. ◊



Giovanni Bersani and Michel Poniatowski (first and second from the left) during their meeting with Mengistu Haile Mariam



EEC

Archie Mogwe, the Botswana foreign minister during his recent Brussels visit



EEC

Zimbabwe agriculture minister B.R. Norman with commissioner Pisoni during a visit to Brussels

Poniatowski and Giovanni Bersani afterwards met the head of state, Mengistu Haile Mariam.

The delegation was particularly interested in visiting Ethiopia as it is one of the largest beneficiaries of EEC aid. During the course of the visit members travelled in the South and Central

regions viewing the main EEC financed development schemes. These included agricultural projects (coffee plantations); geothermal projects; individual housing developments and accommodation for displaced persons.

The visit enabled parliamentarians to gauge the projects chosen and the efficiency of their execution as well as meeting those involved on the projects in the field.

The political and technical meetings gave members a chance to see the achievements of the new Ethiopian regime. As far as external relations were concerned the delegation was told that the government of Ethiopia wanted to develop its relations with the EEC and it wanted to resolve the problems of the region by peaceful means. ◊

GENERAL INFORMATION

Aid to non-associated developing countries

Following the favourable and unanimous opinion delivered by the committee on aid to non-associated developing countries at its first meeting on 15 June, the Commission has taken the following financing decisions to be funded out of the ECU 150 million entered in the 1981 budget:

Thailand ECU 2.2 million

Contribution to the construction of a centre for the production and distribution of improved strains of rice seeds in the province of Phattalung, totalling ECU 3 million. This brings the EEC's commitments in favour of Thailand up to ECU 24.4 million (the projects financed under the 1977-80 programmes totalled ECU 22.3 million).

Pakistan ECU 2.7 million

Participation in an emergency programme to supply drinking water to refugee camps and villages in those areas of the North-West Frontier Province in Pakistan most affected by the mass influx of Afghan refugees. The total cost of the project, which is to be executed by UNICEF, is ECU 6 million.

UNICEF has carried out a similar programme in the neighbouring province of Baluchistan to which the Community made a contribution of ECU 4 million from the 1980 budget.

ASEAN ECU 2.8 million

A programme of scientific and technical cooperation financed entirely by the Community. This was proposed by

ASEAN at the first meeting of the EEC-ASEAN Joint Committee held in Manila in November 1980, and is for the benefit of ASEAN's five member countries (Indonesia, Malaysia, Philippines, Singapore and Thailand). It is a two-year programme involving training, technical assistance and the organization of seminars on energy resource development and planning, measures to protect the environment and manpower training.

This is the first time an operation on this scale has been carried out for ASEAN, which has so far received financing for only two studies totalling ECU 0.9 million (in 1977 and 1979).

Emergency food aid to Afghan refugees in Pakistan, Morocco, Nicaragua

The Commission has sent proposals to the Council for the following emergency food aid to be granted:

To Afghan refugees in Pakistan: 3 000 t of skimmed milk powder and 500 t of butter-oil—ECU 4.61 m

This aid is in addition to the 15 000 t of cereals allocated under the 1981 aid programme. It will go to Afghan refugees in Pakistan, of whom there are currently estimated to be 1 700 000. The office of the United Nations High Commission for Refugees (UNHCR) will take charge of transport. The Commission also granted emergency aid in April, to the value of ECU 15 m.

To Morocco: 7 500 t of cereals—ECU 1.3 m

Morocco's agricultural output has slumped this year following an exceptional drought, and there could be a total shortfall of up to 4 m tonnes of cereals. The Commission is proposing, in response to an appeal from the Moroccan authorities, that 7 500 t of cereals be supplied to those in the countryside affected by the drought.

Morocco has been allocated food aid under the 1981 programme in the form of 1 500 t of skimmed milk powder and 200 t of butteroil (ECU 1.38 m).

To Nicaragua ECU 5 m to provide oils and pulse vegetables

This year's poor weather, the crisis in Central America, and the stream of refugees from El Salvador mean that Nicaragua's food situation is still diffi-

UN Conferences

The Nairobi conference on new and renewable energy

The United Nations Conference on New and Renewable Sources of Energy (NARSE) ended in Nairobi on 21 August with participants drawing different conclusions as to its outcome. For some it was a success, for others it was an unmitigated failure.

The conference was called to examine a programme of action and ways and means of mobilizing financial resources for a transition from the present forms of energy to new sources.

Some of the available technologies for these new sources were exhibited in front of the conference hall and a demonstration of women and children clutching deadwood greeted the opening session to draw attention of participants to the critical fuelwood situation and the rapidly declining forests of the world.

The Conference agreed that an intergovernmental body, open to all states, should be set up within the United Nations system for the implementation of the "Nairobi Programme of Action" and that each country should continue to bear the financial responsibility for the development of its new and renewable sources of energy. The conference, in addition, urged that all avenues aimed at increasing energy financing should be explored, "including *inter alia*, those mechanisms being examined in the World Bank such as an energy affiliate".

More about the conference in our *Dossier* on new and renewable sources of energy to be published later. ○

Pisani in Nairobi

The Nairobi UN conference on new and renewable energy sources provided EEC development commissioner Edgard Pisani the opportunity to make his first trip outside Europe since assuming office in May. He was also making his first contact with Black Africa, although he was born in Tunis and has a very good knowledge of North Africa and the Arab world.

His charged timetable included a courtesy call on President Daniel arap Moi during which he discussed Kenya-EEC relations, a visit to a Community funded irrigation project in Bura and a luncheon and conversation with the Foreign Correspondent Association of East and Central Africa—

a medley of distinguished journalists from the BBC, VOA, AFP and a number of European, American and Australian newspapers.

As well as talking about the energy conference with the journalists, Mr Pisani broached a number of issues regarding the Lomé convention, notably Stabex and the future relationship between the EEC and the ACP states.

There has been widespread belief in certain quarters in recent months that a crisis has developed in Stabex and that the system was unworkable. This followed the wide gap between the demands for compensation and the fund available for 1980.

Mr Pisani tried to correct this impression. Stabex, he pointed out experienced difficulties in 1978, but these were overcome in 1979. It was therefore wrong to judge the system on a year's difficulties because Stabex has at its disposal funds, which, if are in surpluses one year, can be carried forward to the next. The 1980 problem was brought about by two factors recognized under the system: climatic disasters which badly affected harvests and the collapse of the prices of certain products. Both unforeseen circumstances provoked eligible demands, which were much higher than the funds available. The ACP have agreed to spread the shortfall (to share poverty as it were) and have asked that efforts be made to avoid similar situations in future. There has been no political confrontation.

As for the future, the commissioner said that experts agree that balance in Stabex will be restored shortly. One factor pointing in this direction is coffee, which has so far not experienced the kind of depression it had last year. Coffee was one of the major causes of the difficulties Stabex knew in 1980. Much of what Mr Pisani said on this issue was in fact along the lines of his statement at the Commission during the signing of the transfers (See page VII). ○ A.O.

The Paris Conference on Least Developed Countries

The United Nations Conference on the Least Developed Countries takes place at the UNESCO's headquarters in Paris from 1-14 September. Its aim is to establish a programme of action in the 1980s to assist the 31 countries (22 of which are ACP states) named by the UN as the poorest in the world. ○

cult. Accordingly, the Commission is proposing that ECU 5 m be allocated for the purpose of acquiring foodstuffs not covered by the normal food aid programme, such as oils and pulse vegetables.

The Community and the Member States have provided considerable assistance to Nicaragua. Since 1979, Community aid has amounted to some ECU 25 million.

Nicaragua – grant: ECU 850 000

This project provides for an eight-month programme of assistance with training for the Empresa Nicaraguense de Alimentos Basicos, known as ENABAS, a semi-public organization responsible for marketing basic foodstuffs.

Already, ECU 2.5 m has been provided to pay for structural improvements to this organization. The present project, which is intended to train an efficient team of staff able to make better use of the facilities, is thus a direct and necessary follow up to the first instalment of EEC aid to ENABAS.

Pakistan – grant: ECU 12 m

This aid is for a project to develop small-scale sea-fishing by modernizing the port of Karachi, Pakistan's only fishing port, which was designed to cope with 400 vessels and is now being used by 1 300 small boats.

The project includes:

- new facilities (a quay, a dry-dock and a shed to store fish);
- repairs to existing facilities (quay, cold storage equipment and dredging);
- engineering consultancy services to advise on design, supervision and administrative assistance. ○

ARIAD

North-South Prize

ARIAD (the Development Aid Research & Development Association) was set up in April last year, to put French public opinion in the picture about development problems. The idea came from senate president Alain Poher, who is now chairman of the association.

The association's aims are currently being met by a number of action projects, one of them involving running a Third World day in French schools on 23 October.

Another idea is to introduce one or more annual prizes, the ARIAD north-south prizes, and the methods of awarding them are described below.

“Partners for Progress”

19th overseas import fair

The Berlin exhibition grounds will be the venue for the 19th overseas import fair “Partners for Progress” from September 30 to October 4, 1981. Already exhibitors from 47 countries and territories have announced their intention of participating in this international trade fair with the most comprehensive range of consumer goods from overseas. The fair includes exhibitors from the private sector, state-run and semi state-run export promotion enterprises.

The participants also include European exhibitors representing overseas enterprises. Some 18 ACP states will be represented.

The objective of the overseas import fair is to promote exports thereby making a contribution towards the strengthening of trading relations between overseas countries and the German and other European importing industries.

Essentially, these prizes are to be awarded for creative or research projects. This is an extremely broad definition and it should mean that candidates from a wide range of fields can be considered—i.e. that any ongoing or projected project, genuine experiment in the field or practical research is eligible.

However, ARIAD's aim is to make the French aware of development problems and so the selection board, which will be chaired by Alain Poher, will take the fullest account of the possibility of the projects submitted being put into practical use by the usual audiovisual methods to reach the general public. Projects that concentrate on pure research will be considered, although they are of less interest as far as the association is concerned unless they have already led to some sort of practical achievement that will have an effect on the public at large.

Projects have to be submitted by a team of nationals from industrialized French-speaking and developing countries. This is the essential feature of the prize—which should reward a joint effort combining the views of both north and south on the issue in question.

Winners will get publicity and this should facilitate their access to the media—in particular those headed by people who are on the association's administrative board.

ARIAD will publish the names of all the projects selected at the first ses-

sion in November in a widely distributed booklet.

Further details can be obtained from ARIAD, 2 rue de Washington, 75008 Paris, France – Tel. 3592496. ○

WORLD HUNGER

President Sadat rallies to Nobel appeal

President Sadat is the 54th person to sign the appeal issued by Nobel Prize winners from all countries last 24 June calling for immediate action to save millions of people dying of hunger.

The appeal was issued at the instigation of a small group of people led by the Italian radical, Marco Pannella, member of the European Parliament. Now the appeal is starting to show some results.

– **At the Ottawa Summit meeting**, the Italian Prime Minister, Mr Spadolini, raised the matter of the appeal and was officially instructed by the participants to prepare specific policy instruments to undertake new North-South programmes.

– **The Canadian Parliament** approved a motion, supporting the appeal in full.

– **The Belgian Senate** unanimously passed a motion committing the government to implementing the demands contained in the manifesto.

– Mr Spadolini gave an assurance before the Italian Parliament that the government would follow up the commitments it had taken by approving the Nobel appeal. The Italian Parliament will be discussing several motions on hunger in the world: the Radicals are calling for a special financial effort of 1.5 % of GNP (5000 billion lire) and the Socialists are calling for a contribution of 0.9 % (3000 billion).

– Similar initiatives have been taken in other Parliaments (in the United Kingdom, the Netherlands and New Zealand).

– A motion has been tabled in the European Parliament, signed by members of several political groups).

What all these moves have in common is that in some aspects, they go still further than what was proposed by the Brandt Commission, demanding that emergency aid to prevent the people threatened with death from starving in 1982 be made the driving force of development aid. In September Parliamentarians from 40 countries will call on the Security Council and the General Assembly to mobilize. Among the suggestions is that “would hunger blue helmets” be sent to the worst hit areas. ○



Paul Collowald, a director in the directorate general for information (DGX) in the EEC Commission spoke during a seminar in Leuven in Belgium of the possibilities for the EEC and UNESCO working together on a new world order in information and communication. Once the two bodies had fixed their objectives they could establish their common points and see where they could act jointly. In the photo he is seen (left) with Sean McBride (centre)

OTTAWA SUMMIT

In July a summit meeting of the heads of government of the seven richest OECD countries (Britain, Canada, France, Germany, Italy, Japan and the United States) was held in Ottawa. President Gaston Thorn also attended on behalf of the EEC as a whole.

In their 38-point statement, the heads of state and government pointed out that their meeting took place at a time when economic growth and peace were open to swift change and great challenge. Fully aware of the close relationship between economic questions and broader political purposes, the leaders reaffirmed their common goals, noting that they will take due account of how their decisions will affect others.

The statement is divided into five main sections on:

The economy. The prime task of the countries that took part in the summit meeting is to provide new momentum for the economies of the industrialised democracies. The statement then analyses developments since the Venice summit meeting:

- the average inflation rate has been brought down (although in four of the countries it is still higher than 10%);
- unemployment has worsened;
- moderate economic growth is fore-

cast (but not enough to absorb unemployment);

— balance of payments deficits, caused by oil price increases, have persisted;

— interest rates have reached record levels in some countries. "If long sustained at these levels, they would threaten productive investment".

The communique goes on to say that beating inflation and unemployment (alongside each other) must remain the highest priority. This will require a good balance of economic policy instruments and an all-out effort to convince the populations of the need for some changes: in forecasting growth and profits, in labour relations and conditions, and in the supply and consumption of energy.

The Seven also note that public borrowing must be brought down urgently in most countries and that productive investment and innovation must be encouraged. The role played by the market in the economy must be accepted.

Efforts will be made to make sure that any provisional measures taken to facilitate change do not become permanent forms or protection or subsidies. The participants in the meeting note that slow and stable growth in money supply is essential to beating inflation and that interest rates have to play their part in achieving this. Interest rates are likely to remain high where fears of inflation remain strong. The communique adds, however, that high

or fluctuating interest rates in one country could make stabilisation policies in another country more difficult. For this reason, most of the countries must also limit their budget deficits, bringing down public spending if necessary. It is also highly desirable to minimise volatility in the interest of ensuring strong growth in the world economy.

In a world marked by high capital movements and high deficits, the banking system and international institutions must be kept financially sound. Plans to strengthen the role of the IMF were welcomed in this context. Finally, the Seven note the need to protect the environment and natural resources.

Relations with developing countries. The participants advocate stability, independence and genuine non-alignment for the developing countries and note that it is in their mutual interests to integrate more fully in the international economic system. Here, the Western leaders say they look forward to constructive and substantive discussions with the developing countries and hope that the Cancun summit will provide an opportunity for just such a discussion. All possible means of consultation with the developing countries must be explored. The Seven say they are prepared to take part in preparation for a mutually acceptable process of global negotiations under conditions conducive to further progress.

The Seven emphasise the particular difficulties the poorer countries are having to contend with and pledge to maintain or increase the level of their official development aid. The flow of Western private capital in developing countries will be further encouraged in so far as developing countries guarantee the protection and security of these investments. The Seven note that the USSR should increase its slim contributions to development.

Noting that they attach high priority to the problems of developing countries which do not produce oil, the Seven urge the surplus oil exporting countries to step up their efforts and show willingness to work with them, particularly on new mechanisms such as those being considered by the World Bank (a reference to the "energy affiliate"). The Seven acknowledge the importance of food production (this point was included in the communique at the request of the Italian delegation) and take note of the fact that the Italian government is planning to propose in the EEC that special programmes be undertaken in this field, geared more specifically to helping the poorest countries. Greater attention will be paid to international efforts to deal with the problems caused by the growth in the world population.

Trade. The Seven reaffirm their firm commitment to keeping trade policy open and ensuring that the open, multi-lateral system runs smoothly. They will continue to resist pressures to resort to protectionist measures: all protectionist measures, whether open or otherwise, weaken the economies and, in time, aggravate inflation and unemployment.

The idea of convening a GATT ministerial meeting in 1982 met with a warm reception. Though they acknowledged that it may be necessary to use the safeguard measures provided for in GATT, they will try to keep markets as open as possible. They will support efforts to reach an agreement by the end of the year on reducing the proportion of subsidies in the export credits system.

Energy. With perseverance, it will be possible to meet the goals set in Venice: however, some countries are still vulnerable and supply difficulties are a potential threat. An effort will have to be made to cut down energy consumption and find alternative sources to oil. At the same time, the countries must be in a better position to deal with short-term problems on the oil market (stock policy). Noting the slow development of nuclear energy,

the Seven say they intend to do everything possible to make this form of energy more acceptable to the public. They will also do everything in their power to make sure that better use is made of coal, without damaging the environment, and will try to develop renewable energies as far as possible.

East-West economic relations. There is a complex balance of political and economic interests and risks in these relations. Consultation and, where necessary, coordinated action will be necessary to ensure that economic policies are compatible with political and security objectives.

In this context, the Seven will undertake to consult each other in order to improve the present system of monitoring trade in strategic goods and technology with the USSR.

In conclusion, the Seven reaffirm their conviction that our free and democratic societies are equal to challenges. Ready to work together in a spirit of collaboration and harmony, they agreed to meet again next year and accepted President Mitterrand's invitation to hold the meeting in France. Until then, the Seven say they will "maintain close and continuing consultation and cooperation with each other". ◊

ness of such action will be increased by coordination within a Community framework. A major effort should be made both at the national and the Community level, to increase investments aimed at higher growth and employment. Investment should be directed in particular to industries with a high innovative potential and which will secure for the Community in the coming decades the place in the industrial world to which it is entitled. The European Council was convinced that investment in energy conservation and production is of vital importance. Care should be taken not to waste precious funds on economic activities that are bound to decline in importance. In the same connection it was underlined that considerable growth potential is to be found in the sector of small and medium enterprises.

"The European Council took note of the fact that in some Member States the reduction in working time is seen as a significant element in the battle against unemployment. It was agreed that further study to evaluate the effects of such measures would be made at the Community level. In this connection, the competitive position of European industries *vis-à-vis* other industrialised countries deserves close attention.

"It was stressed that optimal use should be made of the Community's financial instruments and of the facilities of the European Investment Bank to promote the flow of productive investment. Efforts should also be undertaken to secure a larger economic benefit from the research activities that are under way in the Community and the Member States.

"The European Council reaffirmed its commitment to a meaningful social policy by the European Community. It approved the conclusions reached by the Joint Council with regard to the labour market and the problems of unemployment. It took note with interest of suggestions made for the promotion of harmonised working conditions and workers' rights. In this context the term "espace sociale" was used. It expressed its conviction that the pursuit of balanced and purposeful social and economic policies require close consultation with the social partners.

"The European Council echoed the alarm sounded by the Commission on the state of the internal market, which is increasingly threatened by intentional and unintentional barriers to trade and by the pervasive use of subsidies to ailing industries. The European Council agreed that a concerted effort must be made to strengthen and develop the free internal market for goods and services which lies at the very basis of the

EUROPEAN COMMUNITY

Summit of the ten in Luxembourg

The heads of government and foreign ministers of the EEC met in Luxembourg at the end of June for their regular meeting. As usual the country which chaired the meeting (this time the Netherlands) issued a summary of the discussions:

"The European Council discussed in depth the present social and economic situation in which the European Community and the Member States find themselves at the time when the first cautious signs of limited improvement in the business cycle are becoming visible, but when the ravages of inflation and unemployment have by no means been brought under control. In the same context the European Council reviewed the Community's position with regard to the Western Economic Summit in Ottawa and dealt with the need to preserve and strengthen the Community's internal market. The European Council discussed these interlocking problems on the basis of a paper presented by the European Commission on the economic and social situation in the Community, the general orientation of which received unanimous approval.

"The European Council expressed its firm conviction that by the pursuit of coordinated flexible policies, maintained over a sufficient length of time, the Community will be able to overcome the present social and economic difficulties and return to a situation of economic growth, stability and satisfactory levels of employment. In particular, the problem of mass unemployment which is a major preoccupation for all the members of the European Council should not be approached in any spirit of fatalism.

"In this light the European Council reviewed the work done by the Joint Council and agreed that a sound foundation had been laid for subsequent action. In particular, there was agreement that the highest priority should be accorded to coordinated action against unemployment and inflation, including efforts aimed at structural adjustment.

"The major responsibility for these actions lies with national governments and will need to take account of the different economic situations in each Member State and of their particular possibilities and the constraints with which they are faced. But the effective-



EEC Council

The heads of government and foreign ministers of the EEC during the Luxembourg summit

European Community and which is the platform from which it conducts its common commercial policy.

"With regard to the Western Economic Summit the European Council stressed the need for a united approach to the problems presented by the level and volatility of interest and exchange rates, as these pose a serious threat to Europe's incipient economic recovery. These issues should be pursued in depth in discussions with the other major monetary powers. Important monetary policy objectives are shared with the USA, but the USA should be urged to take due account of the significant international consequences of its domestic policies. The Community itself should do its part to relieve the strain on monetary policy.

"The European Council also reviewed the Community's relations with Japan and it was agreed that in Ottawa strong emphasis should be put on a broad span of questions relating to the smooth functioning of the open and multilateral world trading system, including excessive concentration of exports in sensitive sectors. The European Council stressed the need for effective openness of domestic markets, in particular the Japanese market. These issues should be kept under regular review and in doing so the Community should make the fullest possible use of its bargaining power as an entity.

Steel prices

"The European Council discussed the serious situation which faces the European steel industry. While wel-

coming the outcome of the recent Steel Council, the European Council agreed on the urgent need to see steel prices in the European market raised to a more remunerative level and urged the Commission supported by all the member states to do all in its power to see to it that the steel industry respects the necessary discipline.

North-South Dialogue

"The European Council approved the report on North-South policy drawn up by the Council (General Affairs) and recommended its approach for subsequent action. It is of the opinion that cooperation with developing countries and the intensification of international economic relations serve the interests of all concerned and that they are necessary not only in order to strengthen the economies of the developing countries but also to promote the recovery of the world economy. It considers it intolerable that widespread poverty and hunger persist in various parts of the developing world.

"The European Council was of the opinion that the preparations for the new round of global negotiations should be completed as soon as possible. It emphasised the crucial importance of a positive impetus to be given to this effect by the summit conferences in Ottawa and Cancun.

Implementation of the 30th May 1980 mandate

"The European Council had a discussion of the procedure for dealing with the Commission's paper. They con-

firmed that the implementation of the 30th May mandate would be a major topic for the meeting in London on 26/27 November where appropriate conclusions are to be reached. The European Council asked the general affairs Council to make thorough and timely preparations for their meeting in November. The Council will be assisted by a group consisting of one representative of each member government who shall be at least of ambassadorial rank. The Commission was invited to continue its contribution and to make appropriate formal proposals in good time." o

EUROPEAN PARLIAMENT

The chairmen or presidents of the parliaments of the member states of the European Community and of the European Parliament met in Luxembourg on 3 and 4 July 1981.

They expressed their conviction that the consolidation of European unity requires a major contribution by all the parliamentary institutions whose role it is to express the will of the people joined together in the Community.

That being so, cooperation between national parliaments and the European Parliament is a vital factor in the development of the democratic construction of Community Europe. Their cooperation is all the more appropriate since the election of the Members of the European Parliament by direct universal suffrage has changed the nature of relations between the European Parliament and the national parliaments.

On the basis of the initial conclusions reached in Madrid at the conference of the presidents of the European parliamentary assemblies in May 1980, and the work of the secretaries-general meeting in Luxembourg on 20 and 21 March 1981, the presidents or chairmen reaffirmed their wish to see the development of effective cooperation between the various bodies of the parliaments and between their administrative structures.

Having taken note of the proceedings entered into by the European Parliament in order to define its relations with the parliaments of the Member States, the presidents expressed the wish that the resolution adopted should be forwarded to them so that they can inform the appropriate bodies of their assemblies.

The presidents examined sympathetically the principle of cooperation between the parliamentary committees. They recognized that such cooperation could be particularly effective at the level of the committee chairmen

or rapporteurs. However, they drew attention to the need to take account of the specific situation of each country and parliament. In this context meetings could be organized at appropriate levels on the occasion of discussion in the various parliaments of questions of common interest, both general and specific, to permit a better exchange of information and ensure fuller mutual understanding of the views of each party on such matters.

The presidents also considered relations between the services of their respective assemblies, and more particularly between the information offices of the European Parliament in the capitals of the member states and the existing liaison offices of the national parliaments. They stressed the desirability of increased cooperation between these services.

The presidents agreed that measures could be adopted to permit members of the European Parliament to make use of the technical and administrative structures of the national parliaments and to enable the members of the national parliaments to be kept informed, through their appropriate departments, of the activities of the European Parliament. They recognized the desirability of arrangements fostering, in accordance with national rules and procedures, contacts between parliamentary committees.

The presidents took note of the state of progress on the drafting of a statute for members of the European Parliament as a logical corollary of the European mandate established by the direct elections of June 1979. They noted that discussions are in progress at Community level and expressed the hope that they would be brought to a successful conclusion at the earliest possible opportunity.

The presidents noted that the act of 20 September 1976 on elections to the European Parliament by direct universal suffrage provides for the definition of a uniform electoral procedure to replace the national legislation used in the 1979 elections. They noted, however, the difficulties involved in rapidly finding an identical system in all the member states of the Community taking into account their respective situations and traditions. They nevertheless stressed the fact that contacts with national parliaments would make it easier in future to harmonize legislation. They hoped that the work started by the European Parliament on the basis of the provisions of the act of 20 September 1976 could be concluded in the near future.

Finally, they expressed the wish that attention should be given to the important question of a real possibility for electors of exercising their voting

rights in their country of residence in the Community in the next European elections.

They accepted the invitation issued by Mr Fanfani and Mrs Iotti to hold a later conference in Rome on a date to be decided. ○

JORDAN

EIB loan for industrial estate

The European Investment Bank, the European Community's bank for long-term finance, has lent the equivalent of ECU 3 million to help finance construction of an industrial estate near Amman in Jordan.

The loan, to run for 15 years at 11%, including a 2% interest subsidy met from the Community budget, has been granted under the terms of the EEC-Jordan financial protocol and follows on from a ECU 5 million loan granted for the same project in December 1979. The funds have been made available to the Jordanian government for onlending to the Jordan Industrial Estates Corporation (JIEC), a new public corporation set up for the specific purpose of constructing and operating industrial estates.

The industrial estate being part-financed by the bank is located at Sahab on the southern outskirts of Amman and should eventually cover a total area of some 250 hectares. The works involve the first phase of the investment programme, comprising construction of about 95 standard factory buildings, with floor areas varying between 75 and 1 300 sq.m, as well as roads, sewerage facilities, water and electricity supplies and telecommunications and the first administrative and commercial buildings. This segment of the estate will extend over some 75 hectares and is scheduled for completion towards the middle of 1985. ○

EUROPEAN PASSPORT

The EEC member states have recently adopted a resolution in which they undertake to make every effort to start issuing the uniform passport by 1 January 1985 at the latest.

This marks the first stage in the creation of the passport union first mooted by the heads of state and of government at the Paris Summit in 1974, and demanded on several occasions by the European Parliament as "an external sign of the joint solidarity of European citizens". Negotiations were inter-

EEC Council

United Kingdom takes over the chair

On 1 July, the British took over the chair of the EEC Council and all its related bodies (Committee of Permanent Representatives, the special committee on agriculture, etc.), the European Council (heads of government) and political cooperation meetings. Under the six-month rota system, the British took over from the Dutch and remain in office for the rest of this year.

The European Council meeting to be held in London on 26 and 27 November will be chaired by Margaret Thatcher. The General Council will be chaired by Lord Carrington. The Chancellor of the Exchequer, Sir Geoffrey Howe, will preside over the economic and finance Council. Agriculture and fisheries Councils will be chaired by Peter Walker.

The chairman of the Committee of Permanent Representatives will be Sir Michael Butler. Political Cooperation meetings are planned for 13 October and 17 November and will be chaired by Lord Carrington.

The main tasks ahead of the British in the next six months are to prepare the ground for decisions on the European Commission's 30 May mandate proposals (Mrs Thatcher plans to push decisions through before the end of the year), work out a common fisheries policy, deadlocked for several months, make further progress in membership negotiations with Spain and Portugal, renew the "financial protocols" with Mediterranean countries and renegotiate the Multifibres arrangement (MFA). ○

rupted between 1977 and 1980 and have been long and arduous.

In the closing stages of the negotiations the desire to create this symbol of Europe had to be reconciled with the wish of a number of member states to introduce the new machine-readable card recommended by the International Civil Aviation Organization (ICAO, a UN specialized agency).

As a result of their decision the member states will alter the appearance of their respective national passports by 31 December 1984 so that all of them will have the following in common:

- a uniform format,
- their colour (lilac),
- particulars on the cover in the following order:
 - European Community
 - the name of the state which issues the passport

- the symbol of that state.

Member states agreed on the following compromise regarding the status of their various languages:

- page 1 is to bear the words "European Community", "issuing state" and "passport" in all the official Community languages;

- particulars of the passport-holder, on the other hand, are to be shown in the official language(s) of the state issuing the passport, plus French and English in all cases. ○

GENERALIZED PREFERENCES

The Commission of the European Communities has now finalized its proposals to the Council for the 1982 scheme of generalized preferences, putting forward detailed arrangements for the year under the new, improved framework for 1981-85 adopted by the Community in December last year.

The Community has been applying the generalized system of preferences (GSP) since 1971. The list of countries eligible to benefit now includes 123 states (the entire membership of the "Group of 77" plus China) and 24 dependent countries or territories. These countries are entitled, within certain ceilings or quota limits, to duty-free access to the Community for all their industrial exports and reduced rates of duty for exports of about 315 agricultural products.

Industrial products

The Commission is proposing that the value of the ceilings and quotas, expressed in ECU, be increased by 10% across the board, except in the more obvious Community problem areas such as the steel and footwear industries and certain chemical and electronics products.

The Commission is also proposing additions to the list of products for which China and Romania have GSP access, to include certain chemicals, hides and skins, wood products, certain electrical goods and toys.

For textiles the Commission proposes that the present arrangements continue pending renegotiation of the Multifibre Arrangement (MFA), which is due for renewal at the end of the year. In the case of jute products, which do not come under the MFA, it proposes extending GSP access to China.

Agricultural products

Among the Commission's proposals are:

- Improvements in preferential margins on 45 products already included in

New Commission postings

Jean Durieux to head the Thorn cabinet.

The EEC Commission has named Jean Durieux as head of cabinet to Gaston Thorn with effect from 15 August, to replace the late Fernand Spaak. Fernand Spaak was the son of one of Belgium's most well-known statesmen, Paul Henri Spaak, one of the founding fathers of the EEC, and a brother of Antoinette Spaak, a member of the European Parliament and chairman of the Brussels-based political party, the front for the defence of French speakers (FDF)

Jean Durieux was deputy director-general in the Commission's development directorate general (DG VIII) and as such had played an important role in the negotiations for Lome II. He also chaired the Commission's North-South dialogue inter-service task force and led its delegation at UNCTAD. He was also publisher of the *Courier*, to which he contributed his knowledge of the Third World, his enthusiasm, and his wide experience gained from many high level meetings between the developing and industrialized countries. He is Belgian, 56, and is married with three children.

Other changes

The deputy head of the Thorn cabinet, J. J. Kasel is leaving the Commission to become a director in the secretariat of the EEC Council. In addition the Commission has marked up a first in naming Inger Nielsen deputy director-general in external relations (DG I). She is the first woman to reach such a grade in the Commission. Born in Copenhagen, Denmark, in 1923, she heads the Commission's delegation dealing with enlargement of the Community. ○

the GSP, six of which (certain spices, dried bananas, coconut flour, stearin and cleostearin, meat extracts, meat juices and fish extracts, and certain edible products of animal (origin) would thus become duty-free. Among products of particular trade importance included in these proposals are spices

such as pepper and cinammon, castor oil, unrefined palm oil intended for technical or industrial use, certain sauces, and cigars and cigarillos.

- The inclusion of nine new products, among them unrooted cuttings, slips, trees and shrubs, pineapple juice and spirituous beverages of the "Pisco" and "sangani" types.

- For the least-developed countries only, the inclusion of five new products on the duty-free list (certain vegetables, lentils, provisionally preserved fruit, cocoa beans, cocoa shells and husks, etc.). Also for the least-developed countries, the Commission is proposing to abolish the preferential limits on duty-free access for certain types of tobacco and for preserved pineapples.

- The extension to China of the GSP offer open to other beneficiaries. ○

PRIZES

Umberto Biancamano prize for 1981 awarded to Mr Thorn

President Gaston Thorn has just received from the representatives of the jury the annual Umberto Biancamano prize which had been awarded to him on 27 June 1981 for his political and cultural commitment to Europe.

At the prizegiving ceremony, President Thorn reminded his audience that "the Treaty of Rome did not merely establish a common market—a purely commercial concept—but a Community—a human concept—and that cultural exchanges are a major means of enabling the people of Europe to make each other's acquaintance, and hence a key aspect of European "unity".

European merit

Jack Lynch, prime minister of Ireland from 1966 to 1973 has received the European merit-gold medal from Pierre Werner, the Luxembourg premier. In the photo below Pierre Werner (left) with Jack Lynch. ○



Centre for
Industrial Development
(ACP-EEC Lomé Convention)



Centre pour le
Développement Industriel
(Convention ACP-CEE de Lomé)

INDUSTRIAL OPPORTUNITIES

No. 22 — September 1981

EEC industrial partners wanted

JAMAICA

Refractory Materials and Cement Ref. 81/44b

A private Jamaican firm is looking for EEC joint-venture partners for the production of Refractory Materials (240 000 tons/year) and Cement (1 000 000 tons/year) using available local raw materials. Markets largely based upon exports to North, Central and South America, and the Caribbean region. Government support indicated.

Preliminary Investment Studies are available and interested EEC firms are asked to make contact.

JAMAICA

Tool and Dies Manufacture Ref. 81/45b

A State-owned limited liability company engaged in the manufacture and reconditioning of Tools, Dies and Moulds and performing precision machining activities, is interested in EEC technical co-operation and investment for streamlining and expanding their operations.

This firm operates as a private company servicing Jamaica and the Caribbean region. Apart from expanding in their toolmaking activities, the company wishes to diversify into manufacturing operations for industrial and consumer goods primarily for the Jamaican market. This would involve feasibility studies, supply of equipment, technical assistance, and subsequent commercial and technical support.

Preliminary studies on expansion and diversification are available and interested EEC firms are asked to make contact.

NIGERIA

Feed Mill Ref. 81/46a

A joint-venture partner is required by a Nigerian company which proposes to establish a livestock feed mill at a total cost of 300 000 Naira. A loan of 40 000 Naira has been

agreed by the government of Anambra State. A feasibility study is available.

GHANA

Ferrous Foundry Ref. 81/47b

The Government of Ghana invites technical co-operation and subsequent equity participation in establishing a medium-sized ferrous foundry of approximate capacity of 5 000 tons/year. Equipment has already been purchased from a West German company and delivered to Ghana, but has not yet been uncrated for installation.

Technical assistance is required for installation, commissioning and subsequent production operations. Training of Ghanaian nationals in EEC factories is also envisaged.

Interested EEC manufacturers are invited to contact the CID.

Industrial cooperation offers from EEC firms

Bicycles and Wheeled Toys Ref. 81/48b

A British firm, experienced in ACP manufacturing, is interested in participating with know-how, training, managerial assistance and possibly equity, in setting up assembly, partial manufacture or full manufacturing operations for bicycles and wheeled toys in ACP countries.

Investment will vary with scale of operations which can be economically attractive with markets of 10 000 units and above. Depth of manufacture and employment depend upon market size.

Interested parties should contact the CID and provide information (a) on the local market for these products, and (b) on their commercial/industrial experience.

Wind Generators Ref. 81/49b

A U.K. company offers technology transfer and co-operation to firms in ACP countries wishing to manufacture and market wind generators. The system offered is of simple design with canvas sails, but incorporating overspeed con-

trol ensuring survival in wind speeds up to 80 kph. The generator will provide up to 500 watts, and is ideal for water pumping, water purification and other low-powered applications. It is primarily a 12 V/24 V system ensuring easily available matching electrics.

Interested parties should contact the CID for further information, together with details of their current operations.

Plastic Pipe Projects

Ref. 81/50b

Plastic pipes have become essential for water supply and water drainage systems as they often offer better properties than steel, cast iron, asbestos and clay pipes, and are generally more economical.

A Dutch company, one of the largest plastic pipe producers in the world has companies, joint ventures and licences using its know-how, technology and machinery in all continents.

This company offers assistance with establishing and/or rehabilitation of plastic pipe factories in ACP countries. Each project can be tailored to suit the local needs, skills and available finances.

Detergents and Cleaning Chemicals

Ref. 81/51b

A British manufacturer of cleaning materials: detergents, disinfectants, hand cleaners, barrier creams, soaps, degreasers and hard surface cleaners is interested in joint-ventures with ACP industrialists. Envisaged cooperation could include equity investment, training, technology transfer and sourcing of plant and equipment.

Minimum scale of production depends upon size and composition of product mix, but a viable operation could be achieved, with five or six tonnes per week of finished goods spread across a number of products. Employment is not expected to exceed 6 to 7 persons.

Interested parties should contact the CID and provide information (a) on the local market for these products and (b) on their commercial/industrial experience.

Clay bricks

Ref. 81/52b

A Belgian firm intends to relocate two or three second-hand brick plants in ACP countries. The machinery is relatively new and in good condition. The company is interested to assist with management and training, and to participate in equity.

Depending on the automation of the plant, each brick line can reach an annual output of 20 to 60 million bricks, or about 40 000 tons.

Heavy equipment maintenance

Ref. 81/53a

A Dutch company specializing in the repair, maintenance, overhaul and modification of almost all popular types of bulldozers, hydraulic excavators, shovels, track type tractors, scrapers, loaders, compactors, skidders and pipe-layers, is willing to provide technological assistance and materials, training of technicians and backstopping of management to ACP firms interested in collaborating in the repair and maintenance of earthmoving and allied equipment in their countries.

Sanitary Wares in Synthetic Marble, Taps and Fittings, Acrylic Bath Tubs

Ref. 81/54b

A French Manufacturer of wash-basins, lavatories, bidets and other sanitary ware products of synthetic marble; a

wide range of water taps and plumbing fittings; Acrylic Bath Tubs; and utility transport vehicles, is interested in joint ventures with ACP industrialists for some or all of its products. They are prepared to participate with equity and provide equipment, technical assistance and training in any operation to be established. Minimum scale of production and capital investment required depend upon the products chosen and production operations can vary from assembly to complete manufacture.

Interested parties should contact the CID and provide information (a) on the products of interest and the local markets and (b) on their commercial/industrial experience.

CID-Seminar in the Pacific, October 1981

The CENTRE FOR INDUSTRIAL DEVELOPMENT together with the SOUTH PACIFIC BUREAU FOR ECONOMIC CO-OPERATION is organizing a Regional Industrial Co-operation Seminar for Pacific ACP member states from 13th to 16th October 1981 in SUVA, FIJI. All Pacific member states will be sending to the seminar representatives from Ministries, Development organizations and the private sector, involved with industrial development.

The Centre will be represented by its directorate as well as senior professional staff who will also be visiting some member states after the seminar to activate industrial projects and create closer relationships between the Pacific countries and the Centre.

EEC industrialists and companies interested in investment, joint ventures and technical partnership in the area and who may wish to visit the area before or after the seminar would be welcome to attend the seminar, at their own cost, as observers. The sectors of main interest, in which projects may be developed, include timber processing and furniture; food processing; oils and fats, fishing and related industries like boat-building. Interested industrialists and companies should contact the Centre for Industrial Development for further information.

CID's Staff Structure and Proposal for the 1982 Budget

The 1982 budget proposal of the Centre has been received positively by the Advisory Council at the meeting which was held beginning of July. The proposal will now be submitted to the Committee on Industrial Cooperation. The Centre hopes that its budget will be adopted before the end of the year.

The last vote on the 1981 budget has increased the Centre's capacity to recruit staff and implement the new organization.

The Centre has now a staff of 36 and is expected to have 38 before the end of the year, compared to 23 under Lomé I. More than half of the staff are professionals, all with extensive experience in industrial development and approximately half of the staff are now from ACP countries.

INVESTMENT OPPORTUNITIES FOR EUROPEAN INDUSTRIALISTS

NEW MARKETS, INDUSTRIAL COOPERATION AND JOINT-VENTURES IN AFRICAN-CARIBBEAN-PACIFIC COUNTRIES (ACP)

USING THE

CENTRE FOR INDUSTRIAL DEVELOPMENT "CID"

IMMEDIATE BENEFITS

- Expand your markets.
- Transfer your costly labour-intensive operations.
- Manufacture closer to the sources of raw materials. Less freight costs.
- Utilise investment incentives such as tax holidays, tariff protection.
- Attractive financing possibilities.
- Less costly energy, materials, labour and many other advantages.

WHY INVEST?

Many European industries, in particular small and medium sized ones, have difficulty in maintaining profits and employment, or even surviving, because of:

- high interest rates and depreciation cost
- low capacity utilisation
- equipment not sufficiently automated
- high taxes, expensive environmental requirements
- high freight and distribution costs for export
- insufficient product diversification.

It is often possible to expand your markets and obtain additional capital necessary for restructuring by undertaking some production in an ACP country, while at the same time, continuing operations at home.

HOW

Let the Centre for Industrial Development (CID) assist you. The CID has been established by ACP-EEC countries to expand and accelerate industrial development in ACP countries by:

- (1) arranging joint-ventures between EEC and ACP Industrialists
- (2) supporting production expansion and diversification of existing ACP industrial operations
- (3) assisting in securing technology, evaluation of equipment etc., for ACP industry
- (4) assisting in obtaining financing for new investment

ACP Industrialists, Governments and Financial Institutions eagerly invite cooperation from EEC firms.

We will introduce you to ACP partners and support you through all phases of project study, negotiations and implementation.

Send us proposals with information about your products and markets. Please also indicate the minimum scale of production, approximate machinery cost, and whether secondhand equipment is available and if so, its age and condition. We do not support the transfer of worn-out equipment.

Initial findings of CID's Lomé II activation missions

Immediately after the authorizations for CID's 1981 budget, intensive planning of missions to ACP countries started. Before the summer holidays the Directors have each visited 7 ACP countries, and other staff 10 ACP countries, giving a total of 24 countries, thus approaching—according to plan—our goal of visiting 43 countries before the end of the year.

The purpose of these missions, as described in the May-June issue of "The Courier", is to create much closer liaison with institutions and development organizations in ACP countries, and to follow up existing CID projects in these countries, and in particular activate the identification of new projects that CID may deal with.

The Centre has initially given priority to missions to the least favoured States, and States never officially visited by CID during Lomé I. However, we have also tried to visit natural groupings of States that may have some common development potentials.

Initial findings from CID's missions

The missions were received at a high level in all countries by ministers who were most keenly interested in exploiting the Centre. The general interest in CID's services is enormous. It is so great that the capacity of the Centre would not suffice if the governments and institutions visited were able to properly substantiate projects they wanted the Centre to work on. Before the Centre can take action, it needs basic information about the projects, markets, etc. and, if possible, a pre-investment analysis, in order to be able to create interest with European industrialists or to be able to locate whatever assistance that is required.

Although some countries still have long lists of priority projects for industrial development, their governments and institutions normally realize that their general economic and foreign exchange situation is such that only new industries based on local raw materials or industries greatly adding manufacturing value or solving existing bottleneck problems (such as those of lack of spares) can be thought of in terms of new joint-ventures.

The new prime priority of the Centre to concentrate efforts on improvement and expansion of existing industries is therefore extremely well received by all the countries visited, and not least because the capacity utilization of these industries is often below 50%, with many industries losing money or making profits only at the expense of high consumer prices.

A most interesting development which has been identified by these missions is the fact that many of the countries which have had reservations about foreign investment in the past, have experienced a severe decline in industrial performance. Many of these countries are now inviting European industry participation to improve or rehabilitate the performance of their existing industries. Everybody agrees that these existing industries are a very essential resource basis that should be exploited to recreate

or augment employment, as this is by far the cheapest way of creating workplaces and increase manufacturing value added.

It is also generally found that many of the industries now existing, in particular in the poorer countries, have a very low training component, and therefore also a low multiplication factor. The reason for this is naturally the heavy cost of long-term training, making the implementation, e.g. of engineering industries, almost impossible on a general commercial basis. For this reason, the Centre's proposals for "Engineering and Development Enterprises" have in many countries received great interest and—not the least—the Centre's proposal for Rural Industrial Development Enterprises. The CID is suggesting the implementation of such Enterprises with the cooperation of private industries, both in Europe and in ACP countries, but with a majority input from the governments, making it possible to allocate also a technical assistance programme for more in-depth training.

General results and follow-up by ACP countries

In all the countries, a number of projects have been identified and many more projects can easily be identified for CID intervention. However, so far only few identified projects have been substantiated sufficiently for the Centre to take action. Before the Centre can spend its limited resources on a project, there must be so much substantiation that it is possible to visualize a viable potential with qualified partners in the EEC. At present, the Centre has not got the capacity to do this substantiation in more than a few special cases.

For the individual countries visited it is now necessary that the governments and their institutions as well as private sponsors provide sufficient information on projects to allow CID to take action. In all countries, the missions have established or re-established close ties with the relevant financial institutions and industrial development corporations, and it is hoped that these organizations will now actively go into this work. The Centre may initially subsidize such work where special efforts are required by local institutions to undertake work for the creation of a proper project basis.

However, to enable the ACP countries to make maximum use of the services of the Centre, it has generally been suggested that the governments should establish an "Industrial Cooperation Expert Programme", consisting of an experienced industrialist, possibly shared by two or three neighbouring countries, who will be in charge of identifying existing industrial enterprises which constitute a good resource basis for rehabilitation and expansion through the input of new technology, know-how and finance. Such experts will also be able to assist in substantiating new projects, making pre-feasibility studies and—not the least—follow up existing CID projects in the relevant countries. One of the most serious obstacles in CID project implementation is that the projects, after having been studied and partners identified, etc., do not move

because there is no specific body that will push their implementation.

These experts will work closely together with both governments and finance institutions, as well as directly with industrialists in the ACP countries.

In fact, most of the countries visited have indicated a great interest in this programme. Some countries are even prepared to use funds from their own indicative programme with the EDF to finance the expert.

The Centre is firmly convinced that the establishment of a knowledgeable CID presence in the ACP countries will have a tremendous effect on the efficient use of the Centre's resources, and to open the door for greatly increased activity and exploitation by the ACP countries of the Centre's services.

The specific countries visited

Tanzania, Kenya, Sudan

This was the first mission undertaken in May 1981 by the Director of the Centre, Mr. Jens Mosgard, together with the new Head of the Industrial Promotion Division, Mr. Kebede Yoftahie. Of the numerous projects identified in all three countries, the Centre had—by the end of July—received very few substantiated requests, indicating the need for the Centre to be more strongly represented in these countries.

Barbados, Trinidad and Tobago, Guyana, Surinam

This mission was led by the Deputy Director, Dr. I.A. Akinrele, and was already reported on in the July 1981 issue of "The Courier".

Niger, Upper Volta, Ivory Coast and Benin

These four countries were visited in the second half of June by the Director, Mr. Jens Mosgard, together with Mr. Patrick Keene.

Although three of these countries are among the least favoured, they still seem to have some surprising industrial development potentials, but also problems in already existing industry, where the Centre could have a useful impact.

In the Ivory Coast which has a better economy, the CID may serve a useful function especially in creating cooperation with European countries other than France with whom there is already extremely close cooperation.

Djibouti, Ethiopia and Somalia

The Deputy Director, Dr. I.A. Akinrele, together with the Head of Administration, Dr. A. Armani, undertook this mission in the first half of July.

The industrial sectors in these countries are affected by problems of inadequacy of institutional structures and regulation measures to promote, guide and control industrial development resulting in decline of production and efficiency. The CID has thus advocated the need to liberalize climates in order to attract foreign participation in on-going and projected enterprises.

Bahamas and Jamaica

These two caribbean countries were visited by Mr. W. Ulbrich, Deputy Head of the Industrial Studies Division.

In Jamaica, the CID-mission was received by the Prime Minister, Mr. Edward Seaga, who confirmed his country's strong interest in cooperation with EEC, both for new joint-venture industries and cooperation with existing enterprises (sub-contracting, export marketing and technical partnership).

Ghana

At the invitation of the President of Ghana, Dr. Hilla Limann, the German member of the CID's Advisory Council, Dr. Ulf Siebel, visited Ghana from July 13 to 17, 1981. Mr. W. Ulbrich from CID participated in the visit.

The purpose of the mission was to investigate possibilities for EEC investment in Ghana and to advise the government on matters related to foreign investment, external trade and finance.

Burundi, Rwanda, Swaziland, Cape Verde, the Gambia, Guinea Bissau and Senegal

These countries were visited by other CID staff in connection with specific projects.

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

1. Europe and the Third World

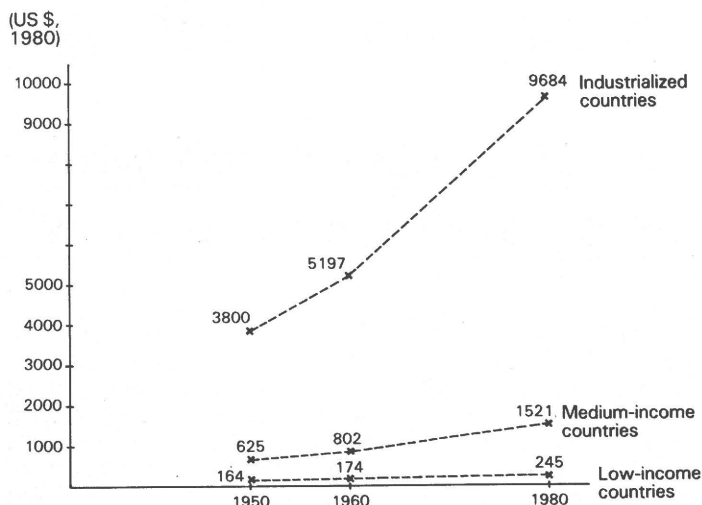
Exacerbation of the developing countries' problems

At the start of the third international development decade, there are both hopes for fruitful cooperation between North and South and increasing anxiety as to whether the developed and the developing countries can overcome their economic problems.

In 1980, nevertheless, a certain amount of progress in various fields was made within the framework of the North-South dialogue. Here are one or two examples—at the UN Conference on Trade and Development (UNCTAD), agreement was reached on the establishment of a common fund to finance raw material market stabilization measures as part of an integrated commodities programme; the member countries of the International Development Agency (IDA) decided on a sixth reconstitution of funds to finance projects in the particularly underprivileged countries; the special session of the UN General Assembly came up with an international development strategy for the next 10 years, and the Independent Commission on International Development Issues, under Willy Brandt's chairmanship, brought leading figures from both developing and industrialized countries together, laid down guidelines in the report it finalized in early 1980 and proposed a series of priority schemes and an emergency programme.

But these fairly positive developments do not give a proper picture of the real balance of interests between North and South; nor do they reflect the possibility of a greater effort being made to boost development. In certain essential fields, negotiations have reached a state of impasse. And if the data on the economic and social situation of most of the developing countries are examined, it clearly emerges that there is very little chance of the lot of 800 million people living in the most abject poverty getting any better in the foreseeable future. The economic outlook has got dramatically darker.

The widening gap between per capita GNP in the developing and the industrialized countries

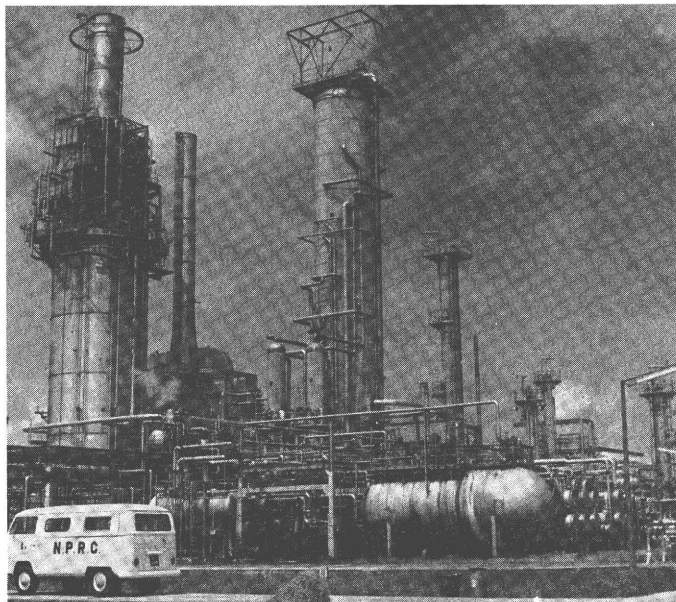


Source: World Bank, *Report on World Development, 1980*.

The oil bill

The constant increase in the cost of crude oil imposes a very heavy burden on those developing countries which have to import it, as their economic growth and increased industrial and agricultural production mean ever-larger oil supplies. Many countries are already wondering how to pay a rising oil bill. The developing countries which import oil have seen their bills increase almost twelvefold in seven years (1973-1980), from something like \$7 000 million to \$85 000 million; the increase between 1978 and 1980 alone was 153 % (IMF calculations).

One or two figures will give a good idea of the size of the problem. The increase in the money the developing countries had to pay for their oil in 1980 as compared to 1979 amounted to more than all the aid the Western world sent them. Almost a quarter of the developing countries' export earnings went to pay for oil imports in 1980, as against only a fifth in 1978, and some countries were in an even worse position when it came to paying for other urgent imports. For example, oil accounted for 60 % of Turkey's export earnings, 41 % of Brazil's, 39 % of the Philippines' and 34 % of India's.

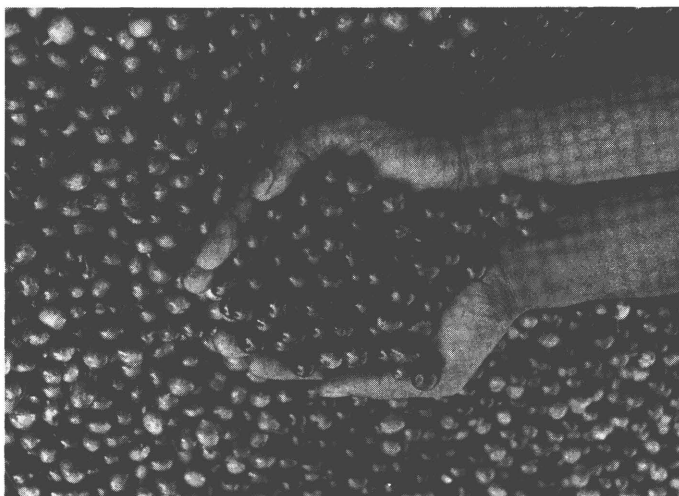


The constant increase in the cost of crude oil imposes a very heavy burden on those developing countries which have to import it. Nigeria (photo) is one of the lucky ones

The effect on the economy

In practice, none of these countries can cope with the demands on its own and the pressure will probably increase in the coming years. And there are other factors, over and above the oil bill, which affect the productivity of the developing countries—inflation, for example, has been an average 30 % in these countries over the past two years. Galloping inflation of this sort is not just the result of soaring oil prices. It is also caused by imports of capital goods, which have become a substantially heavier burden recently, their cost increasing by some 13 % in 1980.

If the developing countries want to go on expanding their economies and prevent a big drop in their standard of living, they have no other choice than to carry on importing more capital goods. But since the export earnings of these countries do not expand at the same rate as their imports, the deficit in the balance of current payments of the oil-importers amongst them can only get worse. IMF estimates suggest that it will be \$97 000 million in 1981, having more



The developing countries account for more than 80% of world exports of coffee (photo), cocoa, sisal and rubber

than doubled, from \$38 000 million to \$80 000 million, between 1978 and 1980.

The need to finance these deficits pushed up the external debt to a total \$370 000 million in 1980, as compared to \$273 000 million in 1978, and the figure for 1981 is expected to be \$425 000 million.

Gloomy prospects

In view of the seriousness of their external problems, the countries of the Third World are finding it increasingly difficult to make a success of their economic and social development. What they have achieved over the past decade is being compromised too. After all, the developing countries managed to double the *per capita* income they had in 1950 and, over the same period, the percentage of people living in abject poverty decreased, the number of literate adults rose from 30% to 50% and life expectancy in the poorest countries of the world increased by 15 years. Progress was also made in food production, with a 3% improvement in recent years.

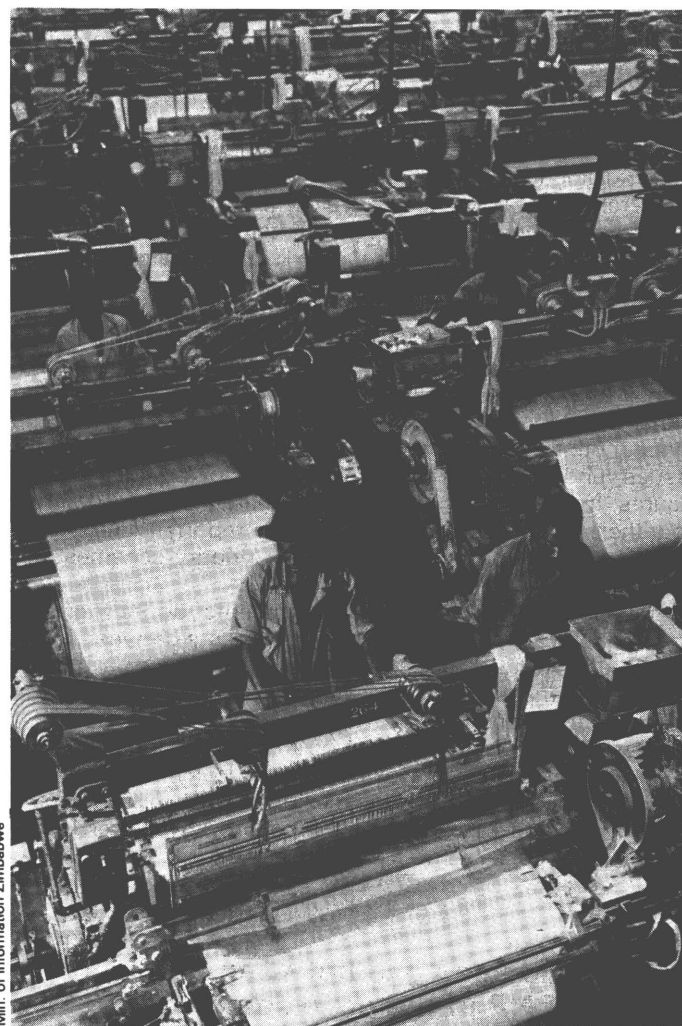
These could be impressive figures were it not for the population explosion in these countries: the number of inhabitants has doubled over the past 30 years. This is why there are now even more people in abject poverty, why there are 100 million more illiterates than in 1950 and why 15 million under-fives still die every year. In many cases, these people have seen their local food supplies dwindle and, in the 24 poorest countries of Africa, annual *per capita* production even suffered a 3% drop recently.

The Community institutions have therefore been paying close attention to this fundamental issue of world hunger (see chapter 7.1).

Everything in the future depends on the developing countries' ability to channel all their efforts into the fight against poverty. External aid does not seem to have increased much, but the international efforts of recent years have not been negligible. Between 1973 and 1979, for example, development aid increased by 5% p.a. in real terms (the increase was less than 1% between 1960 and 1973) and the developing countries managed a 7% increase in their export trade with the industrialized countries of the West. These are the only two ways these countries will have in the future of stimulating their economic growth and making up for the balance of payments deficit caused by soaring oil prices. But the industrialized countries of the West have their own waning growth, accompanied by high inflation, unemployment and an alarming balance of payments deficit, to contend with. So cuts in public spending and pressure to

adopt protectionist measures in many of the industrialized countries are reducing the developing countries' chances of overcoming their problems via increased trade and more development aid.

And the trend is prejudicial to the joint interests of North and South. Since the developing countries have to restrict their imports of industrial goods, they are compromising the growth of their own economies and reducing the export potential of the industrialized countries — which only serves to increase the economic problems of the latter.



The development of economic relations with the Third World raises problems of structural change for the EEC in such industries as textiles. Above, a textile factory in Zimbabwe

2. EEC cooperation with the developing countries

The member states of the European Community have achieved a certain degree of integration and coordination in their development policies and this enables them to meet the developing countries on a more coherent footing, having more experience and offering considerable potential when it comes to intensifying trade links and providing support for the development priorities of the developing countries. The member states respect these priorities, coordinate their cooperation with the developing countries and make use of the

The Community's development cooperation policy – instruments and activities

Recipients	Trade	Financial and technical cooperation	Industrial cooperation	(A) Food aid (B) Emergency aid	Non-governmental organizations
<p><i>ACP states</i> Association agreements with 61 countries</p> <p><i>OCT</i> Decision of the Council of Ministers</p>	<ol style="list-style-type: none"> 1. Free access to the market (a few exceptions – agricultural products) 2. Special rules for beef & veal, sugar, rum and bananas 3. Stabilization of export earnings from 44 agricultural raw materials (Stabex) <ul style="list-style-type: none"> - Lomé I: ECU 382 million - Lomé II: ECU 557 million (EDF) 4. Fund covering six mineral raw materials (Sysmin), a Lomé II innovation: ECU 282 million (EDF) 5. Trade promotion (EDF) 	<ol style="list-style-type: none"> 1. Grants & special loans from the EDF Lomé I: ECU 2 200 million approx. Lomé II: ECU 2700 million approx. 2. Aid for regional cooperation (EDF funds) <ul style="list-style-type: none"> - Lomé I: ECU 300 million - Lomé II: ECU 600 million 	<ol style="list-style-type: none"> 1. Centre for Industrial Development (aid for private investments and with the transfer of technology) 2. EIB aid: loans + interest rebates from own resources and risk capital from the EDF <ul style="list-style-type: none"> - Lomé I: ECU 489 million - Lomé II: ECU 1169 million 3. Preferential arrangements as part of investment protection under Lomé II 	<p>(A) World-wide annual programme for poorest countries 1980: ECU 353 million awarded to more than 40 states and international organizations.</p> <p>(B) 1. Aid in the event of disaster sent to international NGOs the world over 1980: ECU 63 million</p> <p>2. Aid to ACP states from EDF funds <ul style="list-style-type: none"> - Lomé I: ECU 150 million - Lomé II: ECU 200 million </p> <p>3. Aid to Latin America & Asia from emergency reserves in the aid programme for non-associated developing countries</p>	<p>Aid for the activities of European NGOs in all the developing countries 1980: ECU 14 million for 181 projects</p>
<p><i>Mediterranean countries</i> Association agreements with:</p> <ul style="list-style-type: none"> - the Maghreb (Algeria, Morocco and Tunisia) - the Mashreq (Egypt, Jordan, the Lebanon and Syria) - Israel 	<ol style="list-style-type: none"> 1. Free access to the market for industrial products (with the exception of 'sensitive' products) 2. Tariff reductions for essential agricultural products 3. Trade promotion (funds from financial protocols) 	<ol style="list-style-type: none"> 1. Grants & special loans (budget appropriations) and EIB loans (financial protocol 1977-1981): ECU 689 million 2. Aid for regional projects as part of the Euro-Arab dialogue, for example 	<ol style="list-style-type: none"> 1. Exchange of information and contacts under the association agreements 2. Training 3. EIB loans 		
<p><i>Non-associated developing countries</i> in Latin America and Asia</p>	<ol style="list-style-type: none"> 1. Preferential access to the market under the system of generalized preferences 2. Non-preferential trade agreements and cooperation agreements with 15 developing countries 3. Product agreements (e.g. on jute with India and Bangladesh) 4. Special arrangements for textiles – 27 bilateral agreements under the Multifibre Arrangement 5. Trade promotion (budget appropriations) 1980: ECU 6 million 	<ol style="list-style-type: none"> 1. Aid for the non-associated developing countries (budget appropriations) 1980: ECU 138.5 million 2. Aid for regional cooperation (budget appropriations) 1980: ECU 0.4 million 	<p>Exchange of information and contact under the association agreements</p>		

instruments (laid down by the Council of Ministers and supervised by the Commission) of their joint development policy.

Thus in the case of trade, for example, an exclusively Community matter, the developing countries have to deal with a single entity, the European Community, and not with the member states individually.

However, when it comes to financial assistance, the specifically Community policy is a complement to the bilateral policies of the individual member states and to their non-Community multilateral contributions.

Furthermore, the Community's scope in the various international negotiations with the developing countries varies. It may speak as the sole representative of the Ten, as in the North-South dialogue, it may act as coordinator of the Ten or it may be represented as an observer.

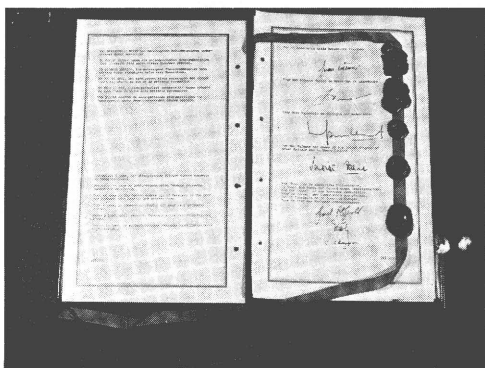
The Community's Third World policy hinges on two things—privileged contractual relations and action at world level.

The regional agreements are:

- the Lomé Conventions concluded with the countries of Africa, the Caribbean and the Pacific (ACP)—see 4.1;
- the agreements concluded with the countries of the Maghreb and the Mashreq and with Israel—see 4.2.

This regional contractual policy has a number of original features:

- (1) The agreements combine all the means (financial, commercial, technical and structural) of action and so they can meet a wide range of development needs.
- (2) They are embodied in international treaties that are ratified by the parliaments and so they constitute legal obligations for Europe, guaranteeing continuity of relations regardless of the political leanings of the recipient countries, which are thus in a position to plan and predict their cooperation with Europe.
- (3) The recipient countries themselves decide on how they wish to use the instruments of cooperation with which they are provided and so their development model is respected.
- (4) This type of cooperation is offered to all the countries in a given area of the globe. Europe does not therefore get involved in the internal affairs of any given partner, nor does it take up position on any conflict between countries in the same region.



EEC - Debaize

ACP-EEC relations are contractual and embodied in the Lomé Conventions, signed in Lomé in 1975 and 1979

The Community's action at world level involves:

- various kinds of commercial agreement, in particular with the countries of Asia and Latin America (see 2.2);
- the Community system of generalized preferences (see 2.2);
- financial and technical assistance for non-associated countries in Asia and Latin America (see 4.3);
- food aid (see 5);
- aid for non-governmental organizations (see 6);
- specific schemes, such as the emergency fund (see 5).

So these schemes include cooperation with all, or a large number of, the developing countries whose needs the Community intends meeting on a non-discriminatory basis (GSP and food aid) and specific instruments of cooperation enabling the right sort of relations to be established with individual countries (the country-by-country trade agreements).

The Community's Third World policy is thus a combination of regional agreements and world schemes and therefore in line with the Treaty of Rome, which established privileged relations with countries that are geographically and historically linked to the Community. It also ties in logically with economic developments, which demand that no partner should be excluded from the Community's field of relations.

Two remarks are called for here. First, the Community has clearly drawn the geographical boundaries of its regional and contractual cooperation policy—which covers all the ACP countries, the Maghreb, the Mashreq and Israel. Second, the fact that its action also hinges on two other things (regional agreements and world schemes) is an answer to the occasionally expressed fear that Europe will divide the world into zones of influence.

2.1. Europe's aid to the Third World

Some \$35 000 million was spent on development aid in the world in 1980 and the member states of the Community contributed nearly 36 % of this. The figure in 1977 was only 30 % (see table II).

Aid from the EEC institutions, which went up by 47 % on the previous year's figure in 1978 and by 56 % in 1979, has increased particularly rapidly. In 1980, aid granted by the European Development Fund (EDF) and from the general Community budget, in which development aid is second only to the common agricultural policy, amounted to \$1 260 million—a little more than the already substantial sum provided in 1979.

The African states, most of which are among the poorest countries of the world, got more than half the aid granted by the Community in 1979, as they did in previous years. Yet Africa's share has decreased, going from an average of 81 % in 1964-71 to 61 % in 1975-77, as a number of new non-African countries have joined the Lomé Convention and Community aid has been extended to the non-associated developing countries. In 1979, Africa got 67 % of the aid from the Community institutions for which a regional destination could be identified (\$1 040 million). The developing countries of Asia received 15 % of Community aid, those of Europe 14 % and those of Latin America more than 3 %. The average figures for the period 1977-79, which give a more precise picture of the breakdown of Community aid in relation to the annual figures (which are often falsified by the method of payment adopted) are: Africa 65 %, Asia 21 %, Europe 9 % and Latin America 5 %.

Bilateral aid from the member states of the Community was also concentrated on Africa (46 %) in 1979, but it took greater account of Asia (27 %) and Latin America (17 %) than Community aid did. The developing countries of Europe received 5 % of this aid.

The European aid picture is completely different if the continents are taken separately. In 1979, 68 % of the external aid to the European developing countries came from their European neighbours, while the Community and its member states' share of world aid to Latin America, Africa and Asia was 52 %, 49 % and 20 % respectively.

The amount of aid committed to the countries of the Third World in recent years gives an idea of future trends in Community aid (table I). This aid increased by 130 % between 1976 and 1980 and went beyond the \$1800

Table 1
Community financial assistance for the developing countries

(US \$ million)

	1975	1976	1977	1978	1979	1980 (provisional figures)
A. Net payments						
I. Official development aid						
1. General Community budget:	421	170	244	351	543	669
— food aid	(216)	(132)	(209)	(314)	(303)	(437)
— non-associated aid programme	—	—	(7)	(16)	(33)	(61)
— Maghreb & Mashreq	—	—	—	—	(18)	(21)
— NGOs	—	(1)	(2)	(8)	(14)	(14)
— Miscellaneous (non-Lomé emergency aid, Israel & countries of northern Mediterranean, training in non-associated countries)	(205)	(37)	(26)	(13)	(175)	(136)
2. Yaoundé & Lomé Conventions & association with the OCT:	300	331	305	454	714	592
— Stabex	—	(81)	(45)	(74)	(225)	(92)
3. Total official development aid	721	501	549	805	1 257	1 261
II. Other contributions from the public sector (EIB)	27	58	49	78	162	257
B. Commitments						
I. Official development aid						
1. General Community budget:	327	303	300	444	861	1 179
— food aid (world prices)	(206)	(247)	(199)	(281)	(356)	(409)
— non-associated aid programme	—	(23)	(51)	(83)	(170)	(194)
— Maghreb & Mashreq	—	—	—	—	(77)	(172)
— NGOs	—	(3)	(5)	(15)	(17)	(19)
— Misc. (idem)	(121)	(30)	(45)	(65)	(241)	(385)
2. Yaoundé & Lomé Conventions & association with OCTs:	159	488	765	705	926	637
— Stabex	—	(81)	(46)	(77)	(225)	(92)
3. Total official development aid	486	791	1 065	1 149	1 787	1 816
II. Other contributions from the public sector (EIB)	58	159	173	171	574	517

Table 2
Development aid from the European Communities as compared to aid from other donors

Amounts in US \$ million and %

	1975	1976	1977	1978	1979	1980 (provisional)
Net official aid						
World development aid:	20.8	21.2	23.1	25.6	30.4	35.5
— Member states of the EEC	6.1 (1)	6.1 (1)	6.8	8.91	11.6	12.6
— Share of world aid	29%	29%	30%	35%	38%	36%
— Community aid (EDF/EIB/budget)	0.72	0.50	0.55	0.81	1.26	1.26
— Community aid as % of member states' aid	12%	8%	8%	9%	11%	10%
— Western industrialized countries (DAC) (1)	13.8	13.9	15.7	20.0	22.4	26.7
— Share of EEC member states (1)	44%	44%	44%	45%	52%	47%
(1) Not including Ireland and Luxembourg. Source: DAC						

Table 3
Official development aid from the member states of the EEC

(Amounts in US \$ million & % of GNP)

	1975		1976		1977		1978		1979		1980	
	\$ mill.	% of GNP	\$ mill.	% of GNP	\$ mill.	% of GNP	\$ mill.	% of GNP	\$ mill.	% of GNP	\$ mill.	% of GNP
Belgium	378	0.59	340	0.51	371	0.46	536	0.55	631	0.56	575	0.48
Denmark	205	0.58	214	0.56	258	0.60	388	0.75	448	0.75	464	0.72
France	2 093	0.62	2 146	0.62	2 267	0.60	2 705	0.57	3 370	0.59	4 041	0.62
Germany	1 689	0.40	1 593	0.36	1 717	0.33	2 347	0.37	3 350	0.44	3 518	0.43
Ireland	7	0.08	8	0.10	11	0.12	16	0.13	27	0.18	33(1)	0.19(1)
Italy	182	0.11	226	0.13	198	0.10	375	0.14	273	0.08	678	0.17
Luxembourg	4	0.17(2)	4	0.17(2)	5	0.17(2)	7	0.21(2)	8	0.20(2)	8	0.19(2)
Netherlands	608	0.75	728	0.83	908	0.86	1 073	0.82	1 404	0.93	1 577	0.99
United Kingdom	897	0.39	879	0.39	1 103	0.45	1 460	0.47	2 104	0.52	1 785	0.34
Total	5 685	0,42	6 138	0,44	6 838	0,43	8 907	0,45	11 615	0,48	12 679	0,46

Source: DAC

Figures for Ireland and Luxembourg provided by national authorities

(1) Estimated

(2) In % of GDP

Table 4
Member states' contributions to Community development aid

	Belgium	Denmark	Germany	France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom
4th EDF (1)	6.25	2.4	25.95	25.95	0.6	12.0	0.2	7.95	18.70
1980 budget (2)	6.18	2.25	30.0	19.48	0.91	12.55	0.13	8.27	20.23

(1) Amounts fixed in the financial protocol to the Lomé Convention. Under the 5th EDF, these percentages have been altered to take account of the accession of Greece.

(2) Average values for amounts corresponding to different budget items for 1980.

Value of the ECU/EUA in the various currencies of the member states and in US \$, December 1980

1 EUA/ECU =	Bfr/Lfr	41.0713
	Dm	2.55708
	Nfl	2.76937
	UK £	0.560670
	Dkr	7.84752
	FF	5.92902
	Lit	1212.95
	Ir £	0.685345
	US \$	1.31449

These figures were calculated on the basis of changing rates. In January 1981, for example, 1 ECU was worth US \$ 1.29951.

million mark (\$1200 million, or 65%, from the general Community budget and the rest from the EDF and the EIB) in 1980. The Community has considerably increased the volume of its budget appropriations on three occasions since 1977 (+48% in 1978, +94% in 1979 and +37% in 1980).

In order to use these amounts as effectively as possible, the Community seeks to combine with other aid donors to run projects and programmes in the developing countries. This is particularly the case with large projects, where co-financing is the only way of obtaining all the means for the investment.

But above all, it is triangular cooperation (ACP-Community-Arab countries) that has developed since 1975 and since Lomé I took effect, 48 projects have been co-financed (see 4.1) in this way. They represented ECU 3 600 million, 36% of which was provided by the Community (EDF 16%, EIB 3%, member states 17%), 22% by the recipient states, 16% by Arab funds, 12% by the World Bank and 14% by other donors.

Up until November 1980, joint financing with third parties

had been approved for six projects in the Maghreb and the Mashreq (total value ECU 1 700 million) and for 29 projects in the programme of aid for non-associated developing countries (total value 1 690 million). These projects were mainly concerned with infrastructure and the promotion of rural development. The recipient states covered roughly half the cost of the projects themselves and 8 % (Mediterranean countries) or 12 % came from Community sources.

Since these experiments have so far been successful, the Community is anxious to develop co-financing, which it hopes will be a way to mobilizing extra resources, in particular to help the non-oil producing developing countries. Co-financing makes it possible to plan major projects, building dams, irrigation systems, roads, ports and railways, for example, which stimulate economic development and make it easier to sustain the development of food production and energy supplies.

2.2. Trade between Europe and the Third World

It is by increasing their exports that many developing countries will manage to boost their economic growth. This is particularly true of the medium-income countries, which have to import massively to develop their industrial infrastructure. They are in no position to run up further debts and development aid only increases slowly, if at all, and it is ever more concentrated on the poorest countries. This is why trade, and particularly trade with the industrialized countries of the Western world, which absorb more than two-thirds of the Third World's exports, is of such crucial importance.

The dangers of the economic downturn in the industrialized countries are all the greater. Their import requirements increase slowly, there is a clear tendency towards protectionism and it is becoming increasingly difficult to remove the barriers to the existing trade in products that are vital exports for the developing countries. Thanks to its trade policy, the European Community, which takes a quarter of total developing country exports, is making a genuine contribution to eliminating this type of phenomenon, which is prejudicial to the interests of the developing countries. For 10 years now, the Community has been applying a system of generalized tariff preferences and it has conferred additional advantages on the ACP states in the two Lomé Conventions (see 4.1), established contractual relations with the Mediterranean countries with a view to the liberalization of trade (see 4.2) and concluded a whole series of bilateral trade agreements. It is also involved in various multilateral schemes within the framework of, for example, GATT and UNCTAD.

The development of trade

In 1979, the Community's imports from the developing countries were 24 % up on the previous year's figure, reaching ECU 88 200 million. Better still, the increase in the value of imports from the OPEC countries, which represent more than half of all imports from the developing world, was 28 %. In 1979, even the exports of the non-oil producing countries were 10 % up on those of the previous year. The ACP countries saw their exports to the Community go up by 24 %, after a drop in 1978. The first figures for 1980 suggest that ACP exports to the Community increased by 28 % and those of the developing countries in general by 29 %.

The developing countries' share of total EEC imports in 1980 was slightly more than 40 %, as in previous years — i.e. hardly more than in 1970. So there has been very little change in the ACP share of the market (1979 & 1980, 7 %)

or in the non-oil exporting countries' share (1979, 18 %), although the OPEC countries' share was slightly more than 22 % in 1979, as compared to 16 % in 1970. The growth of exports to the developing countries slowed down once more in 1979, but it did reach 18 % in 1980. The level of exports stayed well below imports over these two years, so the Community's trade deficit with this group of countries went beyond the ECU 30 000 million mark in 1980. The increase in oil prices was the main culprit here. The Community's exports to the ACP group, which had dropped by 7 % in 1979, increased by 33 % in 1980.

Europe's Lomé partners thus achieved a net gain of more than ECU 3 000 million, much of which went to Nigeria, an oil exporter. However, The Community's trade balance with the non-oil exporting developing countries in 1979 was positive (ECU 1 700 million) overall, in spite of the marked drop compared to 1978 figures (ECU 2 400 million). The trade surplus with the countries on the southern shores of the Mediterranean, ECU 5 400 million, is a particularly remarkable achievement, although the already industrialized countries export more to the Community than they import from it (South-East Asia ECU 2 000 million, Brazil ECU 1 200 million).



De Lorenzi

It is by increasing their exports that many developing countries will manage to boost their economic growth

The non-oil exporting countries, which absorbed 21 % of the Community's exports in 1979, are now a bigger outlet than the OPEC countries (whose share of Community exports in 1979 was, at 15 %, lower than the 22 % achieved in 1970).

A look at the various sectors of trade shows that the developing countries are more important partners than the industrialized countries when it comes to both imports and exports of food products. Almost 23 % of food imports in 1979 came from Latin America and 15 % from the ACP group. In 1979, the EEC's big customers were the OPEC countries, with 18 %, the ACP countries (10 %) and the southern Mediterranean countries (10 %). All in all, the Community imported ECU 8 600 million worth of food products more than it exported to the developing countries.

The raw materials trade deficit with the developing countries, which covered a third of the Community's requirements in 1979, rose from ECU 2 000 million to ECU 7 700 million. In 1979, raw material imports increased at almost three times the average rate for the period 1975-1979, when the developing countries increased their deliveries to the Community by 11 %.

In the processed products sector, the annual average growth rate of imports from the developing countries reached 25 %, with considerable variations (11 % in 1977-1978 and 28 % in 1978-1979) over the same period. The developing countries have pushed up their share of Community imports from 9 % to 16 % since 1970, but almost all of this increase (14.8 %) is accounted for by 16 countries which have made more progress with their industrial development.

Trends in the European Community's external trade

(ECU '000 million)

External trade trends	1973	1974	1975	1976	1977	1978	1979	1980 (1)
<i>Community imports</i>	84.3	130.8	125.5	159.4	171.4	178.3	218.2	269.4
Imports from the developing countries	31.9	61.4	55.0	70.0	75.2	71.2	88.2	113.6
% change over previous year	—	+92.5%	-10.4%	+27.3%	+7.4%	-5.6%	+23.9%	+28.8%
— OPEC countries	15.3	38.9	33.4	41.8	42.3	38.2	48.8	—
— Non-oil producing countries	16.6	22.5	21.6	28.2	32.9	33	29.5	—
— ACP states	6.2	10.5	8.7	10.5	12.5	11.9	14.8	19.0
— % change in ACP imports the previous year	+28.0%	+70.0%	-17.0%	+20.0%	+19.0%	-5.0%	+24.4%	+28.4%
Percentage of imports by countries outside the Community								
— ACP states	7.4%	8.0%	6.7%	6.6%	7.3%	6.7%	6.8%	7.1%
— Developing countries:								
• not including ACP states	30.5%	38.9%	36.9%	37.3%	36.6%	33.3%	33.6%	35.1%
• not including OPEC countries	19.7%	17.2%	17.2%	17.7%	19.2%	18.5%	18.1%	—
ACP imports as % of imports from other developing countries	24.1%	20.6%	18.8%	17.6%	19.9%	20.1%	20.2%	20.1%
<i>Community exports</i>	80.7	114.2	121.2	141.3	164.1	173.8	194.2	222.1
Exports to the developing countries	22.9	35.2	44.1	50.9	61.8	66.5	69.7	82.3
% change over previous year	—	+53.7%	+25.3%	+15.4%	+21.4%	+7.6%	+4.8%	+18.1%
— OPEC countries	6.6	11.4	18.4	24.1	29.7	31.1	28.5	—
— Non-OPEC countries	16.3	23.8	25.7	26.8	32.1	35.4	41.2	—
— ACP states	4.4	6.1	8.1	9.8	12.5	12.7	11.8	15.7
— % change over ACP exports the previous year	+10.0%	+37.0%	+33.0%	+22.0%	27.0%	+2.0%	-7.1%	+33.1%
Percentage of exports to countries outside the Community								
— Developing countries	28.4%	30.8%	36.4%	36.0%	37.7%	38.3%	35.9%	37.1%
— ACP states	5.5%	5.3%	6.7%	7.0%	7.6%	7.3%	6.1%	7.1%
—								
Community trade balance (2)								
— EEC/Developing countries	-9	-26.2	-10.9	-19.1	-13.4	-4.7	-18.5	-31.3
— EEC/ACP states	-1.7	-4.4	-0.6	-0.6	0.0	+0.8	-3.0	-3.3
— EEC/Non-OPEC countries	-0.3	+1.3	+4.1	-1.4	-0.8	+2.4	+1.7	—

(1) These estimates are based on actual figures supplied in the case of France, the UK, the Netherlands, Ireland and Denmark and on extrapolations from data available on 11 months of the year in the case of Germany and Italy, and 9 months in the case of Belgium and Luxembourg.

(2) — = in favour of the EEC's trading partners

+ = in favour of the EEC.

Source: EEC Statistical Office

However, the ACP share has dropped from 1.3% (1976) to 0.8%, in spite of the fact that these countries also increased their exports by an average 23% during the preceding years. But they absorbed 3% less of Europe's finished products in 1979. The importance of the ACP states as export markets for these Community products thus continued to decrease in 1979 and their share, which still stood at 8% in 1977, dropped to 6%.

Exports in the whole of the developing world also tended to decrease in this sector (-2%), largely because of a sharp drop (-11%) in exports in the OPEC countries. All the other groups of countries (South America, the Mediterranean countries and south and south-east Asia), however, imported up to 20% more than the previous year. The various regions' relative shares of the Community's export markets in processed products remained more or less constant from one year to the next, the exceptions being the OPEC group, which, with 16%, dropped below its 1975 level, and south and south-east Asia, whose share increased constantly and now stands at 7%. In 1979, the developing countries as a whole, with 37%, were only two points

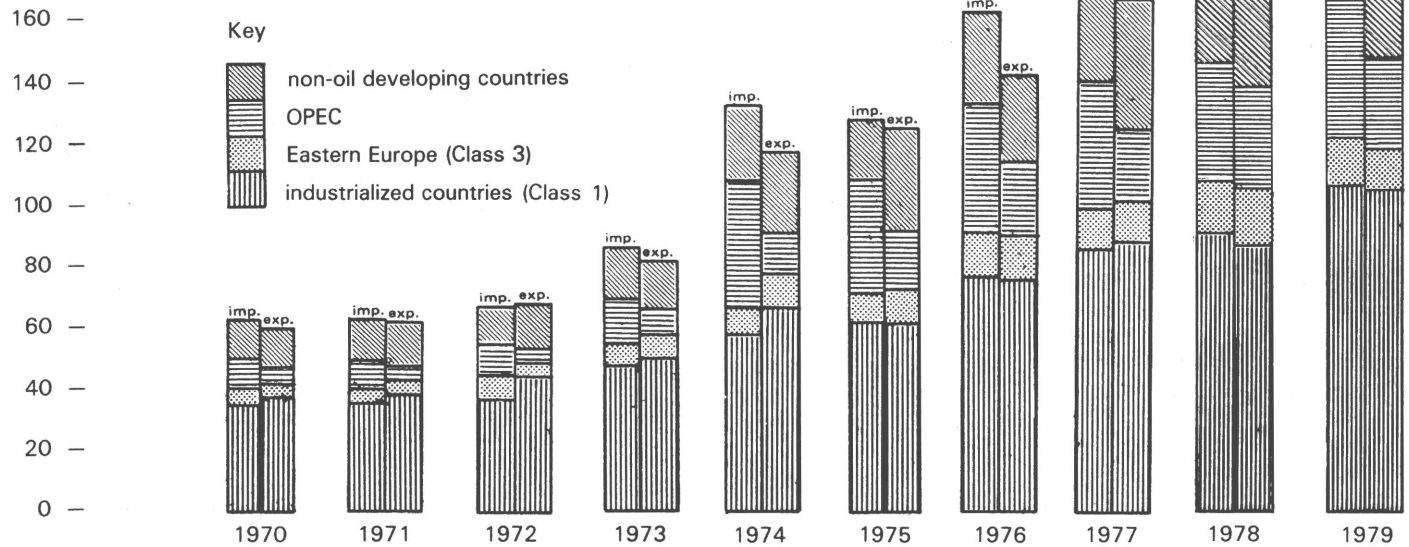
below their record level of 1978. This is why the Community's trade surplus in this sector, which stands at ECU 42 000 million, has stayed below the 1978 level (ECU 44 000 million). If a regional breakdown is made, this trade balance also shows a surplus, in spite of the fact that south-east Asia constitutes, as in 1978, an exception in that it registered a ECU 1 900 million surplus (1978, ECU 1 100 million) with the Community.

Trade promotion

One of the fundamental aims of Community cooperation with the Third World is to increase the extent to which these countries are integrated in the world economic system and European trade policy works along these lines. So the Community has insisted that more account be taken of the interests of the developing countries within the framework of GATT. The final agreement of the multilateral trade negotiations (Tokyo Round), which the Commission signed in December 1979, laid the foundations for pragmatic developments in this field. The agreement signed in 1980, which

Evolution and geographical distribution of the Community's foreign trade

ECU '000 million



In 1979 the growth in the Community's imports of raw materials was almost three times that for the period 1975-1979 (Photo: Malawi cotton)

guaranteed the developing countries exclusive trade advantages, set a legal precedent and is a good illustration of this development.

Other measures to help trade and development were discussed in the GATT committee, where there were also discussions about greater liberalization of trade and the granting of extra concessions in the tropical products sector. Two new sub-committees began working in 1980. One deals with complaints about protectionist measures on the part of the industrialized countries and the other with questions which are of particular concern to the least-favoured developing countries.

The Community is also involved in the work of the GATT textiles committee, where the first discussions on a possible renewal of the Multifibre Arrangement (1), which expires at the end of 1981, took place. The Commission considers that this arrangement and the 27 bilateral agreements concluded with third countries have proved their worth in that

(1) Summary of two years of operation of the Multifibre Arrangement in relation to the aims of the textile policy which the Community defined in 1977. Communication from the Commission to the Council, 17 July 1980 (COM(80) 438).

they have facilitated properly ordered trade development, which is in the interests of all the contracting parties. These agreements have offered the European textile industry, which is in an increasingly critical situation, a better chance of restructuration. They have also enabled the Community's trading partners to regularly increase their share of the European market. The Community's textile imports in 1979 were up 19% on the previous year's figure and 40% of this total was made up of goods at low prices from the developing countries.

Although the Community is still the world's largest exporter of textiles and clothing, its trade balance in this sector has been deterioration constantly for several years now—its deficit increased from ECU 1 500 million in 1976 to 3 000 million in 1979, in spite of the fact that it has a considerable surplus in trade with the industrialized countries.

Thanks to its agreements with several of the non-associated developing countries, the Community has facilitated global trade and regulated the movement of certain products. The agreements with India and Bangladesh on jute products, which provide for voluntary restraint in respect of exports of a (now reduced) number of products, and the Community's obligation to remove all quantitative restrictions, starting in 1984, were renewed in 1980. Imports of coir-based products from India should be totally liberalized in 1983. This provision is part of a much broader agreement which takes over its provisions on research, development and trade promotion from the jute agreements (product cooperation).

In 1980, the Commission also began negotiations with India with a view to concluding a new agreement on commercial and economic cooperation. The current agreement provided for cooperation with India, Pakistan, Bangladesh and Sri Lanka. A new agreement has been signed between the Community and Brazil and discussions are under way with the Andean Group (Bolivia, Colombia, Ecuador, Peru and Venezuela).

Relations with the ASEAN countries (Indonesia, Malaysia, the Philippines, Singapore and Thailand) have taken practical shape. An ASEAN-EEC cooperation agreement took effect in 1980 and a joint committee has drawn up a programme of economic and technical cooperation, also including trade promotion and direct contact with representatives of industry.

The Community moved ahead of the other industrial powers when it set up a generalized system of preferences (GSP) (1) on 1 July 1971, subscribing to commitments made within the framework of UNCTAD as it did so. This system should make it easier for the developing countries to industrialize, as it cuts or simply removes customs duties on semi-finished products, manufactures and certain processed agricultural products. The system is based on the idea of non-reciprocity (the recipient countries are not bound to make concessions in return) and non-discrimination. This latter ruling provides for all the developing countries (and there are 123 of them, plus 24 dependent countries and territories, at the present time) to have access to the preferential system.

The first GSP expired at the end of 1980 after an initial period of application of 10 years. In December 1980, the Council of Ministers, which fixes the volume of imports eligible for preferences every year, reviewed this experience and brought out the regulation for 1981, the beginning of the second decade of the European GSP (1). This renewal is important for trade with the developing countries of Asia and Latin America. In spite of the economic difficulties it has to contend with, the Community has shown it has the political will to fight protectionist tendencies and to maintain, as far as possible, a non-restrictive system of trade between the industrial and the developing countries — something that is in the interests of everyone concerned.

For many Third World countries which have so far been very little involved in world trade, the simple removal of barriers is not enough to improve export possibilities. This is why the Community helps the associated and other developing countries to promote the sales of their traditional products and to adapt their ranges to the demands of the market by covering consultancy fees, for example, or financing studies, running seminars, organizing fact-finding trips, involving the countries concerned in trade fairs and helping train specialists and set up commercial structures.

In 1980, the Commission helped about 100 countries in this way. The ACP states were provided with 37 experts,

35 studies were commissioned from contractors and a whole series of seminars and fact-finding trips was organized. More than 100 experts went out to Asia and Latin America on short missions, and 50 or so seminars and fact-finding trips enabled contact to be established between business partners. The Commission sent out seven experts and ran six fact-finding trips and five studies and seminars as part of the cooperation agreements with the countries of the southern Mediterranean. In recent years, the Commission has helped a total of 68 countries and regional institutions take part in trade events, for which 250 display stands were provided.

Trade promotion programmes are not just aimed at giving the developing countries a higher profile on the European markets. The Commission is also willing to advise any of its partners who want to create domestic markets and, above all, to identify regional trade possibilities, which are often overlooked.

(1) *The Community's GSP: the new scheme for 1981/1990*. Europe information, external relations, no 41/81, Brussels.

The Generalized System of Preferences (GSP)

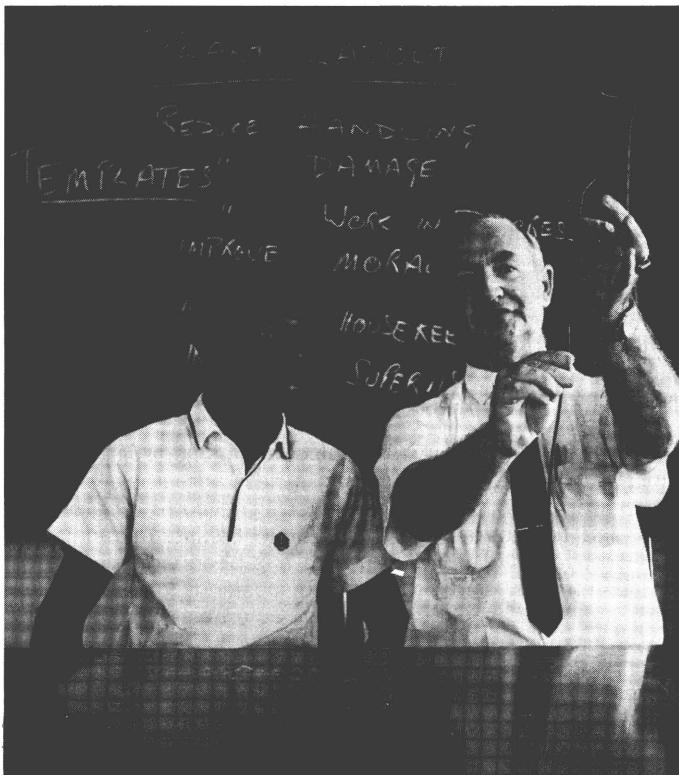
Outline and presentation of the scheme during the second decade of application

The Community has regularly extended the possibilities of imports of all types of products on preferential terms from the developing countries. The biggest increase is for processed agricultural products, where the number of products for which there are preferential arrangements has doubled (from 147 tariff entries in 1971 to 312 in 1980). The value of the preferential offer went up from ECU 90 million in the second half of 1971 to ECU 1300 million in 1980, a record increase. The new scheme for 1981 improves the preferential margin for 42 products and includes three new ones.

In the industrial sector (including textiles), all finished and semi-finished products are exempt from customs duties to within the limits of the quotas or ceilings (there are maximum amounts which the individual country can export zero-rated), which are increased every year unless there are any special problems of sensitivity. The total offer went from ECU 500 million in 1971 (July-December) to ECU 6900 million in 1980 (*). There are no longer any quotas or global ceilings in the new scheme. Each developing country to benefit from the scheme can export goods duty-free to the Community under conditions previously specified, to within a certain individual amount calculated on the basis of the maximum amount for 1980. The tariff advantages in respect of each product are altered according to the recipient's competitiveness.

So the less favoured countries get more flexible arrangements (ceilings) and countries which are competitive as regards specific products have quotas divided into national shares. In this case, the duty is re-established by the member state in question once its share is used up. In the case of the ceilings, however, the duty is re-established by the Commission for the whole of the Community. The list of sensitive products managed in this fashion, using ceilings or quotas, numbers 128. Duties on non-sensitive products are only reintroduced under specific conditions and after a given information procedure.

(*) Not including textiles.



ILO

Specialist training at the Management and Productivity Institute in Accra, Ghana

In 1980, a new preference scheme for textiles was implemented for the first time. As far as products covered by the Multifibre Arrangement are concerned, the developing countries which have signed voluntary restraint agreements with the Community or made similar commitments get individual duty-free ceilings, determined in the light of their competitiveness and their level of development. Global ceilings with maximum amounts are still used for textiles not covered by the Multifibre Arrangement. The offer for textile imports went up from 20 000 t in the second half of 1971 to 88 000 t in 1979 and 115 000 t in 1980. There are no ceilings for the least-developed countries (except where restrictions have been agreed under the Multifibre Arrangement).

The recipient countries use the scheme to 55-60 % capacity, tending to concentrate on sensitive products. The system of preferences also only gets used by a few developing countries. In 1977, for example, 85 % of total imports, to a value of ECU 3850 million, brought in under the system came from 17 countries and 60 % from just seven countries (Yugoslavia, Hong Kong, South Korea, India, Malaysia, Brazil and Romania). In order to make it easier for its trading partners to avail themselves of the GSP, the Commission organized in 1980, as in previous years, various information seminars for businessmen and managers.

3. The Community and the North-South dialogue

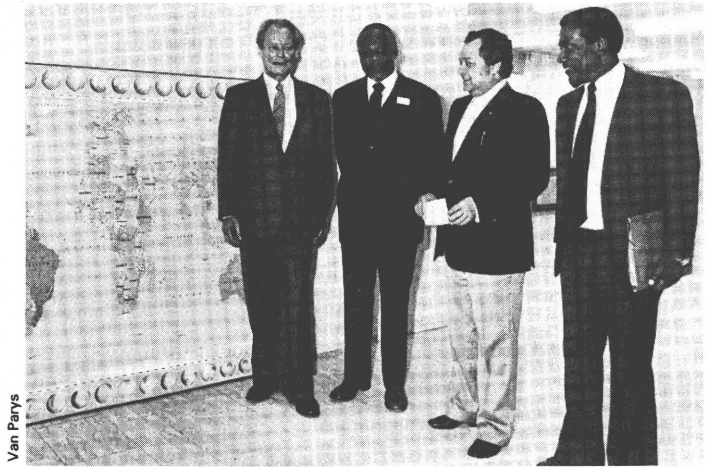
In 1980, the North-South dialogue entered a new phase (1). The conclusion of a major agreement and various resolutions adopted by international conferences were decisive here, but the most important thing was that a start was at least made on serious groundwork for the global negotiations. Obviously, the intricacies of short-term interests, overlapping responsibilities and purely tactical positions are far from being unravelled, but the main actors on the world stage seem to have understood that the success or failure of the North-South talks are of prime concern to them and that all the areas in which industrialized and developing countries are interdependent have to be covered at the negotiations.

Global negotiations

In the autumn of 1979, the 34th UN General Assembly decided to deal with the key questions (raw materials, trade, development, currency and finance and energy—a subject the UN discussed for the first time) on a world-wide basis, as opposed to just within the framework of restricted technical conferences. These negotiations were scheduled to begin in August 1980 before the 11th special session on development and international economic cooperation.

Neither the 11th special nor the 35th UN General Assembly meeting in autumn 1980 could agree on an agenda, or on the most important procedural question, namely: to what extent the projected global round negotiations and their results will influence talks and decisions in the existing international organizations.

(1) *North-South global negotiations with the UN system*, Commission communication to the Council, COM(80)21, 23 January 1980.
— *North-South dialogue: The search for security and predictability*, Commission communication to the Council, COM(80)757, 20 November 1980.



At a recent North-South seminar in Brussels: Willy Brandt (left) with ACP secretary-general Thomas Okelo-Odongo, Commonwealth secretary-general Shridath Ramphal and ACP deputy secretary-general Edwin Carrington. Below, Malawi delegate S.J. Jere considers the Brandt Report



The Community and the North-South dialogue (1)

In any resumption of the dialogue, the Community should be working towards three aims:

- The threat of far-reaching, general recession, affecting the economies of North and South alike, should be warded off. Everyone can see the dangers current trends hold for the international economic system and for world peace. And they could get worse if the poorest developing countries slump further or if growth in the medium-income developing countries stops.
- World hunger has to be reduced. The insecurity of food supplies in the world today is certainly the least tolerable kind of uncertainty and the international community is morally obliged to do something about it.
- It is important to organize the transition to a world economy that is less dependent on oil. The foreseeable imbalance in the supply of and potential demand for oil in the coming years is very likely to compromise the chances of continuing with any growth and development. The second oil shock and its most recent repercussions show that uncontrolled price increases and uncertain supplies will be a permanent problem unless a way is found of organizing global cooperation between energy producers and consumers.

(1) Extract from the Commission communication to the European Council of 12 & 13 June 1980.

Since then, intensive consultations have been held. Although some progress was made with the question of the procedure and the agenda, important points in two fields were still outstanding. This is why the president of the General Assembly was unable to declare the negotiations open.

The European Community played a particularly active part in these negotiations. The joint position on which the member states had agreed was put to the various meetings by the current president of the Council and by the representative of the Commission. Among the subjects for discussion were the draft agendas (mainly on the three principal topics of energy, food and the balance of payments) and proposals on procedure — which underlined the necessity of respecting the responsibilities of the existing organizations and only taking decisions by a consensus.

The Community feels that the North-South dialogue is of crucial importance to the stability of international relations and this is why several phases at the highest political level are required, and why employers and employees and the public services have to be involved. If there is to be agreement on fundamental issues, then there has to be a climate of confidence and this can only be established if all the participants take account of the interests and responsibilities of their partners at the negotiations. The common denominator might well be the search for security and better predictability in North-South relations.

All this prompted the Commission to take the initiative, in March 1981, of putting before the Council a number of considerations and proposals setting out a policy on relaunching the North-South dialogue.

Discussions in the Council led to agreement on basic points of both substance and procedure. This agreement in

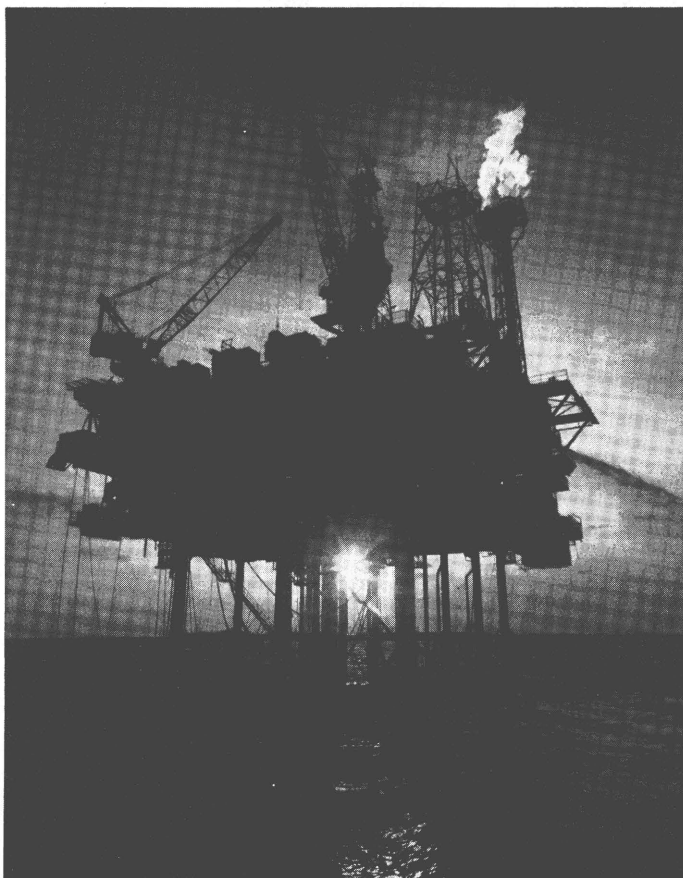
turn led to a report by the European Council in June 1981, laying down a consensus of Community thinking on the principal issues concerning relations between the industrialized and the developing countries, and calling for a multilateral dialogue. The report specifies what action the Community and its member states will now be taking, particularly as regards the energy situation in the developing countries, financing their balances of payments and their development, their food security, trade and industrial restructuring. The industrialized countries of the North are involved by virtue of the inadequacy of action taken so far, which the record of successive development decades shows. The developing countries of the South are involved by virtue of the need to avoid the growth of inequality and insecurity in parallel with the growing interdependence between the nations of the world; the developing countries' rights and obligations must be better integrated into the system of international relations, so that on all sides action can be taken to straighten up the world economy — otherwise the efforts of both developed and developing countries will still be in vain. The Community's plan of action also aims to put a stop to the scandal of hunger and the extremes of deprivation.

The international development strategy

The main theme of the 11th special session of the UN General Assembly in New York was, over and above the global negotiations, the strategy for the third UN development decade. The discussions were sometimes difficult, but it still proved possible to produce a text that was acceptable to all concerned, although its formal adoption had to wait until the General Assembly that followed the special session. In spite of reservations about the protocol on the part of certain countries and the European Community, the general feeling is that the strategy for the 1980s does more than just consolidate what previous negotiations achieved, even if it does not, properly speaking, contain any new commitments on specific points. Since the Community spoke with one voice when the text was being drawn up, it was able to introduce a number of points it felt to be vital.

The strategy contains, very satisfactorily, a certain number of new features:

- For the first time, all the members of the international community are expressly invited to share responsibility for the development process and the need for the developing countries to implement internal policies to achieve the stated aims of the development strategy is underlined.
- Social as well as economic aspects of development are mentioned.



Energy is one of the main Community themes in the North-South dialogue



In the international development strategy, social as well as economic aspects of development are considered (photo: a school in Mozambique)

**Extract from the speech by
Gaston Thorn, President in office
of the European Council of Ministers,
to the 11th special session
of the United Nations**

(New York, 25/8 – 15/9/1980)

“The new international development strategy that we are adopting at this session is of particular importance for the future of relations between the developing and the developed worlds in that it expresses the international community’s desire to make progress with the achievement of fundamental development aims – to step up the economic expansion and increase the wellbeing of the developing nations, in particular the poorest of them, and to work for fairer international economic relations.

“The Community considers that the aims that are ultimately fixed on in this strategy must be ambitious enough to encourage action and take sufficient account of economic realities not to awaken false hopes.

The strategy must give us as full a view as possible of all the short-, medium- and long-term issues affecting the world economy. It should not be confined to economic and social development aims over the coming decade, but should seek to apprehend the factors which adversely affect the world economic situation and compromise the Third World’s development prospects.

“So the strategy has to give us the right framework for the changes that have to be made to the international structures and means of action of the international economy in the medium and long term if we are to create lasting bases for the sort of development that is regular, properly balanced and fair for all the nations concerned.

“And lastly, it should enable public opinion in both developed and developing countries to be mobilized by making it possible to generate awareness of the longer-term problems affecting the development of the least-favoured countries, the solution of which will determine the future of relations between the northern and the southern hemispheres of our planet.

“The European Council in Venice two months ago confirmed the Community’s political commitment to the North-South dialogue and to the relaunching of cooperation with the developing countries.

“This is not a purely verbal commitment on the Community’s part. It is a fundamental, permanent aspect of the policy to which we give concrete form in our everyday action.

“Is there any need to remind you that the Community is linked to the vast majority of the developing countries by a network of contractual relations of unprecedented quantity and quality of which the Lomé Convention, which is based on a joint quest for security and predictability, is the most comprehensive example? This cooperation, which is based on notions of shared responsibility, of mutual advantage and of permanent dialogue between equal partners, is one of the essential components of our Community policy in North-South relations. The European Community is convinced that, in this way, it is making an appreciable contribution to meeting the aspirations of the Third World for the establishment of a new type of relations between the developing and the industrialized nations”.

– The new strategy deals in depth with problems such as trade, the transfer of resources, agricultural development, industrialization and science and technology, which have already been discussed in previous documents, and with international financial and monetary problems and the energy question as well. The problems of development have thus been put back into the broader context of the world economy.

– For the first time, too, in spite of considerable reservations on the part of the developing countries, a certain amount of differentiation, albeit not very precise, between the developing countries has been introduced.

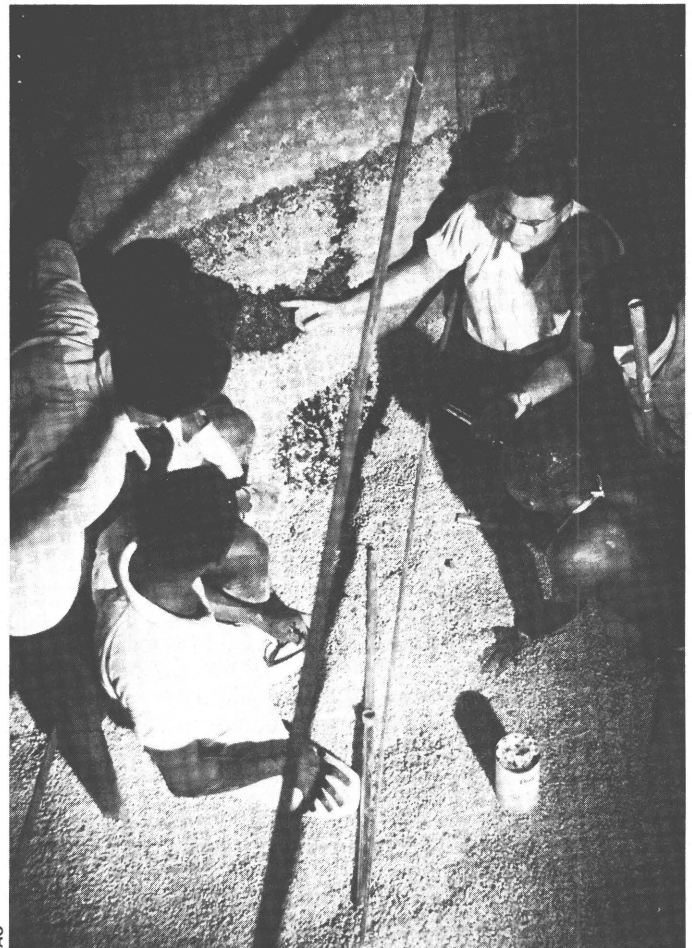
UNCTAD

The United Nations Conference on Trade and Development has been one of the main forums for the North-South dialogue for some years now and it is here that discussions on various important aspects of international economic relations being held.

One of the central themes of these discussions is the integrated commodities programme. In June 1980, after four years of what were often very difficult negotiations, agreement was reached in Geneva on one of the parts of the programme, the common fund, to which the Community and its members states should adhere.

This common fund should mean that:

- the organizations based on international product agreements which join the fund will have the means to finance storage facilities (1st account);
- other aid measures aimed at improving commercial structures (e.g. via research, greater productivity, marketing



Maize storage in Ghana

and diversification) are offered to the developing countries for their trade in raw materials (2nd account).

The Community worked to get this agreement by submitting proposals on such things as the fund's own resources, the breakdown of contributions of the Western member countries and the creation of an advisory committee for the second account.

The fund will only work if the various international product organizations (in some cases, negotiations are still going on) join once the agreement setting it up takes effect. The negotiations for the renewal of the International Cocoa Agreement came to a successful conclusion in 1980, partly thanks to the Community. The Coffee Agreement has had various subsidiary agreements added. The Rubber Agreement was signed back in 1979 and the Olive Oil Agreement has been extended. It is to be hoped that the negotiations on tin will soon be successful and that the discussions on various non-stockable products (jute, hard fibres, tea, tropical wood, oil seeds, etc.) held in 1980 will soon end more successfully.

However, the prospects of this are fairly poor particularly in view of the negative positions adopted by some participants. This is all the more discouraging in that, under present conditions, product-by-product agreements may be considered one of the best ways of stabilizing the export receipts of the developing countries.

4. Cooperation with the various regions of the Third World

Since it was set up, the European Community has given financial support for the economic and social development of the Third World in various ways. The Treaty of Rome signed in 1957 regulated the association of the overseas countries and territories with which certain member states had privileged relations. After the ex-colonies became independent, a first convention founding the Euro-African association was signed in Yaoundé, the capital of Cameroon, in 1963 and it was followed, in 1969, by Yaoundé II, which, after 1971, covered a total of 19 associated African states, Madagascar & Mauritius (the AASM).

These conventions laid down mutual preferential trade arrangements and introduced financial and technical aid. Under the Treaty of Rome, the amounts provided for this came from a first European Development Fund (EDF) of ECU 581.25 million. The 2nd EDF (Yaoundé I) amounted to ECU 730 million and the 3rd (covering Yaoundé II, like the first Convention a period of five years) to ECU 900 million and, in addition, there were funds of ECU 70-100 million allocated by the European Investment Bank. Although in the early days of association basic infrastructure projects (roads, ports, etc.) got priority, the main emphasis later on was on aid to the productive sectors of agriculture and industry.

The Community also signed an association agreement, involving no financial aid, with Kenya, Tanzania and Uganda, three of the Commonwealth countries, in Arusha in 1966. However, the agreement was never ratified and so never took effect and it was not until the United Kingdom joined the Community that the way was opened for cooperation with the whole of black Africa — which, with the Caribbean

and the Pacific, became the main region of the world to receive Community development aid under the Lomé Convention. The financial protocols concluded as part of the cooperation agreement between the Community and eight countries south of the Mediterranean are a second regional focus; one of their achievements was to enable aid of ECU 669 million to be granted for projects between 1977 and 1981.

The declaration of the Community heads of state and government at the end of the Paris Summit in 1972 stressed the need to establish a global, worldwide development policy for the first time. The Community has been able to make regular increases in the amount of food aid laid down in 1968 within this framework. In 1974 and 1975, it paid over \$250 million as international emergency aid for those developing countries that were particularly affected by soaring oil prices and, in 1976, it launched its non-associated aid programme — which has expanded every year since — and began co-financing with non-governmental organizations (development schemes overseas). So Community aid to the countries of Asia and Latin America has increased considerably over the years.



Signing of the agreement between the EEC and Syria, Jordan and Egypt

4.1. Africa, the Caribbean and the Pacific — the Lomé Convention ⁽¹⁾

The Lomé Conventions are the basis of the Community's development policy. They are an example of pragmatic relations between industrial and developing countries and they are internationally recognized and considered as being positive by all the participants. The consideration in which the Conventions are held is based on a series of essential elements:

(1) — ACP-EEC Lomé Convention. Complete text, *Courier* no. 31, special edition, March 1975.

— Second ACP-EEC Convention signed in Lomé on 31 October 1979. Complete text, *Courier* no. 58, special edition, November 1979.

— *Lomé II. A chapter-by-chapter analysis* — EEC Commission publication on cooperation information — Development, no. 194/X/80, Brussels 1980.

Analysis — Applications of ACP-EEC cooperation — Report to the Council of Ministers ACP-EEC, 25 July 1980.

— *From Lomé I to Lomé II. Texts of the report and the resolution adopted by the ACP-EEC Consultative Assembly on 26 September 1980.*

Report by European MP Katharina Focke, Official Publications Office, Luxembourg, 1980, no AX-31-80-166.

Milestones in cooperation between the Community and the Third World

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| <p>25.03.1957 The Treaty of Rome, setting up the European Economic Community, is signed. The six signatory countries decide that the overseas countries attached to them should be associated to the development of the Community. In particular, they are to get grants from the European Development Fund (EDF).</p> <p>20.07.1963 The first association agreement between the Community and 18 independent states of Africa (the AASM) is signed in Yaoundé. In particular, these states are to get grants from the EDF and loans from the EIB.</p> <p>1.07.1968 The first Community food aid programme (cereals) is implemented.</p> <p>24.09.1969 The Arusha Agreement between the Community and the three states of the East African Community (Kenya, Tanzania and Uganda) is signed.</p> <p>1.07.1971 The European Community introduces its generalized system of preferences.</p> <p>27.07.1971 Commission paper on a Community development policy put to the Council of Ministers.</p> <p>22.01.1972 The United Kingdom joins the Community, thereby opening the way for closer cooperation between the countries of the Commonwealth and the European Community.</p> <p>20.10.1972 The Paris Summit. The heads of state and government invite the Community progressively to adopt an overall policy of development cooperation on a worldwide scale.</p> <p>25.03.1973 Negotiations between the Community and the countries of Africa, the Caribbean and the Pacific open in Brussels.</p> <p>6.03.1974 The Commission brings out a paper on a global food aid policy.</p> <p>20.03.1974 The Commission proposes to launch an emergency scheme for the developing countries worst hit by the crisis. The Community contributes US\$ 250 million from the general budget.</p> <p>16.07.1974 Final adoption of a first series of Council resolutions on the overall development cooperation policy on a worldwide scale.</p> | <p>31.07.1974 First meeting in the Euro-Arab dialogue.</p> <p>5.11.1974 The Commission publishes a document entitled <i>Development aid: a fresco of Community action tomorrow</i>.</p> <p>28.02.1975 The Lomé Convention between the nine member states of the Community and 46 independent states of Africa, the Caribbean and the Pacific is signed.</p> <p>5.03.1975 The Commission proposes a five-year (1976-80) programme of Community financial and technical aid for non-associated developing countries.</p> <p>5.03.1975 The Commission puts a first paper on the harmonization and coordination of development cooperation policies in the Community to the Council.</p> <p>1.07.1975 The EEC-Israel agreement takes effect.</p> <p>April 1976 The EEC-Algeria (Algiers, 26 April 1976), EEC-Morocco (Rabat, 27 April 1976) and EEC-Tunisia (Tunis, 25 April 1976) agreements are signed.</p> <p>14.07.1976 First meeting of the EEC-ACP Council of Ministers in Brussels.</p> <p>17.12.1976 The first projects in non-associated developing countries (India, Bangladesh and Indonesia) are financed.</p> <p>18.01.1977 EEC-Egypt, EEC-Jordan and EEC-Syria cooperation agreements are signed.</p> <p>3.05.1977 EEC-Lebanon cooperation agreement signed.</p> <p>1.06.1977 A special US\$ 1000 million action programme for the least favoured developing countries is adopted at the North-South dialogue in Paris. The EEC contributed the US\$ 385 million that the member states have released for this purpose.</p> <p>31.10.1979 The second Lomé Convention between the Community and 58 states of Africa, the Caribbean and the Pacific is signed in the capital of Togo.</p> <p>7.03.1980 The Community's cooperation agreement with the ASEAN countries (Malaysia, Indonesia, the Philippines, Thailand and Singapore) is signed.</p> <p>1.01.1981 Lomé II comes into effect. There are now 61 ACP states.</p> |
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— The Conventions respect the sovereignty of the partners in their external relations and in their conception of their economies and their societies.

— They are the result of negotiations between equal partners and based on a consensus.

— They bind the participants in the long term, thereby guaranteeing reliable, predictable relations.

— They cover all fields of economic relations (aid, trade relations, capital transfers, right of establishment, etc.) and thus enable specific answers to be given to a variety of specific problems. The instruments provided for this purpose involve a whole series of important innovations.

The first Convention signed in Lomé between the Community and the then 46 ACP states expired in February 1980. In October 1979, the representatives of the ACP states (and there were then 58 of them) and the nine member states of the Community agreed on a new Convention, which would be a framework for cooperation between the two groups of countries until February 1981, and the member states and nearly two-thirds of the ACP group had ratified Lomé II by the end of November 1980, thereby enabling the new agreement to take effect on 1 January 1981. After the accession negotiations organized meanwhile with Zimbabwe, St Vincent and Vanuatu, the number of ACP states went up to 61

and Greece's arrival in the Community brought the members of the Lomé Convention up to 71.

The period between the expiry of the old Convention and entry into effect of the new one was not wasted. The ACP-EEC Council of Ministers invited the committee of ambassadors to introduce a series of transitional measures to enable the most important of the new provisions to be applied and everyday activities to be continued after 1 March 1980. The improved trade arrangements, the Stabex provisions, 4th EDF projects and the programming of measures for 5th EDF financing were among the things covered here.

The Community, which committed a total of ECU 3465 million (including additional funds following the accession of new countries) under Lomé I, is providing ECU 5692 million (after adaptation on Zimbabwe's accession) for the period of Lomé II, a 64 % increase.

Of the amounts allocated for the period 1980-1985, ECU 180 million are to cover the costs of Commission delegations in the ACP countries (these costs have so far been covered by the EDF and will now come from the general Community budget) and ECU 200 million will come from the European Investment Bank (EIB), which will be financing mining and energy projects via standard loans carrying no interest rate subsidies.



Many agricultural projects have been financed by the EDF including this tea plantation at Mulindi, Rwanda

Preparatory work on the 5th EDF was started back in the autumn of 1979 so that the new allocations earmarked for national and regional projects could be paid over early in 1981. It was with this in mind that the Commission sent out programming missions to 54 ACP countries before the end of 1980, establishing an indicative programme at the end of each. Various elements are defined, with the agreement of each state, in these programmes. They are:

- the volume of credit which each country has for its development projects. The amount is given as a range, broken down into grants and special loans. Obviously, the programmable amount does not include anything a country may get under the Stabex or Sysmin systems, as exceptional aid or for regional cooperation. Nor does it include standard EIB loans or risk capital;
- the priority projects that each ACP country plans to implement with these funds;
- a provisional timetable of financial commitments over the period of the Convention;
- if possible, clearly identified specific projects which can be evaluated immediately;
- the policy as regards regional cooperation.

By the end of 1980, 90 % of the appropriations of the 5th EDF earmarked for national projects (ECU 2 300 million) had been programmed. The regional breakdown of these funds

Appropriations for cooperation between the Community and the ACP states (1)

(ECU million)

	Lomé	Lomé II
1. European Development Fund (EDF)		
— Grants	2 986	2 115
(+ administrative costs from the general budget)	(180)	—
— Special loans (2)	518	444
— Risk capital	284	382
— Stabex (3)	557	382
— Sysmin (4)	282	—
Total EDF (6)	467	3 075
Total EDF + administrative costs	4 807	—
2. European Investment Bank (EIB)		
— Standard loans with interest rate subsidy (5)	685	390
— Extra-Convention loans — mining loans	200	—
Total Convention	5312	
Grand total (including administrative costs and mining loans under Lomé II)	5 692	3 465

(1) Situation in December 1980 after accession of Zimbabwe to the Convention.

(2) The terms and conditions of reimbursement of special loans under Lomé II are as follows — repayment over 40 years with a 10-year grace period at a 1 % interest rate (0.75 % for the least-developed countries).

(3) Stabex transfers include grants to the least-developed countries and interest-free loans to the others.

(4) Same conditions as for special loans.

(5) Interest rate subsidies are granted globally and automatically and they allow interest rates of below 8 % to be reduced. Under the 5th EDF, ECU 175 million ECU have been earmarked for this purpose.

(6) Not including amounts for the OCT (ECU 150 million from EDF and ECU 10 million from the EIB).

shows that the Community will be giving more aid to the least-developed, landlocked and island countries, particularly the first-named;

- The 36 least-developed countries, representing 44 % of the total population of the ACP states, get about 65 % of the programme aid.
- The landlocked countries (19 % of the total ACP population) get 34 %.
- The island countries (6 % of the total ACP population) get 11 %.

A breakdown by sector suggests that even greater priority goes to agriculture under Lomé II than it did under Lomé I, 40 % of the programme aid going to this sector. Then come transport and telecommunications with 20 %, the social sector (training and public health) with 12 %, industry, energy and mining (9 %) and housing and urban development (6 %).

Commercial cooperation

Free access to the common market is guaranteed for almost all goods originating in the ACP countries and the restrictions, including those in the preferential system, only apply to a small number of products covered by the common agricultural policy and representing less than 0.5 % of



Under Lomé II agreement was reached on trade promotion for bananas (photo: a banana plantation in Jamaica with an irrigation system financed by the EDF)

the volume of trade. Lomé II grants new concessions in this sector. Special rules apply to beef and veal (preference for imports of given quantities) and agreement has been reached on the additional protocols on bananas (export promotion), rum (zero-rated imports of given quantities) and sugar (guaranteed delivery and removal of given quantities at fixed prices). The ACP states are under no obligation to grant any advantages to the Community. However, in accordance with the most-favoured nation clause, they have to ensure that goods originating in the member states do not get any less favourable treatment than that given to products from other developing countries. The Community's safeguard clause in case of serious perturbation of its economy has not so far been used.

As the table in 2.2 shows, the value of ACP exports to the Community went from ECU 8 700 million in 1975 to ECU 19 000 in 1980. A comparison with the figures for the period before entry into effect of the Lomé Convention (1974 — ECU 10 500 million) shows that the improvement due to the free access from which many countries already benefited under the two Yaoundé Conventions and the Commonwealth preferential system is not enough to push up the sales of ACP goods in the Community. Bearing in mind the range of products currently on offer and the production structures in the ACP countries, prospects and outlets have not improved a great deal. Crude oil (27%), raw coffee (13%) and cocoa (10%) accounted for half the ACP exports, on average, between 1976 and 1978. The exports were also concentrated regionally, almost 50% of them coming from Nigeria (29%), the Ivory Coast (11%) and Zaire (9%), while 32 countries each accounted for less than 1%. Overall, the ACP share of Community imports between 1970 and 1980 stayed at its lowest level, 7%. If energy products are excluded, it even dropped, from 8% to 5.8% (1979). The ACP states which, in 1980, absorbed 7% of the Community's exports, made practically no progress at all in comparison with 1970 (6.3%), bearing in mind their importance as an export market for European products.

The Lomé Convention lays down special trade promotion measures to develop the interest of the European consumer



Stabex transfers are often made after events in the recipient countries such as the drought in the Sahel (photo) or a hurricane in the Caribbean

in ACP products and to open markets to new products. Since Lomé I took effect, ECU 13 million have been provided for this purpose, 6 million in 1980 alone. This money is used to do such things as finance studies on the conditions of production and the prospects of exporting specific products, to study markets in Europe and the ACP states and to intensify contact between various organizations that specialize in external trade. In 1980, aid was also granted to 43 ACP states and four regional organizations to enable them to take part in trade fairs (19 in all) and specialized salons (15 in all). Following this, orders for products like leather, textiles, wood and tropical fruit and vegetables have substantially increased.

Earnings from commodity exports

The economies of many developing countries depend almost entirely on exports of one or more raw materials and sudden changes in price and quantities sold can often have a very bad effect on economic development. After difficult negotiations at UNCTAD, agreement was reached on at least the principle of a process to prevent over-large differences in prices on the world raw materials markets via product agreements, and the Lomé Conventions provide for compensation for losses by the exporters of raw materials.

All the participants agree that the Stabex, the export earnings stabilization mechanism, has turned out to be an essential innovation in the international economic system and, above all, a practical insurance against any unforeseen drops in the agricultural raw material earnings of the ACP states, and the overseas countries and territories (OCT).

During the five budget years 1975-1979, when the system was to pay compensation for drops in earnings the following year, the Commission took (1):

- 123 transfer decisions
- in favour of 37 ACP countries and 2 OCT
- for 24 products, broken down as follows: 40% of transfers for groundnuts, 16% for iron ore, 11% for cotton and 10% for rough timber.

An amount of almost ECU 390 million of the 400 million provided under Lomé I for the ACP states (ECU 380 million) and the OCT (ECU 20 million) has been committed,

- including 67% (ECU 263 million) in the form of non-reimbursable transfers and 33% (ECU 127 million) in the

(1) Summary report on the export earnings stabilization mechanism established by the Lomé Convention for the years 1975-1979. VIII/867/80.

STABEX transfers by country and by products: 1975-1979

('000 ECU)

ACP State	Product	Amount 1975-1979	ACP State	Product	Amount 1975-1979
BENIN	Groundnuts	464.3	MALI	Cotton	1 145.0
	Coffee	1 174.9		Gum Arabic	848.5
	Cotton	10 363.3		Groundnuts	7 787.4
	Oil cakes	1 191.1	Total	9 780.9	
	Palm oil	2 232.9	MAURITANIA	Iron ore	37 000.5
	Palm nut oil	4 940.2	NIGER	Groundnuts	7 853.7
Total	20 366.7	Untreated hides & skins	507.7		
BURUNDI	Cotton	965.6	Groundnut oil	14 139.3	
	Untreated hides & skins	520.1	Oil cakes	153.3	
Total	1 485.7	Total	22 654.0		
CAMEROON	Untreated hides & skins	3 601.4	RWANDA	Pyrethrum	608.8
	Cocoa paste	463.6	SENEGAL	Groundnut oil	49 882.3
Total	4 065.0	Oil cakes	15 224.1		
CAPE VERDE	Bananas	1 206.6	Total	65 106.4	
	CENTRAL AFRICAN REPUBLIC	Cotton	6 926.6	SIERRA LEONE	Iron ore
Coffee	353.1	SOMALIA	Bananas	1 296.9	
Sawn timber	549.8	Untreated hides & skins	635.2		
Total	7 829.6	Total	1 932.1		
CHAD	Cotton	7 336.2	SUDAN	Groundnuts	37 484.9
CONGO	Rough timber	7 361.7	Untreated hides & skins	1 658.6	
ETHIOPIA	Coffee	9 339.7	Sesame seeds	2 632.9	
	Untreated hides & skins	5 080.4	Total	41 776.4	
Total	14 420.0	SWAZILAND	Iron ore	13 224.9	
FIJI	Coconut oil	2 115.0	TANZANIA	Cotton	1 887.1
GABON	Rough timber	6 703.3	Sisal	18 814.5	
GAMBIA	Groundnuts	2 488.7	Total	20 701.6	
	Groundnut oil	3 999.9	TOGO	Coffee	3 626.6
	Groundnut oil cakes	1 026.1	TONGA	Copra	831.7
Total	7 514.8	Bananas	317.6		
GHANA	Rough timber	5 176.4	Vanilla	58.6	
	UGANDA	Cotton	12 219.1		
GUINEA-BISSAU	Groundnuts	10 514.5	Tea	8 376.3	
	Palm nuts	627.0	Total	20 595.5	
Sawn timber	146.8	UPPER-VOLTA	Groundnuts	4 745.4	
Total	11 288.3	Cotton	2 516.5		
IVORY COAST	Rough timber	15 000.0	Total	7 261.9	
LIBERIA	Iron ore	7 586.9	WESTERN SAMOA	Cocoa	1 057.6
	MADAGASCAR	Sisal	1 762.9	Copra	1 331.5
Sisal	1 139.5	Cloves	2 845.1	Rough timber	349.0
	Vanilla	2 845.1	Bananas	99.3	
Total	5 747.5	Total	2 837.5		
TOTAL ACP STATES		377 495.7			

Overseas Countries & Territories	Product	Amount 1975-1979
BELIZE	Sawn timber	342.4
COMOROS (1) (2)	Copra	991.8
	Cloves	1 164.0
	Ylang-ylang	170.6
	Total	2 326.4
DJIBOUTI (1) (2)	Untreated hides & skins	691.9
DOMINICA (1) (2)	Bananas	2 892.9
KIRIBATI (2)	Copra	2 283.4
NEW HEBRIDES	Copra	1 430.9
SOLOMON Is.(1) (2)	Copra	1 412.1
	Rough timber	761.2
	Total	2 173.4
TUVALU (1) (2)	Copra	174.7
TOTAL OCT		12 316.0
TOTAL ACP + OCT		389 811.7

(1) Overseas countries and territories within the meaning of article 23 (3) of the decision.

(2) Overseas countries and territories which, during the period of implementation of the decision, became independent but which, under article 1 (3c) of the internal agreement on the financing and management of Community aid, are still covered by the Stabex allocation for the OCT.

form of special loans, of which ECU 6 million have so far been reimbursed in accordance with the programme and used to reconstitute the Stabex resources,

— as compensation for reduced earnings due to local circumstances (69 %, ECU 271 million) and losses due to a downturn in the economic situation (31 %, ECU 119 million).

The Stabex accounts vary considerably from one year to the next. In 1975, the ACP countries received ECU 80 million; the smallest amount was paid over in 1977 (ECU 34 million) and the largest (ECU 164 million) in 1978. It is the poorest countries, which are exempt from reimbursement, which benefit most from the system. The Sahel alone got 44 % of the funds available. In certain cases (Mauritania, Senegal and Swaziland), the amount of the transfers exceeds the total amount of project aid provided for in the 4th EDF indicative programme. Extra amounts obtained in this way often represent 30 % to 50 % (as in the case of Benin, W. Samoa, the Gambia, Sudan and Tonga, for example).

In 1980, the Commission took transfer decisions totalling ECU 66 million with a view to making up for losses in 14 ACP states in 1979. Of the ECU 66 million paid over in 1980, 63.2 million went to the poorest countries. These transfers were made after events in the recipient countries, such as the drought in the Sahel and a hurricane in the Caribbean. A remainder of ECU 6 million from the Lomé I Stabex allocation was to be carried over to the following year (the first year of application of Lomé II). Under Lomé II,

the funds allocated to the Stabex, i.e. ECU 550 million, will be 45 % larger than they were under Lomé I.

In order to provide greater security for countries hardhit by sudden price rises and drops in production in the mining sector, the second Lomé Convention provides various measures, in particular the financing of projects to prospect for or work iron deposits via money from the European Development Fund or the European Investment Bank, with the possible participation of private investors. Back-up measures are also provided for those ACP countries which have problems of production and exports to contend with. The system for mineral raw materials is called the Sysmin. This is an important innovation in Lomé II and it covers six mineral products that are essential to the ACP states — copper and cobalt, phosphate, manganese, bauxite and aluminium, tin and iron ore (except for deposits already being worked when Lomé II was signed, in which case there will be Stabex coverage for another five years). The list of minerals could well be added to during the Convention by decision of the ACP-EEC Council of Ministers. Under Lomé II, a total of ECU 280 million has been provided and this should make it possible to finance precise projects on favourable conditions and to eliminate problems affecting production potential and exports.

How Stabex and Sysmin work

The Stabex system, a kind of insurance against losses, provides two sorts of coverage:

- 'sickness insurance' where export earnings drop following some local event (drought, hurricanes, plant disease, etc.);
- 'unemployment benefit' where sales of raw materials drop following a downturn in the Community's economic situation.

With Stabex, the Community guarantees the ACP states and the OCT a minimum level of export earnings from almost all their essential agricultural products and iron ore. The guarantee has so far covered 34 products, but Lomé II extends this to 44 (when exported to the Community and, in certain special cases, to third countries). Reduced earnings are only compensated when the products in question represent at least 6.5 % (7.5 % under Lomé I) of total exports but these figures drop to 2 % (2.5 %) in the case of the 46 least-developed, landlocked and island countries. In addition to this dependence threshold, the system also involves a trigger mechanism — countries losing income can only apply for financial transfers from the Commission if the export earnings from one or a group of products during a given year drop by 6.5 % (7.5 %) as compared to the reference level, i.e. the average figure for the four preceding years. The percentage for the particularly poor countries is 2 % (2.5 %).

If all the conditions are fulfilled, the Commission pays the country in question the difference between the reference level and the actual earnings. Conversely, if export earnings from the product develop favourably in the years following the transfer (article 43 of Lomé II), the country in question may, on certain conditions, have to pay all or part of the amounts received back into the Stabex fund, in which case reimbursement is spread over seven years. Here again, the least-developed countries are exempt.

The basic aim of the Sysmin scheme is to help those ACP countries and OCT which have any mining activity to

maintain this crucial sector of the economy if, although normally viable, it is threatened by or actually suffering from adverse circumstances. This is a kind of insurance, not of income (export earnings), but of the equipment that is behind this income (production and export facilities). A fund of ECU 280 million is provided for this purpose and it is paid over in the form of special loans at 1 % over 40 years.

About 15 ACP countries are eligible for the Sysmin — those which depend significantly (15 % of total exports and 10 % for the least-developed, landlocked and island countries) on one of six products (copper & cobalt, phosphates, bauxite & aluminium, tin, manganese and iron ore). The Convention provides for this list to be amended if need be. To be eligible, these products must be exported, in part at least, to the Community.

The system is triggered when there is a substantial drop (10 %) in production or export capacity (i.e. in the mining and concentration installations). The reasons for this may be accidental (technical incidents, political problems) or economic (e.g. a continuing fall in export earnings preventing normal maintenance and replacement of plant).

The Sysmin funds have to be paid over as part of the financing of projects and action programmes geared mainly to the maintenance or replenishment of production and export capacities.



Office of information PNG

Some ECU 280 m is available in Sysmin under Lomé II (photo: copper mine in Papua New Guinea)

Financial and technical cooperation

The Lomé Convention provides a whole series of financing methods and financial instruments to promote economic and social development projects and programmes in the ACP states. The vast majority of the means come from the European Development Fund (EDF) and the Commission is the main manager. National project investments are covered by grants and special loans which are granted within the framework of an aid programme. These programmes are agreed with each country at the beginning of the period of implementation of each Convention and include grants for works, supplies, studies and technical assistance, for micro-projects and for trade promotion and industrial cooperation.

Part of the EDF appropriations are earmarked for aid to be supplied in the event of disaster. The interest-free loans and

Some practical examples of 4th EDF projects

- Building, completed or under way, 4500 km of asphalted roads, i.e. further than from Brussels to Moscow or Dunkirk to Tamanrasset.
- Rural development schemes (cash crops: tea, oil palms, coffee, cocoa, rubber, cotton, sugar, bananas, pineapples, tobacco, groundnuts and wood) over more than 1 million ha, with emphasis on integrated rural development projects which take account of human as well as technical and economic aspects.
- Hydro-agricultural (irrigation and drainage) projects over a total of 68 000 ha, with a view to developing food crops (beans, market gardening produce, cotton, rice, maize, millet and sorghum).
- The construction/fitting out of 516 primary schools, 73 secondary schools, 22 vocational and technical schools and 33 universities.
- The provision of 2074 beds in 12 hospitals, 42 health centres, 8 maternity units and 15 mother and child welfare centres.

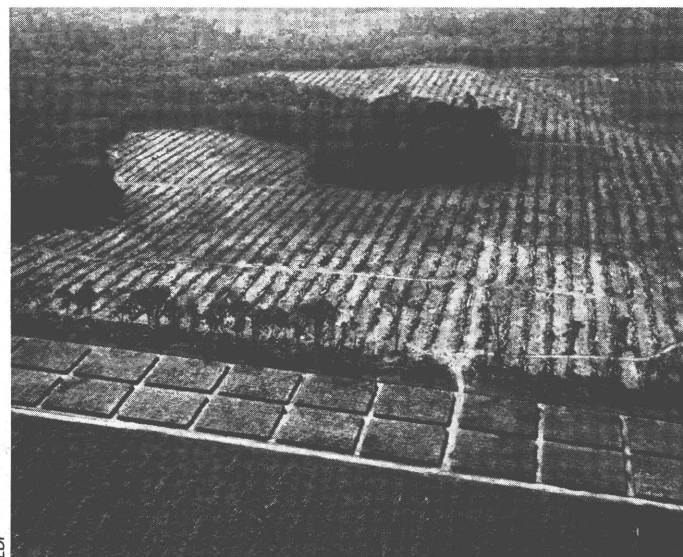
grants for Stabex and Sysmin financing also come from the EDF. Certain of the EDF's financial instruments are managed by the EIB. These are risk capital for industrialization projects and interest-rate subsidies on funds granted from the EIB's own resources.

The Commission and the European Investment Bank had committed ECU 3 065.1 million, or almost 90 % of the ECU 3 465 million which the Community provided the ACP states via Lomé I, by 31 December 1980.

So most of the financial means were committed over a period of four years and nine months.

The total amount of aid managed by the Commission by the end of 1980 was ECU 2511 million, of which 1991.1 million went on projects and programmes, the difference being mainly accounted for by Stabex and exceptional aid.

Payments made over the same period amounted to ECU 1426 million, or 53.3 % of total 4th EDF commitments.



The EDF contributed to the creation of 32 000 hectares of palm oil plantations in the Ivory Coast

Total EIB commitments under the Lomé Convention were ECU 489 million — i.e. all the resources which the Bank had to manage. It was split up into ECU 390 million in the form of loans from own resources and ECU 99 million in the form of risk capital from the EDF. So, since the beginning of the Convention, the Bank has paid over ECU 199.7 million — 40.8% of the resources it administers.

The various sectors of cooperation (1)

The development of production, which includes industrialization, tourism and rural production, is still well in the lead, with 57.5% of commitments to projects and programmes (i.e. not Stabex or exceptional aid). This represents a total of ECU 1386.1 million (end 1980), ECU 273.4 million of which was committed during the year.

The size of these amounts emphasizes, if any emphasis is called for, the ACP interest in the productive schemes which are a driving force for the development of their economies.

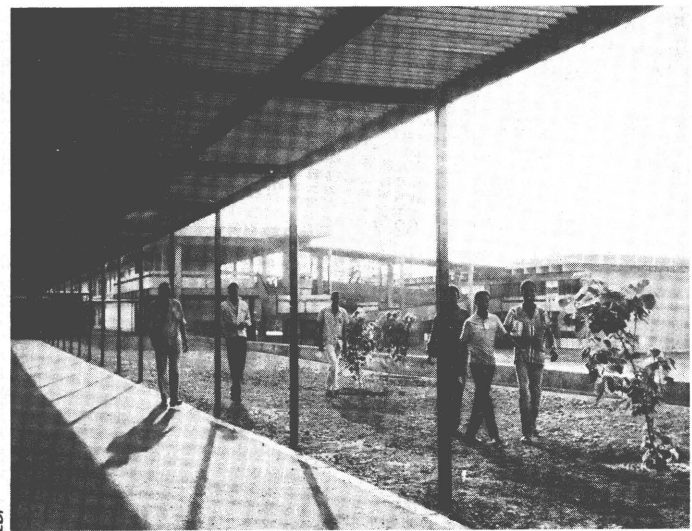
The largest slice of the amounts channelled into projects and programmes went to industrialization. It amounted to ECU 862.6 million out of ECU 2409 million, 35.8%, by the end of 1980, ECU 553.3 million of it being managed by the EIB (own resources plus risk capital from the EDF) and ECU 328.8 million by the Commission. This figure is more or less double the one achieved in this sector under Yaoundé II.

It is perhaps interesting to note that, within this sector, it is energy-oriented projects that are in the lead, with ECU 273.7 million, followed by food and agricultural industries and agro-industrial complexes (which mainly concern the rural populations), with ECU 202.7 million, and manufacturing, with ECU 146.9 million.

A total of ECU 506.7 million had been channelled into rural production by the end of 1980 and commitments for 1980 alone amounted to ECU 73.8 million. But the development schemes which help people living in rural areas go far beyond mere farm production and an overall picture of what they involve has to take in:

- ECU 202.7 million for agro-industrial projects already mentioned in the industrialization sector;
- ECU 45.3 million for village water supply schemes;

(1) Report from the Commission to the ACP-EEC Council of Ministers on the management of financial and technical cooperation within the framework of the Lomé Convention — Annual report — the most recent report dates from 12 May 1980 — COM (80) 239 final.



The EDF financed one of the most modern secondary schools in Africa at Bamako in Mali

— an estimated ECU 90 million for social development (training, public health and teaching) in the rural areas.

So, all in all, rural development has received 35% of the total amounts channelled into projects and programmes.

In 1980, the vast majority of agricultural projects, in the strictest sense of the term, were concerned with products to be consumed or processed locally, with a clear concentration on food crops. There were eight projects, worth more than ECU 26 million, to develop cereals (rice, wheat, etc.), oil (soya) and market gardening produce (fruit and vegetables) and a further two projects, worth almost ECU 3 million, partly or wholly concerned with supplying local (wood and cotton) industries.

In the export crop sector, where there were six projects worth around ECU 19 million, the emphasis was on beverages (coffee, cocoa and tea), fruit and cotton.

The vast majority of the projects financed in 1980 were implemented by peasant smallholders.

In addition to the anti-aflatoxin campaign, which was in fact the completion of a previous commitment, mention should be made of a fairly new type of scheme of which the ultimate beneficiary is the individual farmer or fisherman. This is help from rural banks (Ghana) which act as intermediaries by supplying equipment, tools, fishing nets, etc., using simple procedures.

Only two of the regional projects mentioned above (the anti-aflatoxin campaign and the cereal farm in Belize) involved agriculture in 1980.



Road financed by the EDF in Malawi. Economic infrastructure accounts for 24.3% of the funds for projects and programmes under Lomé

Economic infrastructure mainly covers air, land, sea and river transport and telecommunications.

This sector has had ECU 584.3 million (139 million in 1980) invested in it since the Lomé Convention took effect — 24.3% of the Community aid for projects and programmes.

A basic effort has been made with road transport, ECU 457.8 million having been channelled into the sector under the 4th EDF. The two aims here were to:

- continue developing the existing highways to open up countries in the interior and to link the various ACP states. The Lomé-Ouagadougou road, for example, was almost entirely financed with EDF money;
- finance periodic maintenance, upkeep and repair operations to preserve the existing road networks.

Table 5
Breakdown of aid by sector: %, method of financing
and management responsibility, 1980

(million ECU)

	1			2	3	4	5	Total (1-5)
	Development of production			Economic infra- structure	Social develop- ment	Trade promotion	Short- term aid programme	
	Industry	Tourism	Rural production					
I. Aid managed by the Commission								
a. Programme grants	25.8	0.3	67.6	89.5	50.8	0.6	6.5	(241.1)
b. Special loans	12.4		6.1	49.5	3.4			(71.4)
c. Exceptional aid								
d. Stabex								
e. Total 1-5	38.2	0.3	73.7	139.0	54.2	0.6	6.5	(312.5)
Breakdown 1-5 (%)	12.2	0.1	23.6	44.5	17.3	0.2	2.1	100 %
f. Total 1-6 (%)	38.2	0.3	73.7	139.0	54.2	0.6	6.5	
Breakdown 1-6 (%)	11.8	0.09	22.8	43.1	16.8	0.2	2.1	
g. SUB-TOTAL	38.2	0.3	73.7	139.0	54.2	0.6	6.5	
Breakdown of total (%)	8.9	0.07	17.1	32.2	12.6	0.1	1.5	
II. Aid managed by the EIB								
a. Loans from own resources	117.4							
b. Interest rate subsidies	23.9							
c. Risk capital	20.5							
- Annulation	-0.6							
d. SUB-TOTAL	161.2							
III. Grand total	199.4	0.3	73.7	139.0	54.2	0.6	6.5	(473.7)
a. Breakdown 1-5 (%)	42.1	0.05	15.6	29.3	11.4	0.1	1.4	100 %
b. Breakdown 1-6 (%)	41.2	0.06	15.2	28.8	11.2	0.1	1.3	
c. Breakdown total (%)	33.5	0.05	12.3	23.3	9.1	0.1	1.1	

	6	Total (1-6)	7	8	9	Grand total
	Misc. & management costs		Exception- ional aid	Stabex	Blocked funds	
I. Aid managed by the Commission						
a. Programme grants	9.9	(251.0)			10.9	261.9
b. Special loans		(71.4)				71.4
c. Exceptional aid			35.1			35.1
d. Stabex				62.7		62.7
e. Total 1-5						
Breakdown 1-5 (%)						
f. Total 1-6	9.9	(322.4)				
Breakdown 1-6 (%)	3.1	100 %				
g. SUB-TOTAL	9.9		35.1	62.7	10.9	431.1
Breakdown of total (%)	2.3		8.1	14.6	2.5	100 %
II. Aid managed by the EIB						
a. Loans from own resources						117.4
b. Interest rate subsidies						23.9
c. Risk capital					4.3	24.2
d. SUB-TOTAL					4.3	165.5
III. Grand total	9.9	(483.6)	35.1	62.7	15.2	596.6
a. Breakdown 1-5 (%)						
b. Breakdown 1-6 (%)	2.1	100 %				
c. Breakdown total (%)	1.6		5.9	10.5	2.6	100 %

Table 6
Breakdown of aid by sector : %, method of financing
and management responsibility, at the end of 1980

(million ECU)

	1			2	3	4	5	Total (1-5)
	Development of production			Economic Infra- structure	Social develop- ment	Trade promotion	Short- term aid programme	
	Industry	Tourism	Rural production					
I. Aid managed by the Commission								
a. Programme grants	165.7	0.9	445.1	445.0	352.7	30.9	25.1	(1 465.4)
b. Special loans	163.1		61.6	139.3	28.1	1.7		(393.8)
c. Exceptional aid								
d. Stabex								
e. Total 1-5	328.8	0.9	506.7	584.3	380.8	32.6	25.1	(1 859.2)
Breakdown 1-5 (%)	17.7	0.05	27.3	31.4	20.5	1.7	1.3	100 %
f. Total 1-6	328.8	0.9	506.7	584.3	380.8	32.6	25.1	
Breakdown 1-6 (%)	16.6	0.05	25.6	29.5	19.2	1.6	1.3	
g. SUB-TOTAL	328.8	0.9	506.7	584.3	380.8	32.6	25.1	
Breakdown of total (%)	13.1	0.04	20.2	23.3	15.2	1.3	1.0	
II. Aid managed by the EIB								
a. Loans from own resources	381.2	8.8						
b. Interest rate subsidies	63.5	1.5						
c. Risk capital	90.6	5.8						
- Annulation	- 1.5	- 0.2						
d. SUB-TOTAL	533.8	15.9						
III. Grand total	862.6	16.8	506.7	584.3	380.8	32.6	25.1	(2 408.9)
a. Breakdown 1-5 (%)	35.8	0.7	21.0	24.3	15.8	1.4	1.0	100 %
b. Breakdown 1-6 (%)	34.1	0.7	20.0	23.1	15.0	1.3	1.0	
c. Breakdown total (%)	28.2	0.6	16.5	19.1	12.4	1.1	0.8	

	6	Total (1-6)	7	8	9	Grand total
	Misc. & management costs		Exceptional aid	Stabex	Blocked funds	
I. Aid managed by the Commission						
a. Programme grants	121.0	(1 586.4)			10.9	1 597.3
b. Special loans		(393.8)				393.8
c. Exceptional aid			146.0			146.0
d. Stabex				374.0		374.0
e. Total 1-5						
Breakdown 1-5 (%)						
f. Total 1-6	121.0	(1.980.2)				
Breakdown 1-6 (%)	6.1	100 %				
g. Sub-total	121.0		146.0	374.0	10.9	2 511.1
Breakdown of total (%)	4.8		5.8	14.9	0.4	100 %
II. Aid managed by the EIB						
a. Loans from own resources						390.0
b. Interest rate subsidies						65.0
c. Risk capital					4.3	99.0
d. Sub-total						554.0
III. Grand total	121.0	(2 529.9)	146.0	374.0	15.2	3 065.1
a. Breakdown 1-5 (%)						
b. Breakdown 1-6 (%)	4.8	100 %				
c. Breakdown total (%)	3.9		4.7	12.2	0.5	100 %

All in all, excluding economic and technical studies, EDF financing has enabled 3454 km of roads, including 416 km without asphalt, to be built and 888 km of roads to be maintained.

Community aid has enabled improvements to be made to existing railways and new infrastructure to be built. In particular, it has helped with realigning the Congo-Ocean (CFCO) railway and laying a new line to the CIMA O site in Togo.

By the end of 1980, ECU 51.6 million had been committed to this sector.

The rest of the financing for economic infrastructure went to sea and river transport, airlines and telecommunications.

Social development is of much more importance to the development aims of the ACP countries than the figures (ECU 380.8 million, 54.2 million of it in 1980, and 15.8 % of the total amount for projects and programmes) would at first sight suggest. This is due, in particular, to the cost of training in the projects being considerably less than the spin-off for the investment as a whole, and to the fact that development schemes that are solely geared to the albeit fundamental aim of training are relatively cheap as compared to the cost of infrastructure.

Although the instruments for implementing training projects are the same, the schemes themselves are of three distinct types:

- multiannual training programmes covering all the training schemes financed by the EDF. By 31 December 1980, 52 such programmes had been financed for a total sum of ECU 98.7 million;
- specific training programmes for which the Commission takes special decisions;
- training as an integral part of the productive and infrastructure projects already mentioned.

Educational infrastructure (primary, secondary and higher) thus makes a direct contribution to training and, more broadly, to social development as well. This sector received ECU 108 million under the 4th EDF.

The same goes for public health, which received ECU 47.4 million, enabling 12 relatively small (40-200 bed) hospitals, 42 health centres, 8 maternity units and 15 mother and child welfare centres, with a total of 2074 beds, to be built.

Commitments to water supplies, housing, etc. since implementation of the Lomé Convention amount to ECU 105.6 million.

Water projects, particularly those in rural areas, are of considerable value to the local communities as their health obviously benefits.

This list of projects, of course, is not final, since Lomé II is still in application. A summary will not be possible until the Convention nears expiry, at the earliest.

Methods of financing cooperation

Of all the methods used to finance projects and programmes in the various sectors, grants and special loans from the EDF and interest rate subsidies from the EIB (from certain EDF funds) are the most common. Selective use of various other methods of financing where smaller sums are involved may be an equally good way of ensuring the success of development projects.

What is involved here is technical cooperation, for which some ECU 310 million had been committed by the end of 1980, and which is of two types. It may be linked to a financial aid project and combine studies for development planning and project programming with aid for drawing up

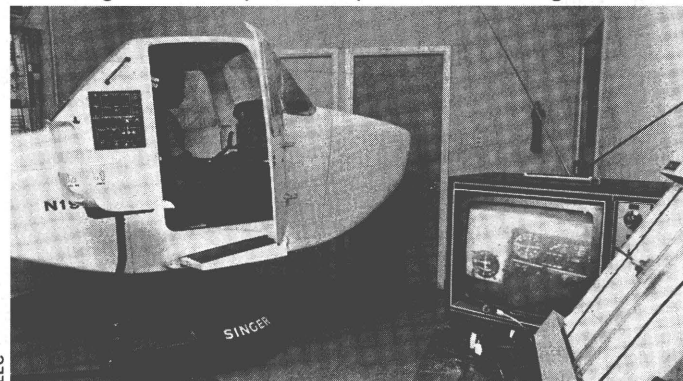
dossiers and underwriting the costs of staff and materials involved in implementing investments or putting installations into operation. Or it may be general technical cooperation, for which ECU 110 million has been earmarked, largely for training (including study grants), programmes and temporary secondment of experts, advisers, technicians and educators who can, for example, improve the standard of the administrative services.

One of the main innovations of the first Lomé Convention was the chapter on regional cooperation between the ACP states. About 10 % of the total means provided for the ACP group was earmarked for the financing of projects and programmes involving several countries in the same region or in the ACP countries as a whole. The main idea here is to solve common problems under the best possible conditions via joint schemes and solidarity between neighbouring countries.

So the Community commits its partners to creating the right political conditions for joint action wherever this is possible. For example, the Commission sent representatives to meetings of the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS), where a strategy for getting this desert region of Africa self-sufficient in food by the end of the century was discussed. In November 1980, acting on a Commission proposal, the countries involved met in Brussels and discussed the possibility of opening up eastern Sahel countries with no access to the sea. The Community, by taking part in the ministerial conference on coordinating development in southern Africa in Maputo in November 1980, also showed its interest in the campaign to promote economic integration in this part of the world. The problem of transport and telecommunications was at the centre of the discussions on this occasion. And lastly, discussions were held with the South Pacific Bureau for Economic Cooperation (SPEC) and the CARICOM countries.

The figures for regional cooperation at the end of 1980 showed that slightly more than half the 4th EDF regional funds went into transport and telecommunications. Then came rural development programmes (13%), training (11%), industrial and energy projects (9%), technical aid (3%) and trade promotion and miscellaneous schemes (12%). The funds were spread over the various regions of the ACP group and the poorest countries were, with slightly more than 60%, the principal beneficiaries. By the end of 1980, ECU 232 million, i.e. three-quarters of the total amount of roughly ECU 300 million earmarked for regional cooperation under the 4th EDF, plus a further ECU 32 million from the EIB, had been committed.

Major regional projects can often only be implemented by recourse to co-financing with bilateral donors and international organizations, particularly when such things as dams,



The Caribbean Aviation Training School (CATI). 23 % of 4th EDF credits have gone to co-financing, especially in major or regional projects

irrigation programmes and road infrastructure are involved. So far, 23 % of the 4th EDF funds have been channelled into co-financed projects and Arab funds have become the biggest partners in this kind of triangular cooperation with the ACP group (see 2.1). The development of the Senegal valley, the Bardhera dam in Somalia and the Congo-Ocean railway are among the most ambitious projects to be financed in this way.

Although microprojects, for which EDF financing is also provided, are very small, they tend to have a considerable effect on the standard of living, particularly in the rural parts of the ACP countries. They cover such things as small dams, water points, water pipes, storage sheds, local tracks, country schools and dispensaries which the local communities themselves, who participate financially or physically in the construction work, apply to have built. The governments draw up annual programmes for these projects, release funds and ask the Commission for subsidies. In 1980, the 11 financing decisions for these microprojects totalled ECU 3.1 million. The 4th EDF set aside a total of ECU 25 million for them and, by the end of 1980, ECU 17.6 million had been committed to 55 annual programmes in 31 different countries, thus using up 85 % of the funds available. More than 2000 projects, worth more than ECU 42 million, were financed in this way. The local communities contributed ECU 11 million, or 25 % of the total, and the ACP states themselves ECU 13 million. The communities are very keen on microprojects, which provide the sort of help that goes a long way to meeting their basic needs.

Microprojects are particularly suited to the specific demands of the poorest developing countries, which came in for 52 % of the amount provided for this type of scheme. This group of countries, now 33 strong and containing 40 % of the total population of the ACP group, also gets other advantages within the Community cooperation framework. Two-thirds of the Commission-managed programme funds under Lomé I, for example, went to them and the same proportion reoccurs under Lomé II (see 3.2). It should be remembered that the least-favoured countries get their financial aid on particularly favourable terms. They received 64 % of the Commission-managed programme resources, 67 % of grants and 58 % of the EIB-managed risk capital — whereas EIB projects in the other ACP states were largely financed from the Bank's own resources on less favourable terms. Lastly, it should be added that 26 of the 37 countries to get Stabex payments are in the least-developed group, that they accounted for 64 % of all transfers and were exempt from reimbursement.

An example of agricultural development — Tanzania

The agricultural development project in the Iringa region in southern Tanzania has two aims. One, to push up agricultural productivity in this 570 km² region, which has a population of almost 900 000 (70 000 families should benefit from the scheme). Two, to devise methods and run experiments that can be applied in other regions of Tanzania where there are similar ecological and demographic conditions.

The European Community provided a grant of ECU 6.5 million for the project, begun in 1977, the first phase of which comes to an end in 1981. The project is being implemented by a local body, the regional development directorate, with the help of a team of six experts seconded for this purpose. The main aims are to:

- step up the activity of the agricultural extension services by training technicians and providing transport: 75 extra monitors have already been trained and have started work;
- improve infrastructure, i.e. local roads, housing, storage

facilities, workshops and drying facilities for pyrethrum (used against parasites);

- supply the means of production for pyrethrum and sunflower production and the raising of dairy cows. Pyrethrum is now being grown over 4000 ha and sunflowers over 8000 ha;
- use draft animals in agriculture after training 10 000 oxen and supplying tools.

Cooperation with other national organizations, including the Tanganyika Pyrethrum Board, the General Agriculture Products Export Corporation and the Tanzanian Development Bank, is very close and contact has also been established with the Uyole Agricultural Research Station. These bodies have been asked for the benefit of their experience in training people to popularize techniques, and the knowledge gained in the various experiments aimed at improving land clearance methods has been put to good use.

An example of specialist training — Togo

The multiannual training programme of the 4th EDF, which is now almost completed, concentrated mainly on training linked to projects in Togo's indicative programme or objectives in the country's third economic and social development plan (1976-80). The programme was carried out by using all the different training possibilities envisaged in the Lomé Convention—scholarships, technical assistance, the provision of experts and the supply of educational material.

A sum of ECU 5 m, or 12.5 % of the indicative programme, went to this programme which involved a large number of scholarships (almost 900) and a variety of types of technical assistance with an essentially training function.

Among the projects included in this programme are the following:

- A village water project which includes technical assistance (to be followed up under the 5th EDF in conjunction with other financing) and the training of water engineers, geophysicists, drilling and pump mechanics.
- In the tourist sector instructors and training material are being provided for a hotel training centre which will provide courses and retraining for 400 people in middle management.
- Technical assistance has been provided for the staff of the project monitoring office in the planning ministry and numerous specialized scholarships have been provided to train planners.
- In agriculture, funds have gone to students in the national agricultural school and to train students at the agricultural apprentice centre in Tové which produces one hundred or so agricultural assistants and technicians.
- In the industrial sector, technical assistance has been made available to train the staff of the oil palm factory at Agon, which is financed by the EIB, and the training of technicians for the Compagnie Togolaise des Mines du Bénin and Togolese railways.
- Finally in the health field the Community has helped to increase the capacity of the state midwifery school in Lomé and provided scholarships for paramedical services especially in anaesthetics.

An example of the energy sector — Guyana

Although 83 % of its territory is covered with forests, forestry contributes less than 1 % of Guyana's GNP. There are an estimated 18.2 million ha of forest in Guayana and, although only about 2 % is exploited at the moment, almost half is actually exploitable, with an average of 25-35 m³ of marketable timber.

This is why the government has put top priority on the development of forestry and devised the Upper Demerara Forestry Project, which is sited in the Guyanese hinterland between the Essequibo and the Demerara rivers. An estimated ECU 24.5 million are needed for this project and the EDF is providing ECU 5.8 million, the ECU EIB 3.2 million, the IBRD US \$ 10 million, the IDB US \$ 6 million and the government of Guayana ECU 3.2 million. It involves purchasing conversion equipment and transport, building a sawmill and providing urban infrastructure, a generating station, general infrastructure and technical assistance. Every year, the project should turn out 94 000 m³ of round wood and produce 41 000 m³ of sawn wood and 122 000 m of poles.

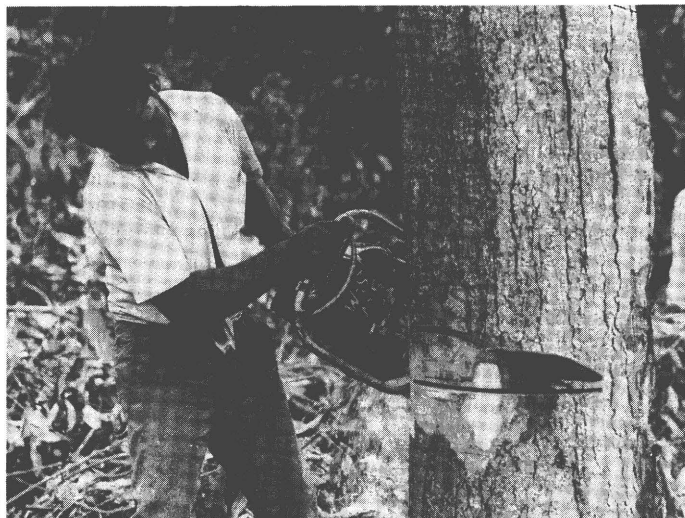
The generating station (5 MW approx.), financed by the EDF, works on the basis of gasification of waste from the sawmill, thus providing the project with electricity by making efficient use of the local biomass. The gas given off can also be used to dry the products. The system will make the sawmill, its fleet of (gas-powered) vehicles and the workers' housing settlement fully self-supporting in energy. The nearest towns are about 50 km away, so the sawmill and the generating station are a typical example of an isolated system. The estimated demand of the project is 18 gigawatt-hours per year. The offcuts, etc. (53 000 m³ p.a.) can provide around 29 gigawatt-hours/year, so there is plenty of room to expand electricity production and the power could be used for additional activities, such as the production of coal gas for vehicles and cooking.

An example of transport infrastructure — Fiji

Better communications between the 105 inhabited islands in the archipelago and the development of the biggest of them are essential conditions for the economic and social development of Fiji, in the rural areas in particular, and for the administrative integration of the most isolated parts. The Fiji authorities have therefore embarked upon a series of projects, with help from the EDF, to make lasting improvements to communications.

Unloading quays

The high cost of transport is a considerable burden on traffic between the islands, since suitable loading and unloading facilities are often lacking. There is now a global jetty construction programme to build four jetties to a stan-



The Guyana government has given high priority to developing the forestry industry. Both the EDF (ECU 5.8 m) and the EIB (ECU 3.2 m) have contributed to the Upper Demerara forestry scheme

dard approved design on Vanua Levu, the second most important island in the group, and on three smaller islands, with financing of ECU 1.5 million from the EDF. This project is of considerable interest to the population, which mainly lives off copra production. Instead of anchoring offshore and transporting goods and people in small boats, ships will now be able to come right alongside the jetties. This should make for a considerable reduction in the cost of fuel and of immobilizing vessels. It should also cut the crews' working time. In addition, it should prevent freight being lost overboard, as often happens when the sea is rough. Since roads are to be built, the ships will no longer need to call at several villages on the same island and they can now unload larger quantities of goods and more passengers on the quay. This should cut despatching time from the present four days to only a few hours.

Take-off and landing strips for aircraft

Supplies to the islands must be improved through regular flights if the emigration that is so common here is to be stemmed. A special loan of ECU 0.75 million has been granted to finance take-off and landing strips for small propeller craft on three islands with more than 10 000 inhabitants. Once they are built, the 5000-6000 passengers anticipated every year will no longer have to wait for days or face long sea crossings. The central health services will be more easily accessible and the airlines will improve supplies to the island, making for better marketing of the fresh fruit and vegetables these islands produced.

Road infrastructure

The biggest islands in the archipelago have serious problems of transport. Viti Levu, where 90% of Fiji's vehicles are, has practically no internal road network. The very scattered villages often have hardly more than 200 inhabitants living off the agricultural produce that they sell to consumers in other regions and the wood from the surrounding forests. The only means of transport are horses, which can use narrow paths, and small boats with outboard motors. At the moment, 37 km of local roads are being built with EDF aid of ECU 1.5 million and once the project is completed, the 1500 people living in this area will have fuller access to the economic and social life of the island.

A special ECU 2.85 million loan has been provided for the construction of the missing 30 km of coastal road on Vanua Levu. In this area, one of the poorest parts of the island, 3600 people have been living in more or less total isolation, but the new road should give them access to the commercial centres and encourage them to develop cocoa, rice and vegetable crops. The schools, health centres and other social institutions should also be easier to get to.

Industrial cooperation

The signatories of the Lomé Convention wanted to stimulate industrial development in the ACP countries, which is why there is a chapter in each of the Conventions on the instruments and measures provided for this purpose. Emphasis is placed on the need to select the right sort of projects for financial and technical cooperation within the EDF framework and to make use of the possibility of European Investment Bank involvement in the financing of industrial projects. Then there are two ACP-EEC bodies which have been set up to ensure that aid to this sector is properly implemented. They are the Committee on Industrial Cooperation, which looks at basic issues, makes the appropriate recommendations and guides and supervises the activity of the other body, the Centre for Industrial Development (CID).

Since it was set up in 1977, the CID has, in accordance with instructions, concentrated on collecting data on the possibilities of industrial cooperation, particularly as far as private and non-government firms are concerned, on consultations on the transfer of technology and adapting it to the specific conditions of the ACP countries, on organizing seminars and on establishing contact between leading figures in industry in the countries of the EEC and the ACP group.

By the end of 1980, the CID had acted as intermediary in 490 cases by financing dossiers, consultants and studies. This led to 19 firms being set up and eight being expanded or rationalized. Negotiations on a further 51 investments are now being completed. The projects in question here are mainly to do with agriculture and the food industry, building materials, the use of new sources of energy and the recycling of used oil. The CID's other activities include the publication of descriptions of 45 appropriate technologies, the compilation of a computer information system (LIDIS — the Lomé Industrial Development Information System), the provision of technical assistance for training technicians and the organization of events such as the regional seminar in Togo in December 1980, when the various possibilities of aid with industrial cooperation under the Lomé Convention and the problems of industrial development in this part of Africa were discussed. The sum of ECU 2.4 million was set aside for the CID in 1980, but only ECU 1.9 million of it was able to be committed in view of the problems of transition linked to expiry of Lomé I.

The European Investment Bank is of capital importance in the financing of industrial development in the ACP states. It manages certain of the EDF funds (risk capital in investments in the ACP states) and it provides money from its own resources (product of loans on the capital markets). The Bank also makes loans over 10 or 20 years, depending on the type of investment and the financial means involved, from its own resources. Interest rate subsidies, usually of 3%, are provided on EDF loans so the recipients are able to cope with the costs of repayment. As conditions on the capital market vary, however, the interest rate subsidies can be very much higher, as the recipient never pays more than 8% interest. In 1980, the EIB authorized 18 loans for a total value of ECU 117.4 million for energy and mining investments in 14 countries in the ACP group. The ECU 390 million provided for this purpose under Lomé I was therefore spent in full.

Risk capital commitments, which mainly help finance development banks in the ACP countries and firms' own means in the long term, reached ECU 24.2 million in 1980, bringing the total amount authorized under Lomé I to 94 million ECU. Last year, 16 countries benefited from aid of this kind. Eleven of them, belonging to the group of least developed nations, got more than half the funds. To an ever increasing extent, the EIB is providing funds for the governments, which then use them to participate in new investments.

The help the EIB gives to the development banks is of particular importance, since these funds are often passed on to small and medium-sized firms. During the period of application of Lomé I, 20 loans to a total value of ECU 86.5 million were granted to development banks in this way.

By the end of 1980, the EIB had authorized the outlay of ECU 489 million in the form of loans from own resources and risk capital, 27% of it being channelled into the energy sector in the ACP countries. Nigeria, for example, got ECU 25 million in 1980, Barbados ECU 5 million for the extension of its electricity network, Fiji and Mauritius ECU 11.5 million and ECU 7.5 million respectively for HEP plants and Botswana

na ECU 4 million for a coal-fired electricity generating station.

Projects in the chemicals sector were in second place, with 14% of the funds. In 1980, Senegal received ECU 15.4 million for a fertilizer factory which will use phosphates extracted in that country, and Botswana received ECU 4 million to finance a plant to produce vaccine for its livestock. Agro-industrial firms are third priority sector, with 10% of the funds, followed by metallurgy (9%) and mining (8%).

Aid to the Overseas Countries and Territories

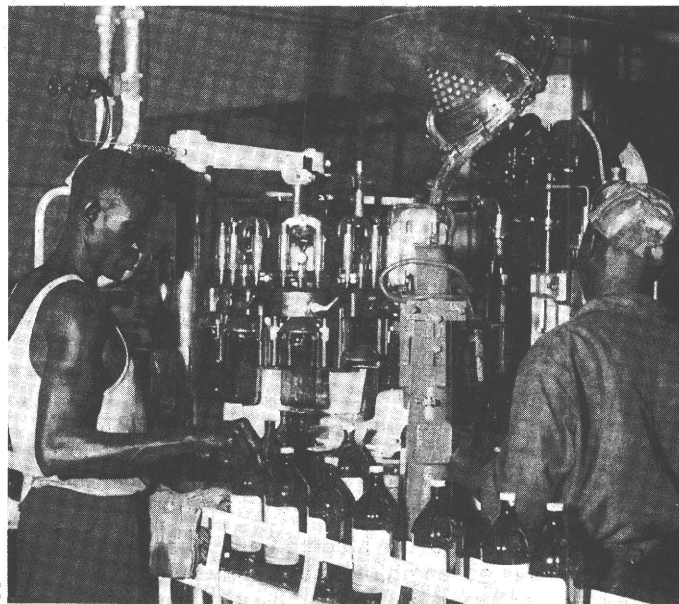
In June 1976, the EEC Council of Ministers took a decision on the association of the Overseas Countries and Territories (OCT) with the European Economic Community, thereby establishing a broader base that would facilitate economic and social development and strengthen the economic structures of the OCT under Dutch, French and British administration (article 1). This decision meant that the essential instruments of the Lomé Convention could be applied to the OCT in the same way and over the same period as for the ACP group.

The Community provided ECU 150 million for this purpose under the 4th EDF (20 million of it for the Stabex and 5 million as risk capital to be administered by the EIB), and ECU 10 million in the form of loans from EIB own resources. These amounts were allocated outside the framework of the Lomé Convention. During the period of implementation of this decision (it expired in February 1980), these amounts decreased, as the funds earmarked for those OCT that had become independent meanwhile were transferred to the ACP figures once the new nations acceded to the Lomé Convention.

On 16 December 1980, the Council of Ministers extended and expanded the association decision for a second period, which comes to an end in February 1985. Since there are only a few OCT, the amount provided for them this time is

(1) — Council decision of 16 December 1980 on the association of the overseas countries and territories to the European Community, OJL 361 of 31 January 1980.

— Commission report to the Council on the management of financial and technical cooperation within the framework of the decision on the association of the OCT, annual report, most recent report dating from 19 September 1980, COM(80)521.



The development of industry and agro-industry is one of the tasks given to the EIB under the Lomé Convention

smaller — ECU 94 million for the 5th EDF, including ECU 9 million for the Stabex and ECU 7 million as risk capital. The EIB will also be granting loans worth ECU 15 million from own resources and the rates of interest will be reduced in accordance with the rules laid down by the Lomé Convention. The following table gives details of the breakdown of aid to the OCT so far.

tary export restraint arrangements have been made with Morocco, Tunisia and Egypt);

— reduced Community customs duties on agricultural products originating in these countries, so that access to the Community market is easier. However, this advantage is threatened by the prospect of new Mediterranean countries, producing similar goods, joining the Community;

Breakdown of OCT financing decisions up to 31 December 1980 (EDF + EIB)

	Commitments made up to 31 December 1979		Commitments made in 1980		Total	
	million ECU	%	million ECU	%	million ECU	%
Development of production	8.3	20.1	16.3	57.2	24.6	35.3
• Industrialization	0.4 (1)	1.0	10.0	35.1	10.4	14.9
• Tourism	0.8	1.9	0.01	0.03	0.8	1.2
• Rural production	7.1	17.2	6.3	22.1	13.4	19.2
Economic infrastructure	11.2	27.2	8.3	29.1	19.5	28.0
Social development	11.5	27.9	0.1	0.3	11.6	16.6
Stabex (2)	7.5	18.2	3.3	11.6	10.8 (3)	15.5
Miscellaneous & management costs	2.7	6.6	0.5	1.8	3.2	4.6
TOTAL	41.2	100.0	28.5	100.0	69.7	100.0

(1) An amount of ECU 0.9 million (risk capital) was withdrawn.

(2) Including agreements signed with ex-OCT which have joined the Lomé Convention but still benefit from the OCT Stabex funds.

(3) The global amount of Stabex transfers, ECU 12.3 million, was reduced by ECU 1.9 million through reconstitution payments by Belize and Vanuatu (New Hebrides).

4.2. The Arab and Mediterranean countries

Relations between Europe and the Mediterranean countries are based on very old cultural and historical links, on geographical proximity and on economic interdependence which is getting stronger all the time. So the Community has chosen to make these countries a second regional focus for its development policy and it has been applying a global policy to this part of the world since 1972, with the aim of providing a single framework for both new and existing agreements and harmonizing the political and economic interests of all the signatories.

The treaty between the Community and Israel, which came into effect on 1 July 1975, was a first step towards achieving this aim. Similar agreements were signed with the countries of the Maghreb (Algeria, Morocco and Tunisia) and the Mashreq (Egypt, Jordan, Syria and the Lebanon) between April 1976 and May 1977. The Community has also concluded an association agreement with Turkey, Malta and Cyprus and a cooperation agreement with Yugoslavia. The four last-named countries are classified with the developing countries for the purposes of OECD statistics, but cooperation with them is not, nevertheless, within the specific framework of Community development policy.

The agreements with the Maghreb, the Mashreq and Israel are for an unlimited length of time and involve:

— free access to the Community market for industrial goods from the partner countries, although there are temporary restrictions for certain sensitive textile products (volun-

— financial and technical aid for industrialization, the modernization of agriculture and the training of technicians as part of renewable five-year financial protocols (attached to the agreements), currently lasting until 1981;

— help with export promotion for the products of the signatory countries and with industrial cooperation, the



Intensive irrigated agriculture in Morocco. The Maghreb agreement gives easier access to the Community market for agricultural products

promotion of private investments and the transfer of technology.

The countries of the Maghreb and the Mashreq are not bound to make reciprocal trade concessions to the Community, but Israel has to provide duty-free access for Community industrial products by 1989.

In view of the large number (almost a million) of North African workers in the Community, the agreements with the Maghreb contain special provisions to guarantee them the same working conditions, wages and social benefits as workers who are nationals of the member states.

The eight countries south of the Mediterranean are important trading partners for the Community and, in 1979, Europe exported ECU 13 200 million worth of products, one fifth of all its exports to the developing world, to them. Since imports were only ECU 7800 million (oil and natural gas accounting for half of this), the Community had a trade surplus of ECU 5400 million. In some countries, the bulk of exports to the EEC is made up of energy products, particularly in the case of Algeria (energy products accounted for 83% of its exports to the EEC in 1978), Syria (84%) and Egypt (78%). The other countries export mainly agricultural products, textiles and industrial products.

The Mediterranean countries consider that the accession of Greece, Spain and Portugal is a threat to the market for their products in the Community. The Community will be able to supply 76% instead of 41% of its Mediterranean fruit, 85% instead of 78% of its fresh fruit, 98% instead of 93% of its fresh vegetables and 95% instead of 87% of its olive oil now Greece has joined. As to wine, where Community production already covers 99% of requirements, there will now be a surplus (104%). The following figures clearly show what effect this might have on Morocco or Tunisia. In 1978, 96% of the tomatoes Morocco exported, 99.5% of its olive oil exports (Tunisia 87%) and 96.4% of its preserved fruit exports (Tunisia 99%) went to the EEC.

A protocol on adapting the cooperation agreements with Egypt, the Lebanon and Jordan when Greece joined was drawn up in 1980 and similar negotiations are under way with the other countries.

One of the things the financial and technical assistance the Community agreed to give the eight Mediterranean countries in the financial protocols should do is make it possible to adapt the economic structures of the partner countries to

the new commercial situation. A total of ECU 307 million (ECU 164 million for grants and ECU 143 million for special loans) was provided from the Community budget and ECU 382 million for EIB loans, i.e. ECU 689 million in all, for the period 1977 to 1981.

Although application of the financial protocols was considerably held up by the slow pace of the ratification procedures and the time it took to draw up the aid programmes, slightly more than half the ECU 689 million was nevertheless committed in 1979 and 1980 and there has been such progress with the preparatory work for other projects that practically all the funds provided will have been committed by the end of the period of application of the protocols.

However, it has taken some time for these funds to be put to work operationally. The cooperation machinery has been running in, the means available are relatively slight and the Community has also to consider the interests of these countries in the enlargement procedure that is bringing Spain and Portugal into the EEC.

As regards the sectoral breakdown, two-thirds of the special loans from the general Community budget have been channelled into infrastructure and then come agriculture and livestock (18%) and vocational training (16%). The grants are primarily for vocational training (30%), infrastructure (20%) and scientific cooperation (14%) and then come projects in the agricultural sector (8%), technical cooperation (5%), industrial cooperation (6%) and trade promotion (2%).

In 1974, the countries of Europe and the Arab League began the Euro-Arab dialogue, reflecting the political and economic importance they attached long-term cooperation. Until the talks broke down in 1979, negotiations at expert level and in general committee (the political organ of the dialogue) sessions revolved around cooperation in industry, infrastructure, agriculture, trade, finance, the economy, technology, social activity and labour. In 1980, contact was re-established and the two parties said they were favourable to taking greater account of external policy issues in the dialogue. Other topics were also discussed, particularly an outline agreement on non-preferential trade relations between the two regions, the creation of a Euro-Arab centre for the transfer of technology, the conclusion of an investment protection agreement and the inclusion of energy questions in the dialogue.

Financial aid from the Community ⁽¹⁾ to the developing countries of the Mediterranean, 1977-1981 (million ECU)

	Algeria	Morocco	Tunisia	Egypt	Syria	Jordan	Lebanon	Israel	Total
EIB loans	70	56	41	93	34	18	40	30	382
Special loans	19	58	39	14	7	4	2	—	143
Grants	25	16	15	63	19	18	8	—	164
TOTAL	114	130	95	170	60	40	50	30	689
Commitments as of 31 December 1980	40.5	98.0	65.0	81.6	33.8	29.8	24.6 (2)	0	373

(1) Budget appropriations and EIB loans.

(2) Including commitments (EIB loans) of ECU 20 million provided to the Lebanon in 1976 as emergency aid for the Jieh power station.

4.3. Latin America and Asia

Because of the specific responsibilities that Europe, by virtue of its economic and political weight, has in North-South relations, the Community was in no position to confine its cooperation efforts to the countries of the Mediterranean and the ACP group. The people of Latin America and Asia, places which have many historical ties and close relations with Europe, also expect help in their campaign against hunger and poverty and this help will make an effective contribution to peaceful development.

Against this background, in March 1975 the Commission presented the Council with an action programme on financial and technical assistance for non-associated developing countries, making provision for the development of food production in the recipient countries, encouragement for the development of rural areas, intensification of regional cooperation and trade and emergency aid in the event of disaster.

The aims, possibilities and constraints of this type of Community aid, and the arrangements for approval of schemes to be financed, are set out in the outline regulation on financial and technical assistance for non-associated developing countries adopted in early 1981 (1).

Until the regulation came out, aid was implemented via an *ad hoc* procedure involving the global approval of the annual programme by the Council. As the council of development ministers tended to be late in the year, usually in the last quarter, the aid in question was equally late in being implemented.

In 1976, ECU 20 million from the general Community budget was provided for the non-associated aid programme

(1) — Third implementation report on the financial and technical assistance programme for the non-associated developing countries, COM(80)538, 26 September 1980.

— Regulation (EEC) No 442/81 of the Council of 17 February 1981.

Extracts from Council Regulation (EEC) 442/81 of 17 February 1981 on financial and technical aid to non-associated developing countries

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

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

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

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

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

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

for the first time. In the years that followed this allocation increased considerably, in particular because of pressure from the European Parliament, moving up to ECU 45 million in 1977, ECU 70 million in 1978 and ECU 110 million in 1979. In 1980, ECU 138.5 million were provided for this aid — roughly a tenth of the Community's average annual allocations for cooperation with all the developing countries (associated and others) within the framework of the European Development Fund, the European Investment Bank and the programmes financed from the general budget.

A quarter of Community aid currently goes to the non-associated countries, which received ECU 715 million as food aid (on the basis of world prices) and ECU 105 million as emergency aid from the general budget, in addition to the ECU 383.5 million from the first five financial and technical assistance programmes, between 1976 and 1980. This gives a total of about ECU 1203.5 million for five years.

Over the same period, 30 or so developing countries covered by the non-associated aid programme received assistance worth around ECU 5000 million from the member states and ECU 4230 million of it went to countries with a *per capita* income of less than \$ 360.

Between 1976 and 1980, the Community as such thus channelled some ECU 6200 million into the development of the non-associated countries. This represented almost 20 % of the total amount of development aid these countries received — excluding any trade advantages and services that the member states provide via multilateral organizations. The principal beneficiaries of both Community aid and contributions from the member states here are India, Bangladesh, Pakistan and Indonesia.

A summary of the five aid programmes for non-associated countries so far shows that this type of cooperation has taken on considerable importance in relations between the Community and the Third World:

— The 30 non-associated developing countries which have benefited from the aid programmes so far have a combined population of around 1300 million, while the figure for the associated countries is around 500 million. From a general statistical point of view, *per capita* aid to the non-associated countries is low, but, if the amount of financial and technical aid is divided among the populations directly concerned by the 120 projects financed over the period, the figure is ECU 150, which is much more significant.

— Co-financing with the member states and international and multilateral organizations, accounting for about 45 % of the financial and technical assistance provided so far, has enabled development schemes worth ECU 1700 million to be got off the ground. Co-financing with the member states is on the increase, accounting for 60 % of the 40 % of the funds allocated to such schemes in 1980.

— There is no obligation to reimburse this kind of aid, which keeps the debts of the recipient countries down and improves the conditions of the projects financed (often the only way of making them profitable).

— Aid from the Community can also cover local costs. Since important projects often fail for the simple reason that, although foreign exchange is available, national capital is short, this point is worth emphasis.

— More than 95 % of aid programmes so far have been concerned with the rural sector and made a contribution to improving food supplies. Experience of aid schemes for poor sections of the population has shown that these projects have to be very soundly prepared and that they must be implemented over several years. As well as underwriting projects, the EEC may also finance supplies programmes for recipients where there is an efficient local administration for support. This is the case in India, for example, which, since

1979, has had considerable supplies of fertilizer. This is sold to produce an income that can be channelled into the development of projects in the rural sector.

— Countries with very low income have received almost 75% of the funds. The regional breakdown has remained more or less constant over the past few years—in 1979 and 1980, for example, the programmes provided for 73% of the aid to go to Asia, 20% to Latin America and 7% to Africa. Application of the principle of concentration of aid means that the smaller countries are not systematically left out of each annual programme. In 1980, provisions were made for Thailand to receive ECU 15.3 million, Sri Lanka ECU 15.4 million and Honduras ECU 7.8 million as concentrated aid.

— The volume of aid is gradually increasing. So far, all the funds provided have been committed within the allotted time (i.e. the following year and budget year). Of the ECU 138.5 million of the 1980 allocation, ECU 114.9 million had already been allocated to 29 projects by 31 December and seven projects had been identified for the remainder. Projects are implemented over an average period of four to six years.

The principles of aid to the non-associated countries provide for part of the funds to go into regional projects, which are difficult to identify. Limited resources, for example, mean that the commonest big regional infrastructure projects have to be excluded in favour of studies, coordination schemes and pre-investments—which, in spite of the small amounts involved, are still important for the regional integration of the countries concerned. Examples include ASEAN in Asia, the Andean Pact and the Central American Market in Latin America.

There are also provisions for part (generally 7%-10%) of this type of aid to go into preventing disasters or reconstructing after them. These structural schemes are different from the immediate emergency schemes that are financed from appropriations under article 950 of the budget. The 1980 programme, for example, provided for aid to be granted to India and Dominica, which had been hit by hurricanes, for the construction of small dams to prevent possi-



Community aid for non-associated developing countries concentrates on rural development and food production. The main beneficiaries are India (photo), Bangladesh, Pakistan and Indonesia

ble damage from drought in Peru and for the reconstruction of rural infrastructure in those vital regions of Zimbabwe that had been laid waste by civil war.

The general guidelines of the 1981 programme that the Commission transmitted to the Council in September 1980 also provide for emergency aid and for a greater effort to be made with regional projects. This programme suggests that, if the aims set out in the outline agreement on aid to the non-associated countries are to be achieved, the allocation should go up from ECU 150 million in 1981 to ECU 300 million in 1983. Even if there are no changes to the original geographical distribution, the Commission wants to go on giving concentrated aid to certain countries and it is planning to concentrate more particularly on Bangladesh, Pakistan and Nicaragua in 1981. Priority still goes to the rural sector. However, pre-investment may be prudently extended to the energy sector, particularly in renewable energy, bearing in mind the increasing importance of these matters to the rural world.

Further assistance for non-associated developing countries

Alongside its financial and technical assistance programmes (item 930), the Community runs various other schemes every year, involving such aims as the promotion of trade and industrial relations, regional integration for developing countries in regional groupings (ASEAN, the Andean Pact countries and the Central American common market) and vocational and technical training.

Breakdown of aid to the non-associated countries by sector, 1976-1980 (%)

Irrigation	19
Storage	15
Integrated rural development	12
Projects to increase agricultural production (livestock, fisheries and forestry)	30
Agricultural research	6
Social infrastructure in rural areas (water supplies)	3
Aid with reconstruction after and protection against natural disasters	8
Technical assistance, studies and supervision	7
TOTAL	100

Although the budget resources (items 931, 932 and 941) are very limited, the European Community is nevertheless in a position to finance a variety of one-off schemes every year, involving such things as getting firms from non-associated developing countries to take part in specialized fairs and exhibitions in the Community, sending out expert and fact-finding missions to the developing countries to promote investments, particularly joint ventures, and organizing seminars (such as the one on managing the problems of the transfer of technology) and technical assistance schemes for regional integration organizations.

However, Community aid for vocational and technical training in the non-associated developing countries of Asia and Latin America is still far from adequate. In 1980, ECU 600 000 only of the budget (item 941) was set aside for this purpose and so only a few dozen study grants could be awarded to students from Asia and Latin America.

5. Food aid and emergency aid ⁽¹⁾

5.1. Food aid

The campaign against hunger in the world has scarcely had spectacular results so far. A dramatically large number of people—500 million—do not get enough to eat and world food reserves are constantly on the wane. However, there are certain signs of improvement. Third World leaders are gradually awakening to the fact that any attempt at development means rural development and greater food production first.

But even if the developing countries manage to push up their food production a lot over the coming years, most of them will be forced to import if they want to feed their ever-expanding populations—but how will they cope with the cost? They have to import other essentials too, particularly petroleum products, and these aggravate the foreign exchange situation further. This deterioration of the developing countries' external situation will probably make it even more difficult to supply their starving populations.

This is why food aid is a vital element of the international hunger control strategy. In 1980, the Community institutions worked on defining this type of aid in detail. The European Parliament discussed a report on the EEC's contribution to the campaign against world hunger in September 1980 and adopted a resolution on the subject. The Commission has continued working to ensure that food aid is more effective, along the lines suggested by Parliament, and the EEC council of development ministers met in November 1980 and took various important decisions to give greater leeway in the performance of this task.

The guidelines for the future that emerged on this occasion are that:

- food aid should be better integrated into long-term projects to boost local production and rural development. This means multiannual programming. The aid the Commission gave to the Flood II programme is one example—in 1980, as in previous years, 31 000 t of skimmed milk powder and 12 700 t butteroil were provided for this project, which will ensure supplies of dairy products to almost 150 towns;
- food aid could be used to constitute buffer stocks in the developing countries. Thanks to counterpart funds, food aid has already enabled storage facilities to be financed;
- if the right food is not available or not available fast enough in Europe, it has to be obtained in third countries. The Commission has already gone in for this type of triangular operation in a number of cases—Nicaragua and Algeria, for example.

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The Community began to distribute food aid in 1968, with a programme of 301 000 t of cereals which were distributed to six countries and two organizations. In 1980, 12 years later, the Community implemented three major food aid

(1) Communication from the Commission to the Council concerning food aid programmes for 1980, COM(80)57, 20 February 1980.

— Communication from the Commission to the Council concerning food aid programmes for 1981, COM(81)41, 11 February 1981.

— European Parliament development cooperation committee report on the EEC's contribution to fighting world hunger (Ferrero report), 1-341/80, EP 65.514, 29 August 1980, with annexes (opinions, working documents), 5 September 1980.

— Followed by the European Parliament debate on world hunger. Communication from the Commission to the Council, COM(80) 631 of 22 October 1980.



Unloading cereals given by the EEC at Chittagong, Bangladesh

programmes, providing 720 500 t of cereals for 50 countries and more than six international organizations such as the World Food Programme, the International Red Cross and UNICEF. In the case of cereals, this aid is given under the International Food Aid Convention, to which the Community gave a total of 1 287 000 t (566 500 t delivered by the member states themselves and 720 500 t from the Commission) in 1980.

When this convention was extended, the total amount was raised to 1 650 000 t for 1981 (+29%), of which the Commission is to deliver 927 663 t. It also gave 150 000 t of skimmed milk powder and 45 000 t of butteroil. And there were other products too, like sugar for the refugees and the hungry in the Horn of Africa and the beans, colza oil and babyfood sent to Nicaragua. The total aid provided amounted to ECU 395 million (including transport costs). This sum was calculated on the basis of world prices, which are sometimes well below prices obtaining in the Community. The budget appropriations actually channelled into food aid (including restitution) amounted to ECU 560 million.

The Council of Ministers decides on how aid should be distributed when the annual programmes are adopted. These are based on the Commission's breakdown proposals, which are made in the light of requests from the developing countries and three criteria approved by the Council in 1977:

- (i) each country's food requirements;
- (ii) its economic development (*per capita* income);
- (iii) the state of its balance of payments.

Direct aid from the Community in 1980 went primarily to the poorest countries, where the *per capita* income is less than \$ 680 p.a., and they received 90% of the deliveries of cereals and butteroil and 80% of the deliveries of skimmed milk powder. The ACP share was 30% of cereals, 28% of skimmed milk powder and 16% of butteroil.

In 1980, the main recipients of food aid were:

Country	Cereals	Milk	Butteroil
Bangladesh	105 000 t	—	3 000 t
Egypt	100 000 t	7 000 t	2 800 t
India	—	31 000 t	12 700 t
WFP	95 000 t	45 000 t	5 000 t

Each programme also contains a reserve (roughly 5-10% of the total) to enable emergency aid to be sent by simplified procedures in the event of natural disaster or fighting. The cereal reserve in 1980 (46 400 t) was used for 14 emergency food aid operations.

5.2. Emergency aid

Over the last two years, the EEC has introduced rapid and effective means of helping the victims of natural disaster and anyone who has to flee from political conflict or fighting.

Aid for the ACP countries is financed from a special EDF allocation (ECU 150 million for Lomé I and ECU 200 million for Lomé II). In 1980 ECU 35 million was provided as emergency aid—ECU 20 million for refugees and most of the rest for victims of drought (ECU 8 million) and hurricanes (ECU 5 million). The Commission was able to take the most urgent measures fast (an average of a fortnight between receiving the application and delivering the goods). On St Lucia, for example, emergency aid arrived 10 days after

hurricane Allen and just seven days after the official request was made, and it took only 12 days after Uganda's request for aid for the drought victims to be sent out to the province of Karamodja.

The Commission has a special budget appropriation for non-associated and other third countries.

Like the aid just mentioned, this emergency aid is intended to cover the most acute needs (medicines, temporary shelters, blankets and food) in the event of disaster. In 1980, the victims of fighting in Cambodia got ECU 40 million and the victims of the earthquake in Algeria got ECU 2 million. In the latter case, the emergency supplies arrived only three days after the disaster occurred. A further ECU 10 million were sent to Afghan refugees in Pakistan and ECU 9 million to refugees returning to Zimbabwe. All in all, ECU 63 million of this kind of aid was given in 1980, as against ECU 42 million in 1979. Emergency aid from the EEC is coordinated with bilateral aid from the member states.

6. Cooperation with non-governmental organizations ⁽¹⁾

All the member states of the Community have large numbers of non-governmental organizations (NGOs) which have been particularly effective for many years in giving help, financed from own resources, donations and government aid, to the developing countries. Their faculty of adaptation to changing economic and political conditions and their very flexible working methods mean that these organizations are often able to help the very sections of the developing countries' populations that cannot be reached by government programmes.

It was in 1976 that the Community included its first allocation for this, of ECU 2.5 million, in its budget, thereby

(1) — Report on relations with non-governmental organizations (NGOs) active in the field of development, with special reference to the co-financing of projects (1980 budget), COM (81)220.

— Comparative evaluation of projects co-financed with the NGOs and of microprojects, 8/830(80), September 1980. Commission comments on this report, VIII/107(81), 27 January 1981.

Community food aid

Community food aid, which is always distributed free of charge to the recipient states and organizations, is of two types:

- emergency aid in the event of shortages due to natural disaster (floods, earthquakes, etc.) or to political or military conflict (refugees). The Community covers delivery and transport costs of these products and ensures free distribution to the people concerned;
- ordinary aid, where the recipient state usually has to cover the cost of transport and distribution. The products are distributed free of charge by the authorities in the recipient country or sold on the local market, in which case the government concerned undertakes to finance development projects with the profits, under Community supervision.

	Quantity ('000 t)		Amount (million ECU (1))	
	1968-1979	1980	1968-1979	1980
Cereals	13 022	1 287	1 549	198
Community schemes	5 962	721	735	111
National schemes	7 060	566	814	87
Other products (2)				
— milk	860	150	480	110
— butteroil	322	45	437	68
— sugar	30.3	8	14	2
— eggs	0.5	—	1	—
— financial contribution (3)			13	71
— miscellaneous:				
pulses	3.3	4.5	2.8	34.3
colza oil	—	2.8	—	—

(1) Estimates (world prices).

(2) Community schemes only.

(3) As from 1980, this includes transport costs, which are accounted separately in the general budget.



Simone Veil, president of the European Parliament, speaking to the NGO annual assembly in Brussels. Left, Brian McKeown, director of the Irish NGO Trocaire and chairman of the NGO liaison committee

Community aid for non-governmental organizations, 1976-1980

Breakdown by continent

Region	1980 (million ECU)	1976-1980 (million ECU)	1976-1980 (%)
Africa	7.5	22	51
Asia	2.8	11.2	26
Latin America (including Central America & the Caribbean)	3.7	9.7	22
Oceania		0.4	1
	14.0	43.3	100.0

Breakdown by sector, 1980

Region	Number of schemes (1)	Aid (million ECU) (1)(2)	Aid (%)
Agriculture	50	4.0	30
Training	49	3.1	23
Public health	37	1.9	14
Industry	34	2.3	17
Transport	6	0.2	1.5
Migrant workers & refugees	3	0.2	2
Social infrastructure	19	1.4	11
Miscellaneous	4	0.2	1.5
		13.3	100.0

(1) Some projects cover more than one sector.
(2) Global allocations not included.

enabling the Commission to help with development projects run by non-governmental organizations which were based in the Community and had experience of work overseas. When an NGO applies, the Commission can, in principle, contribute up to 50 % (and in exceptional cases 75 %) of the financing required for a project up to an amount of ECU 100 000 p.a. Since 1979, the Community has also been subsidizing projects to make public opinion in the member states aware of the problems of development in the Third World.

In 1980, the NGOs submitted 367 applications for financing, representing a total of ECU 33.7 million. The ECU 14 million the Commission had for this purpose was used to finance 181 projects and the other applications were either rejected because they did not meet the relevant criteria or priorities, withdrawn by the NGOs or carried over until 1981.

In the five years that have passed since this type of cooperation began, the Community has made grants of ECU 43.3 million for 693 projects and the 124 NGOs involved have provided about ECU 81 million. Integrated rural development (greater production, social infrastructure, training,

alternative sources of energy) accounts for nearly 31 % of Community aid, followed by training programmes (31 %) and health schemes (17 %). Priority goes to projects which will increase the extent to which the local people involved can take over their own development, which is why the recipients must, as far as possible, take part in every stage of the project from design to management. In principle, projects in any of the developing countries, associated or not, can be co-financed and the projects submitted by the NGOs and approved by the Commission divide more or less equally between ACP and non-ACP countries.

It should be remembered that it is the NGOs which take the initiative and present the Commission with projects and that the list of recipient countries very largely reflects the historical and traditional links between Europe and the Third World.

This means that Africa has benefited most from the system, with 52 % of the total allocation, followed by Asia (25 %) and Latin America (23 %).

These organizations are mainly devoted to improving the standard of living of the worst off and 76 % of the Community grants so far have gone to countries with a *per capita* income of less than \$ 500 p.a.

The Community does not confine itself to lending financial support to the NGO development programmes. It also provides food, which is distributed by the private organizations. In 1980, 25 000 t of skimmed milk powder and 1000 t of butteroil were distributed as part of the Community's food aid programme. A certain number of NGOs in Europe were also involved in the Community's emergency aid schemes for refugees in those parts of Africa hit by drought, distributing 1000 t of sugar, 1250 t of butteroil and 5450 t of skimmed milk powder. The NGOs also received something from the Community's emergency funds and 33 agreements (ECU 10 million) were signed in 1980, enabling medicines, clothing and building materials to be purchased and sent out to, for example, Cambodia and Algeria.

The Commission helped with the campaign to mobilize public opinion in the Community by subsidizing NGO activities aimed at making the problems of the Third World and North-South interdependence more widely known. In 1980, grants totalling ECU 254 000 (1979: ECU 195 000) were given for programmes of this type. An increasing number of interest groups, such as unions and youth movements, are becoming involved in these schemes.

Cooperation with the NGOs has become an essential feature of the Community's development policy and sound working relations have been established with the various organizations. The Commission also supports them in their search for greater cooperation at European level via the NGO general assembly and the liaison committee with the Commission, with a view to making their schemes for the people of the developing countries more effective.

7. The institutional framework of cooperation

7.1. Parliament — The Commission — The Council of Ministers

Cooperation with the developing countries is one of the areas where the member states give considerable responsibility, leeway and substantial financial means to the organs

of the Community, and the Council of Ministers, the Commission and the European Parliament collaborate closely on it.

The member states take the basic decisions about development aid policy in the EEC council of foreign or development ministers. The foreign affairs council, which meets once a month, deals with any general political affairs having a bearing on the problems of development and with the specific issues of cooperation with the ACP and Mediterranean countries. The development council usually meets once or twice a year. At its November 1980 meeting, the ministers:

- took stock of what the North-South dialogue had achieved;
- adopted a resolution on hunger in the world in which they emphasized the need to integrate the agricultural sector into national development plans to a greater extent and to provide for food aid to be used more effectively;
- decided to retain the principle of multiannual food aid programming and to facilitate its use by setting up buffer stocks of food;
- made recommendations to the Commission on perfecting the 1981 programme of aid to the non-associated countries;
- defined the principles for an intensification of European investment in the developing countries.

The sessions of the Council of Ministers are prepared by working parties, which also assess and coordinate the everyday activities of the Community, with the Commission's help.

The European Parliament has shown sustained interest in North-South issues from the very beginning and, in its committees and plenary sessions, it helps formulate the basic principles of the Community's development policy and gets them taken into account when decisions on budget policy are being made. In particular, it has come out in favour of stepping up cooperation with the non-governmental organizations and of increasing aid to the non-associated developing countries. In 1980, the Parliament's discussions on

world hunger and the various aspects of the North-South dialogue (preparation for which yielded a very comprehensive document, see 5) gave considerable stimulus to Community activity in this field.

The Parliament is not content just to lay down guidelines or to take initiatives in debates and resolutions. It also intends playing a part in supervising the Commission's activities, on which the Court of Auditors' reports provide ample information. And it should be added that the European MPs put large numbers of oral and written questions on these subjects.

Community debates on world hunger

In 1980 the Community expressed its grave concern for the problem of world hunger and its intention to counteract it more widely and more effectively.

In the European Parliament, a far-reaching debate led to a number of positive guidelines and a report stressing the need to include measures against poverty and hunger in a new development strategy. While food production should be encouraged, incentives to farmers should be coherently integrated into overall national development policies.

This implies international action for food security. While the industrialized countries squander their resources, particularly on buying arms, they fail even to reach the aid target of 0.7 % of GNP. Yet the kind of aid given is as important as its volume. Hunger is only an outward sign of a deeper process which must be tackled at the roots; the establishment of a new international order is an objective demand, for the crisis affects us all. Our pattern of producing and consuming must be changed.

These reflections were not, however, matched by unanimous conclusions regarding the role of the common agricultural policy in the context of world hunger.

The Commission marked its general agreement with the European Parliament's analysis and stressed the necessity of enabling the developing countries to apply adequate rural and agricultural development policies. It expressed its intention to lead Community policies further forward in this direction, in financial and technical assistance and food aid (see chapter 5). The Commission also stood ready to examine closely the effects of its own agricultural policy on trade with the developing world.

The Council welcomed the Parliament's debate and its suggestions, and approved a number of the Commission's proposals. Notably, it adopted a resolution which stressed the necessity for the developing countries to work out their own food development strategies and the Community's willingness to help plan and execute them. In the same context, the Council adopted a resolution on the multiannual programming of Community food aid and the possibility of constituting food aid stocks in one or more recipient countries.



Willy Brandt (centre) speaking during the EP's hearings on world hunger. With him Michel Poniatowski (left), chairman of the Parliament's development committee and Giovanni Bersani, co-president of the ACP-EEC Joint Committee

7.2. Joint cooperation institutions

The Lomé Convention contains an original institution at governmental/parliamentary level — the ACP-EEC Council of Ministers, the ultimate decision-maker on sound cooperation. Its fifth annual session was held in Nairobi in May

1980, when it adopted rules for the transitional period between Lomé I and Lomé II and reviewed the problems of industrial and trade cooperation in the light of structural trends in the Community and the world. Lastly, it held an informal exchange of views on relaunching the North-South dialogue.

The Committee of Ambassadors meets more often. This body monitors ACP-EEC cooperation and is delegated certain powers by the ACP-EEC Council. At the session of 3 December 1980, its main task was to look at what measures needed to be taken to implement Lomé II and to discuss various questions still to be cleared up between the partners.

The ACP-EEC Consultative Assembly, containing two representatives of each of the ACP states and an equal number of European MPs, held its fifth session in Luxembourg in September 1980. Its work is prepared by its joint committee, which meets twice a year (in Arusha in Tanzania in February 1980 and in Luxembourg in September). An analysis of the results of the first Lomé Convention and the outlook for the second were on the agenda of the Consultative Assembly and Katharina Focke, a European MP, gave a comprehensive and well-received report which provided a basis for discussion. The Assembly adopted a resolution on this subject and six others on Zimbabwe, fisheries, the cocoa agreement, ACP migrant workers, the southern African situation, the institutional provisions of Lomé II and the recasting of its own rules of procedure.

The European Parliament seeks to make the people of Europe aware of the need for closer cooperation between North and South and to organize a dialogue with the major sections of society for this purpose (in particular when it had its debate on world hunger). The Lomé parliamentary organs have also been running consultations with representatives of economic and social circles in the EEC and ACP countries since 1978. Such contact is now officially provided for in the 2nd Lomé Convention, which gives the same possibilities to the ACP-EEC Council of Ministers. The role of small and medium-sized businesses in agricultural and industrial development was the focus of discussions at a Geneva meeting (May 1980, under the aegis of the ACP-EEC Joint Committee) attended by representatives of unions and employers, of the ACP Secretariat, the ACP ambassadors, the Commission and the Economic and Social Committee.

The North-South dialogue, the Lomé Convention and greater union involvement in practical development projects were discussed by representatives of the unions, the Community and the ACP group in Brussels in November 1980.



A plenary session of the Consultative Assembly in Luxembourg

This particular meeting had been prepared, with Commission help, by African unions in Mogadishu in October 1980 and by European unions in Brussels during the same month.

The agreements with the Mediterranean countries provide for regular contact in cooperation councils, with the assistance of cooperation committees, and in 1980, the development of global cooperation relations (trade as a result of the extension of financial and technical assistance) with Egypt, the Lebanon, Israel and Tunisia, was discussed at these meetings. The European Parliament organized a meeting between European and Israeli MPs at the end of 1980 and it has also prepared interparliamentary meetings with Morocco and Algeria, which should take place regularly from 1981 onwards.

7.3. The directorate-general for development

Director-general: Klaus Meyer

- Assistant to director-general: Hans Smida
- Relations with delegations: Rolf Brenner
- Relations with ACP/EEC institutions: Bernard Ryelandt
- Evaluation of projects and operations: Charles Van Der Vaeren

Deputy director-general (with special responsibility for coordinating directorate B and divisions VIII/1 and VIII/2): Maurice Foley

Deputy director-general (with special responsibility for coordinating directorates C, D and E and division VIII/4): Michel Hauswirth

Deputy director-general (with special responsibility for directorate A):

Directorate A

General development policy:

1. Basic planning: Jean-Louis Lacroix
2. Cooperation in mining, energy and industry:
3. Commercial policy and commodities: Michel Cellerier
4. UNCTAD: Alan Russell
5. The Courier EEC-ACP and documentation: Alain Lacroix

Directorate B

Coordination of aid policies and programmes: Erich Wirsing
Desk officers for ACP countries:

- Mauritania, Mali, Niger, Upper Volta, Senegal, Gambia, Guinea-Bissau, Cape Verde: Pierre Protar
- Guinea Conakry, Sierra Leone, Liberia: Jean-Harold Gyselynck
- Ivory Coast, Ghana, Togo, Benin, Nigeria: Gérard De Szy
- Chad, CAR, Cameroon, Equatorial Guinea, Congo, Gabon, Sao Tomé & Príncipe: Hans Carle
- Sudan, Zaire, Uganda, Kenya: Mohammed Aziz
- Ethiopia, Somalia, Djibouti: Lucio Guerrato
- Tanzania, Rwanda, Burundi: Siegfried Gruner
- Botswana, Lesotho, Swaziland, Zimbabwe: John Scott

(1) Also responsible for monitoring development schemes in Angola and Mozambique.

Commission delegates

in the ACP countries

1. BARBADOS	KELLY Stephen
2. BENIN	BLANCHARD Christian
3. B.L.S. (*)	MC GEEVER Michael
4. BURUNDI	GLASS Ludwig
5. CAMEROON	SCHEIBER Robert
6. CENTRAL AFRICAN REPUBLIC	SCHIAVO-CAMPO Leopoldo
7. CHAD	COLLET Jacques (1)
8. CONGO	MARTIN Jean-Paul
9. ETHIOPIA	VAN WOUDEBERG Willem
10. FIJI (Pacific)	STAHN Eberhard
11. GABON	TEISSONIÈRE René
12. GAMBIA	COLLINS Christopher
13. GHANA	WESTHOFF Johannes
14. GUINEA BISSAU	BRAUCH Jules
15. GUINEA CONAKRY	LEROY Jean
16. GUYANA	MENICHINI Domenico
17. IVORY COAST	LESINA Antonio
18. JAMAICA	BOOTH Roger
19. KENYA	JESSE Jean-Paul
20. LIBERIA	SHAW Keith
21. MADAGASCAR	GOLDSMITH Robert
22. MALAWI	SCHMIDT Dieter
23. MALI	BONACCI Giorgio
24. MAURITANIA	COLLOFONG Dietrich
25. MAURITIUS	BRIZIO Elios
26. NETHERLANDS ANTILLES	DE MAN Joseph
27. NIGER	VON BROCHOWSKI Gabriele
28. NIGERIA	PONTOPPIDAN Bent
29. PAPUA NEW GUINEA	ZUIDBERG Johannes
30. RWANDA	COURTIER Michel
31. SENEGAL	CALAIS René
32. SIERRA LEONE	KOOPMANS Eeuwke
33. SOMALIA	PELLAS Charles
34. SUDAN	MACE John
35. SURINAM	RASSCHAERT Theo
36. TANZANIA	HAFFNER Denno
37. TOGO	KRATZ Achim
38. TRINIDAD & TOBAGO	WATTERSON Gerald
39. UGANDA	ROHRSTED Tue
40. UPPER VOLTA	DÜNKELSBÜHLER Gaspard
41. ZAIRE	POERSCHMANN Erik
42. ZAMBIA	WALLNER Johann
43. ZIMBABWE	VANHAEVERBEKE André

in the Maghreb, Mashreq and Israel (MMI)

44. ALGERIA	FALLE Samuel
45. EGYPT	BILLERBECK Klaus
46. ISRAEL	WESTERBY Niels
47. JORDAN	D'SULLIVAN Thomas
48. LEBANON	JANSSENS Marc
49. MOROCCO	LANARI Lorenzo
50. SYRIA	GERMANO Elio
51. TUNISIA	HENRICH Francine

(*) Three delegations (Botswana, Lesotho and Swaziland) due to open in mid-1982.

(1) Collet, Jacques: temporary posting in Brussels.

- Malawi, Zambia (1): Antonio Marongiu
 - Papua New Guinea, Fiji, Tonga, Western Samoa, Tuvalu, Kiribati, Solomons, Vanuatu, OCT and OD in the Pacific: Georgine Willems
 - Madagascar, Mauritius, Comoros, Seychelles, Reunion (OD): Gerhard Hild
 - Dominica, St. Lucia, Barbados, Grenada, Trinidad & Tobago, Bahamas, Jamaica, St. Vincent, Surinam, Guyana, OCT and OD in the Caribbean: Yves Roland-Gosselin
 - 1. Regional cooperation, programming, co-financing and harmonization with other aid: Daniel Vincent
 - 2. Financial and technical cooperation with non-associated developing countries: Emiliano Fossati
- Adviser: Kenneth Barnes
 Directly attached to deputy director-general with special responsibility for directorate B
 VIII/1 Agreements with the Mashreq and Maghreb countries and Israel: Heinz Andresen
 VIII/2 Cooperation with non-governmental organizations

Directorate C

Projects: Corrado Cornelli

1. Agriculture: Günter Gruner
2. Livestock and fisheries: Henricus Overzee
3. Inland transport: Albert Berrens
4. Industry, energy, telecommunications and general infrastructure: Geraint Richards
5. Urban development and social infrastructure: Romano Lantini
6. Water engineering: Bino Bini Smaghi

Directorate D

Operations: François J. Van Hoek

1. Food aid: Lorimer Mackenzie
2. Trade promotion: Gabriel Lee
3. Stabex: Jean-Claude Muller
4. Training: Giovanni Livi
5. Community coordination and management of exceptional aid: Gérard Molinier

Directorate E

Finance and administration: André Auclert

1. Financing:
2. Authorization of payments and accounting: José Heusghem
3. Invitations to tender, contracts and disputes: Klaus Prange

Attached to directorate E

European Association for Cooperation (EAC): Marc De-lauche

Directly attached to deputy director-general with special responsibility for Directorates C, D and E

Secretariat of the Financing Committee: Guy Salmon

“UNU is the first in a new generation of higher learning institutions”

An interview with rector Soedjatmoko

Many UN bodies such as UNESCO, WHO or FAO hardly need to be publicized, because of the reputation they have earned in their respective fields. That is certainly not the case for all the institutions of the so-called “United Nations family”. Among such junior organizations is the United Nations University UNU in short. Created in December 1973 and based in Tokyo, UNU “an international community of scholars”, devotes itself, according to its charter”, to research into the pressing global problems of human survival, development and welfare”.

The idea of such a university was put forward in 1969 by the late secretary-general of the UN, U Thant. Its current rector is Mr. Soedjatmoko, a former Indonesian diplomat and an author in the field of political science and development. In the following interview he gives his ideas on the future of the university.

► *Mr Soedjatmoko, is UNU a traditional University with faculties students and diplomas?*

— No, it is not. It is conceived as a constellation of institutions for research and advanced training all over the world. The centre in Tokyo is merely a planning management and administrative centre. Its function is not to do training. The centre works through networks, of institutions as well as individuals in various places in the world. And we are now operating in about 46 countries. We are planning to expand our work through enlarging the number of associated institutions as well as establishing incorporated institutions. So let me make the point. We don't have students in the centre. We have fellows for advanced training in the various research projects and institutions. So one might say that these institutions constitute our campus. I see the UN university not as a traditional university, but rather the precursor, the first in a new generation of international institutions for higher learning that mankind needs.

► *Why was the university established since existing bodies take care of the teaching and research?*

— I think there is a real need for such an institution as the UN University simply as the first in a new generation of such institutions. There are of course excellent institutions of higher learning which have an international reach. But many of these institutions tend to look at global problems from a national perspective, or from the optics of their own culture. What the world

now needs is a place where research is done on the basis of a recognition of the essential solidarity of human kind as a whole, and which is not linked to a specific cultural perspective or single ideological point of view or national perspective. This is the importance of the UN university.

► *Couldn't UN bodies such as UNESCO carry out the work of the UNU?*

— No. There is one great difference between UNESCO on other UN organizations and the UNU, and that is that UNU is not an inter-governmental body. The UNESCO and WHO, and FAO are inter-governmental bodies. Their governing councils are constituted of representatives of member governments. The UN university is not an inter-governmental body. It is an organ of the General Assembly and its governing body is constituted by individuals, individual scholars. Although UNESCO's director general, the secretary-general of the UN and UNITAR are represented ex-officio, on the governing council all the other members are selected in their private capacity as scholars. Secondly, autonomy and the academic freedom inscribed in the charter of the UN university. This is something that is unique in the UN system, and therefore the UN university potentially has flexibility and the responsibility to concentrate on those problem areas where it is difficult for inter-governmental bodies to act.

► *Is the UN university mainly meant for the Third World researchers?*



Mr Soedjatmoko

— Well it began that way but certainly the charter doesn't say so. The charter charges us to study urgent global problems. Now one of those urgent global problems is development. But it is only one of them, the others are human survival and therefore problems of security, the resolution of conflicts, problems of the environment, of the global economy, and of human welfare. The mandate of the UN university is not limited to Third World problems but extends to global problems. Although, of course, development will continue to be a major problem for the future of mankind, so are the problems that are faced by the first world, the industrial world. It is facing very profound problems which it might be useful to look at in terms of the in global implications, and it might be useful if some Third World scholars looked at problems in industrial countries with a fresh eye. After all we will all have to develop a global perspective in which we see our own specific national or regional problems.

► *How many students have you sponsored so far?*

— I don't know the number by heart, but we have had something over a hundred fellows in various programmes.

► *Does the location of the University make it easier for Asian scientists to apply for scholarship?*

— Not necessarily, because many of the programmes are in other parts of

the world such as Latin America. In fact many Asians are being trained in Latin American institutions. We are active in Africa and the Middle East as well as Asia, with linkages to institutions in the industrial world. We are active in China. There is no particular advantage to being an Asian when it comes to the UN university.

► *You are contemplating the creation of an institute for advanced studies?*

— That is still a long-term goal. The immediate problem before us is two-fold. One is to establish our permanent headquarters in Japan and to have the building built. It's only then that we can really begin to think of the facilities that such an institute for advanced studies would require. I think such an institute in Japan should be seen not as the first major activity of the UN university, but as something which should come only after we have strengthened and developed networks of cooperation in other parts of the world. It is a goal which it is desirable to work towards, but it will take time. In the meantime we are concentrating on what we can do in Africa in the Middle East and in Latin America and so forth.

► *1981 was said to be a transitional year for the definition of new long-term targets. Do you already have some ideas about some of these new targets?*

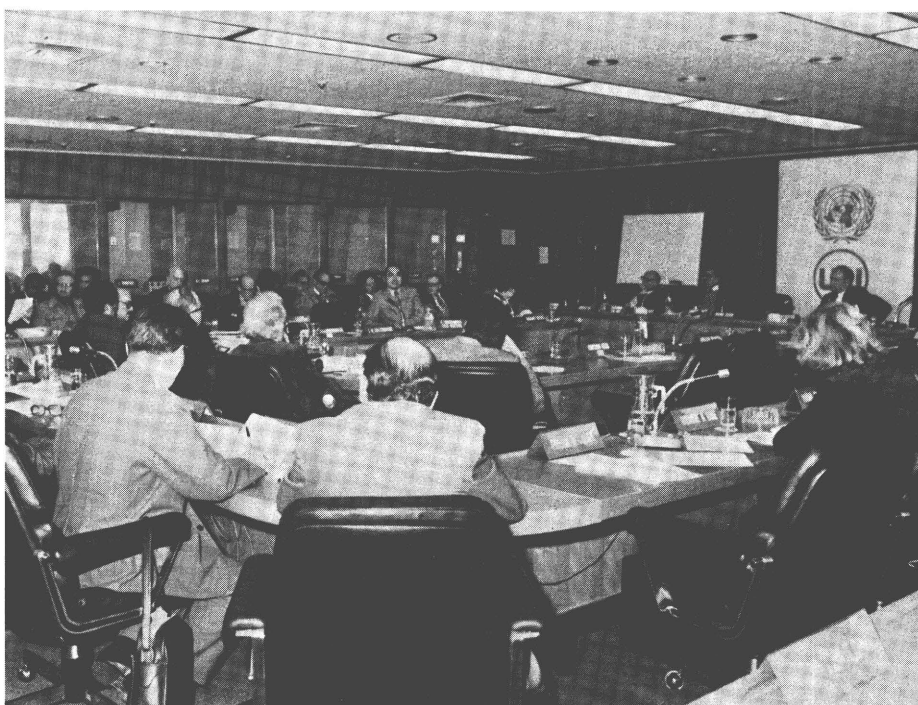
— Yes. I have received the authorization of the council to expand the horizon of the UN university's areas of work. In the past it was world hunger, human and social development and the use and management of resources. Now we are thinking in terms of other activities over five areas. One is conflicts and global transformation. Second there are problems of the global economy. Three hunger poverty, resources and environment. Four human and social development and co-existence of peoples, cultures and social systems. Five, science, technology and their social and ethical implications. All this reflects our broadening horizons. Within each of these areas are overlapping themes where we shall develop priorities and particular programmes and projects.

► *Your discussions with Community officials centred on the strengthening of research institutes in some African countries. Can you give more details about this project?*

— Well, the project is still at the talking stage. We think that food production, food security, food distribu-



Cheikh N'Diaye (left) and Abdoul Aziz Thiam, UNU fellows from Senegal at work in a laboratory of the Central Food Technological Research Institute in Mysore, India, an associated institution of UNU



A meeting of the Joint Programme Advisory Committee one of the distinctive features of the UN university's structure.

tion, and consumption patterns will constitute one of the major problems in Africa. We thought that the greatest contribution the UN university could make would be to strengthen institutional capacities, human resources training capabilities and technical capabilities in the African region through strengthening, in the first phase, a limited number of let's say, 10 or 11

African institutions which are already working in these areas. We need to develop networks of collaboration between them and an essential input is for Africa to be more self-reliant. I believe South-South collaboration in Africa is an essential element in increasing self-reliance and greater strength in terms of food availability and food security. ○

Caribbean Tourism Association: 1981 prize to EEC

The Caribbean Group for Cooperation in Economic Development has held annual meetings at the World Bank HQ in Washington since June 1978. All the countries of the region and all the funding countries and institutions attend. The OCT and ACP countries of the Caribbean and regional organizations such as Caricom and the Caribbean Development Bank are represented, as are the member states of the Community (bilateral aid) and the EEC itself (Lomé and the financial and technical schemes for non-associated developing countries). Traditionally, the Commission is represented by the regional officer for the Caribbean and its delegates in the area.

At the closing session on 26 June 1981, the current chairman of the Caribbean Tourism Association (1), Mr W. Vergstrom, with the assistance of Mrs Audrey Palmer Hawks, executive director, made the CTA's 1981 presentation to the Commission. It consists of an engraved plaque saying how much the members of the CTA appreciated all the Community had done, via the

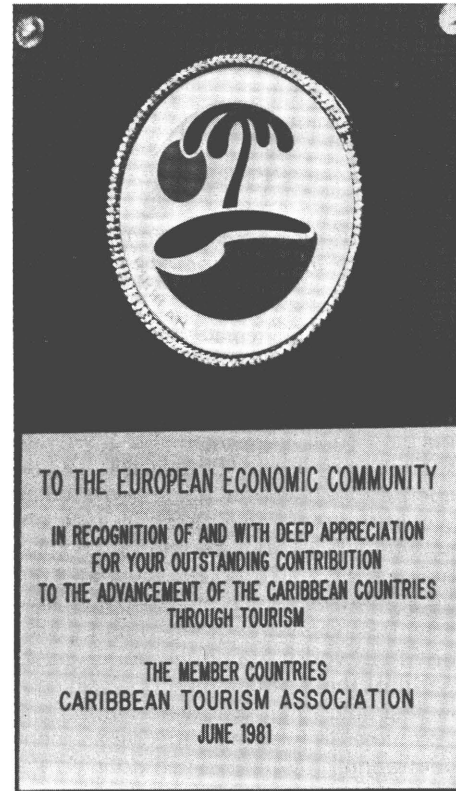
(1) Antigua, Aruba, Barbados, Belize, Bonaire, Cayman Islands, Curacao, Dominica, Grenada, Guadeloupe/St-Barts/St-Martin, Haiti, Jamaica, Martinique, Montserrat, Puerto Rico, St-Kitts/Nevis/Anguilla, Dominican Republic, St-Vincent & Grenadines, Surinam, Turks & Caicos Is, U.S. Virgin Is, Venezuela.

EDF, to develop the Caribbean countries through the tourist sector.

Tourism, a factor of development

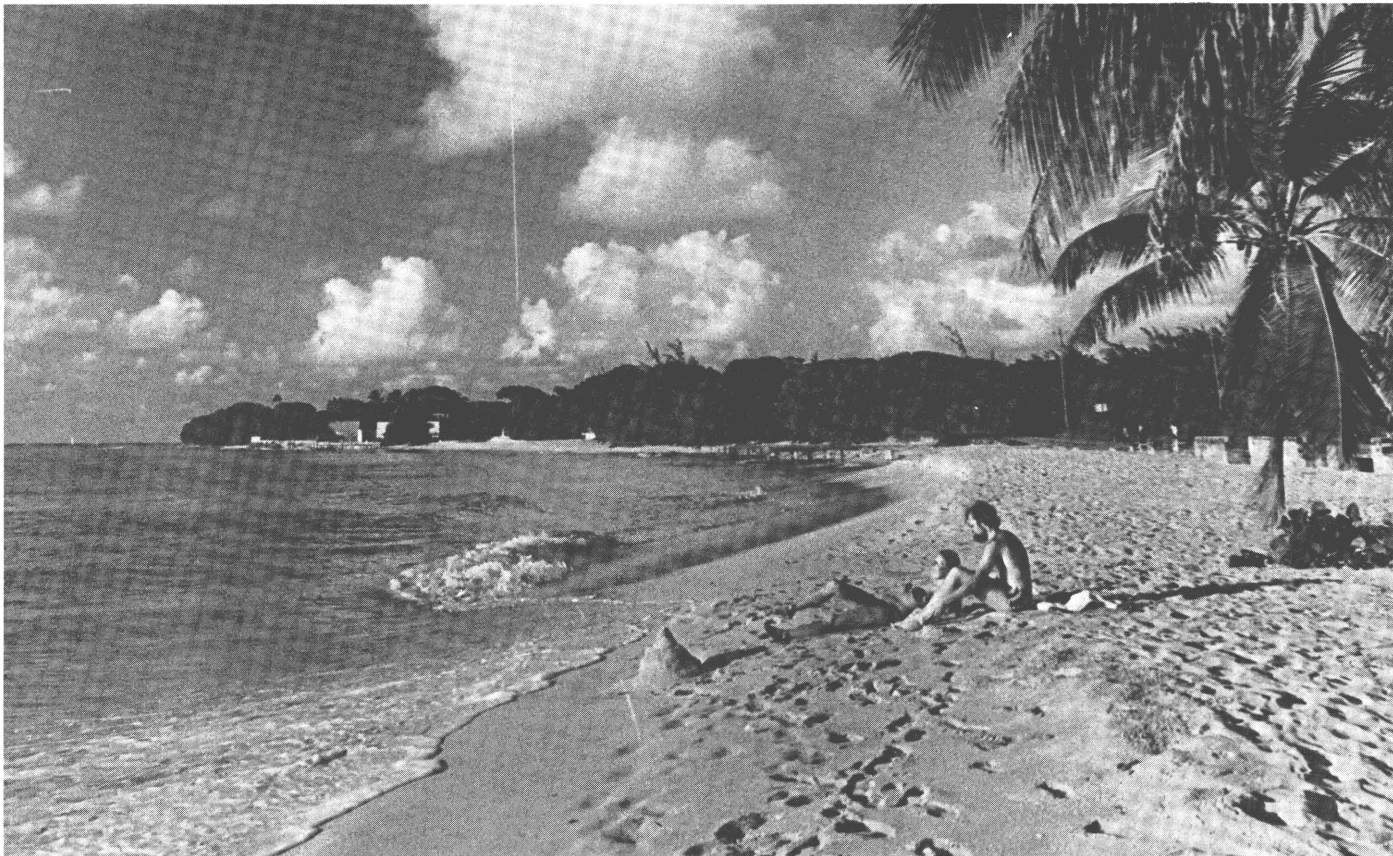
The Community has certainly realized that, among the sectors likely to contribute to the development of the Caribbean, the tourist industry, as an economic resource, is a decisive factor in the medium and the long term at local, national and regional level.

Quite apart from being the dominant industry in many countries of the Carib-



The CTA plaque awarded to the EEC

bean, the tourist trade is a major employer and its status should be maintained or, indeed, improved in a



Beach scene on the west coast of Barbados



The Caribbean Village at the Berlin international tourism fair

regional economic context characterized by considerable unemployment.

Tourism, for example, represents 70% of GNP in the Bahamas, 50% in Antigua, 40% in Aruba and almost 30% in Barbados and St Lucia.

In order to achieve the coherence required for development, tourist promotion is harmonized with other types of assistance — airport development, without which tourism on islands would not work (the St Martin and Cayman Brac airports and the Navigation Facilities Airport on St Kitts), and training (the Community has helped finance schools of catering and the regional pilot training project via the Caribbean Air Training Institute) and so on.

A share in the Community market

Tourist promotion is one of the aspects of the trade promotion policy laid down in Lomé II and it involves a range of important projects at all stages in the production-distribution process, so that the recipient states are able to get the maximum benefit from the trade, agricultural and industrial cooperation provisions of the Convention. This means that the countries

concerned can push up their exports and accede to the Community market and to internal, regional and international markets on the best possible conditions. So the promotion of the tourist trade involves various technical assistance schemes, mainly concerned with planning, organization, management, market and marketing studies, promotion campaigns, etc.

The 4th EDF tourist promotion projects include an important study of regional possibilities for the European tourist (European tourism demand study), which was financed on a regional basis on behalf of the Caribbean Tourism Research and Development Centre. This study produced a comprehensive analysis of the accommodation, environment, infrastructure and means of transport in 27 countries of the region and the means that needed to be implemented to develop the tourist trade in the light of the specific features of these countries.

Lastly, it is important to remember the considerable spin-off the Caribbean countries got from the Caribbean Village, the display put on by 15 countries of the region at the Berlin international tourism fair in 1980 and 1981. This combined all the countries' stands for the first time and made for easier con-

tact between people in the travel industry in Europe and the Caribbean.

Tourism, a factor of integration

The Caribbean countries' desire to promote their tourist industries has been growing constantly since 1976. The 4th EDF schemes being run with this in mind will, of course, be continued and, indeed, expanded under the 5th EDF, with particular emphasis going to regional projects.

The tourist trade is not just an essential industry that generates growth and provides jobs. As far as the Caribbean is concerned, it is also one of the foremost examples of regional integration and the countries that joined together to form the Caribbean Village went beyond their diversity and gave Europeans a combined picture of the history and natural attributes of the area.

Independently of their individual constitutions, political systems, races, cultures, languages and economies, these countries are striving to meet a common development aim together and regional integration is one of the fundamental ways of doing so. ◊

Y. ROLAND-GOSSELIN and
D. GERMAIN

UNESCO – 33 years of service to peace, justice and development

by Hervé BOURGES ⁽¹⁾

When Western Samoa and the Bahamas joined UNESCO, the UN Educational, Scientific and Cultural Organization, in April 1981, they brought the membership to 155, a long way from the agreement by 20 countries in November 1946 on the official constitution, drafted a year earlier in London. The founder members included only one African and three Asian states, but, following the process of decolonization, the developing countries are now in the majority, 17 newly independent states of Africa having joined in 1960 alone.

Like the UN and all the specialized agencies in the UN "family", UNESCO was born of the immense desire for peace generated by one of the most dramatic crises in the history of mankind, that great and terrible war made possible by the denial of the democratic principles of dignity, equality and mutual respect among men.

UNESCO has developed constantly ever since. Its aims have broadened a lot, but it is still true to the ideals set out in the first sentence of the constitution, words inspired by what UK Prime Minister Clement Attlee said at the beginning of the conference leading to the creation of UNESCO and by the American poet Archibald Leish, one of the drafters of the constitution: "Since wars begin in the minds of men, it is in the minds of men that the defence of peace must be constructed".

And its aims are still to "contribute to peace and security by promoting collaboration among the nations through education, science and culture in order to further universal respect for justice, for the rule of law and for the human rights and fundamental freedoms which are affirmed for all the peoples of the world, without distinction of race, sex, language or religion...".

The desire is very much to the fore today and UNESCO's responsibilities are increasing to keep pace with the considerable needs of the underprivileged societies of the world. The organization, which has to assess the number and urgency of the tasks with which it is faced, is more concerned

with the realities of the world and the aspirations of the people who live in it every day.

Education, the first concern

Trying to outline what UNESCO has done in 33 years of campaigns, work and achievement for peace, justice, human rights and development is something of a challenge. But one or two examples from recent and contemporary history should give an idea of the vast range of fields it covers and the importance of the results it has obtained.

In the beginning was education, the E in UNESCO, which the Declaration of Human Rights in 1948 recognized as one of the fundamental human rights and as the basis for the development of newly independent nations, an investment that foreran economic expansion.

Although the original idea was to rebuild the schools destroyed in World War II and re-establish the educational contacts that fighting had broken, teacher training in the Third World soon emerged as an absolute priority if the right education systems for each country were to be launched.

In Latin America in the 1950s, barely 19 million of the 40 million children of school age were being educated. There were few teachers (500 000 had to be trained) and there were few schools (as many of those had to be built). This was a disaster as far as the future of the continent was concerned and the UNESCO regional conference on compulsory, free education, run in Lima in 1956, led to a major project on the extension and improvement of primary education, marking the start of a gigantic educational reform. For nearly 10 years, UNESCO-recruited experts worked on hundreds of seminars and training courses to help develop the teaching profession and improve educational standards. Some 2000 schools were opened, a grants pro-

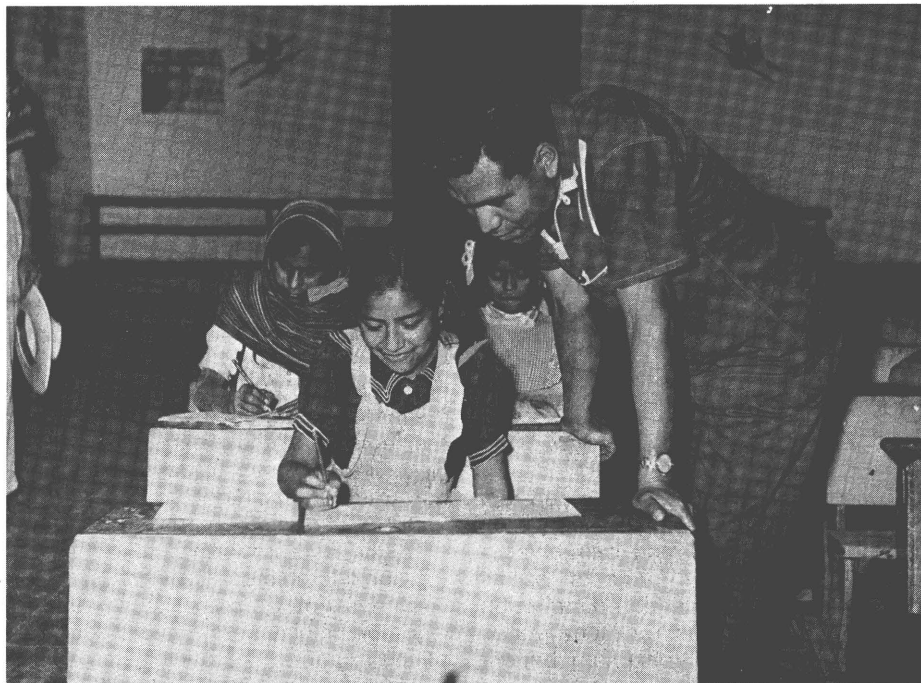


Photo UNESCO/J.S. Bach

Rural school in Mexico — much of UNESCO's activity in Latin America is devoted to education in the rural areas and the shanty towns around the big cities

(1) Head of UNESCO's public information office.

gramme enabled thousands of textbook, statistics and educational research specialists to be trained and, by the time the project was completed, 87-95% of 7-14 year olds were attending primary schools.

In spite of these significant results, the continent's educational problems are by no means over. UNESCO called a conference of ministers of education and economic planning in Mexico in December 1979 and an intergovernment meeting in Quito on 6-11 April 1981 to define the strategies and arrangements of a further major project, aimed at gradually pushing up education budgets from the 1977 figure of 3.9% to 7% or 8%. This extra money is intended to go, as a matter of priority, to people in rural areas and big city slums, whom education tends to pass by. Work will also be aimed at greater harmony between educational planning and economic and social development, so as to make for better links between education and employment, and at the development of technology and science teaching and the corollary to this, the training of qualified teachers. The project also aims to wipe out illiteracy by the end of the century; in this region, 45 million of the 159 million population cannot read or write.

Obviously, UNESCO's educational aims vary according to the country in question. In Europe, where educational problems are of a completely different order, coordination is the keynote. In 1972, for example, it set up the European Centre for Higher Education in Bucharest to produce information programmes and literature and organize exchanges between different universities and institutes of higher study. UNESCO has also set up a scientific bureau at its headquarters to act as a link between the various organizations and it provides permanent support for the European adult education and leisure centre in Prague. And a convention adopted in December 1979 solved the knotty problem of the mutual recognition of studies, diplomas and degrees in higher education in the countries of Europe, thereby making it easier for students, teachers and research workers to move about.

An active role in science

Without the persuasiveness of the British biologist Julian Huxley, who headed the secretariat of the committee that set up UNESCO and became its first director-general, the organization might well have been just UNECO. The first conference of allied ministers

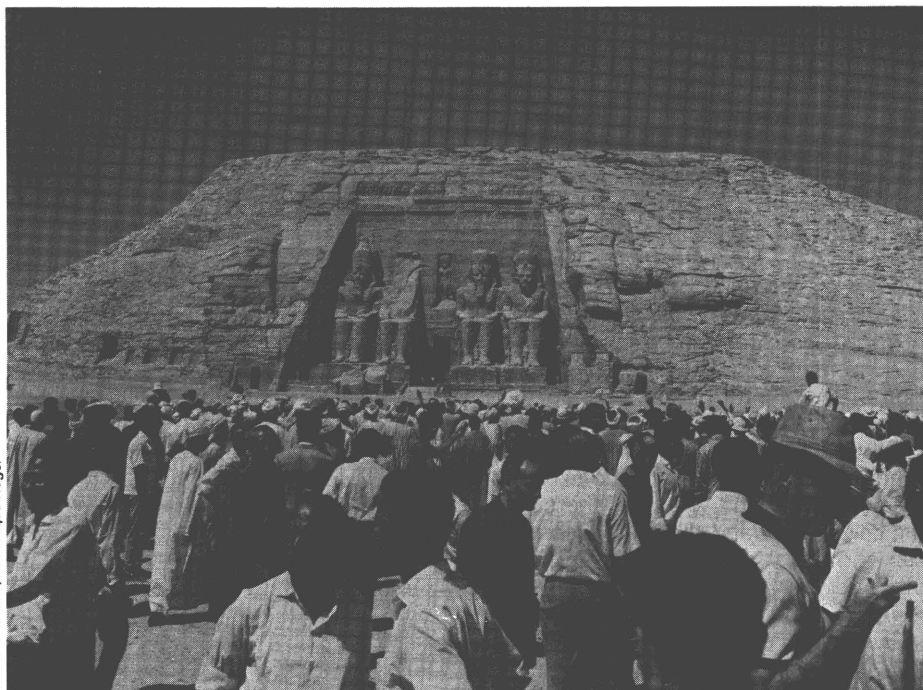


Photo UNESCO/Dominique Roger

The rescue of Abou Simbel temple in Egypt, threatened by the Nile (here the Great Temple on a new site), or...

of education in London in 1942 proposed that activities be confined to the already extensive fields of education and culture, but science was introduced soon after and rapidly proved to be important. Right from the outset, the programmes in this field were geared to two complementary aims—the development of science and technology in the world and the application

of science and technology to development.

There is no doubt that in the fields of exact and natural science, the international intellectual cooperation that UNESCO promotes has been most active and most promising. The scientific exploration of the sea, for example, has been one of the most suitable spheres for intergovernmental programmes. The oceans cover 70% of the Earth's surface, so the scope is vast and the sort of research involved provides an ideal framework for joint action.

The international expedition to the Indian Ocean, which lasted six years (1959-1965), was certainly one of the most comprehensive programmes of its kind. This ocean covers something like 7250 million ha. It is the only one where the predominant winds and currents change completely twice a year (with the monsoons) and it has immeasurable fish potential for the countries on its shores, some of the most densely populated in the world. The scheme, which involved experts from 25 countries, was coordinated by the International Oceanographic Commission, under the auspices of the scientific committee on oceanographic research and of UNESCO. About 40 research vessels covered the until then unexplored waters and carried out a total of 180 scientific cruises. The use of the meteorological findings of these ships thanks to an international centre set up for this purpose in Bombay, the advanced studies of plankton by a biological centre in India and the relief

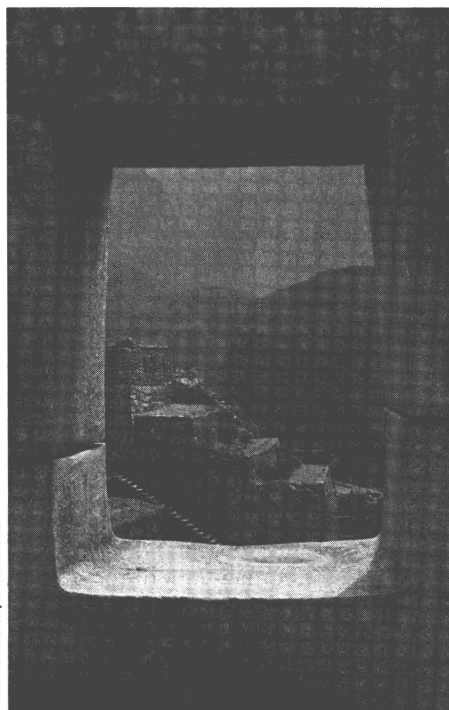


Photo UNESCO/B. HERZOG

... the vestiges of Machu Picchu in Peru, the ancient capital of the Incas, bear witness to UNESCO's desire to preserve the cultural heritage of the humanity in its entirety

maps of the floor of the Indian Ocean based on data from the geophysicists on the expedition are just some of the remarkable things the scheme achieved.

Research into marine, ocean and coastal systems is continuing around the world and the pollution of the seas is more in the limelight every day. But UNESCO's scientific programmes cover countless other fields of action too, from earthquake forecasting to the development of engineering, from the promotion of information science to a search for new and renewable energy and from hydrology to earth science. Hundreds of learned publications report on the studies and work for the scientific community and there are also popular journals, such as *Impact — Science and Society* and *Nature and Resources*.

Protecting the cultural heritage

The various nations of the world are now on an equal footing in international politics and this goes hand in hand with recognition of the equal value of their cultures. Ever since independence, countries have been trying to rediscover their cultural heritage and protect it with help from the international community.

The saving of Nubian temples after a 20-year campaign (March 1960-March 1980) is a fine illustration of this desire to save the heritage of a prestigious past, the loss of which would have been a blow to us all. Two spectacular steps in this vast campaign, the first to generate such a movement of solidarity, are still fresh in mind. First, the dismantling and reconstruction of the two temples of Abu Simbel and those on the sacred isle of Philae, 'the pearl of Egypt'. Here again the figures speak for themselves. Abu Simbel was cut into 1036 blocks, weighing between seven and 30 tonnes each, and rebuilt on the mountain above the original site, following the instructions of builders of 3000 years ago so that the rays of the sun penetrate the heart of the sanctuaries twice a year. Until January 1972, Philae was submerged all the year round. The water came one third of the way up the monuments, wearing them away. The temples of Philae were taken to pieces too, in 40 000 blocks, and moved and rebuilt on the neighbouring island of Agilkia, which was extended by something like 13 000 m² and specially made to look like Philae. The cost of these two operations alone was \$72 million, half of which was provided by the Egyptian government and the rest collected from other



Photo UNESCO/Alexis N. Vorontzoff

The project to develop the rural press in Africa has been a great success. There are now some 60 monthlies in over 20 African languages, among them Kibaru (photo) in Mali

sources thanks to the support that UNESCO generated and kept alive. Alongside this, Nubia became the biggest archaeological site of all time. Forty expeditions from 15 countries explored Egyptian Nubia and 30 others from 12 countries went to the Sudan. In five years, all the monuments, inscriptions and cave paintings were listed and photographed, sites identified and murals protected. These priceless treasures will be housed in the Aswan museum and the new museum of archaeology in Cairo, both of which UNESCO is currently helping to build.

Many similar campaigns have been or will be launched in Venice, Borobudur, Moenjodaro, Carthage, the Katmandu valley, Fez, Haiti, Malta, Macchu Picchu and Mauritania, on the isle of Gorée and at Angkor Wat. Amadou Mahtar M'Bow, director-general of UNESCO since 1974, mentioned the significance of this when he inaugurated the new Philae site. Our first task, he said, is "the preservation for today and tomorrow of monuments which bear witness to man's creative genius, his struggles and hopes and also his aspiration to rise above himself, his quest for the absolute, and making these treasures available to the widest possible public".

Another, equally ambitious, undertaking is the general history of Africa.

Writing began in 1972 and the project is now in a decisive phase, as the first two of the eight volumes appeared early this year. This history, to which some of the greatest Africanists of the era have contributed, should be finished in 1985. In the meantime, abridged versions will appear in various languages, including African ones, and there will be monographs on the research and colloquia organized in preparation for the work, which fills many a gap in our knowledge of this field.

Information and communication

UNESCO's desire to encourage mutual respect based on an understanding of the cultural values of the different peoples of the world has also involved it in publishing literature from 60 or so different cultures, translated into the main languages of the world. So far, some 650 titles have appeared in 50 Oriental languages, 25 European languages and various languages of Africa and Oceania.

Although the words 'information' and 'communication' do not appear in UNESCO's title, one of the obligations mentioned in the constitution is to facilitate the free movement of ideas in pictures and in print. The Florence agreement (1950) and its protocol (1976), aimed at facilitating imports of educational, scientific and cultural objects by reducing the barriers to their free circulation, is its main way of doing so.

More generally, UNESCO rapidly woke up to the increasing role of information in the everyday life of our societies, the way it influences development and the need to help the poorest countries set up information structures and strengthen and improve on any existing ones.

A thriving programme has been running for 10 years now, and is notable for the small amount of resources it uses and the range of requirements it satisfies. It concerns the rural press in Africa, designed entirely in the light of how the individual communities see their information and education requirements. Most of the papers have been launched as post-literacy aids and the complexity of their contents is graded to suit the level of ability of the readers. Further aims have been added and the rural press now tries to give its readers practical information that will help them improve their farming techniques, methods of hygiene and economic and social conditions and to get them involved in community development. An attempt is made to see that the papers are a means of communica-

tion between the authorities and the rural populations and that they encourage people to read. Although the programme was slow to get off the ground, because of such things as the poor literacy rate, the wide range of languages to be covered and the absence of any road infrastructure, it is now expanding rapidly and there are about 60 monthly publications in 16 countries in more than 20 African languages. And anything between 100 and 60 000 copies are printed. Niger, for example, has 15 of these papers in eight different languages.

In addition to one-off schemes of this type, of which many other examples could be given, UNESCO also encourages and takes an interest in discussing communications in the world today. Intergovernmental conferences in several major regions—Costa Rica for the countries of Latin America and the Caribbean, Malaysia for the countries of Asia and the Pacific, and Cameroon for the countries of Africa—have provided an opportunity to bring out the most crucial aspects of the interwoven relationship between communications processes and systems and economic and social development. They also revealed profound imbalances at national and international level in the production, circulation and reception of information and put a case for the circulation of data to be better balanced. Lastly, the conferences showed the urgency of setting up the sort of new international order for information and communication which would do something about these serious imbalances and give every nation the chance to make itself heard and to speak about its problems, hopes and progress in its own way.

At the same time, the International Commission for the Study of Communication Problems was set up to encourage a review of all the problems of communications in contemporary society. This body, which was chaired by Sean McBride, the Nobel and Lenin peace prize winner, and comprised 16 members from different geographical and intellectual horizons, was intended to ensure that a range of opinions and diverse situations could exist. A major report on the subject (*One World—Many Voices*) outlines the conclusions of the commission and there are also around 100 studies and other documents on the innumerable questions dealt with during the sittings.

The McBride Report, as it was called, is both the fruit of a long period of reflexion and the forerunner of even more resolute UNESCO action. It reflects universal agreement as to the vital importance of communications

and a desire to solve contemporary problems on a joint basis. This desire is now taking practical shape in such things as the International Programme for the Development of Communication, whose intergovernment council held its first meeting at the UNESCO building on 15-22 June 1981.

Intergovernmental conferences, restricted committees, thousands of publications, research and studies, international schemes and microprojects, surveys and training schemes are just some of the methods UNESCO uses to achieve its founders' aims.

Limited means

Close examination reveals an enormous discrepancy between UNESCO's ambitions and the human and financial means at its disposal. About 3400 men and women of different nationalities work at UNESCO's international headquarters in Paris, in its regional offices and on its cooperation programmes over the world. It has a budget of \$625 million for the period 1981-1983, plus various other funds, to implement a programme that takes nearly 700 pages to describe—by way of comparison, a single destroyer costs \$100 million.

But perhaps it would be right to go beyond this and think instead of UNESCO's thousands of voluntary workers all over the world, of its national committees, of the members of 450 international NGOs that have permanent working relations and exchange information with the organization, of the teachers and pupils in hundreds of associated schools which work on education for peace and the respect of human rights, and of the members of more than 2000 clubs and associations of friends of UNESCO who devote themselves to spreading UNESCO ideals, in word and deed.

It may sometimes be short of material means, but UNESCO is not short of willing hands, heads or hearts. So, on the eve of the 21st century, when there are fears of apocalypse reminiscent of those of the year 1000, perhaps it is reasonable to have confidence in the wisdom of mankind and hope that, in the not too distant future, UNESCO's ultimate aim, as outlined by director-general Amadou Mahtar M'Bow when he welcomed Pope Jean-Paul II to the UNESCO building on the Place de Fontenoy on 2 June last year, can be achieved: "A reason for living together which will gradually transcend our selfishness and establish solidarity on a world-wide scale, reconciling our differences around shared values".

o H.B.

Cape Verde and its music

by Eutrópio LIMA DA CRUZ

There are many different types of Cape Verdean music and each differs greatly in its inspiration.

Colonial repression has left its mark on Cape Verde's culture in general and on its musical culture in particular.

Some compositions, such as "A seis one na Tarrafal" and "Morna Nobo", could be heard only in restricted gatherings before 25 April 1974 because they were on the index established by the colonial police, who were always ready to clamp down on anything which reflected the true dimension of the Cape Verdean and his spirit—not that they succeeded. Before the historical turn of events in 1974, certain compositions were the increasingly intense expression of the Cape Verdean's embrace of freedom and of his intense desire to be his own master, as if they were anticipating and enjoying a foretaste of the inevitable dawning of 'a new day'.

The laborious task of reconstructing our nation at all its various levels is under way. In the particular case of music, there is still a very long way to go, in that we need to compile a systematic, critical, exhaustive and scientific record of our musical heritage. Personally, I find difficulty in writing this short article on our music, because I do not yet know of objective and systematic sources I could use. The isolated, fragmentary attempts at a scientific study of Cape Verde's ethnology are, to be truthful, inadequate.

It is only natural that traditional music should draw upon the economic, social and cultural situation at each different stage of history, taking from it the inspiration for its themes. It is a logical part of this process that present-day music should follow the same path and dialectic: music becomes part of life; life is expressed in music.

The most significant and expressive types of music, in declining order of impact and importance in the life of our people, are the 'morna', 'coladera', 'bataque', 'funaná', 'tabanca', religious music, 'finaçon', instrumental solos, working songs and the 'landu'.

These do not all exist throughout the national territory, as one particular style of music is more prevalent in some areas than in others. This does not call into question the ethnic unity of Cape Verde, which is beyond doubt. The factors involved are cultural, external and incidental, depending on the social or cultural influence which happened to be more marked in a particular place. It can be assumed, if not confirmed, that all the genres have their equivalent in African music, except for the 'morna', which belongs solely to Cape Verde.

The 'morna'

Some argue about whether the 'morna' can legitimately be regarded as Cape Verdean folklore. The argument is basically as follows: since the 'morna' is a poem given musical treatment, it is the product of poets and musicians, and not of the people. One thing is certain, however: Cape Verde identi-

fies with the image of itself depicted in the 'morna'. This genre is fully representative and its true source is feeling, which varies greatly in itself and in its degree of expression. When the poet writes poetry about, and gives palpable and stylized form to, the feelings of his people, he is not starting from nothing—he plays rather the charismatic role of giving literary form to a collective mode of feeling, thinking and living, to a cultural substratum of his people, basing himself not on the unreal and the imaginary but on cultural, social, economic and political circumstances. The same applies, in musical terms, to the musician. As is true of other genres, "the people" as such is not a composer. Composition is not a collective, anonymous and impersonal activity. The role of the poet and the musician is necessary in order to identify and glean the cultural resources to be given stylized form, to interpret them and give them literary and musical substance. But the basis is the people. It is the people who create culture. The people as a whole and

each Cape Verdean is depicted in the 'morna', within or outside the country.

The historical origins of the 'morna' and its literary and musical development as regards theme and form provide scope for research, and at the same time this form of music continues to flourish. It is accepted that the 'morna' originated on the island of Boavista. It is not known exactly when—the eighteenth century, the nineteenth century? Under what specific social conditions? Under what possible influences? As a result of what combination of factors?

This form of music undoubtedly grew up as a reflection of the way of life on the island, inextricably linked with the sea (fishing, salt production, boats), and strongly pastoral, but not so much agricultural, in flavour. It has been said that on this island the 'morna' struck a less elevated note, as it was confined to the critical examination of failed love affairs, minor ups and downs, and trivialities. This is certainly not meant as a critical or moral disparagement; we are only following the path that led to the establishment of the 'morna' in the archipelago, to its universality, and to its maturity as a genre. The 'mornas' of this island do not generally have any dramatic weight. Their music is melodious and is played in a light, fluid 4/4 time. The lightness of the Boavista 'morna' is suggestive of the 'coladera', although in terms of time we have not yet reached that stage.

On the island of Brava the 'morna' assumed characteristics of its own. Handled in masterly fashion by poets and musicians, the most outstanding being Eugénio Tavares, it acquired a dramatic quality, took on a slow four-beat, and developed in melodic quality. The matching of poetry and music has improved, and the range of expressions has broadened vastly, so that the 'morna' here is a magnificent celebration of nostalgia, philosophy and love in all its nuances.

On the island of São Vicente the 'morna' really came into its own, soaring to new heights with B. Leza and Lela Maninha, who, in my view, are on a par with Eugénio Tavares, but with the qualification that their poetry and music are not confined solely to celebrating love, nostalgia and bland philosophy, but pave the way in philosophical terms for the revolutionary dawning of a new Cape Verde.

Their characteristics are as follows: (a) From a literary point of view, the poem is a competent or even high level and has a serious content, with the exception of some more recent com-



The identity and history of the people of Cape Verde find a record in the country's folk music

positions, in which the theme and the poem—and the music too—are not always properly worked out.

(b) In musical terms, the melody of the 'morna' is very rich and exceptionally beautiful. Normally, the musical phrasing is short and incisive. The internal structure is simple: a solo or solos alternating with a chorus. The tune is in slow heat-beat time. The rhythm is characteristic and unsophisticated. There is likewise little variation in tone, and the harmonious melody predominates.

The harmonization, on folk or electronic instruments, is spontaneous, depending on the accompanists' skill. The traditional folk instruments are: the violin (called 'rabeça') and various guitars ('vidão', 'cavaquinho' and the twelve-stringed 'viola'). There is a tendency now towards greater variety in tone and the construction of longer musical phrases. Some compositions, although still only a few, avoid the solo-chorus pattern. The minor tone predominates, as the most suitable for the language of the 'morna' and for the expression of the sentiments which it conveys, although this is not a hard and fast rule.

The poet and his music are generally perfectly adapted to each other, making the 'morna' an eloquent vehicle for the expression of the feelings most commonly experienced by the Cape Verdean: nostalgia, absence of loved ones, sadness, love and passion, the sea, tenderness, farewells, suffering, conquests, courtship, jealousy, infidelity, piety, religiousness, hospitality, philosophy.

The 'coladera'

'Coladera' is the name given to the type of music conceived and executed in 2/4 time with a marked, often vibrating, rhythmic beat which makes the listener want to dance. It is more recent than the 'morna' and came into vogue in the early 1960s.

There is a problem as regards the identity, representativeness and true origin of the 'coladera' as Cape Verdean music, in that the style is one that is very common among Africans and South Americans in terms of dancing rhythm, liveliness and colour. Here in Cape Verde we tend therefore to call 'coladera' any lively tune in 2/4 time, which often coincides with light rhythms from various sources, so that discussion continues as to the identity and true musical origin of the 'coladera'. According to some of our critics, the 'coladera' is something quite different from what is popularly given

that name. There are even some who say that the only genuine 'coladera' is one which can be changed into a 'morna', as every 'morna' can be changed into a 'coladera'. Let us look at the historical aspect: when the 'morna' was the predominant dance form or music (alongside the mazurka, which was very much in vogue but later went out of fashion, and is now coming in again here as part of our musical past, although it is something which came from outside and was established as part of a cultural adaptation process), on the dance floor dancers felt the need to dance to a varied rhythm. This was the context in which, during the gentle 'morna' dance, the male partner made a request to the violinist, or rather the 'rabeça' player: "Ó ti Jon, bocê vral num coladero!" ('How about a "coladera"?'). This request was acted upon at once, for the 'rabeça' player would immediately change from the slow, gentle 4/4 time to a moderate or stirring 6/8 time, without any interruption in the music. This was the switch from 'morna' to 'coladera', which was somewhat abrupt, but which took place in perfect continuity, in step with the rhythm. Experts say that this is the historical origin of the 'coladera'. The fact remains, however, that the 'coladera'—namely the dancing procession to the sound of the drum and whistle, accompanied by improvisation by a soloist, to which the chorus replies in unison "ô que sabe" ('which he knows')—, is merely a composite 2/4 time, a 6/8 time which changes at a moderate or lively pace into a triple time with a tripping, strolling and evocative rhythm. This is the true 'coladera', which, if we like, can be said to have two meanings:

i. firstly, a 'coladera' is the dancing procession to which I have already referred;

ii. secondly, the 'coladera' is the result of a switch from a 4/4 'morna' to 6/8 time, this change being reversible, with the drum, whistle and chorus as the source of the 6/8 rhythm of the 'coladera'.

If we leave aside for a moment the historical/critical question, it is certain that the present 'coladera' has a varied range of interpretations, since anything in simple 2/4 time with a lively, pulsating rhythm, even if it is purely an imported one, is described as a 'coladera'. The fact is that time and the opening up to the world brought about a break with the past so that in Cape Verde the 'coladera' is usually in practice lively, vibrating, sometimes frenzied music. In the present 'coladera' the music, as well as being rhythmic, is also very melodic, although the melo-

dic inspiration is still normally inferior to that of the 'morna'.

In terms of content, the 'coladera' is—in general—the reverse of the 'morna'. Another facet of the Cape Verdean people is shown—a facet which has come to identify itself with a new style and to express itself differently. The 'coladera' sings, dances, censures, politicizes, corrects, is piquant, edifying. It reflects in turn the banal, the ridiculous, the burlesque aspect of life, comic and mordant irony, betrayal, merrymaking, revelry, joie de vivre, intrigue, sexuality, buffoonery, tipping, the sham and the frolicsome. The psychological content is on a different level from that of the 'morna'. The social, political and educational function of the 'coladera' is, moreover, evident. Here, too, the living people are portrayed in the compositions.

The 'bатуque'

Whereas the 'morna' and 'coladera' are genres which flourish throughout the archipelago, the 'bатуque' exists only on the island of Santiago, where it is very widespread indeed. There is even a saying to the effect that the 'bатуque' is the soul of the people. It was repressed by the colonialists, who labelled it as savage, and by certain missionaries, who described it as immoral and licentious in its movements (at no stage did colonialists or missionaries experience it as a dimension of the people's culture and the outpouring of its soul), but cultural resistance won the day. The people's soul is not easily destroyed. Why was it savage? Why was it licentious? Such labelling only results from a foreign, tendentious approach to the folklore of the 'bатуque'. In an attempt, however, to examine the matter further, we shall look at the 'bатуque' closely and we shall indeed find in it the soul of the people rather than a legitimate manifestation of art, culture or revolution.

The 'bатуque' is festive music, music for family gatherings. Sometimes the melody is almost non-existent. Whether the melody is well-defined or not, the focal point is a short musical phrase, sung by the soloist/leader and repeated in sequence by the participants. The rhythm is lively and gradually builds up to the climax with the dancing of the 'tchabeta' by the female solo dancer or by the couple. The 'tchabeta' is the high point of the dance, which develops in parallel with the music in rhythm, movement and inspiration, culminating in a frantic revolving of the hips, while the rest of the body is held still. The music and

the dance are accompanied by hand-clapping. The soloist performs according to patterns or improvises, and shows great verbal inspiration, drawing upon popular wisdom and philosophy. The 'bataque' certainly has its origins solely in the people, and there is no doubt about its authenticity. Only a philosophy of life comes out of the mouths of those who sing the 'bataque'!

The 'funaná'

Another type of music which was repressed or at least neglected, the 'funaná', has lately been gaining ground as a result of the work of new composers and also of enthusiasts who do research into this type of music, which like the 'bataque' was hitherto confined to the rural areas of Santiago, which are its natural environment. When the city dweller hears and dances to the sound of the 'funaná', he too enjoys himself and identifies with the rhythm, which is, in any event, in his blood.

Poetically, the 'funaná' is entirely and genuinely popular in its inspiration, taking its subject matter from real life, exploring thought, the artificial, the comic. The music is uneven melodically, with alternating soft and ill defined melodies. The rhythm may be a fast or slow 2/4 time, but it is more often quick. The bagpipe and triangle are essential to the 'funaná', and in a rhythmic combination evocative of open countryside they never leave a dancing public, such as the Cape Verdeans, indifferent.

The 'tabanca'

This is essentially a dancing procession to the rhythm of the drum and to the sound of the horn, with intermittent notes from the trumpet or whistle. This is a genre with a distinct martial flavour, and the procession to the sound of the 'tabanca' mobilizes whole villages or settlements in unflinching solidarity, in life or death. This genre is undoubtedly of African origin, including as it does elements of social and hierarchical organization and also religious elements. The hierarchy of the social establishment is particularly evident in the procession.

The dancing of a 'tabanca' is highly significant in the life of the group. The collective gathering absorbs the individual in a solidarity which gives the procession an air of importance and confers upon it the appearance of organization, stateliness, rhythm and collec-



Guitars, violins and a drum in combination at a music festival in Praia in 1980

tive effort, along with the undeniable entertainment aspect.

All this makes the 'tabanca' a combination of the religious and the profane, in its pure African nature and in its movement. The rhythm becomes feverish, almost always taking with it those it meets along the road in a brotherly cultural and recreational exchange. It has tunes which are sometimes harsh and not always well defined, based on short phrases, with sayings from popular wisdom or current happenings. The dancing of the 'tabanca' is a sign that the situation is under control, and undoubtedly an expression of liberation and a cultural encounter with ancestral roots.

Religious music: 'rezas', litanies, vespers, 'divinas'

This is completely unexplored territory, and this type of music seems to be confined to the island of Santiago. Given the lack of documentation, I shall merely very summarily state that this type of music is deeply rooted in popular religion, sometimes reflecting poor cultural adaptation, as in the case of the vespers in inferior Portuguese. These are not in fact vespers but a mixture of litanies, prayers, lists of the virtues, faults and sins of the deceased, which are chanted (when the singers of vespers are called to the home of the deceased, an old man dresses as a priest in a kind of surplice, and is accompanied by the singers).

The 'rezas' are prayers of a popular nature or taught by missionaries, in

set, memorized forms, and passed on from one generation to the next. The term 'divinas' suggests that these are the divine office (Breviary) reserved for priests and monks, and which through their influence reached the people in Latin, giving rise to phonetic and also, in some cases, semantic distortion.

'Finaçon'

There is a gathering. A theme is chosen. Someone breaks into a 'finaçon', an outpouring of popular wisdom and philosophy, in improvised rhythmic poetry dealing with things, people or events, the result being a perfect literary form. The most interesting instance is when two people sing a 'finaçon' competing with each other, in front of an audience acting as judge. It is a particularly popular way of activating thought and its formulation, in an original creative form.

Instrumental solos/ instrumental music

Competitive instrumental virtuosity is a source of great delight to musicians, who enjoy practising it in two stages. To start with one preoccupation is technical perfection of execution, of national and also foreign music. Attention is focused upon the soloist, who, logically, is encouraged by a substantial accompaniment of matching virtuosity. In the second stage, two aspects of technical perfection predominate, namely varied rhythm and variation in tone. The rhythm becomes feverish and passionate. The variation in tone in the accompaniment has to cor-

respond to the challenging variation in tone introduced by the soloist, without the accompanist or accompanists feeling disconcerted after being outwitted ('passa pau' is the expression used to convey the tight corner in which the soloist puts the accompanist). A good accompanist is one who not only accompanies in the easy keys, but above all one who is attentive and anticipates a specific phrase and responds immediately. With its intimate setting, this type of instrumental music (in which the solo instrument is usually a guitar—the 'violão' or 'cavaquinho') is reminiscent of the chamber music in European courts at the time of the Empire. It clearly has an educational value: every young apprentice is thus given the incentive to learn how to handle the tonal scales properly. This is a form of apprenticeship which also teaches how to deal with the unexpected.

Work songs

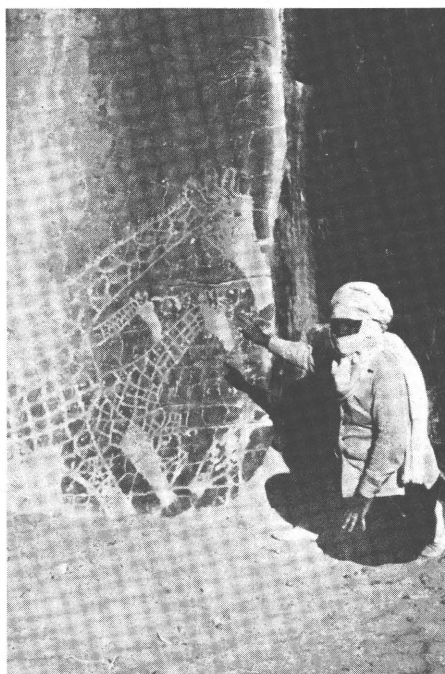
The literary exploration of this genre is in its early stages. These are popular songs sung in accompaniment to work, particularly in the fields. The themes of these songs are drawn from the work itself, from its rhythm and from incidents which occur.

The 'landu'

It is still found as a very ancient tradition on the island of Boavista. The 'landu' is a dance which is very probably of African origin. It is associated with weddings and the community experience of such a social event. Midnight on the wedding day marks the culmination of the festivities, and it is the moment anxiously awaited by all. Nobody leaves the dance hall before midnight. The custom is that at midnight the 'rabeça' player strikes up a 'landu'. A circle is formed, and first the newly married couple dances, and then their relations, in a sequence determined by the family hierarchy. One couple at a time dances, raising their hands and lightly, gently shaking their bodies (there is no frenzied movement), while the unchanging vocal and instrumental music of the 'landu' flows on in a gentle rhythm. Everyone in the room claps in time to the music. The picture is one of a unique and unrepeatable climax, steadily consolidating further the people's sense of community.

To conclude, it is to be hoped that detailed work will in the future be carried out on Cape Verde and its music—the world will then be better acquainted with the wealth of the Cape Verdean soul. ○ E.L.d.C.

TASSILI: A prehistoric age laid bare



Tamrit, Sefar, Tissoukai-n-Afella, Jabbarem—names that quicken the pulse of ethnologists and art historians the world over. They are part of the extraordinary collection of prehistoric art uncovered on a Saharan site which has revealed more than 5000 rock paintings and engravings, rich in colour and technique, taking the astonished visitor back to the flourishing life in the Sahara before it became a desert.

In 9000 BC, far back in the Neolithic age, the climate was warm and damp. The paintings of this time depict a large kind of buffalo, now extinct, which has given its name to the period from 6600 BC to 4000 BC. Pictures of people with round heads, not unlike cartoon Martians, add to the fascination of that age. Later, up to 2500 BC, the rock paintings give evidence of an age of herdsmen, whose cattle roamed in a warm, dry climate like that of the Mediterranean, watered by the rainfall in the mountains.

From 2500 BC to the modern age, it was the horsemen who recorded their way of life in the Tassili sites. And then the desert followed them.

Antinea

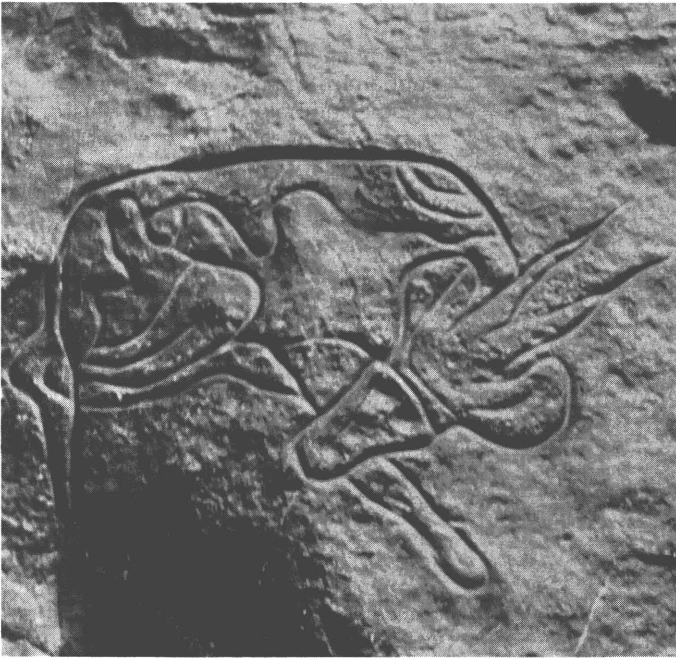
The Jabarrem site alone retraces the entire history of the prehistoric Sahara. One portrait, curiously Greek in style, shows a very tall woman on her knees: her features have a classic regularity and her eyes are long and narrow. The discoverer of these extraordinary sites, Henri Lhote, named her "Antinea".

Precious as they are as works of art, the Tassili rock paintings are also remarkable as historical evidence. They show that the Sahara had a black population at least 5000 years ago, followed by a wave of white, blue-eyed immigrants who had established a chariot road by 1000 BC between the Niger and the Mediterranean, from Gao to Oea, or Tripoli. After 3000 years lost in the sand, their pictures of horses still have a striking freshness.

Another African mystery. Its secrets are yielding to research, but no matter: there are yet other mysteries of such stuff as archaeologists' dreams are made on. ○ Tr.R.

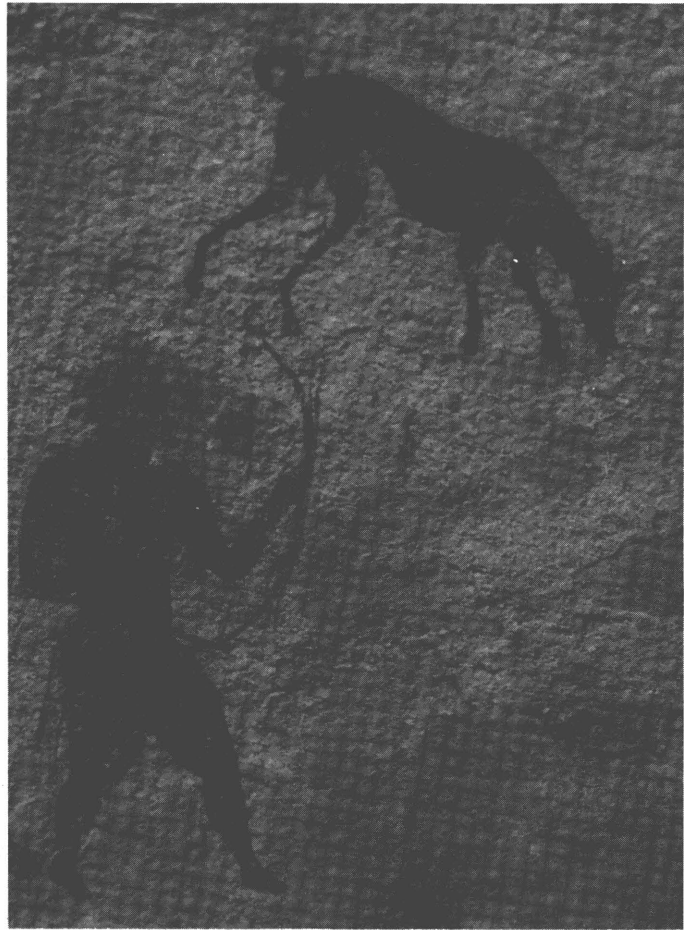
(*) From the *Nice-matin* arts supplement, 7 June 1981. Photos: Henri Ferrero.

“The Tassili rock paintings show that the Sahara had a black population at least 5000 years ago, followed by a wave of white immigrants”

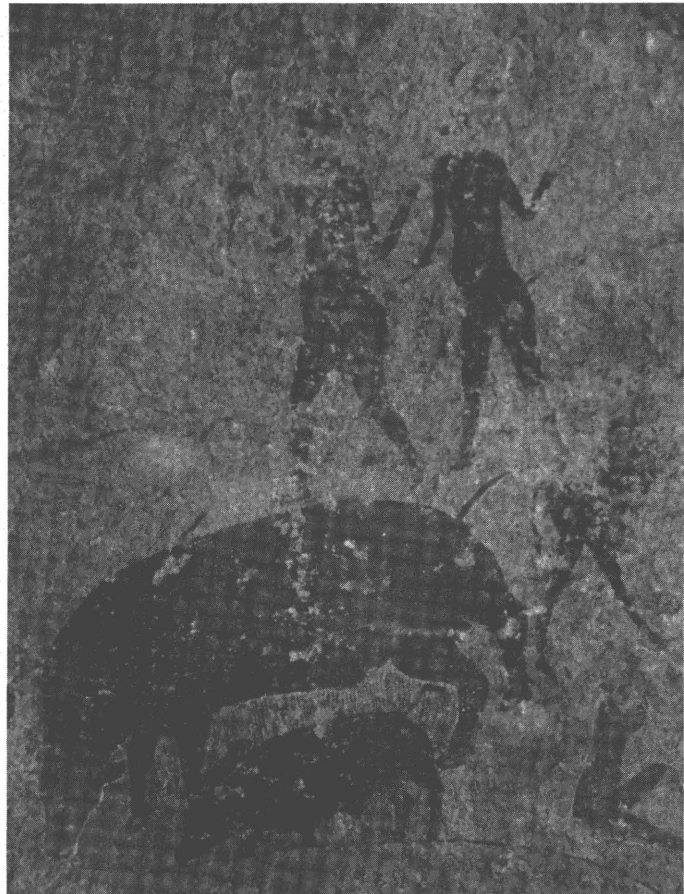


The Tassili paintings record animals that have disappeared from the Sahara: above, an antelope

Stylized head of a kind of buffalo that is now extinct



Hunting scenes from the 5000 or more Tassili paintings and carvings that go back thousands of years



Books

Paul HARRISON — **The Third World tomorrow** — Penguin books, London — £2.50 (paperback) — 1980

This book is readable and personal account of the practical changes that have taken place in development policies since what the author describes as the failure of the UN's first development decade. Paul Harrison is a London-based journalist, who since teaching French at the University of Ife (Nigeria) in 1968, has turned from his work on European literature and languages (he speaks six) to the problems of the Third World.

This book is based on a series of study visits made between 1974 and 1979 to Africa, Asia and Latin America to look at new self-help, cooperative and appropriate technology projects. The chapters are, however, arranged by theme—education, food, health etc, and not by geographical area. The author believes in a smaller scale, less Western-orientated kind of development, and is convinced it will overcome the deprivation and backwardness of the Third World. The aim of the book is to provide a non-academic survey for the general reader interested in current affairs, although it will also be of use to the more specialized reader who needs to know what is happening in other disciplines and other parts of the world.

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Charles P. KINDLEBERGER — **International Money (a collection of essays)** — George Allen and Unwin Ltd., 40 Museum Street, London WC1 — 1981

International monetary problems, dominated by the supremacy of the US dollar and compounded by foreign dollar holdings and changing exchange rates, have been rendered more complex since the beginning of this year by the monetarist policy of the United States. The idea of the dollar becoming a replacement for the old gold standard was being increasingly accepted, although the efforts of governments and experts alike could not disguise the fact that the international monetary system is out of control. But can the dollar perform this role and would it be accepted, not only by the developing but by the industrialized countries? It seems unlikely in view of the defensive reactions of the latter, faced with economic strangulation by the high interest rates engendered by the current US monetarism.

Mr Kindleberger's analysis covers the idea of "international money" and its benefits, the required policies, Euro-dollars and the internationalization of American monetarism. It further discusses the problems of international payments (balance of payments, mea-

asures taken by the USA in 1966, the continuing West German imbalance and the lessons to be drawn from floating exchange rates). A third section covers the movement of capital and the adjustment of international payments, the advantages and disadvantages of an international capital market, the least developed countries' position in such a market and the financial intermediaries for both developed and developing countries. A final description details the workings of the international monetary system, the different international systems of economic organization and the interdependence of the world's economics.

The result is not a book which makes the current international monetary confusion instantly clear to the non-specialist, but it is an excellent attempt, tightly written and well documented, to provide the facts and theories necessary to understanding it.

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

The unscrupulous manner in which some multi-national 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 energy-saving, a "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, particularly 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, 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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Andras NOVEMBER — **Les médicaments et le Tiers monde (Medicaments and the Third World)** — Editions Pierre-Marcel Favre, 28 rue de Bourg, CH-1002 Lausanne, Switzerland — 211 pages — BF 607 — 1981

Health is one of the areas in which there is an urgent need for action in the Third World. Infectious diseases which have been curable for years continue each year to claim large numbers of victims in the developing countries, where—as this book says—sickness forms part of the vicious circle of poverty, denutrition, malnutrition, poor or non-existent sanitation and the gradual dilapidation of the environment.

Over three-quarters of the world's 4000 million inhabitants are without any form of medical care. As a result, life expectancy in Africa is a bare 43 years, 30 years less than in the industrialized countries.

The author shows how simply grafting Western health systems onto the developing countries is at once unsuited to the problems and beyond the means of those countries, and also has the result of widening social inequality there. The World Health Organization has come to the same conclusions: in 1979 it launched a campaign for "Health for all by the year 2000", and formulated new policies based on primary health care.

However, the author's subject here is medicinal drugs, and after these observations on health policies he quickly returns to an examination of the role of drugs in medical treatment. Worldwide, the drug market is worth a hefty \$150 000 million or thereabouts. In Switzerland over 30 000 products are available and each year new drugs crowd onto the market—annually, some 300 in France and 400 in the United States. Despite this medical cornucopia, there are still no suitable drugs to treat 32 out of the 87 categories of disease specific to the Third World.

The author goes on to look at the drug industry, the strategy, priorities and of the multinationals which dominate world production, research policies and considers what can be done by the developing countries, in particular through the creation their own pharmaceutical industries to meet essential local needs and give priority to production of the 200 key products listed by the WHO.

This well-documented and clearly-written book sets out the main facts about health problems in both the Third World and the developed countries, whose systems have hitherto served as a model.

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George McROBIE — **Small is Possible** — Jonathan Cape Ltd., 30 Bedford Square, London WC1 — 331 pp., £ 7.95 — 1981

While a student generation was trying to change Western society in the 1960s by flower power, two economists were trying to develop the Third World by mechanical means that were no less revolutionary. They were E.F. Schumacher and George McRobie, who set up the Intermediate Technology Development Group in 1965 and so gave expression to an idea which has quietly changed economic thinking around the world ever since.

The idea was coined as a phrase by Schumacher in his 1973 classic *Small is Beautiful*. This was followed by *A Guide for the Perplexed*, and, since Schumacher's death in 1977, George McRobie has completed the trilogy with this book.

Appropriate technology was Schumacher's formula for developing the Third World without destroying its societies. In 1962, he reported to the Indian Planning Commission that jobs could best be created on a large scale by cheap "intermediate" technology; the idea of a retreat from capital-intensive, centralized, high-technology methods of production has since found an echo in both rich and poor countries, to the point that latterly Schumacher was advocating it as especially urgent for the industrialized societies.

McRobie's book now provides encouragement by giving examples of the practical application of appropriate technologies in the English-speaking countries, primarily Britain and the USA. Detractors may dismiss it as a directory of cranks, but they cannot deny that appropriate technology steadily continues to win converts. For the poor countries, simple tools and cheap workplaces may be the only way to integrate the mass of the unemployed into the economy and society. For the rich countries, appropriate technologies provide an alternative to the dehumanizing, land-destroying consequences of modern big business methods.

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Frederick PEDLER — **Main currents of West African history 1940-1978** — The Macmillan Press Ltd — 301 pages — £ 12 — 1979

It is not being too harsh on Frederick Pedler to say that he missed an opportunity to make this book particularly unique.

For some time now, scholars have been lamenting the lack of historical

works that treat Africa (or its various regions) as a totality rather than as a collection of different states that have no connection with each other. The reasoning is that there is a need to bring out all those elements in history that make for continental unity.

Frederick Pedler appears at first sight to respond to this need in the first chapter of Part I by showing how European politics affected the political evolution of West Africa in the year 1940, when World War II was gathering momentum. Take this for example. "In British West Africa, service personnel of all arms began to arrive from Europe. The construction of airfields and of naval and military installations created a great deal of employment, drawing people to towns and stimulating the formation of trade unions "that were later to play a great part throughout West Africa in the struggle for independence. French West Africa had a similar experience.

The first sustained interest of the first chapter, however, is lost as the reader follows Pedler into the various states in West Africa during the years 1940-51. The reader will, however, find the accounts informative as fresh lights are shed on certain familiar historic events. This is due obviously to the fact that Mr Pedler was himself closely associated with many of the personalities like Lamine Gueye, De Gaulle, Dr. Kwame Nkrumah, etc. and that he wrote not only from memory but also from "unpublished materials accumulated by Lord Hailey during his travels in West Africa in 1940".

Part II of the book deals with the social and economic trends in the region between 1940-1978.

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Jorge E. HARDOY — David SATTERTHWAITE — **Shelter: need and response, housing land and settlement policies in seventeen Third World nations** — 288 pages — Editions John Wiley & Sons — 1981

This book describes living conditions and housing trends in seventeen nations which contain some three-fifths of the Third World's population. In four sections, national experiences in the Arab world, Asia, Latin America and sub-Sahara Africa are examined in detail. This provides a unique international study on how governments are coming to terms with settlement problems they share — rapidly growing squatter communities, relatively unsuccessful public housing programmes and a large portion of their people lacking ready access to potable water, basic health care, education and a heal-

thy living environment. The final section analyses the causes of such problems and looks at the extent to which individual governments, given the commitment, can overcome them.

Data for this book is drawn from the findings of a project undertaken by the International Institute for Environment and Development in collaboration with the Department of Architecture, Khar-toum University; the Institute of Development Studies, Mysore University; the Centre for Urban and Regional Studies, Buenos Aires; and the Faculty of Environmental Design, Lagos University. This project has been assessing the extent to which governments have been implementing the recommendations they officially endorsed at the UN Habitat Conference in Vancouver in 1976.

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Stanley BARNES — **200 Million Hungry Children** — Grosvenor Books, 54 Lyford road, London SW 18 — £ 2.25 or £ 4.95 (soft or hard back) — 1981

"One in every five children born in the Third World will not live to reach the age of five. In the majority of cases death is directly or indirectly due to malnutrition."

The author, Stanley Barnes, quotes a United Nations' report that at least 200 million children suffer malnutrition. Of these 10 million are likely to die and 90 million could not withstand a serious illness. He declares: "The fact that we tolerate such an appalling wastage of human life in a world where there is enough food to meet the basic needs of every person cannot be justified".

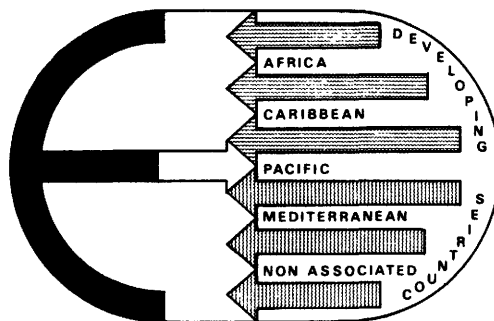
As a dairy expert he says a perfect food for infants, particularly for meeting protein needs, is milk. Yet in Europe alone some two million tonnes of skim milk powder is fed to animals when it would be enough to provide every one of those 200 million children with a glass of protein-rich milk every day.

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John HOWELL — **Borrowers & Lenders: rural financial markets and institutions in developing countries** — Editions Overseas Development Institute 10-11 Percy Street London W1P 0JB — 290 p. — £ 2.95 — 1980

When it comes to encouraging production and raising the incomes of small farmers, governments in developing countries have not lacked policy advice. One measure which has found considerable support in both political and professional circles, as a means of stimulating production, is the provision of cheap credit.

Operational summary of EEC-financed development schemes



OPERATIONAL SUMMARY No. 6 – September 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).

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.

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).

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: in '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 12.5 mECU. EDF 1.225 mECU. EDF part: Constructions (bench terraces, ditches, small dams, feeder road), 190 ha reafforested areas, two tree nurseries, T.A. Works by direct labour. Supplies: Restr. tender or direct agreement. T.A.: Short-list not yet drawn up. Date foreseen for financial decision September '81. 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: BELLER Consultant (D). 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.

Upgrading of health service infrastructure in Porto Novo Hospital. Resp. Auth.: Ministère de la Santé Publique. 1.100 mECU. Porto Novo: renovation and construction of the hospital building and equipment. Technical and architectural studies: Cabinet SODOGANDJI Consultant (Local). Works: Acc. tender. Equipments: int. tender. 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 1982. 4th EDF.

Livestock development in the Borgou 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.

Geological mapping and mining research between 9th parallel and Ocean. Resp. Auth.: Ministère de l'Industrie et de l'Artisanat. National mineral resources development. Drawing up a geological chart, surveys, supplies. Project clearly identified. 5th EDF.

Rural Hydraulics. Resp. Auth.: Ministère de la Santé Publique and Ministère des Travaux Publics. Water points. Establishing a maintenance service. Nationals training. Works, supplies and T.A. Project clearly identified. 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: A.H.T. (D). Crop inputs: int. tender '81 to '84. 4th EDF.

Institut Universitaire de Sciences de l'Education (IUSE). Resp. Auth.: Ministère de l'Education Nationale — 0.7 mECU. Construction and equipment of educational buildings (general teaching classes, laboratories, workshops). Architectural and technical studies: TETRA Consultants (B). Evaluation study: DURIAU (B). 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.

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.

Matongo-Bandaga phosphate and carbonatite mine study. Resp. Auth.: Ministère de l'Energie et des Mines. Preliminary study: MacKay and Schnellmann (UK). Prefeasibility study to be done. Study: restr. tender, 3rd quarter '81. Short list already drawn up. Project on appraisal. 4th EDF.

Remera tea factory. Resp. Auth.: Ministère du Plan. Tea factory building for 600-700 tons/year. Project clearly identified. 5th EDF.

Ngozi-Kayanza electricity supply. Resp. Auth.: REGIDESO. Estimated cost ± 2 mECU. Construction of electric lines.

Supplies: int. tender, 1st half '82. Project on appraisal. 4th EDF.

Tora region electricity supply. Resp. Auth.: REGIDESO. Estimated Cost ± 2 mECU. Construction of medium voltage electric lines. Study on hand by Carlo Lotti: (I). 4th EDF. Project stage: identification. 5th EDF.

Bujumbura naval ship yard. Resp. Auth.: Ministère des Transports. Study on hand by I.P.G. (D). 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 1.5 mECU. Technical and architectural studies: Buban Ngu Design Group Consultant (Local). Works: Acc. tender. Date foreseen for financial decision: 2nd 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

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

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: O.R.T. (UK). Date foreseen for financial decision: 4th quarter '81. 5th EDF.

College of Education in Bangui (Lycée d'application de l'E.N.S.) 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.

Bridge building on RN3 and RN2. Resp. Auth.: Ministère des Travaux Publics. Project clearly identified. 5th EDF.

Damara-Sibut Road. Resp. Auth.: Ministère de Travaux Publics. Repairing and maintenance (± 109 kms). Project clearly identified. 5th EDF.

CHAD

Support programme for cotton cultivation productivity. Resp. Auth.: Ministère de l'Agriculture. 9.6 mECU Supply of: Fertilizer, pesticides and pulverizers. Int. tender launched in August '81. Date foreseen for financial decision, end of September '81. 4th EDF.

COMOROS

Economical and technical study to assess harbour infrastructure in Grande Comore and in Mohéli. Resp. Auth.: Ministère des Travaux Publics. 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 financial decision: June '81. 4th EDF.

Support to the livestock service for anti-ticks baths network settlement. Resp. Auth.: Ministère de l'Agriculture. Study on the way by F.A.C. (F). Project clearly identified. 5th EDF.

Medical equipment for the Peltier Hospital. Resp. Auth.: Ministère de la Santé. Project clearly identified. 5th 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. Financing decision May '81. T.A.: U.L.G. Cons. (UK). Project in execution. 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

Daurbarn (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 LAHMEYER. Consultant (D). 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.: GOPA (D). 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.

Addis-Ababa Water Supply. Resp. Auth.: Addis-Ababa Water and Sewerage Authority (AAWSA). Estimation: ±53 mECU. Works, supplies and T.A. foreseen end '81, 1st quarter '82. Date financial decision: July '81. Project on appraisal. 5th EDF.

Coffee improvement (phase 2). Resp. Auth.: Ministry of Agriculture. Works, supplies and T.A. Project clearly identified. 5th 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, 2nd half 1981. T.A.: PROPECA (I). 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, 2nd 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. Financing decision for EDF: May '81. 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 process-

ing 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 2nd 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.

Axim-Mpataba-Elubo road. Resp. Auth.: Ministry of Finance and Economic Planning. EDF complementary funding. 10 mECU. To cover excess expenditure resulted from int. tender opened on December '80. 4th and 5th 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 Age. tender or direct agreement. T.A.: short-list already drawn up. Project in execution. 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 launched. 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.

Rio Campossa Bridge. Resp. Auth.: Commissariat d'Etat aux Travaux Publics. Bafata-Bambadinca Road. Works, supply may be, T.A. Project stage: identification. 5th EDF.

GUYANA

East Bank Berbice rural development programme. Resp. Auth.: Ministry of Agriculture. Works: feeder roads, infrastructure. Supply of fertilizers and equipments. T.A. Project stage: identification. 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: 2nd quarter '81. 4th EDF.

Smallholder rice, Nyanza Province. Resp. Auth.: Ministry of Agriculture. 4.350 mECU. Rehabilitation of 4 smallholder rice schemes (650 ha). Study on the way: NEDECO (N). Works, supplies and T.A. Date foreseen for financial decision, end of September '81. 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 financial decision 1st half '81. 5th 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.

Rural Primary Schools Improvement. Resp. Auth.: Ministry of Works. 0.400 mECU. Construction and furnishing of ten 2-classroom units. Works: acc. tender or direct agreement. Supplies: direct agreement. Date foreseen for financial decision end of September '81. 4th 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: 4th 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, bore-holes, 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, 4th quarter '81. 5th EDF.

Sambava oil-palm factory study. Resp. Auth.: Ministère de l'Agriculture et de la Réforme Agraire. Preliminary study: I.R.H.O. (F). Study to be done: faisibility. Short-list already drawn up. Project on appraisal. 4th 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 (\pm 95 km). Economic 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.

Improvement of district hospitals and health centres. Resp. Auth.: Ministry of Works. Building of small district hospitals and health centres. Works, supplies and T.A. 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 Niore region. Resp. Auth.: Ministère de la Santé et des Affaires Sociales et Ministère des Transports et T.P. \pm 2.5 mECU. Buildings, equipments, training. Architecturals and technical studies: GOUSIER (F). Date foreseen for financial decision end of September '81. 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, end 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: INTER G (F). 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. Financial decision July '81. Estimated cost 10.200 mECU. Co-financed by: Germany \pm 6 mECU, EDF 4.200 mECU. Works: int. tender after prequalification, 1st quarter '81. 4th and 5th EDF.

Foum 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, Islamic 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.

Settlement of the National Management and Maintenance Service for the sanitary infrastructures. Resp. Auth.: Ministère de l'Équipement. Building, equipment and medical stores, vehicles and T.A. Project stage: identification. 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: HIULL (UK) — APPEL (D). 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 Roundjji 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 Roundjji-Tchadaoua road widening. Resp. Auth.: Ministère des Travaux Publics. Estimated Cost ± 16 mECU. Study: Inventory. Short-list already drawn up. Works int. tender August '81. Project on appraisal. Date foreseen for finance: al decision Sept. Oct. '81. 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: BELGROMA (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: GIBB (UK). 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: 4th 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 Zaire 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 financing decision: May '81. 5th EDF.

Transmission-lines study in secondaries centres. Resp. Auth.: Ministère du Plan. Economical and technical studies to be done. Short-list not yet drawn up. 5th EDF.

ST LUCIA

Roseau Resettlement Scheme. Resp. Auth.: St. Lucia Model Farms Ltd. 0.86 mECU. Land development, micro-dam 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.

Secondary Roads. Resp. Auth.: Ministry of Public Works. 1.1 mECU. Construction and reinforcement of secondary roads in rural areas. Works: direct labour. Supplies: Int. tender: 2nd half '81. Financing decision on June '81. 5th EDF.

ST VINCENT AND GRENADINES

Union Island clinic. Resp. Auth.: Ministry of Health. Estimated 0.450 mECU. To improve health care at the remote Union Island by establishing a new clinic (total gross area ± 400 m²) and also housing accommodation for the staff (± 300 m²). Studies: design and tender documents: Tomlin, Voss Associates (Local). Works: Acc. tender, 2nd half '81. Equipments: Int. tender in '82. Financing decision on June '81. 5th EDF.

Improvement of the general hospital at Kingstown. Resp. Auth.: Ministry of Health. 1.550 mECU. Follow-up of phase 1 financed from 4th EDF. New extension. Studies.

Master plan for the extension: Watkins, Gray Woodgate (UK). Works: Acc. tender, 2nd half '81. Equipments: Int. tender in '82. Financing decision June '81. 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 financing decision June '81. 5th EDF.

Oleogineous cultivation. Resp. Auth.: Ministère de l'Agriculture. Estimated Cost: 3-4 mECU. EDF \pm 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'Equipement. 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: 2nd half '81. 5th EDF.

Study on water supply to the ISC industrial Complex. Resp. Auth.: Ministère de l'Equipement. 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.

Kedougou-Saraya road. Resp. Auth.: Ministère de T.P. Partial reinstatement. Kedougou-Dianke Makam. Estimated cost: \pm 5.5 mECU. Works: Int. tender on June '81. Date foreseen for financing decision 4th quarter '81. 4th 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. Estimated Cost: 6.03 mECU. EDF 4.9 mECU. Local 1.13 mECU. Works: acc. tender. Supplies: int. tender. T.A.: direct agreement. Date foreseen for financial decision, end of September '81. 4th and 5th 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). Estimated total cost: 5.026 mECU. EDF: 4.950 mECU. Local 0.076 mECU. Works: 4 Kms of tracks, pump station (180 l/s) electric power station (120 KVA). Supply of: agricultural equipment, 3 tractors, vehicles, furnitures... T.A. Land improvement works and estate infrastructure: contracts on awarding. Supplies: int. tender end '81 or 1st quarter '82. T.A.: direct agreement in '81. Date foreseen for financial decision, end of September '81. 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 Mogadishu. 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.

Mogadishu Slipway. Resp. Auth.: Ministry of Planning. 3 or 4 mECU. Construction of a slipway and ship repair facilities in Mogadishu harbour. Feasibility study to be done. Short-list already drawn up. Date foreseen for financial decision: 1st half '81, 4th EDF.

Mogadishu Dairy. Resp. Auth.: Ministry of Planning. 1.250 mECU. Rehabilitation of the existing dairy in Mogadishu. Feasibility study, design, tender: B.M.B. Consultant

(N). Date foreseen for financial decision : 3rd quarter '81, 4th EDF.

Mogadishu Institute of Statistics. Resp. Auth. : Ministry of Public Works. Estimated cost : 0.700 mECU. Works : Int. tender or acc. tender on July '81. Date foreseen for financial decision 4th quarter '81. 4th EDF.

Goluen-Gelib Road. Resp. Auth. : Ministry of Public Works. Complementary funding. EDF 18.976 mECU. Project in execution 4th EDF. Complementary funding 4th and 5th 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, 2 1/2 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 : Contracts on awarding. Supply : int. tender in '82. Project in execution. 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 : IWACO (NL). 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.

SURINAME

Carolina Bridge. Resp. Auth. : Lands Bos Beheer (LBB). Total cost 0.984 mECU. EDF 0.784 mECU. Local 0.200 mECU. Construction of a wooden bridge. Works by direct labour. Supplies by direct agreement. Date foreseen for financial decision, end of September '81. 5th EDF.

Rice project at Coronie. Resp. Auth. : Ministerie van Landbouw, Veeteelt, Visserij en Bosbouw. Rice production developments. Study on the way. EUROCONSULT (NL). Project stage : identification. 5th EDF.

SWAZILAND

Teacher training college at Nhlanguano. 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 2nd 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 2nd 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 2nd 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 in 1981. Supervision of works: restr. tender in 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 launched. Supervision: ITALCONSULT (I). 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: Jennings and O'Donovan (Irl). Date foreseen for financial decision: 4th quarter '81. 4th EDF.

Mtwara Water Supply. Resp. Auth.: Ministry of Water, Energy and Minerals. 5 mECU. Works: drilling of new wells, and constructions. Supply of equipment and T.A. Drilling activities and power supply connections by direct labour. Other works: int. tender in '82. Supplies: int. tender in '82. T.A.: direct agreement. Date foreseen for financial decision, end of September '81. 5th 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.

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 2nd 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. 3.500 mECU. Rehabilitation of the factory. Establish rehabilitation scheme study: AGI PLAN (D). Date financing decision: May '81. 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.: Carl BRO (DK). 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, 2nd half '81. TA: G.T.Z. (D). 4th EDF.

Ouagadougou — Yako Road. Resp. Auth.: Ministère des Travaux Publics. 18.945 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 financial decision: May '81. 5th EDF.

Mine of Poura rehabilitation. Resp. Auth.: Ministère du Commerce, du Développement Industriel et des Mines. Estimated Cost: 46.1 mECU. EDF (4th EDF): 3.55 mECU for road and power station. Int. tender for supply of 4 generator 900 KW: 2nd half '81. (5th EDF). Estimated 4.14 mECU for assessment of the worker's town. Study underway. Other fundings: CCCE 9.3 mECU, BOAD 3.1 mECU, private investors 2 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'Equipement 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.: BURGEAP (F).

Date financial decision, June '81. Int. tender for wells and supply: July '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.

Extension of Lycee Technique de Ouagadougou. Resp. Auth.: Ministère de Travaux Publics. Building of the boarding-school for 360 students. Works, supply of equipments, T.A. Project stage: identification. 5th EDF.

Kompienga Dam. Resp. Auth.: Ministère des Travaux Publics des Transports et de l'Urbanisme. Cofinanced project. Estimated cost ± 84 m ECU. Earth-dam construction, access road non asphalted ± 18 kms, two groups of alternators 7800 KVA each, transmission power lines. Works: restr. tender after prequalification foreseen in 1st quarter '82. Project on appraisal. 5th EDF.

WESTERN SAMOA

Oil and Cake storage and handling facilities for the copra mill. Resp. Auth.: Samoa Coconut Products Ltd. 0.850 mECU. Storage tanks for copra oil and handling equipment. Shed for storage of pelletized cake. Study for supplies: Proses (Malaysia) financed by ADB. Study to be done for sheds. Short list not yet drawn up. Works: Acc. tender 2nd half '81. Supplies: Int. tender, 2nd half '81. Date foreseen for financial decision 3rd quarter '81. Project on appraisal. 5th EDF.

Sauniatu Hydro Electric Scheme. Resp. Auth.: Electric Power Corporation (EPC). Estimated Cost 7.1 mECU. EDF 4.1 mECU, EIB 3 mECU. Two power station of 1.75 MW each. Headpond, tunnel, penstock powerhouse with turbines and generators and transmission lines. Equipments, supervision of works and training. Design study completed by Mander, Raikes and Marshall (UK). Preliminary works and access road: acc. tender 2nd half '81. Main civil works: Int. tender after prequalification. Prequalification: 3rd quarter '81. Int. tender: end '81. Supplies: Int. tender: end '81. Supervision of works: end '81. Date foreseen for financial decision: end of September '81. 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 Cotonnière). 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 and fruit. Area 3 000 ha, of which 185 ha intensive cultivation and pisciculture and 584 ha orchards, rest for protection. Works: acc. tender 1st half 1981. Supplies: int. tender and direct agreement, 1st half 1981. TA: FAC (F). Projet 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: LUX-CONSULT (Lux). 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.

Mwebe-Batshamba Road. Resp. Auth.: Ministère de Travaux Publics. Part (81 km) of the national road Matadi-Shaba. Prequalification foreseen for July '81. Date foreseen for financial decision 3rd or 4th quarter '81. Project on appraisal. 5th EDF.

Kalemie port rehabilitation. Resp. Auth.: Département des Transports et Communications. Estimated cost not available. Study on the way by CADIC (B). 4th EDF regional. Project stage identification. 5th EDF.

Banana deep water port. Resp. Auth.: Département des Transports et Communications. Feasibility study: SEMA-TRACTIONNEL-OTUI (F.B.F.). 4th EDF. Complementary technical study to be done on 5th EDF. Project stage: identification. 5th EDF.

ZAMBIA

Supplementary financing for the construction of five Rural Health Centres. Resp. Auth.: Ministry of Health. 2 mECU. Works: direct labour. Supply of equipment and medical stores: acc. tender or direct agreement. Date foreseen for financial decision, end of September '81. 5th EDF.

Overseas Countries and Territories (OCT)

BELIZE

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, workshop blocks, principal's house. Works: direct labour. Supplies: furniture and equipment, restr. tender or direct agreement. Project in execution. 4th EDF.

NETHERLANDS ANTILLES

St Martin Airport. Resp. Auth. : Departement voor ontwikkelingsamenwerking. 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.

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 already drawn up. 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 (Oudgadougou). Study : FOUCHIER (F). Project in execution. 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. Experts : Prof. DUPHORN (D) — MUNCH — PETERSEN (DK). 4th EDF.

U.D.E.A.C. HARBOUR ZONE — DOUALA HARBOUR (CAMEROON)

Creation of U.D.E.A.C. harbour zone. Resp. Auth. : Ministères des transports de Cameroun-Rca-Tchad. Estimated cost 8.84 mECU. EDF 5.78 mECU. Cofinanced with BDEAC and Cameroon. Works : access road, railway, upgrading and hydrolics works. Int. tender launched in June '81. Project on appraisal. 4th EDF.

COUNTRIES MEMBERS OF C.E.A.O.

Financing of a regional trade cooperation programme. Resp. Auth. : Secretariat général de la CEAO. 2.500 mECU.

Measures to improve production and develop trade. T.A., training, seminars. Trade missions. Date financial decision, July '81. 5th 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, administrative 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.

Training assistance for the African and Mauritian Common Organization (OCAM). Resp. Auth.: Secretariat de l'OCAM. 1.0 mECU. T.A., seminars and granting of study awards. Date financial decision June '81. 4th 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.: Ministère des travaux Publics. Estimated cost: 50/60 mECU. Economic and technical studies (4th EDF): Bureau Tractionnel (B) and R.R.I. (D). Construction of a central hydro electric plant of 35 MW. Foreseen funding: EDF, ADB. Works: int. tender after prequalifications. Pre-qualification made. Project on appraisal. 5th EDF.

Methane gas from Lake Kivu. Resp. Auth.: CEPGL and Commission mixte de 2 pays. Estimated cost: not available. Pre-feasibility study underway. (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. 1.200 mECU. Short list not yet drawn up. Date foreseen financial decision, end of September '81. 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.: Ministère des Travaux Publics. Estimated cost: 170 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, UNDP. Feasibility study done. Completion envisaged 1982/85. Project stage: identification. 5th EDF.

BURUNDI — TANZANIA — ZAMBIA

Mpulungu Harbour. Resp. Auth.: Ministry of Power, Transport and Communication. 2.24 mECU. Works, Supplies, T.A. Date financial decision July '81. 4th EDF.

ZAMBIA — BOTSWANA — ZIMBABWE

Training assistance for Namibian refugees and students. Resp. Auth.: U.N. Institute for Namibia. 1 mECU. Date financial decision July '81. 5th EDF.

GABON — CONGO

Construction and equipment of a boarding section at the Ecole des Postes et Télécommunications in Libreville. Resp. Auth.: Office Postes et Télécommunication (O.P.T.). 2.020 mECU. Buildings Boarding facilities 976 m², restaurant-cultural complex 430 m². Equipment. Supervision of works. Date financial decision June '81. Works: Acc. tender launched on April '81. Supplies: Int. tender end '81 or 1st quarter '82. 4th 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 transit 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). 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). Technical detailed study: SOFREA-VIA (F). 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.

MADAGASCAR-SEYCHELLES

Ecole Maritime de Majunga. Resp. Auth.: Ministère de l'Education. Managerial staff training for mercantile marine and fishery. Supply of a school-vessel and equipment. T.A. Estimated cost 2 mECU. Project stage: identification. 5th EDF.

ACP STATES

Assistance to the professional ACP-EEC organizations concerned by improvement of the production and products commercialization on foreign markets. Resp. Auth.: COLEACP-FEDEAU. And the association for the improvement of the commercialization of products like coffee, cacao, oleaginous and cotton. 2.770 mECU. Date foreseen for financial decision, end of September '81. 5th EDF.

Countries acceding to Lomé Convention

ZIMBABWE

Study Programme. Resp. Auth.: Ministry of Economic Planning. (MEPD). 1 mECU. 3 Studies: Intensive Rural Devel-

opment Area 3 (IRDA 3), Mashoualand East. Pungwe/Honde Valley Development Study, near Umtali. Smallholder Irrigated Coffee Development, in Victoria and Midlands Provinces. Studies: Int. tender after prequalifications or direct agreement. Date financial decision 1st quarter '81.

Technical Assistance Programme. Resp. Auth.: Ministry of Economic Planning (MEPD). 0.500 mECU. To prepare agricultural projects. Contracts: direct agreement. Date financial decision: 1st quarter '81.

Educational Facilities and Equipment. Resp. Auth.: Ministry of Manpower Planning and Development. 3 mECU. Building of Technical College and supply of equipment and furniture. Works: Acc. tender. Supplies: Int. tender. Date financial decision: 1st quarter '81.

Reinforcement of National Extension Services. Resp. Auth.: Ministry of Lands, Resettlement and Rural Development. 1.5 mECU. Building of 70 standard staff houses and supply of 30 4-wheel drive vehicles. Works: Acc. tender. Supply: Int. tender. Date financial decision: 1st quarter '81.

Rural Clinics. Resp. Auth.: Ministry of Health. 4.5 mECU. Construction and equipment of 115 rural clinics and 230 staff houses. Works: direct labour or direct agreement. Equipments: Int. tender. Date financial decision: 1st quarter '81.

Intensive Resettlement Programme. Resp. Auth.: Ministry of Economic Planning and the Agricultural and Rural Development Authority. (ARDA). 4 mECU. Resettlement of some 18,000 smallholder families. Works: access roads, water supplies, fencing, schools... Supplies: Int. tender or direct agreement. Works: direct labour. Date financial decision: 1st quarter '81.

ing equipment, technical assistance and training of instructors. Works: contracts already awarded. Supplies: int. tender 1st half '81. TA: ADEP (F).

Scientific cooperation programme with O.N.R.S. and trainers' training. Resp. Auth.: Ministère de l'Enseignement Supérieur et de la Recherche Scientifique (M.E.S.R.S.) 4.300 mECU. Scholarships, T.A. experts and supply of equipment. For scientific equipment int. tender. Date foreseen for financial decision October '81.

Rural managers' training. Resp. Auth.: Ministère de l'Agriculture, de la Révolution Agraire et des Forêts. 4 mECU. T.A. with trainers and technical equipment. Supplies: direct agreement. T.A.: Contracts: from '81 to '83. Date foreseen for financial decision October '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.

Developing Vocational Training for Industrial Trades. Resp. Auth.: Ministry of Industry and Mineral Resources. (Productivity and Vocational Training Department — PVT.D.) 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.

MEDITERRANEAN COUNTRIES

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 teach-

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.

2 Vocational Training Schools. Resp. Auth.: National Planning Council (NPC) and Vocational Training Corporation. Estimated cost. 1.200 mECU. (EEC part). Construction and equipment 1 school for 700 boys at Zarqa and 1 at Amman for 700 girls. Training and T.A. Date foreseen for financial decision 2nd half '81.

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'Elevage 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 (MTEFP). 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. T.A.: ICON INST. (D). 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: SAFEGE (F). 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. T.A.: A.A.B. (D). Project on appraisal.

TURKEY

Mining Renewal Equipment and Spares. Resp. Auth.: Turkish Coal Enterprises (T.K.I.). Estimated Cost 16 mECU. EEC 16 mECU. Equipments: dump trucks, electrical excavators, bulldozers, associated spares. Equipments: int. tender in '81. Date foreseen for financial decision June-July '81.

Beypazari Lignite Project. Resp. Auth.: T.K.I. Estimated Cost 55.7 mECU. EEC 22 mECU, Local 33.7 mECU. EEC part: Equipment supply for: development, mechanised face, conventional face and auxiliary. Equipments: int. tender in '81. Date foreseen for financial decision June-July '81.

Lignite Exploration Project. Resp. Auth.: Mineral Research and Exploration Institute of Turkey (M.T.A.). Estimated cost 25.5 mECU. EEC 8 mECU. Local 17.5 mECU. EEC part: Equipment supply: core barrels, drill pipes, drill collars, rock bits, core bits. Equipments: int. tender in '81. Date foreseen for financial decision June-July '81.

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 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.

Pump Irrigation. Resp. Auth. : Ministry of Agriculture and Forest. Estimated Cost: 31.5 mECU. ADB 19 ECU. EEC 5.5 mECU. Local 7 mECU. Works: irrigation and related facilities. Supply of equipment and T.A. Works and supplies: int. tenders following EEC and ADB procedures. T.A. : contracts following ADB procedures. All items in '82. Date foreseen for financial decision for EEC: end of September '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 in '81.

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. 2nd 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. Construc-

tion 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 in '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.

Emergency Programme-drinking water supplies for refugees areas (NWFP). Resp. Auth. : UNICEF. Estimated Total Cost 6 mECU. EEC 2.7 mECU. Cofinancing with Unicef. Supplies, drilling works, T.A. Supplies: Int. tender. Drills: Acc. tender Works: Direct Labour. Date for financial decision 2nd half '81.

Karachi fishing port. Resp. Auth.: Fishery department of the Sind Province. Estimated cost 45.5 mECU. ADB 24.8 mECU, EEC 12 mECU, Local 7.1 mECU, Agricultural Development Bank of Pakistan 1.6 mECU. EEC part: new facilities: quay, boat repair yard, fish-shed, dredging. Rehabilitation of existing facilities, equipments and TA. Date foreseen for financial decision 2nd half '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.

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.

Seed production centre for the Southern Region. Resp. Auth.: Ministry of Agriculture. Estimate of Cost: 3 mECU. EEC 2.2 mECU. Construction of a centre for the production and distribution of improved qualities of rice seeds. Equipments and T.A. Works and Infrastructure: Acc. tender. Equipments: Int. tender and direct agreement. T.A.: direct agreement. Date foreseen for financial decision June or July '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.

Scientific and Technological Cooperation Programme. Resp. Auth.: ASEAN-Committee on Science et Technology (COST). EEC 2.8 mECU. Training, T.A., Studies, seminars. During 2 years starting from 4th quarter '81. Contracts for T.A. and studies will be negotiated by the Commission of CE after agreement with COST.

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. Direccion 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'integracion economica). 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.

BOLIVIA

Irrigation Programme Altiplano-Valles (Cochabamba). Resp. Auth.: Service National de Développement Communaire (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).

NICARAGUA

Training assistance to ENABAS (Empresa Nicaraguense de Alimentos Basicos). Resp. Auth.: Ministerio de

Comercio Interno and ENABAS. Estimated cost: 0.850 mECU. EEC 0.850 mECU. Training assistance: 2 long-term and 6 short-term experts. Amount foreseen for TA: 0.600 mECU. Construction, equipments, materials: 0.250 mECU (local contracts). Date foreseen for financial decision: July '81.

EQUADOR

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.

Foderuma (rural micro-projects). Resp. Auth.: Ministère de l'Agriculture. Total cost 3.4 mECU. EEC 3 mECU. Local 0.4 mECU. Works, supplies (tractors, lorries, motor-cultivators, waterpumps) training and T.A. Supplies: int. tender in '82. T.A.: direct agreement. Date foreseen for financial decision, end of September '81.

COUNTRIES MEMBERS OF PACTO ANDINO

Technical cooperation (industry and economical planning) Resp. Auth.: Junta del Acuerdo de Cartagena, Lima-Peru. Estimated total Cost: 1.7 mECU. EEC 1.1 mECU. To place experts, equipment and T.A. and training at Junta's disposal. Contracts T.A. and experts by the Junta and the Commission of EC. Date foreseen for financial decision end of September '81.

Andean Programme for technological development (Rural PADT). Resp. Auth.: Junta del Acuerdo de Cartagena, Lima-Peru. Estimated total Cost: 7.560 mECU. EEC 3.927 mECU. Supply of equipment, training and T.A. Vehicles purchase: int. tender. T.A.: Short-lists to be drawn up by the Commission of EC and decision by the Junta. Date foreseen for financial decision, end of September '81.

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The widespread implementation of cheap credit programmes has provided an opportunity to examine the results of such policies. It seems that in all too many countries rural money markets are doing little to encourage savings and capital formation. They are badly fragmented and doing a poor job of helping the economy to allocate real resources efficiently and equitably. Concessionary interest rates accompanied by rapid inflation mean that these markets are transferring large income subsidies to recipients of loans that are negatively priced in real terms. High loan default rates, lack of economies of scale in lending and generally high loan transaction costs are all undermining the financial integrity of many formal financial institutions.

This new publication from ODI examines existing rural money markets and institutions in low-income countries in general and in India, Jamaica, Nigeria and Upper Volta in particular. The evidence provided in these papers suggests that far too much attention has been directed at providing cheap credit to farmers and not enough attention paid to what low interest rates do to savers, the performance of financial institutions, the efficient allocation of resources, and the distribution of incomes within rural societies.

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F.A. RYAN — **Appropriate management technology for the Third World** (2nd edition) — Wheeler Publishing, Allahabad — 211001, India — Rs. 30 — 280 pp. — 1980

F.A. Ryan works principally for the Indian government as an expert on the development of small industries. He produced the basis of this book 20 years ago, under the title *Efficiency for small-scale manufacturers* and the revisions and enlargements are the result of his intervening experience in several developing countries.

To a Western reviewer, there is still something peculiarly old-fashioned in Ryan's emphasis on moral qualities as essential to good management. "The most important thing in the world is human nature", he writes, and goes on to stress friendliness, responsibility and leadership qualities in a boy scout tone which would probably have him shouted down in a big modern factory. However, he is writing for small businesses in the Third World and his formula of success through self-improvement has been arrived at from experience.

It is a comprehensive book, with 36 chapters ranging from general manage-

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ment principles to the details of cost accounting. The chapters are clearly broken down into separate points and include lists of «tips», «principles», «golden rules», etc. which read like the schoolbooks with which many of Ryan's intended audience are familiar. It may be old-fashioned, but one can hardly argue with such mottos as: "my idea of productivity in developing countries is not to urge two willing bullocks to pull their carts faster through deep mud, but to remove the mud". With this book, Mr Ryan does remove a lot of mud.

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Gilles LESSARD and Amy CHOUINARD — **Bamboo research in Asia** — International Development Research Centre, Box 8500, Ottawa, Canada — 228 pp. — 1980

This book covers the proceedings of a workshop on bamboo held in Singapore, in May 1980, by the IDRC and the International Union of Forestry Research Organizations. As the foreword says: "it is possible to estimate that at least one third of the human race is making use of this perennial plant. Considering the importance of bamboo in the lives of so many people, it is remarkable that there has never been in the past an international meeting of research scientists interested in bamboo".

From scaffolding to firewood to musical instruments, the uses of bam-

boo are very diverse. Although focussed on Asia, this book resumes such a quantity of expertise on the various bamboo plants that it must claim a prominent place in the library of anyone dealing with bamboo anywhere. It is well laid out, based on reports from 10 Asian countries and 10 papers covering botanical, mechanical and other aspects, with introductory and concluding summaries. Photographs and diagrams complement the text usefully.

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Regards sur La Haute-Volta (A look at Upper Volta) — U.C.O.D.E.P. editions, 15, avenue Trudaine — 75009 Paris or Collectif Tiers-Monde 163, Grand-Rue 86000 Poitiers — 20 FF — 114 pages — 1981

"What must anyone interested in the problems of underdevelopment know about Upper Volta"?

It is with this question in mind that the UCODEP (Union des Comités pour le Développement des Peuples) produced this booklet entitled *Regards sur La Haute-Volta* (A look at Upper Volta).

UCODEP is made up of about 60 committees in France which have ties of solidarity with village groups in Upper Volta, Tanzania and Senegal.

This booklet presents Upper Volta, one of the poorest countries in Africa in 11 chapters: geography, people, housing, history, economy (rural and industrial sectors), basic infrastructures and transport, religion, education, health, the condition of women, art and handicraft.

Recent publications, personal experience, including explanation by Upper Voltans themselves, provided the materials for this publication, which is meant to be a tool for all those who, in one way or another, are interested in the country. The booklet is also another way of looking at the problems of West Africa.

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