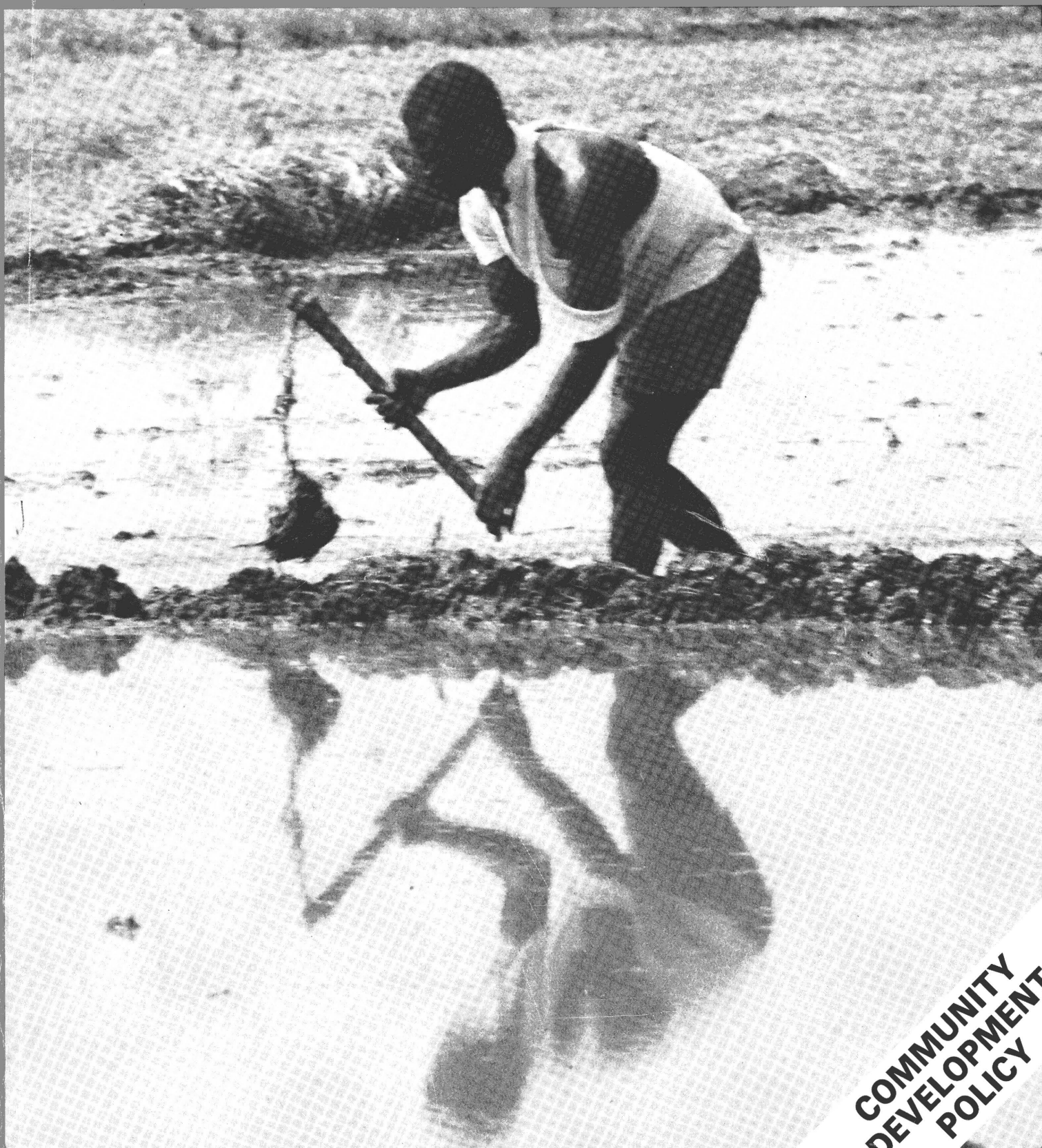


# the courier

AFRICA-CARIBBEAN-PACIFIC - EUROPEAN COMMUNITY

Published every two months

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**COMMUNITY  
DEVELOPMENT  
POLICY**

## THE EUROPEAN COMMUNITY

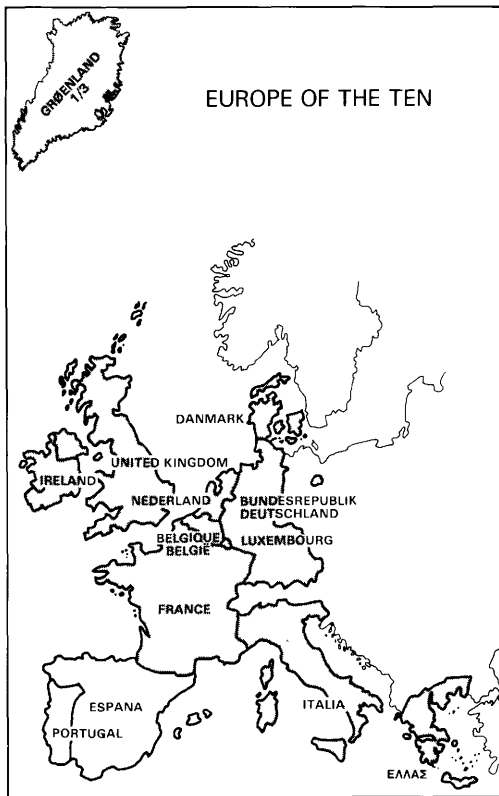
BELGIUM  
DENMARK  
FRANCE  
GERMANY  
(Federal Rep.)  
GREECE  
IRELAND  
ITALY  
LUXEMBOURG  
NETHERLANDS  
UNITED KINGDOM

## THE ACP STATES

ANTIGUA AND BARBUDA  
BAHAMAS  
BARBADOS  
BELIZE  
BENIN  
BOTSWANA  
BURUNDI  
CAMEROON  
CAPE VERDE  
CENTRAL AFRICAN  
REPUBLIC  
CHAD  
COMOROS  
CONGO  
DJIBOUTI  
DOMINICA  
EQUATORIAL GUINEA  
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LESOTHO  
LIBERIA  
MADAGASCAR  
MALAWI  
MALI  
MAURITANIA  
MAURITIUS  
NIGER  
NIGERIA  
PAPUA NEW GUINEA  
RWANDA  
ST. LUCIA  
ST. VINCENT & GRENADINES  
SAO TOME PRINCIPE

SENEGAL  
SEYCHELLES  
SIERRA LEONE  
SOLOMON ISLANDS  
SOMALIA  
SUDAN  
SURINAM  
SWAZILAND  
TANZANIA  
TOGO  
TONGA  
TRINIDAD & TOBAGO  
TUVALU  
UGANDA  
UPPER VOLTA  
WESTERN SAMOA  
VANUATU  
ZAIRE  
ZAMBIA  
ZIMBABWE



**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)

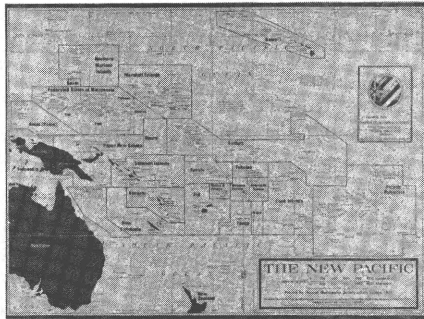
**UNITED KINGDOM**  
*(Overseas countries and territories)*  
Anguilla  
British Antarctic Territory  
British Indian Ocean Territory  
British Virgin Islands  
Brunei  
Cayman Islands  
Falkland Islands and dependencies  
Montserrat  
Pitcairn Island  
St Helena and dependencies  
St Kitts & Nevis  
Turks & Caicos

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

Front cover: A West African peasant farmer prepares a field for the rice crop. "Africa, and particularly the poorest countries, is the first field of Community development activity" (FAO photo)



**Viewpoint** — A major reorganization has recently clarified the various roles of French government development cooperation and foreign affairs services. Now the bureaucratic machine has been retuned, minister Jean-Pierre Cot, the man in charge of development cooperation, explains the prospects for French cooperation following the reshuffle and gives his view of the Lomé Convention. **Pages 3 to 5**



**Vanuatu, Tuvalu, Kiribati** — These three Pacific ACP states have in common their small size, authentic cultural traditions and a recent period of difficulties. Vanuatu, formerly a Franco-British condominium, had to cope with a secession movement before getting to grips with economic restructuring two years after independence. Tuvalu had to establish itself as a fully-fledged state and Kiribati has to adapt, from a phosphates-based economy to a heavy dependence on foreign aid. **Pages 11 to 37**

**Europe** — The Court of Auditors is one of the more obscure of the European Community institutions. It has 10 members who act collectively while each covering a particular speciality. Marcel Mart deals with EEC-Third World relations; he explains the role of the Court of Auditors and its particular responsibilities under Community development policy. **Pages 40 to 43**



**Dossier** — In a memorandum to the Council of Ministers and the European Parliament, the EEC Commission has just proposed an overhaul of Community development policy. The document lays out guidelines for future discussion without being an exhaustive summary of the Commission's new development thinking. EEC commissioner Edgard Pisani provides a commentary for the *Courier*. **Pages 48 to 74**

**Developing world** — The World Wildlife Fund, based in Gland, Switzerland, has offices in all five continents. Christiane Linet, the head of the Brussels office of the WWF, explains the necessity of imposing a care and protection order on the planet we inhabit to preserve it not only for our well-being now but also in order to cater for the needs of future generations. **Pages 75 to 76**



# THE COURIER

AFRICA - CARIBBEAN - PACIFIC  
— EUROPEAN COMMUNITY

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## Priority for the Third World farmer

**T**he development prospects of the low-income countries, particularly those in Africa, are generally gloomy and a source of serious concern, says World Bank president Alden Clausen in the annual report on development that the organization brought out in August. Progress in these countries, Clausen stresses, where most of the world's poverty is concentrated, will depend very much on what aid is channelled to them and how generous it is.

He feels that because of the deterioration in the world economic situation, growth in the developing countries will probably only be low between now and 1990. The *per capita* income in these countries only increased by 0.2% in 1981 (whereas it was 0.7% in the industrialized countries) and while international prices for commodities (except oil) dropped by 14.5%, the developing countries' external debts increased, by 16%, to \$465 000 m. Servicing this debt cost \$99 000 m in 1981 (a third more than in 1980) and the countries are having to borrow more to raise the money for repayments.

The main theme of the report is that the development of agriculture encourages the development of the economy in general; Alden Clausen therefore feels that the low-income countries have to capitalize on their agricultural potential.

Experience has shown that in almost all the countries which have concentrated on agriculture, economic growth has been fast.

**B**etter late than never, of course, but did such a prestigious organization as the World Bank really have to wait until 1982 to point out the obvious link between agricultural growth and the development of the economy in general?

The importance of agriculture in the development process varies, of course, from one country to another and from one group of countries to another, and talented economists have written many a learned book about it. But putting it plainly, expanding agriculture does three things as far as development is concerned. First, it produces consumer and export goods. Second, it increases the purchasing power of the rural masses (who make up the bulk of the population in most of the developing countries), which is the principal factor in enlarging markets. Their volume will determine, in particular, the possibilities of industrialization for the internal market. And third, by helping generate savings, agriculture provides national capital that can be invested in the country.

Certainly many developing countries have claimed that agriculture and rural development are the corner-stones of their national development plans, but those that have actually channelled more than 5 or 10% of their budgets into agriculture over the past few years are few and far between. Even the coun-

tries of sub-Saharan African tend to be in the 5-10% category, in spite of the importance of agriculture to their economies, the World Bank report says.

Not only is self-sufficiency in food fairly rare, but the general impression is that more than a quarter of the world population is still under-nourished, quantity- and quality-wise. It is impossible to quantify the often irreversible damage that malnutrition does to the physical and mental development of young children.

According to the 1981 report of the UN Fund for Population Activities on world demography, there will be 6 100 million people on Earth come the year 2000. Just 6 100 million — 20% fewer than the 7 500 million there would have been if the birth and death rates of the 1950s had been maintained. But the good news, the more rapid decrease of demographic growth, should not mask the real situation. Last year, for example, the world population increased by an estimated 80 million people. And, in the year 2000, the annual growth rate will be up near the 90 million mark and most of these people will be born in the developing countries.

**S**o it is reasonable to say that food production stagnates where the population explodes and progresses where the population declines. Death by overcrowding, Edgard Pisani once wrote, goes hand-in-hand with death by oversight. At the centre of this problem, a fundamental one for the future of mankind, is the Third World peasant farmer, representing 50-90% of his country's working population and supplying 30-40% of its GDP.

This peasant farmer, frequently overlooked and misunderstood, is a remarkable man. Do not forget that he has empirically achieved a twofold balance — with nature and with himself. In these regions, nature is not generous, but little is asked of it. Man is often poorly fed and he is weak, but he does not try to grow more because he knows that the fragile soil will not respond to his efforts. So a genuine balance has been struck, but it is one of under-development which perpetuates poverty rather than enabling man to overcome it.

However, experience has also shown that the Third World farmer is not so anti-innovation as is generally supposed — provided he is motivated, assisted, involved in any progress and in a position to make his opinions felt. The balance of under-development is often the consequence of policies which demotivate and discourage the peasant farmer, such as pricing farm products too low. In this regard, matching foreign assistance and domestic policies is an essential aspect of the "food strategy" which is one of the basic ideas of the memorandum on EEC development policy, the "dossier" presented in this issue. ◊

ALAIN LACROIX

## "The anti-hunger plan proposed by the Commission will lead the way to self-sufficiency in food"

**Jean-Pierre Cot, French minister for development and cooperation**

The press and the rest of the media have had a lot to say about the discussions which have been generated in French government circles, up to presidential level, and in French-speaking parts of Africa over the past year by the plan to reform French cooperation. This reform, which has now been adopted, involved a thorough overhaul of cooperation structures, with the basic idea that French cooperation, previously geared to French-speaking Africa, should be fitted into France's foreign relations in general. This meant putting an end to separate administration of foreign affairs and cooperation. Three new directorates have now been created.

Jean-Pierre Cot, son of a famous Front Populaire minister, is in charge of cooperation and development at the Ministry for External Relations. He tells the *Courier* about the changes in, and the prospects for, French cooperation and gives his opinions on the Lomé Convention.

"... There is a directorate for development projects (which designs and implements cooperation and development aid schemes) and a directorate for development means (general administration, drafting and implementation of the development and cooperation budget and authorization of expenditure from the Fund for Aid and Cooperation).

There was a simple reason for the reform. France's foreign policy has to have continuity and unity, so how could we go on having what amounted to a ministry for Africa separate from the external affairs ministry? The decrees of 27 July are a logical follow-on from the creation of the deputy ministry of which I am in charge."

### Culture and development

► *So the foreign ministry is divided into two—the departments you are in charge of, those now dealing with all the countries of the Third World; and the departments dealing with cultural cooperation. Isn't there any danger of an artificial division, and of overlapping in some cases?*

— There was rigid administrative and geographical division until May 1981, but now we have introduced a more flexible kind of thematic sepa-

ration which we hope will work better. Alongside the three directorates I've just mentioned (whose scope enables me to do something my predecessor couldn't do and have an idea of multilateral aid, European financing, World Bank financing and so on), there is a directorate-general for cultural relations which will be responsible for France's external cultural policy in all areas of the globe.



Jean-Pierre Cot

This division does not mean that we think there is no link between culture and development. An administrative barrier is obviously a tenuous line and there are risks of overlap. There is bound to be some overlapping in the early stages, but these unavoidable difficulties should not lead us to back-pedal. As to the danger of artificial division—that would exist if we failed to realize the cultural aspects of development. But the greater integration of the directorate-general for cultural relations and the three directorates of cooperation and development in the external relations ministry goes a long way to preventing any division between development and its cultural dimensions.

### Our three priorities

► *Has the extension of your geographical scope brought about any change in priorities? In particular, how does Africa fit into French cooperation now and is the FAC (Fonds d'Aide et de Coopération) being extended to more countries?*

— The effort France is making will only bring results if the extension of the geographical scope of the deputy minister for cooperation and development manages not to lead to an indiscriminate dispersion of development aid. This is why the restricted council of 8 June 1981 fixed the following priorities:

— French-speaking Africa (both the northern and sub-Saharan parts of the continent), and the least-developed countries in particular, are the first priority.

— The second priority is Africa as a whole. We hope to extend France's active presence to Spanish-, Portuguese- and English-speaking parts of the continent, particularly, for reasons of political solidarity, to the front line states.

— Our last priority is Central America and the Lesser Antilles, because we are anxious to relax the tensions that can so easily arise if there is too great a difference between the economic situation in our overseas departments and in their independent neighbours.

The Fund for Aid and Cooperation will be confined to the present 26 beneficiaries, with the difference that



the Lesser Antilles will now be covered as well. This limitation and this extension are in line with the priorities I have just outlined.

**French aid:  
from 0.35% to 0.7%  
of GNP in 1981-88**

► *Is the overall aim still to double France's official assistance in real terms—i.e. to reach 0.7% of GNP by 1988?*

— Yes it is. I can confirm the President of the Republic's commitments on this. Over the 1981-88 period, France's official assistance will be increased from 0.35% to 0.7% of GNP. We intend pushing it up to 0.5% in 1983, so you can see that we are maintaining the right pace. Within this figure, the least developed countries will account for 0.15% of GNP in 1985, which is twice what they got in 1981. This is a considerable effort in a period of economic crisis and it means we have a lot of explaining to do to the public, as the tax-payer will not put up with it if the aid is wasted on expensive and useless projects.

► *Will France's cooperation policy be the same towards countries which respect human rights and those that don't?*

— France recognizes countries, not governments. Cooperation cannot steer clear of inter-state relations, but if it is channelled through the state, it is nonetheless intended for the people. In many cases, these people are already suffering quite enough from oppression and repression without being penalized any further by having French aid cut or suspended.

But having said that, I still can't agree to cooperation being the same regardless of the degree of respect for human rights. To begin with, structurally speaking, cooperation is much more a part of French external policy than it was before and respect for human rights is one of the most important features of French policy and diplomacy. Second, the attention we pay to the way French aid is used varies widely according to what the government of the recipient country is like. Recent examples of misuse of international aid (by the imperial family during the great Ethio-



Documentation française

**Senufo landscape  
"We must progress towards food self-sufficiency"**

pian famine, for instance, and the Somoza family after the Managua earthquake) showed what some regimes might do with their external assistance.

Generally speaking, however, our overall idea of cooperation, as something that helps self-centred development and encourages schemes in the field for the benefit of the local people, is the best means of preventing any misuse of French aid.

► *How do you see the role of your cooperation officers? Are they there as substitutes? How can their position be improved?*

— In terms of the numbers of aid workers, French cooperation is the best in the world by far. I think that cooperation officers are doing more than just working for France's cooperation policy. They are co-authors of it and the measures that have been taken since June 1981 (union rights for cooperation officers, officers associated with the shaping of the policies implemented and so on) reflect this.

People have said that technical assistance was one of the problems of both the colonial and the post-colonial period. But it will be much more than a sequel to what went before if we can get it integrated into a global strategy aimed at planning our tech-

nical assistance and inserting it into a development strategy. That is not to say that we will remove cooperation by substitution overnight, but I am doing my best to promote cooperation by project, led by cooperation officers whose tasks will now be defined and limited.

As to the officer himself, his status is, by its very nature, ambiguous, as he is a French citizen who is put at the disposal of a foreign state. This contradiction may be handled in a fulfilling manner if the officer remembers the essential point of his tour—that he is employed by the French state and is on a temporary mission, that he is also an ambassador of French culture and that he represents our political desire to take part in the development of the Third World.

► *What is the part played by the franc zone in France's new cooperation policy?*

— Africa is still the priority in French cooperation policy. The machinery of the franc zone used in French-speaking Africa is a particularly useful tool as far as development is concerned. So it will be maintained, as the various African governments involved have in fact requested.

The convertibility of currencies in the zone that are linked by fixed parities provides a most favourable framework for the expansion of trade, particularly at regional level, and for the entry of foreign capital.

But the developing countries don't just have financial problems. Like all countries, they have to defend their currencies as far as possible and if parity slips, confidence disappears, credibility goes with it and the economy slumps. Some people have criticized the franc zone—but they ought to compare the monetary situation in the countries that belong to it with the situation in the neighbouring countries of West Africa, which by no means have the same guarantees.

**"The Lomé Convention  
is an exemplary framework  
for cooperation"**

► *What do you think about the present Lomé Convention and what do you think should be emphasized in any extension of it?*

— The Lomé Convention is an exemplary framework for cooperation between industrialized and developing countries. It is original from a number of points of view—its contractual nature, the relations it establishes between different regions, the multiannual commitments it involves and the attendant opportunities it provides for forward planning. And it covers all fields, from trade through technical and financial aid to emergency aid and commodities. France has always supported Lomé and it has been instrumental in shaping Lomé principles.

The results of the Convention are positive. The volume of aid is very large, the total of all instruments amounting to something like ECU 6 700 million over the Lomé II period (1981-85). This aid, given in a variety of ways, seems well-adapted to ACP requirements. The EDF is an effective means of cooperation and the Stabex and the sugar protocol, for example, provide the ACP countries with a kind of insurance that is unique in the world today.

As to the future—the first negotiations for extension of the Convention are scheduled for the spring of 1983. As far as France is concerned, Lomé's achievements have to be preserved. But like all systems, the Convention isn't perfect and, in particular, the Stabex crisis has to be settled and the EDF procedures have to be speeded up and improved.

It is also important to be ambitious and to take up the challenge of development as soon as possible. So the anti-hunger plan which the Commission has proposed is a most important initiative and something which augurs well for the future. Support from national agricultural strategies should mean that the anti-hunger plan proposed by the Commission will lead the way to self-sufficiency in food.

In the present climate of crisis, i.e. with this short-sighted egoism and ever-greater indifference about the South, it is more important than ever to defend and improve cooperation between the Community and the ACP group, which will soon have 63 members.

► *What can France do to get the North-South dialogue off the ground again?*



*"It is more important than ever to defend and improve cooperation between the Community and the ACP group".*

— France always works to improve the spirit of cooperation and for a genuine dialogue. It did so at the Paris conference on the least-developed countries in September 1981, it did so in October 1981 at the IMF and World Bank meetings and it did so last June at the Versailles summit.

In spite of all the problems, France is always anxious to work for the launching and the success of the global negotiations.

As far as we are concerned, these negotiations should be an opportunity to discuss the problems together at long last, to realize that the questions facing North and South are questions of inter-dependence, and to display the solidarity without which we will never find a way out of the crisis.

Then we have to fight to see the multilateral organizations, the World Bank, the UNDP and so on, have the means they need to continue with their irreplaceable work of assistance. The proposals we made at Toronto (the special IDA fund) are now working through the normal channels.

I didn't chair the Paris conference to ignore the lot of the 31 least developed countries in the world. France, with UNCTAD, the UNDP and IBRD, is a driving force in getting the work of this conference continued.

Lastly, next spring, UNCTAD VI will be held in Belgrade and France and her European partners will, we hope, be in a position to make a series of practical proposals, on commodities in particular.

► *Is helping the Third World also helping the French economy?*

— Help to the Third World is justified by the increasing interdependence between the industrialized countries and the poor ones.

Politically speaking, there will never be peace or stability until poverty and injustice no longer afflict the majority of the people of the world. The increasing number of wars and crises in the developing countries, and the way they are all too often exploited by foreign powers, are triggered off in the first place by the instability and the tension linked to underdevelopment. So France sees schemes to help the poor countries as one of the means of the policy it is implementing to ensure its own security in a fairer and more peaceful world.

"Helping the Third World is helping ourselves", President Mitterand told the UN conference on the least developed countries. And what is true politically is also true from an economic point of view. So, over the 1973-80 period, the average number of jobs created in France each year by trade with the Third World was 37 000, which means that, without that trade, unemployment figures would have been even higher. And over that same period, the only area with a structural trade surplus as far as the French economy was concerned was the developing world.

Official development assistance made a considerable contribution to this trade and so it has been a positive help to France's balance of trade and employment situation. This is why I have no hesitation in saying that it is not just a moral imperative but a political and economic necessity as well. ○

Interview by A.L.

## Amadou-Mahtar M'Bow: the testimony of a man serving mankind

by Jean d'ORMESSON of the Académie française (\*)

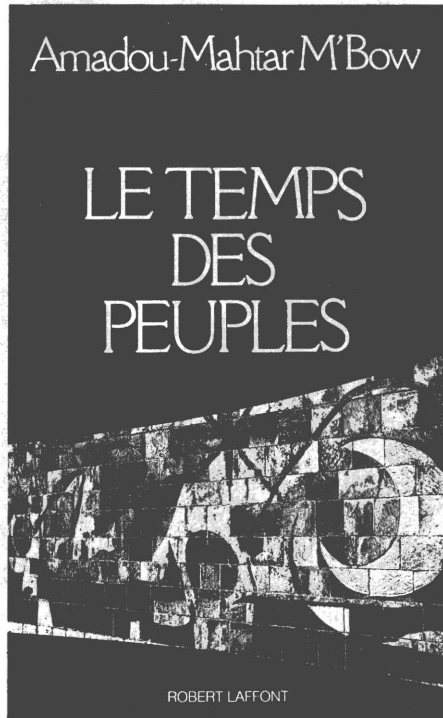
*Le Temps des Peuples* opens with the observation that the world is an unhappy place. Africa is not the only famine-stricken continent. Some 500 million children will starve to death in the next 50 years in southern Asia. Material underdevelopment goes hand in hand with intellectual underdevelopment: there are some 785 million people—a third of the world's population—who are illiterate. The figures are particularly high in the case of women and young people. Women account for 60% of all illiterates, and between 1970 and 1980 the number of illiterate women rose by 51 million as against 20 million in the case of men. Over 40% of the developing countries' total population of 2 000 million are aged under 15, and fewer than four out of 10 of those children benefit from a full primary education.

In a situation as tragic as this, there is little cause for optimism; nor is undue pessimism justified. Between 1950 and 1970, the number of illiterates in the world rose by 42 million; yet over that same period the ranks of those who could read and write were swollen by no less than 669 million. From 1976-1980, adult illiteracy fell from 65% to 61% in Africa, from 40% to 38% in Asia, and from 23% to 20% in Latin America. But in the least advanced countries, less than 30% of children aged between six and 11 will be provided with schooling in 1985.

Figures like these, picked at random, show how urgent it is to take international action. The key word here is solidarity. "International solidarity," Mr M'Bow writes, "must complement the efforts of individual governments, because the countries with a high rate of illiteracy are also poor — sometimes extremely poor."

It would be a great mistake to assume that solidarity was one and the

(\*) French writer Jean d'Ormesson is secretary-general of the International Council of Philosophy and Human Sciences.



same thing as uniformity: the world is one, but it is also diverse. The international movement of solidarity should not only strive to act as swiftly and effectively as possible in the face of red tape and national selfishness, but also respect the specific character of individual peoples and cultures. This is a point that Mr M'Bow makes again and again: "The international community is generally of the opinion that the notion of cultural identity cannot be dissociated from that of development." Or again: "The best and most vigorous form of development will always be endogenous development." The process of education, science, and progress which the world is now undergoing should not be imposed or introduced from outside: it must emerge from firmly anchored national traditions. That is precisely the gist of Régis Debray's argument in his recent book, *Critique de la Raison Politique* (1), which has perhaps not been received or reviewed with the attention it deserves: "Apparently, then, the ideal evolution of cultures

(1) Published by Gallimard, Paris.

obeys a rule that is well-known in aesthetics: the more singular a work, the more universal it is. (...) The much discussed dialogue of cultures, which, when all is said and done, constitutes our modern universality, presupposes plurality; it therefore demands the preservation of cultures."

This preservation of cultures is one of the leit-motifs of *Le Temps des Peuples*. Every cultural heritage, whether it be Buddhist, Islamic, Egyptian, pre-Columbian, Hellenic, Roman or Judaeo-Christian, is equally deserving of Unesco's attention and aid. The wide range of sites that Unesco has saved from destruction or helped resist the ravages of time includes Venice, the Nubian monuments, Mohenjodaro, Borobudur, the Acropolis, Fez, Kathmandu valley, and the island of Gorée, which for centuries was the last that hosts of black slaves saw of Africa before being branded, shackled and shipped off like animals to the plantations of America.

Spatial solidarity is mirrored by an equally important temporal solidarity. In other words, while everyone in the world is responsible for everyone else, he or she also has ties with the past and with traditions that are an equally integral part of human dignity. This dual kinship, both horizontal and vertical, has a bearing on the problem of science and technology. True, nothing can be done without the help of science. But while science and technology are a vital priority, they are not enough on their own. As Mr M'Bow points out: "People have got into the habit of regarding development as nothing more than growth and the amassing of material goods, (...) and of gauging it by the level of gross national product — in other words, they see it in purely economic terms. This way of looking at things, which is not without danger for the future of mankind, reflects the whole ethos of modern industrial societies."



"Now I am not denying that scientific and technological progress has in many cases enabled those societies to eradicate some of the most tragic problems facing mankind. They have, within their own territories, got rid of hunger, disease and ignorance. They are constantly enriching the fund of human knowledge and human skills, thus opening up new prospects for the future of mankind. Yet at the same time they have in many cases found themselves in a blind alley."

Just at the moment when the industrialized countries are becoming aware of the predicament in which their model of society can put them, the Third World countries would be well advised not to follow suit unthinkingly. "They can, and must, rely on the living forces of their past to provide them with the inspiration they need to build wholly new models for tomorrow."

While deeply attached to the preservation and exploitation of man's cultural heritage and the various specific testimonies to his past—not just temples and mosques, but the infinitely more fragile oral traditions—Unesco and its director-general also have their eyes firmly fixed on the future. What Mr M'Bow hopes for and calls for more insistently than anything else in his book is peace. He reminds his readers that total military spending in the world is 25% more than the total amount of money spent on education, and that military-orientated research now employs about half a million people. Worst of all, this is an increasing trend. "Before the Second World War, military research accounted for only one per cent of military spending; it now gobbles up as much as 10% to 15%." Thus science has become a destructive, not constructive, activity. One of the major concerns of Unesco and Mr M'Bow, to judge from *Le Temps des Peuples*, is how to re-harness science for peaceful purposes.

There is obviously little room for ethical neutrality when, like Unesco and *Le Temps des Peuples*, you talk about such issues as peace, international solidarity, and respect for the identity and dignity of each people. It is difficult for an inter-governmental

organization to define an international code of ethics. Any such code must be based on the rejection of all that divides mankind and on the reinforcement of all that brings it closer together. Universal solidarity naturally goes hand in hand with abhorrence of all forms of racism, an active defence of human rights and a concern for justice. When combined with a critical reappraisal of existing forms of development and of the crisis of the industrialized world, it can help forge a new economic order that would allow development to be both fair and well-balanced.



**Amadou-Mahtar M'Bow**

It takes little effort of the imagination to see that before such an enterprise can be carried through successfully much difficult ground remains to be covered: it is littered with selfish motives, obstructed with routine and prejudice, mined by violence and riven by opposing interests. New methods are required to negotiate it safely. One of these—perhaps the most important—is *consensus*. Here Mr M'Bow, who has made a great contribution to the theory and practice of consensus, has many closely argued and stimulating things to say on the subject.

An immense intellectual and moral effort will be needed if agreement is to be reached on such thorny problems as, say, communications and information—both of which have recently been the subject of heated debate—or if a successful battle is to be waged against the age-old enemies of any international undertaking:

bureaucracy, politicization (a natural enough reaction) and the cultural indifference that can sometimes be found lurking behind the most respectable cultural commitments.

Cooperation between nations and cultures is a daunting task, and the most important thing is that it should be given the greatest possible chance of success.

*Le Temps des Peuples* takes a long, hard look at the issues, yet does so with an intense feeling that constantly engages the interest of the reader. Let me, by way of conclusion, quote just one or two of the many pertinent observations that are typical of the book: "Development is multidimensional. It cannot be boiled down to economic growth alone. Economy, culture, education, science and technology are all particular aspects of the problem, of course, but they are complementary and indissociable; and only when they converge can they guarantee that a form of development centres on man's aspirations. Development should be planetary in character, for there is a close relationship between the various parts of the world. And the progress of the least privileged is closely bound up with the way the more prosperous evolve. Lasting development can only be development for all. Finally, development must be endogenous: in order to develop, each society must remain true to itself and draw sustenance from its own culture and its own ways of thinking and acting. Each country has to find its own feet: there is no straightforward, universal solution."

The key themes of Mr M'Bow's important and remarkable book are, then, solidarity, unity, diversity, justice, peace, tradition and progress. He offers a lucid analysis of the modern world and points to the only reasons we have for hoping that it will emerge safely from its present crisis. Mr M'Bow has no doubts on the matter, and his controlled enthusiasm is infectious: thanks to the collective conscience embodied in Unesco, reasons for hope are, in the last account, more powerful than the forces of destruction. ○

*Le Temps des Peuples* is published by Robert Laffont, Paris (1982).

# World population 1981

## Towards 10 000 million people... and then?

When the world population stops growing in 130 years time, says the UN Fund for Population Activities in its report on world demography in 1981, there will be more than 10 000 million people on Earth — two and a half times the number there is now.

Although these latest estimates are less alarmist than previous projections have been, they do show that, depending on how successful current policies are, the world population will be somewhere between a maximum of 14 200 million and a minimum of 8 000 million. "If we can keep up the rate of the present demographic programmes", says Rafael Salas, executive director of UNFPA, in the introduction to the report, "we should be able to stabilize around the 10 500 million mark in the year 2110".

### Zero growth

The first continent to achieve zero growth will be Europe, with a population increase of only 50 million before stabilization in about 50 years' time. North America, with 320 million people, will come next and the USSR, with a population levelling off at around 380 million, will be a close third.

Southern Asia will virtually treble its present population of 1 400 million before stabilizing at around 4 100 million at the end of the 21st century. In east Asia, the spectacular decline in the Chinese birthrate will mean that only 500 million more people will be added to the population before expansion stops in the year 2090. Latin America will also see its present 400 million-strong population treble and the population of Mexico alone will be almost as large as that of the USA.



*Indonesian mothers and their children.*

*South-east Asia will have a higher birth-rate than other continents.*

The last population to stabilize will be the population of Africa, the only part of the world where there are no signs of the birthrate falling off. The report suggests that the present African population will have increased more than fourfold before expansion stops.

### The developing world

The net result of these projections is that 9 100 million of the 10 500 million people in the world will live in what is now the developing world, and the poorest areas of the globe—Africa and southern Asia—will contain more than 60% of the total population.

Meanwhile, the industrialized world's share of the population, which stands at 24% today, will have dropped to around 13%.

"While the imbalances that cause poverty, malnutrition and sickness persist", Rafael Salas says, "the social tension created by demographic pressure will permeate every aspect of life on Earth".

The report calls for a fresh international campaign to stabilize the world population as low and as soon as possible, underlining the fact that co-

herent policies must not overlook our knowledge of the importance of social and economic factors in the size of families. The report says that better mother and child welfare, a lower infant mortality rate, better access to education, more jobs for women and less inequality of income will all help bring the birthrate down. It goes on to recommend that demographic and economic planning be integrated. "We are", the report says, "in a position to provoke a demographic change in the least developed countries during the last two decades of the 20th century".

On the subject of family planning, the report mentions the findings of the *World Report on Fertility*, a 40 million dollar enterprise

which is almost complete and has already revealed considerable disparity between the desire to have fewer children and the means available for doing so. In Pakistan, for example, 75% of women of child-bearing age have heard about birth control, but only 32% of them have access to any actual facilities.

### International aid

International aid to help bridge this gap has been pushed up to around \$250 million p.a. and 60% of it is managed by the UNFPA itself, but the report mentions that, in many developing countries, this aid is only a complement to national funds. In recent years, for example, the Indian government has ploughed \$600 million into family planning, but only \$84 million of it was international aid. In other countries, international aid is more crucial. In Bangladesh, for example, it accounts for about two thirds of the cost of the demographic programmes.

The report suggests that the logical consequence of the policies now being implemented has been that, "over the past decade, an impressive amount of progress has been made with enabling people to exer-



Education will enable young girls to see the economic necessity and health benefits of having an average family of two to three children

cise the fundamental right of deciding on the size of their family". In India, the percentage of married women in the 15-44 age group practising birth control has gone up from 8% to 23% in 10 years. The percentage in Malaysia has gone up from 6% to 36% and the figures for Thailand are 10% and 39%. In Mexico, a late arrival on the demographic policy scene, the figure for contraceptive use has increased from 13% to 40% in only five years.

In spite of the spread of family planning services and the "probably irreversible" downward trend in world demographic growth, the annual increase in the population of the planet will go on getting larger until the end of the century. The report explains this paradox by underlining the fact that, when applied to a constantly expanding demographic base, even a falling birthrate gives larger annual increases in the total

population. Last year, for example, there was an estimated increase of 80 million in the world population. But in the year 2000, the annual increase will be nearer the 90 million mark.

So, concludes the report, in spite of the good news about the increased decline in world demographic growth, "the population problem has not been solved... and over the next couple of decades, the pla-



Rafael M. Salas  
Executive director of UNFPA: smiling and confident?

net's prospects will depend on an enlightened understanding of the anticipated demographic trend".

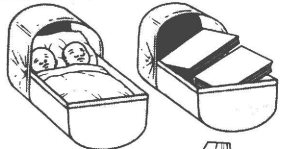
"The last population to stabilize will be that of Africa, the only part of the world where there are no signs of the birth-rate falling off". ... The UNFPA reckons the population of the African continent will quadruple before levelling off.

### An Educated Choice

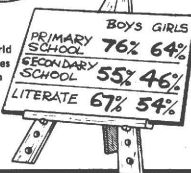
City women have fewer children than those in the countryside — education and employment open up opportunities outside the home.

#### LEARNING THE DIFFERENCE

In Peru and Jordan women with no schooling have on average two more children than those who have reached secondary school.

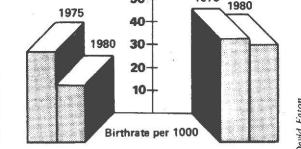


But all over the world educational resources are concentrated on boys



#### GETTING THE MESSAGE

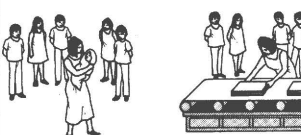
Republic of Korea Nepal



In the Republic of Korea where almost every woman knows about family planning the birth-rate has plummeted. In Nepal where only a fifth of the women know about it the birth-rate has scarcely moved.

#### WORKING OUT THE SOLUTION

A paid job for a mother is a good alternative to having more children to work for the family.



In Mexico women working at home bear two more children on average than those working in the modern sector.

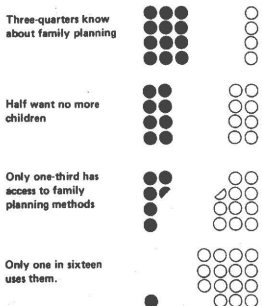
#### MAKING THE CHOICE

Better education and employment opportunities raise a woman's status and help her take part in decisions on family size.



#### FALLING BY THE WAYSIDE

Of all married women in Pakistan—



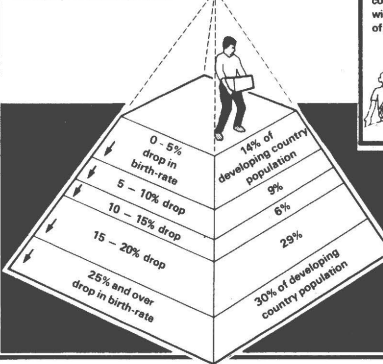
### Supporting Success

"The 1984 International Conference on Population offers the global population community an opportunity to assess the achievements and the problems thus far."

1982 'State of World Population' Report from the UN Fund for Population Activities.

#### BUILDING A STABLE FUTURE

Birth rates fell 16% in least developed countries with populations of ten million or more, between the periods 1965-70 and 1975-80, and fell most in countries with the greatest share of developing country population.



#### WORDS AND ACTION

The decline in birth rates in the developing countries doubled in the Seventies as compared with the Sixties. The World Population Conference of 1974 provided impetus to this trend.



#### POPULATION PARTNERSHIP



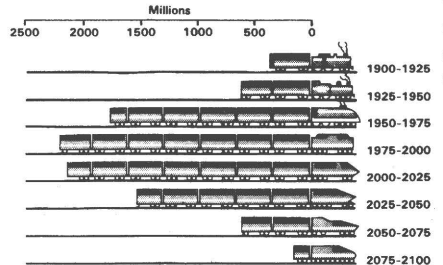
For every dollar given by the UN Fund for Population Activities in 1979/81, developing countries themselves budgeted 4.6 dollars.

#### MEETING THE EXTRA ARRIVALS

Though birth-rates have fallen the population problem has not been solved.

Pressures will continue until 2025 when the annual net addition to world population will begin to decline.

Net addition to world population at 25 year intervals





# Keeping the population wheels turning<sup>(\*)</sup>

by Mary WARREN

One of the most remarkable—and cheering—phenomena of the last 10 years has been a substantial slowing in population growth.

A growth rate of 1.99% at the beginning of the 1960s had fallen to 1.72% by the end of the '70s. And, according to the latest "State of World Population" report from the United Nations Fund for Population Activities, the figure could be around 1.5% by the end of the century.

If this is the good news, what's the bad news? Well, you might give some thought to the 6 000 million or so extra people who are going to pile onto the planet before world population eventually stops growing. Jobs, housing, education and health services are going to be very thinly spread—especially in the poorest countries.

If you want to size up future populations there are two things to look at. The "growth rate" is really a subtraction—number of births minus number of deaths. In 1982 there will be 29 births and 11 deaths for every thousand people in the world. This gives a growth rate of 17 per thousand, or 1.7%.

Strangely, it was the declining death rate that originally fuelled the rapid population growth. Simple health care—often just vaccination—was reaching out to even the poorest people. Over the last 30 years infant mortality in developing countries has been halved.

But cutting the birth rate isn't quite so easy. And that's because it depends not on antibiotics and injections, but on millions of individual decisions taken by millions of individual couples.

When they see their children are more likely to survive they may not necessarily want fewer babies: parents may simply choose to have larg-



Photo Eric L. Wheeler - UNFPA

*The UNFPA's report is optimistic about the future*

er families — to offer more security for their old age for example. Or they could actually decide to have fewer children through family planning.

Governments anxious about population growth must try to cover both opinions. They must aim at giving parents the security that reduces the need for large families—as well as giving easy access to contraception.

Neither is that simple, given the size of the problem. But governments all over the world—and as politically diverse as Singapore and China—have been doing what they can. According to UNFPA, the birth rate in developing countries has dropped 16% between the period 1965-70 and 1975-80.

Indeed, population issues have generally been taken a lot more seriously in recent years. And, looking back, the world population conference of 1974 seems to have been something of a watershed—broadening the general understanding of population as well as helping to prompt people to action.

So while in 1972 there were only 60 Third World governments supporting family planning, there are 94 today. And there was a similar response from the rich countries—international aid for population programmes doubled in real terms between 1970 and 1980.

The 1974 conference in Bucharest managed to catch and guide a tide of public concern. And the U.N. will doubtless be hoping for a similar effect in 1984—the date that has just

been announced for the next world population conference.

The debt burden of the LDCs—currently \$425 000 million—grows ever more expensive as interest rates rise. This cuts into population programmes in two ways—personally and nationally. As unemployment rises in developing countries, and real wages drop, families will feel less secure about the future and less confident about having smaller families.

And at the national level, governments may simply not have the cash to help them, even when they do want to plan their families. Even in Third World cities families are unlikely to be able to pay more than 50% of the real cost of contraceptives.

Subsidies have usually come from local governments: developing countries themselves cover about two-thirds of the costs of national population programmes. The rest comes from international aid. Will this be stepped up to meet any shortfall? This is uncertain. Enthusiasm from some aid donors for population programmes seems, if anything, to be waning. Population aid at present stands at just less than two per cent of international development assistance. And over the last few years that proportion has been dropping slightly. The U.N. Fund for Population Activities—which is the major multilateral funder—only has the cash to meet about two-thirds of the requests it gets for aid.

As the report of the Brandt commission put it: "International support for population policies is flagging at precisely the time when the commitment to, and the political acceptance of, family planning policies is spreading in the Third World."

It is disturbing because there is now a very real need for family planning services that cannot be met. Over half the women in the Third World, it has been estimated, want no more children. Yet of these only half have access to effective family planning methods.

And between now and the end of the century it is estimated that the number of women of reproductive age in developing countries will increase by 60%. We may all be concerned about population problems. But unless we are prepared to back that concern with hard cash, it is these women who will pay the price.

o M.W.

(\*) From the United Nations Fund for Population Activities' *News Feature*

## VANUATU

# Towards a restructuring of the economy

Vanuatu is unique in the South Pacific in being at the crossroads of the Anglo-Saxon and French civilisations, two of the European cultures that have profoundly marked the region.

An archipelago of 12 main and 60 smaller islands that stretches in a Y shape over 500 miles, from the Solomon Islands in the north to New Caledonia in the south, the country was jointly administered by Great Britain and France for over 70 years. It was called the New Hebrides.

Relatively unknown outside the Pacific, this Franco-British Condominium came into the international spotlight in May 1980 following a rebellion on the island of Espiritu Santo, which broke out just two months before the date scheduled for the independence of the New Hebrides. Efforts by the British and French governments to bring about a negotiated settlement of the dispute before independence failed, and the Condominium acceded to independence on 30 July 1980 with the Santo rebellion still on. However, the new nation, which was baptised Vanuatu, signed a defence agreement with Papua New Guinea in August 1980 and, with the help of troops from that country, brought the rebellion to an end.

### A coalition of interests

The upheaval was the climax of the unease that had reigned in the Condominium for years between the European population and the native Melanesians over land rights, on the one hand, and between the Melanesians themselves over the decentralization of political power, on the other—an issue that was mixed up with religious and tribal loyalties. It was the coalition of interests that led to the Santo rebellion and to the much lesser disturbance on Tanna island. The rebels on Espiritu Santo were supported by some plantation owners of French origin, who felt threatened by the independence constitution of Vanuatu which returned all lands in the country to their "custom" owners.

Although the wounds of the rebellion have, to a large extent, been healed among the Melanesians, the question of land remains the most delicate issue in Vanuatu. The problem requires explanation because the ni-Vanuatu (\*) holds dearly to land, and furthermore, because the country's economic future depends on it.

Land, the source of food, has always been the basis on which social status was determined among the Melanesians of Vanuatu, even as far back as 3 000 years ago. It was taken into account in marriages and in alliances of all sorts. It was the main

(\*) Ni-Vanuatu is a term used to denote the native of Vanuatu.

cause of fights between individuals, of intertribal wars and of conflict with Europeans when the latter began settling on the islands.

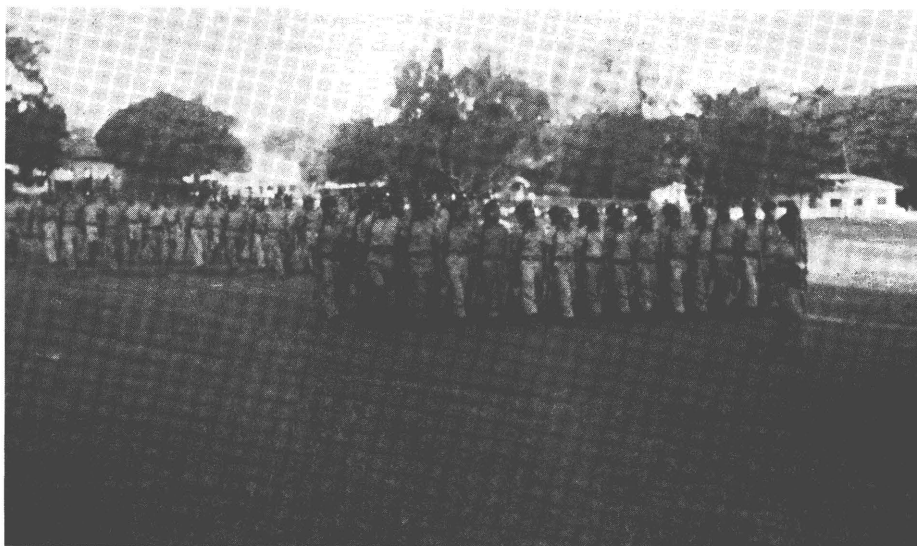
### Historical background

The New Hebrides were first sighted by Europeans in 1606 when a pious, God-fearing Spanish explorer, Ferdinand de Quiros, landed on one of them to establish a mission. He named the island Espiritu Santo (Holy Ghost), mistaking it for the enigmatic big continent of the Pacific that was to be known as Australia. De Quiros' further exploration of the area revealed the islands of Pentecost, Maewo and Aoba. However, it was not until 150 years later that the French navigator, Bougainville, visited the islands, followed by the British explorer, Captain Cook, who charted the group and named it the New Hebrides after the Hebrides in Scotland.

At a time of intense British and French colonial rivalry, which often led to hostilities of great proportions, the New Hebrides was the only area of understanding between the two powers in the Pacific. In 1887 they set up a joint naval commission to protect the islands and in 1906 transformed them into a Condominium which, during World War II, provided bases for allied forces in the Pacific.



*An aerial view of Port Vila, the capital of Vanuatu*



*Vanuatu's para-military force in training at Port Vila*

Although jointly administering the country, the British and French made no attempts to establish a unified system of administration. Each, instead, set up their own institutions: judiciary, schools, currency, language, etc., to the extent that there were virtually three governments—one British, one French and one local.

The relationship between the European powers and the natives during the formative years of the Condominium was more or less good. This was mainly due to the fact that the earliest European settlers were either missionaries or timber merchants, the New Hebrides being densely forested. The Melanesians welcomed the various religious denominations and tolerated the importation of foreign labour, particularly of Chinese, Vietnamese, Fijian and Tongan origins, into the Condominium, a clear

illustration of their openness to outsiders. The result, in fact, can be seen today in Vanuatu's evolving national language, Bislama, which is a mixture of elements of indigenous and foreign languages in the country.

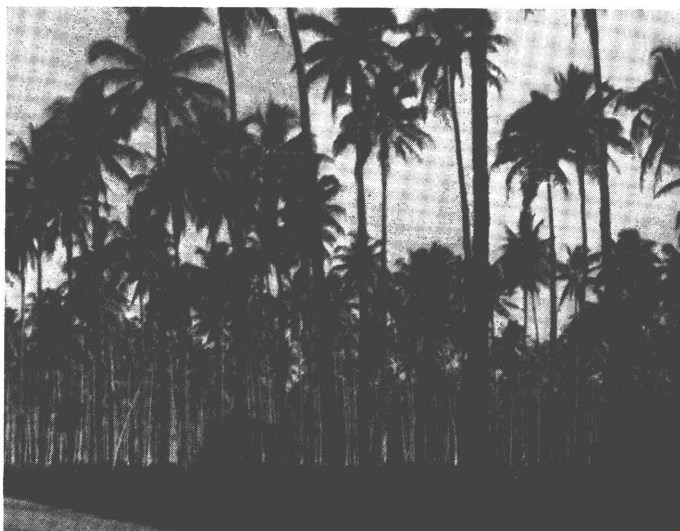
#### **Clashes over land**

Bitter clashes between the Europeans and the natives became widespread only when the former began acquiring lands, in manners considered improper by the natives, to set up coconut plantations and farms. Such issues were arbitrarily settled by the Condominium powers and, for over 50 years, appeared definitively settled as peace reigned in the country. The Melanesians, in fact, did not accept the situation and when political parties came on to the scene in the late 1950s, land inevitably became the most controversial issue.

Until independence in July 1980 the whites, who represent less than 3% of the population, owned 20 000 hectares of the estimated 60 000 ha of coconut plantations in the country, besides other properties. They were a dominant force in the economy, providing the bulk of the Condominium's foreign exchange earnings from copra, cocoa, coffee, cattle and timber.

The Melanesian population was and remains occupied with subsistence and village agriculture, producing food crops solely for family consumption or village markets: yams, manioc, taro, breadfruit, etc. Small quantities of copra, usually surplus coconut, since the ni-Vanuatu consumes a lot of what he produces, are sold to cooperative societies for limited cash requirements.

The introduction of the cooperative system in 1963 by the metropolitan powers, it must be pointed out, was a conscious effort to involve the natives in the country's economy: the cooperative societies buy the produce of their members and sell manufactured (mainly imported) goods to them in return. In this way they encourage peasants to increase production of whatever they sell and to be involved in the cash economy. The societies, in addition, provide transport services between the islands. So, on both economic and social grounds, they render immense services to the country. They sell their commodities, mainly copra, to the two dominant firms in the country, Burns Philp and the Cooperative Federation of Vanuata, which in turn market them abroad.



*Coconut plantations on the island of Efate*



*Livestock-raising under coconut plantations*



## Urban and rural imbalance

Vanuatu has a population estimated at 112 000, 78% of whom lived in the rural areas. This sector contributes little to the economy in terms of earning foreign exchange and overall growth, being mainly on a subsistence level as mentioned earlier. Of the 46 500 people estimated, for example, to be in employment in the country in 1979, only 23% were involved in the cash economy. This cash workforce is found mainly in the capital, Port Vila, and the other main town, Luganville. The situation has remained very much the same in 1982. There is, therefore, a great imbalance between the urban and rural sectors. Vanuatu's domestic market is accordingly small and this discourages investments and restricts the government's capacity to raise taxes. The inadequacy of sources of income for the government means that the country is dependent on foreign aid for budgetary and capital expenditures. Vanuatu, furthermore, relies on the unstable prices of the world market for its main exports and has not been spared by the high costs of fuel. With rising import bills and declining export earnings, the country's economic situation is precarious. But this need not be so because, unlike most countries in the Pacific and, indeed, in the Third World, Vanuatu has diversified exports. So what has been basically wrong?

## Copra

Coconut plantations cover about 60 000 hectares. These are concentrated mainly on the islands of Santo, Aoba, Malakula and Ambyrm. About 40 000 ha of the plantations are owned by the Melanesians. Vanuatu produces enough copra for a country of its size and population. However, it has an enormous potential for expansion. This has been hamstrung over the years by several factors, which include, among other things, the fact that a great number of trees are ageing and little or no replanting is done; that investment is small; that the copra is of low quality, because of the poor method of drying and of transport to the ports of shipment in Port Vila and Luganville; and that copra sales were con-

ditioned, until two years ago, exclusively by the prices offered in the Marseilles market, and also by the production in the Philippines, the largest producer of copra in the world. Vanuatu now exports copra to the United Kingdom.

Once the second largest producer after the Philippines, Vanuatu now hovers around the sixth or seventh position. In 1976 it exported 34 222 tonnes, a figure that rose to 43 861 t in 1977 and 44 878 t in 1978. Exports, however, fell in 1979 to 39 821 t and further in 1980 to 26 732 t, but rose again last year to 47 070 t.

These export figures are deceptive since, in most cases, increases in exports have not been accompanied by increases in earning, even if in terms of contribution to the gross domestic product they have been significant. For example, the 44 879 t of exports in 1978 and the 47 070 t in 1981 earned respectively VT 1 163 mil-

lion (1) and VT 1 070 m, as compared with VT 1 505 m for the 39 831 t of exports in 1979. Attempts have been made to increase the value added of copra by processing some locally in Santo. This enabled Vanuatu to earn an additional VT 77 m in 1978 and VT 145 m in 1979 from copra oil. The mill, which was opened in 1977, was destroyed during secessionist disturbances on the island in 1980. So copra processing has ceased.

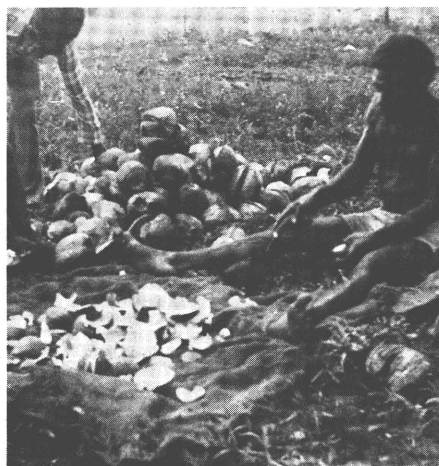
Efforts to diversify into other cash crops, particularly cocoa and coffee, have met with limited success. In 1976 cocoa exports were only 649 t: in 1978 they rose to 1 096 t before falling in 1979 and 1980 to 556 t and 723 t respectively. There were signs of recovery last year when 944 t was exported. The robusta variety of coffee is being tried. In 1979 production reached 100 t but it has since declined to a point where it is no longer considered significant in Vanuatu's external trade. The government, however, is intensifying efforts in this area.

## Livestock-raising

The Melanesians have always raised pigs and fowls in great numbers because of the social role they play. Even Captain Cook noted that fact when he visited the islands in the 18th century. Pig killing is a practice widespread in festivities relating to marriages and to the taking of chieftaincy titles. So Vanuatu had a thriving traditional livestock industry before the arrival of the Europeans. The whites introduced cattle ranching, first under coconut plantations as a way of controlling the undergrowth, then in open pastures with better breeds for commercial purposes. The natives followed suit and by 1977 accounted for 16 000 of the estimated 110 000 cattle in the country. A large part of the cattle slaughtered until that year were consumed locally. Live animals were exported mainly to New Caledonia. When a slaughter-house with a capacity for 7 500 cattle per annum was opened in Santo in 1978, the Vanuatu livestock industry was feeling vibrant enough to aim at the European market. It was soon disappointed, however, when it was confronted with EEC regulations, which



*Livestock raising in open pastures*



*Copra*

(1) 1 Vatu = US \$ 0.01.

made the entry of Vanuatu's beef into the Community difficult. Nonetheless, exports of frozen and canned beef remain high. In 1978 beef exports earned VT 150 m and in 1981 VT 159 m. In a space of 10 years Vanuatu has become a major exporter of beef in the Pacific.

Like stock-raising, traditional fishing has been practised in Vanuatu since time immemorial. Although this is done mainly for family consumption or sale in the local market, industrial fishing is practised, mainly by Taiwanese and Korean fishermen based on Santo. These fishermen sell their catches to the South Pacific Fishing Corporation which treats and exports them to the United States and Japan. The corporation, which exported 10 000 t of fish in 1977, managed to export 4 840 t last year. This was due to reduced fishing by the fleet, which has been badly hit by rising fuel costs.

Timber production is steady and its contribution to Vanuatu's economy remains as important as ever. It earned VT 718 m last year. Until exploitation ceased in 1980 because of the depth of the mines and the technical problems they presented, the Forari manganese deposits were the only known mineral reserves in the country. Although prospecting has continued no one is placing too much hope in this area.

Despite its diversified exports, Vanuatu has continued to record balance of trade deficits, covering imports with exports to the tune of 73% in 1978 and 69% in 1979.

### Land reforms

There is no doubt that the tense political situation in the country over the past 20 years has adversely af-



*Industrial fisheries on the island of Santo*

ected the economy. Indeed, the rebellion on Espiritu Santo and its aftermath brought the economy to a virtual standstill in 1980 and 1981 as most whites abandoned their plantations and others withheld investments because of the uncertainties created by the land issue. The government, as a result, has been busy since independence trying to settle the problem. It has enacted a law changing all previous freeholds or "alienated lands", as they are known in Vanuatu, to leaseholds that are negotiable between the customary owners and the "alienators". Previous freeholders are entitled to compensation for the improvements they have made on the lands should they decide to abandon them and leave altogether.

The new law has provoked a wave of indigenous claims, which the urban and rural lands departments

have to settle. Although courts have been set up to deal with cases that require legal settlements, the issue, according to officials of both departments, is complicated. They are finding it difficult establishing the rightful owners of many lands.

Many whites are finding the new law a better bargain than they had expected and confidence appears to be gradually returning—a very important development because the government is counting upon them and foreign investors, who have been watching the situation closely, to revitalize the economy. The minister of finance, Mr Kalpoko Kalsakau, puts the situation thus: "The change-over from freehold to leasehold is completely new thinking, but the private sector has now accepted the principle. The system is open to negotiation on a fair basis. I certainly hope that, with this development, leases



*Tourists are discovering that Vanuatu is an enchanting country, as these shots of Port Vila prove*

will be signed and many large plantations will be back in operation with new investments, and that those taken over by our own people will have the management capabilities to carry on".

For the moment there is no shortage of land in Vanuata, even if, as an archipelago, it has limited land spaces. Of its total land area of 12 200 sq km, 5 530 sq km or 45 % is arable. Only 17 % is under cultivation. Most of the arable land is rural and Vanuatu's 15-year development plan, which has just been published, lays emphasis on rural development. To be implemented in three phases of five years each, Vanuatu will require substantial improvement to its transport and communications network under the plan, even though in comparison with many countries in the Pacific it inherited good infrastructures from the allied forces who used the country as a base during World War II.

### Transport and communications

There are at present 19 airfields of which the Baure field in Port Vila is the only one that provides landing facilities for international flights of medium-size aircrafts. The Ministry of Transport and Communications is looking into the possibilities of transforming the airfields on Tanna and Santo islands into international airports.

Inter-island transport and communications are ensured by a number of privately and cooperatively owned boats and radio-stations. There are wharves in Port Vila and Luganville, but more will be needed in the coming years along with warehouses if the planned boost to agriculture is to be meaningful to the economy.

The road networks within the islands are constantly disrupted by torrential rainfall, which washes off parts of them. These roads will require constant maintenance. The Ministry of Transport and Communications is currently examining ways of cooperating with the Ministry of Natural Resources and Lands, whose responsibility in this area overlaps with its own, to ensure that old roads are regularly resurfaced. New ones are also on the cards.

Vanuatu has already an advanced system of satellite telecommunica-

tion, indeed, one of the most efficient in the world, thanks to a private Franco-British concern which set it up during the colonial regime.

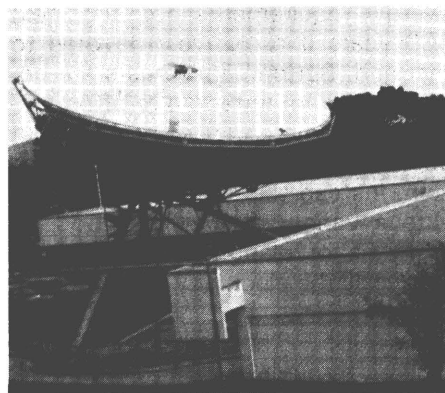
### The private sector in the economy

All is now set in Vanuatu to restructure the economy, to change it from a demand-based economy to a supply one. The government is, at the moment, the dominant force. It spends nearly 50 % of the gross domestic product and it is through its actions that the economy is stimulated. Now it plans to stabilise its expenditures through wage restraints, maintenance of the current size of the civil service (2), and through efficient buying operations.

The decision is not only economically sound, it is also inevitable because the volume of foreign aid is diminishing: Vanuatu's recurrent budgets are at the moment financed to the tune of 40 % by both Britain and France as provided for under the independence agreement. Although Vanuatu is looking forward to continued foreign assistance, it is moving quickly to establish a base where it can tax or generate revenue in the future. In this regard, much is expected of the private sector in the coming years.

It is here, perhaps, that the advan-

(2) The government is the main employer.



*The satellite station at Port Vila. Vanuatu has one of the most efficient telecommunications systems in the world*



*An office of the Vanuatu Cooperative Federation*

tage of the lease issue becomes evident. The sums that will accrue to indigenous landowners, either in the form of rent or from personal exploitation of their newly acquired lands, will contribute to the laying of the foundations for local entrepreneurship. It will put capital in the hands of the people and encourage local businessmen, who are already showing signs of vitality in transport and commerce, to expand. It is to encourage these businessmen that the government is seeking to reconstitute the funds of the Vanuatu Development Bank to enable it provide low-interest loans. It is approaching the Caisse Centrale, EDF, EIB, the Asian Development Bank, etc. for grants and loans.

The government expects local and foreign investors to look into agriculture mostly. "Naturally", says finance minister Kalsakau, "we will prefer investment in the agricultural sector to strengthen that area; in copra, cocoa, coffee, cattle development, sawmilling and fisheries; another sector that is likely to pick up faster is tourism and we would like them to look into that area".

As already seen, agriculture and fisheries have great potential for development, as has sawmilling. A rough estimate of forest reserves in Vanuatu puts these at 2 million cubic metres. Tourism, which was badly affected in 1980, has not only recovered, it is expanding rapidly as tourists discover that Vanuatu is, in fact, not all the bad publicity said it was. It is an enchanting place with kind and welcoming people and a good bargain in the Pacific, being cheaper than the traditional resorts.



## Export-orientation

The government's ultimate objective is an all-out export drive. "We have to be totally export-oriented in view of our small population. So there will be no emphasis on import substitutions" explains the minister of finance.

The country's trading position is a preoccupying issue. Indeed when the government introduced Vanuatu's own currency, the Vatu, last year it had external trade balance as an objective. The vatu, which is based on an SDR basket, was, in the opinion of Mr Kalsakau, a wise move in that it helped to "reduce the cost of imports and at the same time maintain a reasonable value for Vanuatu's exports".

Effort will be made in the coming years to minimize the import components of raw materials for industries. "If we decide to process copra we will establish a mill that can be fed easily. We are not going to do like some of our neighbours who have put up large mills which are running at a quarter or half capacity for lack of copra. We can easily establish a mill of 35 000-tonne capacity and have the copra for it", the finance minister points out.

## Industries

There are very few industries at the moment in Vanuatu: a fish-freezing plant in Pallicolo, a cannery, a button factory and a soft-drink factory in Port Vila, and 40 or so small construction firms constitute the country's only industrial activities. There are a number of shops. However, the potential exists for industrial development. Vanuatu is well placed in the Pacific to satisfy some of the needs in manufactured goods of a number of islands in the region.

The government hopes to continue to invest in infrastructures and to this end will be diversifying its sources of aid. It will be looking up not only to Britain and France, but also to Australia, New Zealand, Canada, Japan, the European Community, the Asian Development Bank and the World Bank.

## Energy and manpower

Energy and manpower are two important constraints on Vanuatu's



*The quay of the port of Port Vila*

economic development. Like many developing countries it has been badly hit by the high cost of fuel. In 1980 Vanuatu imported fuel worth VT 508 m, and last year VT 496 m. The effect has already been seen in the fishing industry, where production has fallen dramatically.

It is obvious that alternative sources of energy have to be found. Vanuatu is, luckily, among the few countries in the Pacific which have the potential for the development of these sources. It has already an elaborate programme: there are projects for two solar energy plants on the islands of Ambrym and Epi, two wind power plants on Efate and Tanna and a small ethanol plant on Tanna that will rely on local production of manioc. Several feasibility studies on the hydro-electricity and geothermal potential of the country have begun. However, the most ambitious part of Vanuatu's energy programme is the plan to use wood for the generation of electricity. It is estimated that Vanuatu's large forest reserves could provide the country with all its energy requirements for the next 400 years if exclusively devoted to that end. But primary forests are being preserved. In fact, a re-forestation programme cannot be ruled out because of efforts to avoid soil erosion. Instead there is a plan to cultivate a variety of *cassius* wood on 3 500 ha of plantation which could supply all the electricity requirements of the capital, Port Vila, from the mid-1990s. The project will be funded through the EEC's regional fund.

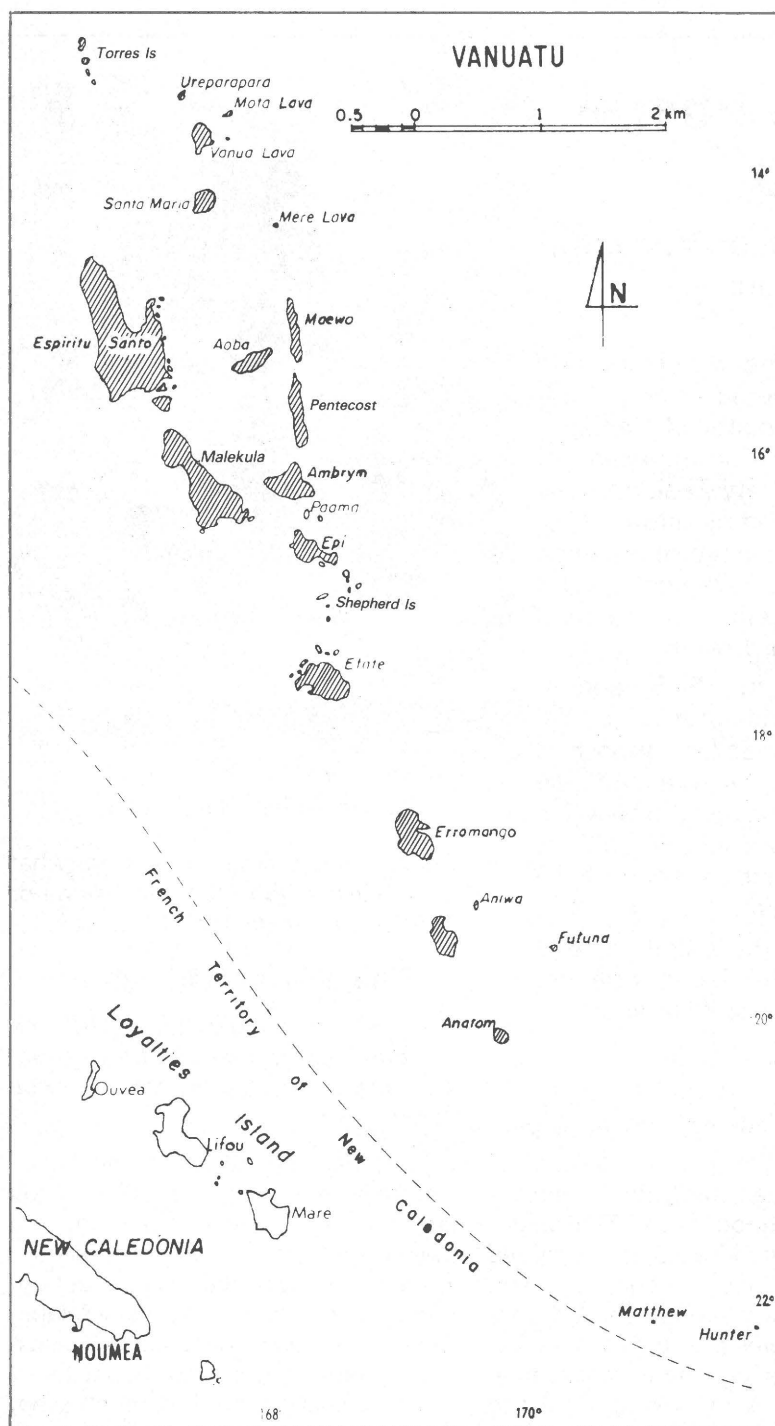
Vanuatu has a serious shortage of manpower. It relies at present on a

large body of foreign experts and advisers to run the economy. The primary schools produce some 1 800 school leavers annually, 85% of whom are absorbed by village agriculture. The rest go on to secondary schools, but only about 60 find their way either to the French Technical Institute of Vanuatu or to the English-medium Honiara Technical Institute in the Solomon or to foreign universities. Approximately seven university graduates return to the country each year. The products of secondary and higher institutions of learning are easily employed by the government, the cooperative societies and the few private businesses in the country.

The expansion of the economy will inevitably increase the demand for middle and high level manpower and Vanuatu has no intention of relying indefinitely on foreign skills. Plans are afoot to ensure that by 1986 the number of ni-Vanuatu leaving the universities and other higher institutions of learning annually with degrees and higher diplomas reaches 38.

At independence Vanuatu chose to retain the English and French media of education. This was no doubt a political decision on the part of the government in order to avoid community strife. It poses, obviously, the problem of harmonization but, at a time when regional cooperation is in the forefront of economic issues in the Pacific, it is a blessing for the country. Vanuatu will have a vital role to play in the region with its bilingual advantage. o

AUGUSTINE OYOWE



## Profile of Vanuatu

**Area:** 12 189 km<sup>2</sup>.

**Main islands:** Espiritu Santo, Efate, Tanna, Erromango, Pentecost, Ambrym, Maewo, Malekula, Epi, Aoba, Aneityum, Vanua Lava.

**Population:** 112 700 (1).

**Average annual population growth:** 3.2%.

**Capital:** Port Vila.

**Other main town:** Luganville.

**Independence:** 30 July 1980.

**Head of State:** Ati George Sokomanu.

**Prime Minister:** Walter Hadye Lini.

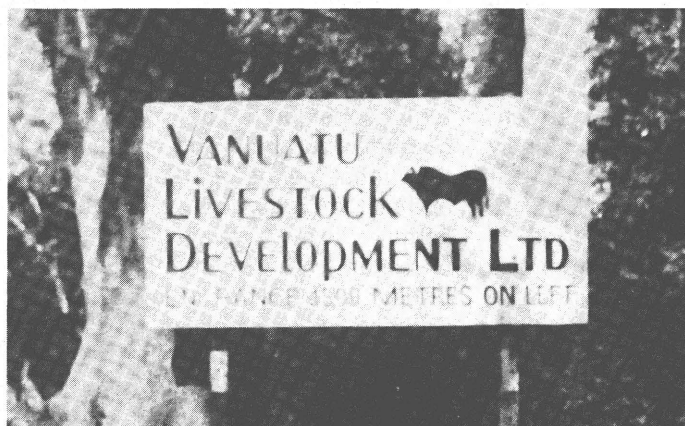
**Main exports:** copra, cocoa, beef, timber.

**Main trading partners:** Australia, France, Japan, New Zealand, New Caledonia, Fiji.

**Currency:** Vatu (2).

(1) Population, as estimated at the end of December 1981, was 123 000.

(2) US\$ 0.01 = 1 VT.



*Beef and copra are Vanuatu's most important exports*

## “We have become liberal in our thinking”

Interview with the Prime Minister of Vanuatu,  
Father Walter Hadye Lini

In these times of economic crisis, widespread misery and upheaval, politics and religion have proved to be no strange bedfellows. Father Walter Hadye Lini, the Prime Minister of Vanuatu, has combined both to a remarkable degree. Born on the island of Pentecost in 1942, he studied in a seminary in New Zealand, was made a deacon in 1968 and ordained an Anglican priest in 1970. After four years of ministry, Father Lini obtained leave of absence for full-time politics with the independence movement party, “Vanuaaku”, the most popular political formation in the then New Hebrides. Vanuaaku’s main policy was land reform.

He was elected to the National Assembly in 1975, and in 1978 appointed deputy Chief Minister and minister of social affairs in the government of national unity. Father Lini, who had by now become leader of the Vanuaaku party, led it to a landslide victory in the November 1979 elections which paved the way for the independence of Vanuatu, winning 26 seats in the 39-seat Assembly. He became Chief Minister and, at independence on 30 July 1980, became Vanuatu’s first Prime Minister.

Father Lini does from time to time stand at the pulpit to read the gospel at special services. Two years after independence, how has Vanuatu fared politically and economically? He answers this and other questions in this interview.

► *Prime Minister, Vanuatu, or the New Hebrides as it was known, was something of an anomaly in the Pacific, being the only condominium in the region. What impact has 70 years of Franco-British administration made on the country?*

— First of all, 70 years of the condominium system had encouraged an attitude of dependency vis a vis the colonial powers, making us depend entirely on Great Britain and France. Secondly, the system was divisive in the sense that we had two different languages to learn, which added to our troubles because division is really deep-rooted in Vanuatu, especially amongst the ni-Vanuatu population. Everything was duplicated. The British had their own institutions and the French theirs, and I think one of the points that should be realized is that the Melanesians had their own institutions as well, notwithstanding the fact that British and French institutions became more and more established and deep-

rooted in the country and in the people.

At the same time, I think the system had its good sides. The ones I have mentioned could be regarded as having been the negative sides. For the dual system left the Vanuatu people to develop in their own way, at their own pace, and to realize their feelings. This is an important point to make. Two years after independence, we still have the English, French and Melanesian institutions and, through these institutions, a continuity of different sets of values. There is a real consciousness in Vanuatu of the need to look very closely at the three sets of values and their different concepts of things, and to select among them what is good. In short, the condominium system has made us in Vanuatu quite liberal in our thinking, and because of that, you would find today that at various levels—at the island level and the national level—Vanuatu and its people are liberal. They have to make a



TAM TAM

Father Walter Hadye Lini

choice every time, accepting what they think is good for their village or for their island or for the nation.

### The Melanesian culture

► *So you wouldn't say that the condominium system had a destructive effect on the Melanesian culture?*

— It had, I'm afraid. What I said before was very generalized. If you go round every island and village you will find that the various religious denominations were very much responsible for the destruction of Melanesian institutions and cultural values. Today we are trying to reconcile, or more precisely, to recapture what existed before. It would certainly not be the same again because in most villages, for example, in the Presbyterian church areas throughout Vanuatu, it was and still is to some extent considered devilish to encourage custom and culture: all traditional songs and dances were and still are regarded as devilish. The same view prevailed in other churches: the Protestants, Church of Christ, Apostolic and even Roman Catholic. It was only in the last 10 years that people began trying to recapture what they had before. So it was not the British and the French governments as such that destroyed



our cultural values, the churches did more damage.

► *Vanuatu today is a member of the Commonwealth and a member of the Agence de Coopération Culturelle et Technique. Is it correct to say that you are having the best of two worlds?*

— It is very much so. We are privileged to be able to have a place in these two worlds, mainly because, through these two organizations, we have direct links with African countries and other developing countries. We feel that being a member of the ACCT is a breakthrough for us as a nation in the Pacific because independent countries in this region have not had the honour; they have not had the same background of French and English influence as we have had.

### National unity

► *How is your government forging the spirit of national unity amid racial, cultural, religious and linguistic divisions?*

— Unity is an overall aim of the government, but it is very difficult to achieve it at every level. In terms of government structure, it is not going to be difficult. In terms of language, *bislama* is already becoming a national language which is spoken by every ni-Vanuatu, besides the languages of education, French and English.

The independence of Vanuatu would not have been possible had we not had the basic unity amongst the people. All the political groups accepted the fact that, our political differences aside, there is a level of unity which is very basic to any nation and that we must work through that sort of thing. Our parliamentary system has helped us to achieve that.

Other levels of unity are difficult to achieve, but we have kept on working at them. It will take a long time because all the islands and different parts of each island have different languages. This is why we are encouraging *bislama* as a common language, as a means of uniting the people.

► *So there are no indications of trouble, no threats of secession as was the case in Espiritu Santo at the moment of independence?*

— There are no strong feelings that there is a need to secede in Vanuatu now.

### Political success

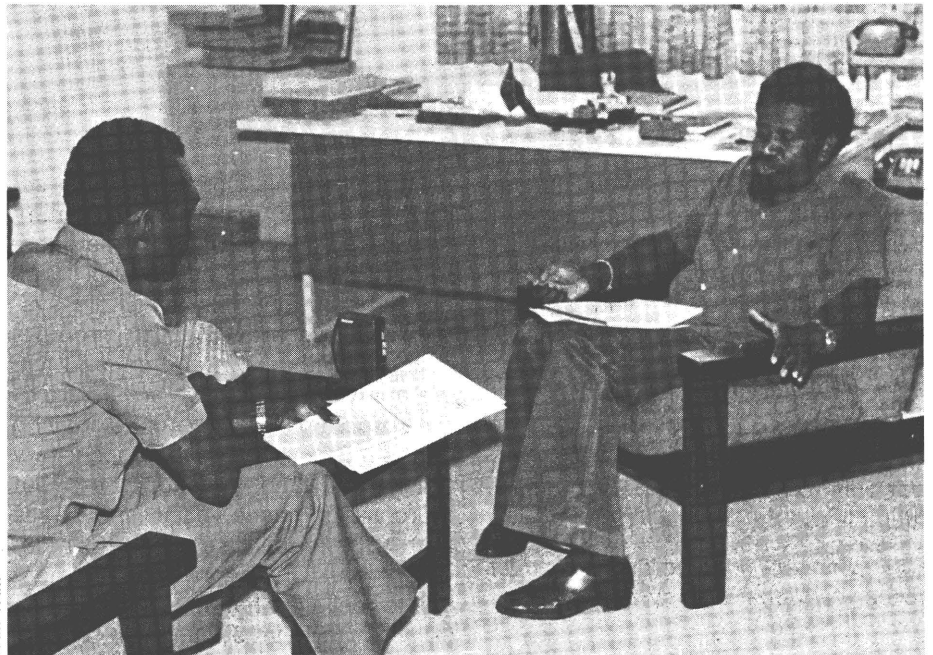
► *How would you describe Vanuatu's two years of independence? Would you say they have been politically successful?*

— I would say yes. In the past two years we have been very successful. There has been a lot to do because the French and the British, as I said before, set up their own institutions and we have had to actually work on the integration of the public service, for example, and I think that the ground we have covered in this area has been substan-

tile land, a lot of resources that we have yet to exploit, and we have a very small population compared with many countries in the world. So as far as resources are concerned, we are quite rich, in terms of the cash economy, yet we still have a long way to go to achieve a level of self-reliance.

► *You inherited serious budgetary and balance of payment deficits. How far have you succeeded in remedying the situation?*

— At this moment it is very difficult to say, mainly because, since independence, we have been dependent on France and Britain for budgetary aid. We wasted one full year by not having formulated our national development plan. It was only this



*Vanuatu is aware of "the need to look very closely at three sets of values"*

tial. In terms of proving to other countries around us that we are an independent country and that have our own foreign policy, we have again been successful. The only setback, or the only obstacle, we are facing is the programme of indigenization: we still have to do a lot in terms of developing laws that are really Vanuatu and not necessarily laws that, though for Vanuatu, are elaborated by experts from Australia, England or France. We have a long way yet to go on that. On the economic front, we are aware of the efforts that we still have to make in order to achieve a certain level of self-reliance. But we have a lot of fer-

year that we analysed and approved our plan, which we hope, in the next 10 to 15 years, will allow us to be in a position to cut gradually the amount of budgetary aid we require from Britain and France. Meanwhile we will diversify our sources of budgetary aid, but this will not be easy. It will require hard negotiation with each and every government to convince them of our needs. So, realistically, I think that for the next 10 to 15 years we will slowly cut back on our dependence on France and Britain thanks to the development projects which, to us, will generate the necessary funds. The present international economic situation has



*Vanuatu children performing a traditional dance  
"All traditional songs and dances were and still are regarded as devilish"*

caused us a setback. We depend very much on copra production. When the mills in Marseilles in France were closed down last year, we had difficulties finding another market for our copra.

► *How were you affected by the oil crisis?*

— Very severely. It is very costly not only to buy, but also to transport fuel inland.

► *Are you thinking of alternatives to conventional energy sources?*

— We have been thinking about them. The set-back was that, in the colonial days, and even after independence, the technical advisers that we had influenced the decision of the government against the development of these other sources. We would like very much to use our sun and wind resources. The government is now very determined to look into the possibilities of exploiting them.

### Land reform

► *Land has been one of the most thorny issues in Vanuatu. What reforms have your government carried out since coming to power?*

— Land to us is very important, it is like gold because we are a small island nation. There has been a lot of

progress on this issue. We have set in motion the machinery to return "alienated" lands back to their customary owners in accordance with our constitution. The leasehold system that we are trying to promote accords with our tradition and we are applying it. And we are aware of the problem with bankers having confidence in lending the necessary funds for land development, but there are no cases yet of land leases that have jeopardised loans for development. Our people were almost led to believe that it would not be possible to have a leasehold system and be able to get the sort of assistance that bankers give as freely as in the freehold system, which is a lot more of a guarantee on loans. Bankers should have confidence in the new system; after all, land is only coming back to ni-Vanuatu customary owners. There is no question that we are successfully carrying out our land reform programme.

► *Vanuatu is quickly gaining the reputation of a fiscal paradise in the Pacific for foreign banks and companies. What is the philosophy behind this policy?*

— At the moment the Vanuatu government is undecided about the issue. But we feel that there are other sources of revenue, especially those that we can make from the

development projects that we will be implementing from next year on. We will closely study the possibility of not encouraging a financial centre because, while it has some advantages, it has a lot of bad aspects to it and we are trying to apply certain controls which, at the moment, are not very satisfactory. It was one of the things we said deliberately before independence that we will not encourage. And since independence we have allowed it to continue, but we will study it closely to see what alternatives there are to a financial centre.

► *What kind of industries do you intend to attract to Vanuatu?*

— This is again a very difficult question in the sense that, while the central government is keen to attract as many investors as possible to Vanuatu for a quick turn-over of money to help our economy, we do not want to precipitate policies that we will regret later on. For example, there has been a proposal for an oil refinery here, and we purposely decided first not to encourage it. Before we say yes, we have invited some technical experts to come and study the site that was proposed and see whether it would not cause pollution in the long run in the areas. Having that at the back of our mind we want to encourage the type of industries

that would not necessarily pollute the environment in Vanuatu.

### International cooperation

► *How important is regional cooperation to you, and what role do you think Vanuatu can play in the Pacific?*

— Regional cooperation to us is very important because we think that, politically, the world today has been divided into sectors or into regions, and that is the situation. We feel that we in this region need to consolidate our relationship and our stand on certain issues that would provide us with political power or political weight in the international arena. We are looking closely at pro-

ly independent nation, it is important.

► *Vanuatu joined the Lomé Convention shortly after independence. How do you evaluate cooperation with the EEC?*

— Cooperation with the EEC is also very important to us. But I think that this cooperation is going to be weighed in a number of years, not immediately — because, for example, I think all our exports of copra in the past have been to Europe, and we have to question whether, in fact, we should continue to export our raw materials to Europe, or whether we should try and use them for manufacturing here in Vanuatu. Politically, of course, the EEC might decide that, since Vanuatu

is going to industrialize, perhaps it should cut aid to Vanuatu by a certain percentage and, by that, force us to decide whether we are serious or not. We have, however, to decide whether we want to continue that kind of cooperation with the EEC. I think that in a number of years, maybe one or two years, we will be able to. We have benefited from Lomé I and we are just about to benefit from Lomé II. Our worry at the moment is that the EEC seems to be saying that because 100% of our exports are going to Europe it would give us more money, which is good. But I think the question that would come up in a number

of years is whether we want to continue to export to the EEC or export somewhere else.

► *Yes, but even if you choose to make use of your raw materials, wouldn't you need an outlet for your manufactured goods, in Europe for example? Or do you think you can find markets elsewhere?*

— I think Europe would be the main centre.

► *In other words, the Lomé Convention would be important to you all the same?*

— Yes, it will be important.

► *Apart from serving us a base for allied forces, these islands were relatively spared during World War II. How do you view the tension between the East and West? Do you view it with as much apprehension as the rest of the world?*

— We do not view the tension between East and West in the same light as other countries of the world, perhaps because we are too small and feel we're not significant. If we make a statement at the United Nations, or at the Commonwealth, or even at the ACCT Conference, that statement can only carry weight if African countries agree and support it or if the non-aligned nations agree with it. We think that American and Russian or East-West arguments are coming to the end of their days. They don't sound true anymore. It's not convincing that the West should oppose the Eastern nations because their system is evil, or is completely bad. As a small nation, however, we have a choice, we can be friendly with the Western bloc and, the same time, maintain good relations with the Eastern bloc. We do not necessarily have to say we are in the West and keep everything out from the East.

► *Are you not worried that, in the event of a military conflict between the East and West, being in the middle of the ocean, you would be a first target for any power looking for a strategic position?*

— We are worried, not so much as regards becoming a base but about the likely effects of nuclear war. If it happens in the Pacific, or if there was fall-out, it will be us in this region, in the small island nations, that will be affected. If Australia is a target in a conflict between the superpowers, the fall-out will, in fact, extinguish the life of the Pacific island peoples. And this is why we are very much against any nuclear testing, or dumping for that matter, in the Pacific. We wish Australia would not have nuclear reactors on its territory which could be targets for Russia. ○

Interview by A.O.



An example of Melanesian sculpture

grammes like SPEC and South Pacific Commission, trying to see whether, for example, the South Pacific Commission has not outlived its usefulness, and if there are no other stronger alternatives. So, as far as regional cooperation is concerned, we feel it is our duty to encourage it in order to consolidate our relationship with our neighbours. As a small and new-



## EEC-Vanuatu cooperation

Vanuatu acceded to Lomé II on 18 March 1981 as the 60th ACP state, and by ACP-EEC Council decision of 30 November 1981 was added to the list of least developed and island ACP countries.

The implementation of the Lomé I indicative programme, agreed on 5 July 1979, was more or less hindered by the political changes leading to independence on 30 July 1980. In accordance with the newly revised programme, the following table shows the state of progress on project implementation (4th FED).

The 5th EDF allocation is ECU 4.5 million in grants. The priorities of the indicative programme agreed upon are: rural development and fisheries, 53%; encouragement of small and medium-size private industry and agriculture by means of credit facilities, 11%; microprojects, 11%; manpower development, 4%; studies, expertise and technical assistance, 10%; reserve, 11%.

As to clearly identified projects, a coconut rehabilitation scheme

(ECU 2 150 000) has already been approved by the Commission, on 1 July 1982. Within the training programme a first "tranche" of ECU 25 000 was approved in April 1982 for local training of middle and higher grade civil servants.

The European Investment Bank

(EIB) has indicated that it is considering putting up to ECU 1 million at the disposal of Vanuatu Development Bank for industrial investment in small- and medium-size enterprises.

Under *Stabex* arrangements, transfers to the value of some ECU 5.6 million have been paid to Vanuatu for the period 1975 to 1981, of which funds totalling about ECU 1.5 m have been reconstituted. o



*Road maintenance in North Efate.*

*EEC aid for road construction is of vital importance to Vanuatu's transport network*

### Lomé I — Vanuatu indicative programme (in '000 ECU)

Projects	Amended indicative programme	Commitments		Comments
		Date	Amount	
1. Airport development study	74	22.2.81	75	Final report submitted in March 1982
2. Development of stock-farming	900	9.1.81	900	As a result of project evaluation, more emphasis will be placed on pasture development
3. Rural roads	1 050	—	—	
— South Malekula road study	(185)	15.10.80	185	Contract concluded October 81. Final report in preparation
4. Studies				
— Hydrological study	190	April 81	190	3-year study (1980-84) of the 4 main rivers to assess hydroelectric potential (ORSTOM)
— Development of rice at Big Bay	80	—	80	Topographical and feasibility study. Consultants started work January '82
5. Rural development	485	15.1.82	470	A programme of microprojects in rural areas to increase agricultural and fisheries production and improving rural water supplies
6. Reserve	21	—	—	
TOTAL	2 800 (100%)		1 900 (60%)	

# TUVALU

## Modest achievements

Communications and size are two important factors weighing heavily on Tuvalu's survival as a country. Consisting of nine atolls, scattered over 400 miles of sea from north to south, and with a total land area of approximately 26 sq km, Tuvalu appears to be in the middle of nowhere. Few Pacific Ocean islands are as isolated.

Although about 1 290 km from Fiji, a visitor from afar will arrive in Funafuti, its capital, after zig-zagging across the Pacific with bizarre flight connections. The onward journey to the other eight islands, Nanumea, Nanumanga, Niutao, Niu, Viatupu, Nukufeatau, Nukulaelae and Niulakita, would give him an out-of-this-world impression.

Formerly known as the Ellice Islands, these atolls were proclaimed, along with the Gilbert Islands, a British protectorate in 1892 after consultations with the inhabitants. In 1916 the protectorate was transformed into a colony, which lasted until 1 October 1975, when the Ellice islanders voted in a referendum to become a separate colony called Tuvalu. Three years later, on 1 October 1978, Tuvalu became independent and joined the ACP group as its 55th member.

With a population of only 7 000 and 2 000 more nationals living overseas, Tuvalu's claim to nationhood is sometimes looked upon with derision in many quarters. Questions are asked as to why it was ever necessary for the then Ellice Islands to secede from the Gilbert group.

### Why separation was necessary

Although Tuvaluans are physically, culturally and linguistically different from the Gilbert islanders (being Polynesians while the Gilbertese are Micronesians), they cite economic neglect of their islands by the colonial central government in Tarawa as the principal reason for the break. It is difficult, however, for a visitor to imagine, when he takes into consideration the paucity of amenities in Kiribati today, what there was to share during the colonial era. The truth is that the colonial power failed to forge the spirit of unity between the Ellice islanders and the Gilbertese. Instead, according to Kiribati sources, it demonstrated preference

for Tuvaluans when filling key civil service posts, which created a certain amount of bitterness among the Gilbertese. Official colonial reasoning was that, as the Ellice islanders were unaffected by World War II and so had had an uninterrupted education, there were more Ellice islanders qualified for the posts in question. However, the colonial system of administration was not one that could bring the two races together; each island was governed locally with British district officers supervising. So the two races felt they had nothing really in common, notwithstanding living 60 years together in one colony. Separation was perhaps the best possible thing.

### International recognition

Although there are Tuvaluans who favour their country joining other Polynesian groups, perhaps Western

Samoa, with which Tuvalu has a lot in common, no overtures have been made. For the moment Tuvalu is a country and the smallest ACP state, and there is a will in government circles to establish it firmly as an internationally recognized country with all its international rights. In this respect, the government is increasingly succeeding. The number of foreign dignitaries visiting the country, particularly ambassadors, in recent years, is evidence of this. However, efforts so far deployed to get Tuvalu recognized as one of the least developed countries (LLDCs) of the world have failed.

Politically, Tuvalu has a Westminster-style of democracy with Queen Elizabeth II of Great Britain as head of state. She is represented locally by a governor-general. There are 12 members of parliament, five of whom are in the opposition. Each island has one village and each is administered by an island council, as in the colonial days.

### Transport and communications

An airstrip and a wharf in Funafuti, and a lagoon in the island of Nukufeatau where vessels can anchor in calm weather, constitute Tuvalu's only infrastructure for direct physical contact with the outside world. Yet these represent tremendous achievements, for the Tuvalu authorities as they constitute the bulk of the objectives outlined in this area in the first and second development plans. Weighed against the odds 10 years



*An Air Pacific aircraft that commutes between Suva (Fiji) and Funafuti*

ago, Tuvalu has, indeed, made modest achievements, not just in transport and communications but in several other sectors as well. In 1972 Funafuti, which is taken as the barometer for measuring Tuvalu's economic growth, was struck by a hurricane which caused enormous damage, with considerable loss of life; a huge wave, provoked by the hurricane, rose from the ocean side of the island and subsided in the lagoon, sweeping the island clean of houses and trees. Today the capital has been rebuilt and is a town of 2 000 people with electricity, a library, a bookshop, cinemas and other amenities.

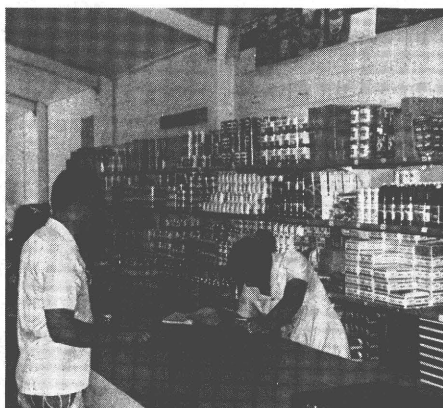
The government's preoccupation with the improvement of transport and the communications network is naturally based on the fact that realistic economic development is impossible without it. The economic potential of the outer islands has to be tapped and Tuvalu's foreign trade has to be ensured.

The airstrip in Funafuti, which was built by the Americans during World War II, was almost lost to agriculture when the natives, soon after the war, began planting crops on it. The airstrip was recovered in the late '60s and has since been playing a vital role in communications between Tuvalu and the rest of the world, much more so with neighbouring Pacific islands, now that regional cooperation has been recognized by all as crucial. Plans to extend its 1 500 metre strip by a further 300 metres and surface it, so as to allow aircraft of the Boeing 737-type to land, have not materialized for financial reasons. A year ago, however, the Funafuti wharf, built under Australia's bilateral aid programme with Tuvalu, was opened. Built at a cost of A\$2 million, the wharf was designed to allow vessels of 2 500 tonnes to berth. An 8 500-tonne ship, however, recently docked there, to everybody's amazement.

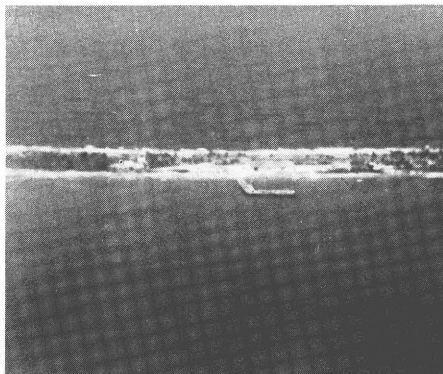
A seaplane now commutes between Funafuti and the outer islands, except Nanumanga and Niutao, which have no natural landing spots. Inter-island shipping services were provided, until recently, by a government-owned vessel, "Naviga", a boat more than 20 years old which, at the time of the *Courier's* visit, was in Fiji for repairs. Understandably it is



*Tuvaluans fishing in the lagoon*



*The interior of the only shop in Funafuti*



*Aerial view of the wharf at Funafuti*



*Pulaka variety trial in Viatupu*

due to be scrapped and the British government is being approached for a replacement.

On the telecommunications front, an international HF telephone link with Fiji has been established. Telex services will come into operation by the end of this year. Internally an HF telephone network, which would enable residents of Funafuti to get in touch with the outside world directly from their homes, is being installed. All the islands in the group are linked by radio.

These achievements have done one thing for Tuvalu. They have reinforced the people's feeling of being not only a race, but also a country. Their effects so far on the economy have been minimal because of its subsistence nature, although, it must be admitted, they represent investments that should yield returns.

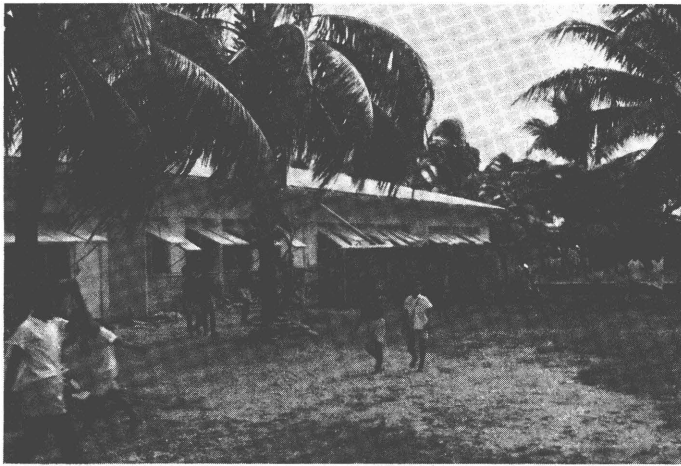
### Limited resources

Tuvalu's economic future is circumscribed by its very limited resources. Unlike most developing countries, for which agriculture is the base of the economy, Tuvalu has little potential for developing this sector. It has very little land space, its soil is poor and often stony, yet it is self-sufficient in food. The main crops are coconut, banana, breadfruit, pawpaw, pulaka and taro.

Tuvalu's economy is subsistent to the extent that cash plays little or no part in the daily life of the great majority of the people. There are no market places on the islands, only a cooperative shop in Funafuti where imported frozen meat, processed food and manufactured goods are sold. Each family produces its own food and even fish, which is obtained by traditional methods in the lagoon and along the coast. In addition to these, the inhabitants of the capital who can afford it may vary their diet with other food obtainable from the cooperative shop. The livestock industry is virtually non-existent, only some home rearing of pigs and poultry. On the whole, hunger is unknown. The people are well fed and happy. And compared with many developing countries, Tuvalu is doing very well.

But, as the cash economy develops and the population increases, the need to expand agriculture be-





*The primary school in Funafuti*



*The secondary school in Viatupu*

comes evident. Up till now, Tuvalu's only export crop, copra, has been based on the surplus coconut that farmers sell to cooperative societies.

Until a few months ago, the largest island, Viatupu (5.6 sq km) held out the greatest hope for the development of agriculture. Under the auspices of the FAO, a Sri Lankan agricultural expert was sent to Tuvalu recently by the Commonwealth Secretariat, at the request of the government, to investigate the no-till farming system potential of the island. His assessment was gloomy. The soil of Viatupu, he said, is fertile in places only to a depth of between 10 and 14 cms and any tilling of these spots will render them useless. The government had hoped to introduce the cultivation of certain vegetables as an import substitution measure. It is going ahead with its plans although it has been established that agriculture faces overwhelming constraints.

So Tuvalu, like other Pacific countries, is looking more towards the exploitation of its marine resources and its attention for the moment is focused on fish. The Tuvalu government has accordingly declared a 200-mile exclusive economic zone. As with agriculture, however, the development of the fishing industry is hampered, by lack of baitfish and refrigerating facilities. The government had wanted to commercialize activities in this domain and to this end gave the Tuvalu National Fishing Corporation a vessel, but the latter has been forced to attach it to the Fiji-owned Ika Fishing Corporation—a wise move, since the vessel, in its first two months, netted Tuvalu 70

tonnes of fish which were sold to Fiji, a thing it would have been unable to do on its own. The rearing of baitfish is being contemplated as the country is determined to establish its own national fishing industry. Meanwhile, fishing licences granted to South Korean and Taiwanese interests earn Tuvalu US\$ 170 000 annually; this is likely to rise to as much as US\$ 230 000 when current negotiations with Japanese fishing firms are concluded.

The government's success in establishing basic transport and communications infrastructure would encourage the development of another industry well known in the Pacific, tourism. Although Tuvalu's relative isolation and lack of hotel accommodation (there is only one eight-bedroom hotel at present in Funafuti which is aimed mainly at official visitors) constitute serious obstacles, the government has so far made no conscious effort to develop the sector. It feels that the time is not ripe for it. But this has not prevented the number of official and private visitors to Tuvalu increasing in recent years, rising from 130 in 1978 to 170 in 1979 and 200 in 1980.

As tourism develops, the handicraft industry will progress. This will be mainly to the advantage of the inhabitants of the outer islands, who are very deft and devote much of their time to craftwork. The sector is already showing signs of vitality. Handicrafts are sold officially at the Ministry of Natural Resources and Planning and, privately, at a shed near the airfield. Craftwork is indeed now as important a source of income for the government as stamp duties.

### **The place of the government in the economy**

Monetary activities—mainly public administration, social services, the wholesale and retail trades, and construction—represent 81% of Tuvalu's GDP. The remaining 19% is accounted for mainly by subsistence agriculture and fisheries, by real estate and ownership of dwellings. In 1977 Tuvalu's GDP was estimated at A\$ 2.3 million (\*) and in 1979 A\$ 3.3 million.

It is clear from the GDP figures that the government is the dominant force in the economy, and as the government is heavily dependent on foreign financial aid for budgetary and capital expenditure it goes without saying that the growth of Tuvalu's economy in the past five years has been due mainly, if not exclusively, to grants in aid.

### **Heavy dependence on foreign aid**

Under the independence agreement, the British government in 1979 and 1980 provided budgetary aid totalling A\$ 1.5 million. In 1981 it granted A\$ 810 000 and this year A\$ 900 000. These represent an annual budgetary subsidy of 40%. Capital expenditure, on the other hand, is entirely dependent on overseas aid.

Until a year ago, when the National Bank of Tuvalu was opened, it was difficult to establish Tuvalu's balance of payments since little record was kept of remittances, income from

(\*) A\$ 1 = ECU 1.07.

stamp duties and development aid transfers. It is estimated that these "invisible" exports would give Tuvalu small balance of payment surpluses; otherwise they are constantly in deficit on the visible trade side: imports were worth A\$ 1 859 830 in 1979 as against A\$ 257 156 of exports; A\$ 3 097 707 as against A\$ 85 532 in 1980; and A\$ 2 587 116 as against A\$ 29 2000 in 1981. The possibility of Tuvalu balancing its trade in the foreseeable future is very slight as it is dependent on a monoculture, copra, which shows no signs of improving.

In 1973, 84% of the population were engaged in village self-sufficiency agriculture. By 1979, this had declined to 70% as a result of the growth in employment in the public sector. The government is at the moment the largest employer, responsible for at least 61% of the 500 or so jobs in the country. Since the industrial and commercial base of Tuvalu is very small and unlikely to expand appreciably in the short or long term, in spite of the government's efforts to promote indigenous small enterprises, employment opportunities are unlikely to be great and the government will have serious problems placing young school-leavers. Enrolment in the primary school in Funafuti and the secondary school in Viatupu has been high in recent years. As there are no higher institutions of learning nor universities, school-leavers who cannot be absorbed into the civil service and other government jobs will find themselves stranded. Few Tuvaluans find their way abroad for further studies and these are invariably employed by the government on their return home, because Tuvalu has a serious problem of skilled personnel. At present it relies on a large body of technical experts and advisers from Australia and Great Britain to run some departments in the administration and other development projects.

The University of the South Pacific has set up an office in Funafuti to provide extension courses for Tuvaluans. The hope is that the country will gradually produce middle and high level indigenous manpower to take over from the expatriates, but that will take a very long time.  
○ A.O.

## "We would like to live as an independent country"

Interview with Dr Tomasi Puapua  
Prime Minister of Tuvalu

▶ *Prime Minister, Tuvalu is a very small country. In fact, critics say that it should not be a country at all because it is too small. What's your reaction to that?*

— As far as we are concerned, size does not matter. As a people we are really happy and would like to live as an independent country.

▶ *Tuvalu is not a member of the UN. Why?*

— This is mainly a problem that small countries like ours face. We cannot afford the membership of the United Nations.

▶ *In spite of your small population, you have a high population density. What are you doing to avoid overcrowding?*

— Well, family planning has been part of government policy right from the start. We are worried about a population explosion and we intend to intensify the family planning campaign.

▶ *Money plays little part in the daily life of Tuvaluans. They are happy, as you say, and appear shielded from the worries of the outside world. Are you not worried that in your drive to develop you will disturb this tranquillity?*

— This is the very thing we are very careful about. We take our development very cautiously so as not to disturb this tranquillity.

▶ *How important is the sea to Tuvalu?*

— It ranks very high in our development priorities. It is extremely important to us, being a very small country.

▶ *You have declared a 200-mile economic zone. Are you capable of enforcing it?*

— No, we are not capable at the moment of enforcing it and probably for the foreseeable future as well.

▶ *Tuvalu has signed a treaty of friendship with the United States, providing for mutual consultations on security and marine matters. Why was this necessary?*

— That was the treaty of friend-



Dr Tomasi Puapua

ship signed by the former government. I cannot really comment about the motives.

▶ *Tuvalu depends heavily on foreign aid for budgetary and development expenditures. How long do you think this will last?*

— I cannot really say when financial aid will cease, but we have a determination to work very hard so that we can do away with grants in aid.

▶ *In what ways has the EEC been useful to Tuvalu?*

— The EEC has been very useful to this country regarding the money that comes from Stabex for our only export, copra, and funds for development projects like the power station under construction in Funafuti. But I would like to emphasize that the most important EEC contribution to this country has been the Stabex fund.

▶ *Have you any plans to expand the copra industry which, at the moment, is at a very low level?*

— We have plans for expanding and improving the copra industry.

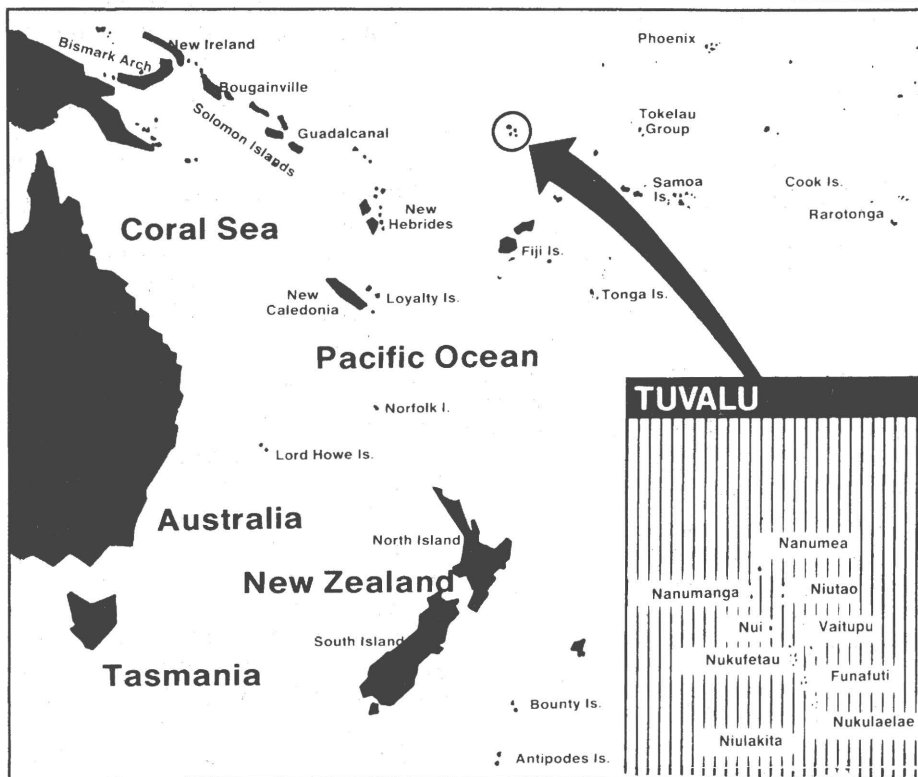
▶ *In what ways?*

— By planting new and replacing old coconut trees.

▶ *Why is Tuvalu not a tourist attraction, like most islands in the Pacific?*

— I don't think Tuvalu is not a tourist attraction. It is only the timing of tourism. We think that Tuvalu will be very attractive to tourists whenever we decide to develop the industry. ○

Interview by A.O.



## Profile of Tuvalu

**Area:** 26 sq km.

**Islands:** Funafuti, Viatupu, Niu, Niutao, Niulakita, Nanumea, Nukufetau, Nukulaelae, Nanumanga.

**Population:** 9 000 (2 000 of whom live abroad).

**Capital:** Funafuti.

**Independence:** 1 October 1978.

**Head of State:** Queen Elizabeth II.

**Governor general:** Penitala Fiatau Teo.

**Prime Minister:** Dr Tomasi Pua-pua.

**Main export:** copra (300 t).

**Main imports:** manufactured goods, machinery and equipment, fuel, food and beverages.

**Trading partners:** Australia, New Zealand, Fiji, Kiribati, New Caledonia.

**Currency:** Australian dollar (\*).

(\* ) 1 A \$ = 1.07 ECU.

## EEC-Tuvalu cooperation

As a dependency of the United Kingdom, the Ellice Islands were associated to the Community. So when they achieved independence on 1 October 1978 under the name of Tuvalu, it was logical that the new nation should join the ACP group of states. It did this on 17 January 1979 when it signed the Lomé Convention.

The 4th EDF indicative programme for Tuvalu amounted to ECU 605 000 in grants, which were allocated to the upgrading and extension of the Funafuti power plant (400 000 ECU) and two annual microproject programmes (131 000 ECU and 74 000 ECU). All funds are presently committed, total disbursement is about 30%. Due to cost underestimates and the appreciation of the Australian dollar (Tuvalu's currency), finance provided for the Funafuti power plant was not sufficient to meet the cost of the project and additional funding amounting to ECU 185 000 was requested under Lomé II. The financing decision was taken last February.

Under Lomé I Tuvalu also benefited from Stabex transfers for copra (total transfers 175 000 ECU), which have been used to finance Island Council's projects.

Under Lomé II the financial support of the Community amounts to between ECU 800 000 and ECU 1 million in the form of grants. The indicative programme established during a programming mission in 1980 foresees the following sectoral allocations: general infrastructure 65%; microprojects 20%; reserve 15%.

A financing decision on a first programme of microprojects (installation of water tanks) was taken in November 1981 for a total amount of ECU 148 000.

In 1980, the Stabex transfer amounted to ECU 15 000; Tuvalu will ask for a transfer of about ECU 70 000 in 1981. ○



*Coconut trees in Viatupu*



## KIRIBATI

### Living without phosphates

When the Gilbert Islands became independent on 12 July 1979 they chose to retain their colonial name in the form of its local pronunciation, Kiribati (\*), instead of re-adopting the ancient one, Tuarua, as most newly independent nations in the Third World have done. The national airline, Air Tuarua, had the honour instead. Trivial as this may seem, it illustrates to some extent the national character of the Republic of Kiribati: a people open to outside influence, but on their own terms. Economically, though, this is far from being the case.

Named after their discoverer, the British naval officer Captain Gilbert, these Micronesian islands were popular among European traders and whalers in the 19th century. This was a period when, more than anything else, anarchy reigned supreme: inter-tribal wars, piracy and kidnapping. Order was not restored until in 1892, when a protectorate was proclaimed over the islands by the British and Captain Davis arrived in Tarawa to establish an administration. The protectorate included the Ellice Islands and it was declared, it should be pointed out, only after the inhabitants of both the Gilbert and Ellice Islands had been consulted—an amicable process that was to mark the relationship between the colonial power and the people for nearly 87 years.

The Gilbert and Ellice Islands became separate colonies in October 1975, only to achieve independence within four years; the Ellice Islands in 1978 as Tuvalu and the Gilbert Islands in 1979.

For Kiribati independence came at a particularly difficult time. It coincided with the end of phosphate mining on Banaba (Ocean Island), which since 1903 was the mainstay of the economy, providing 40% of the national income, 50% of the government's revenue and nearly 500 jobs, a lot on the islands' scale. All that the new nation looked forward to to cushion it from the dramatic fall in revenue were the Revenue Equalization Reserve Fund (RERF) and the budget subsidies that Great Britain agreed to provide under the independence agreement.

#### The fund and the subsidy

The Revenue Equalization Reserve Fund was established in 1956 by the colonial government, originally to maintain government revenue during the time of drought and low receipts from copra exports, the main agricul-

(\* Pronounced "Kiribass".

tural produce of the islands. It was built up from royalties and taxes paid by the British Phosphate Commission which was mining the deposits on Banaba. As the deposits diminished, the fund became a kind of savings for the government to be used in the post-phosphate period. The boom in phosphate sales in the early 1970s increased the fund substantially. By independence it had reached some A\$ 75 million. Instead of drawing on it, the government now uses the interest accruing to the fund to balance its budgets, while working towards the establishment of alternative sources of income.

The agreement with Great Britain, on the other hand, provides for budgetary support over the period 1980-82 of US\$ 9.1 million, plus cost overrun resulting from inflation and other unforeseen circumstances. The agreement also provides that 50% of interests from the RERF over and above A\$ 5 m annually is deductible from the British budgetary contribution for the succeeding year. But interest has rarely exceeded A\$ 5 m and Britain has maintained its subsidy, giving the authorities the latitude not only to maintain the

RERF, but also to re-invest some A\$ 750 000 of its interest annually.

The drastic fall in revenue has inevitably provoked cut-backs in expenditures and investments, and has even led to increases in custom tariffs on a wide range of consumer goods, including staple foods, beer and tobacco. These measures have considerably slowed down the country's economic growth.

#### Capital aid

Kiribati has always relied on external aid for capital expenditure. So the end of phosphate mining was not expected to affect development projects, which the government hopes, as time goes on, will become sources of income. But aid has not been flowing as anticipated and the government is clearly frustrated as the minister of finance, Tiwau Awira, explained in a speech he delivered to parliament in November 1981. "Several projects of high priority to Kiribati", he said, "have encountered funding difficulties and efforts over the previous year to secure aid finance have not been without severe frustration. For example, the former undertaking by the government of Japan to construct a fisheries jetty did not materialise, the Japanese government withdrawing fisheries aid to Kiribati when agreement could not be reached on the jetty design which the Japanese wished to impose". The minister pointed out that, for different reasons, other projects have slipped back. Work on phase II of a baitfish farm in Temaiku was considerably delayed, for example, because of the insufficiency of plant and equipment to undertake both the project and



Kiribati traditional dancers



*The parliament (Maneaba ni Maungatabu)*

outer islands' roads and airfield construction at the same time". Most donors have resorted to delay tactics, perhaps because of their own economic problems. One example is the Tarawa water supply project which is included in Australia's aid programme for Kiribati. Estimated to cost A\$ 150 000, it could not get off the ground "largely because implementations depend upon the outcome of studies carried out by the Australian government in 1980, the results of which have not yet been produced". Can Kiribati in the face of these external factors move effectively towards greater economic self-reliance?

### Political stability

In the monumental task of putting the economy on its feet, Kiribati has the advantage of being a politically stable country. Unlike most former British colonies in the Pacific, it is a republic with a two-party system which accommodates the Democratic Labour Party and the National Progressive Party. Ideology plays little role. In fact, elections are very much a personality affair. The parliament (Maneaba ni Maungatabu) consists of 36 elected and two appointed members; the attorney-general, and the representative of the Banabans who are at the moment settled in Rabi (Fiji).

General elections to parliament are held in two rounds. A candidate who obtains 50% of the vote in the first round is elected outright. The second round is limited to between two and four leading candidates in the first, and the one with a simple majority is eventually elected.

The parliament nominates the candidates for the presidential elections. President Ieremia Tabai, who led Kiribati to independence in 1979 as Chief Minister was re-elected in the first ballot last May to a second term of office, illustrating not only his popularity, but also widespread approval of the way he has governed Kiribati in the past three years.

### The Banabans

The only issue that appeared to cast a shadow over peace in the country was the problem of the Banabans whose Ocean Island was included in the protectorate declared by the British in 1892. Like the Ellice islanders, the Banabans wanted separation and to have control of the phosphate mining on their island. During World War II they were moved and resettled in Fiji ostensibly to protect them against extermination by the Japanese, who occupied most of the islands in the group. In spite of this, the Banabans, have continued to agitate for independence. They boycotted the constitutional talks that led to Kiribati's independence and have so far refused to take up the seat reserved for them in parliament under the constitution. The Kiribati government, however, has made it known that they could return to their island and form their own island council, as in other islands in the country. This offer has not been taken up, but the government has continued to have talks with Banaban representatives and, understandably, is making considerable progress towards the settlement of the issue. (See interview with President Tabai). The govern-

ment's policy of devolving power to the island councils is seen by many as an attractive factor.

### Natural constraints

The Gilbertese may be masters of their political destiny, their country's physical features and natural resources are things they can do little, if anything, to alter.

Kiribati comprises three main groups of coral atolls—the Gilbert group with 17 islands, the Line group with eight and the Phoenix group with another eight. These are scattered over 5.2 million km<sup>2</sup> of sea and cover a total land area of only 823 km<sup>2</sup>.

Mostly flat narrow strips of land, the atolls are composed of coral reefs and a bit of soil. There are no rivers or fresh water ponds, lakes or streams. Rainfall is variable and scanty. Agriculture, as a result, is severely restricted to the cultivation of subsistence food crops: coconut, breadfruit and taro. But sufficient quantities of surplus coconut are available annually for export. Copra is Kiribati's main export crop. It is a net importer of food.

The capital, Tarawa, is 2 400 km from Fiji and 3 200 or more from Australia, New Zealand, Japan and the United States. The distances between Kiribati and the nearest industrial and commercial centres are therefore enormous. This virtual isolation makes international trade a very expensive business for the country.

The problem is equally acute internally. The distance between the farthest island in the west to Christmas Island in the east is over 3 200 km. This is why the Kiribati



*Traditional fishing in the lagoon*



*Communications minister  
Taomati Iuta*

authorities sometimes demand that the international community recognize the 3 200 km as part of Kiribati's territory, not in the sense of the 200 mile economic zone, but as a geographical fact since they physically cover that distance administratively—an enormous burden in itself, not to mention the difficulties involved in developing the islands.

Although there are an estimated 60 000 people on the atolls, the growth rate of Kiribati's population is 2.3%, the density being almost 4 000 persons per sq km in Tarawa and 500 per sq km on the outer islands. The literacy rate is estimated at 85%. But, while there is a risk of overcrowding, Kiribati suffers from an acute shortage of qualified local manpower. Many key economic, and even political, situations are occupied by expatriates.

### **Crippling effects of the end of phosphates**

To these natural disadvantages must be added the almost crippling effects of the end of phosphate mining: the per capita income dropped from A \$ 659 to A \$ 350; the trade balance moved in just one year from a surplus of over A \$ 4.7 m in 1979 to a deficit of A \$ 11.3 m in 1980; the budget surplus of A \$ 2.6 m in 1979 fell to a deficit of approximately A \$ 2 m in 1980; about 418 local jobs were lost and, as a result, remittances to the outer islands ceased and the rural economy was badly affected.

### **Foresight**

The situation could have been worse had the authorities not been

foreseeing. For they began as far back as 1976 to take steps to steer the economy away from its heavy dependence on phosphate. Accordingly the 1973-78 (1) and 1979-82 development plans gave priority to productive and income-yielding investments rather than to service investments which increase expenditures. These plans emphasized on the exploitation of marine resources, increased copra exports and the development of small-scale industries.

### **Marine resources**

Although the researches of the Committees for Coordination of Joint Prospecting for Mineral Resources in the South Pacific Areas (CCOP/SO-



*The Marine Training School  
in Tarawa*

PAC) have revealed sea-bed deposits of high-grade manganese nodules in eastern Kiribati, which many estimate are probably the best nodule fields in the world, the government of Kiribati, though interested in exploiting them, is at the moment not paying much attention to mineral resources. Instead it is focusing attention on fisheries, especially the establishment of tuna and shrimp industries.

Traditional fishing is widely practiced in the lagoons at subsistence level, in spite of the country's rich fishing grounds. In the past three years, however, Kiribati has proved that it can do better than subsistence fishing, thanks to the successful development of baitfish farms, the lack of which was the greatest handicap facing the tuna industry. The farms were established with the aid of the UNDP and the EEC. A national fish

(1) Extended by two years.

company has been set up to develop the tuna industry and already small-scale pole and line fishing activities have begun. Catches are frozen and exported to Hawaii, and these earn some A \$ 200 000 annually. The scope for expansion is enormous. Meanwhile licences granted to the 250 or so Japanese fishing vessels in Kiribati's territorial waters earn A \$ 700 000 annually in fees—a figure that could rise to some A \$ 1 m when current negotiations with South Korean and Taiwanese fishing interests are concluded.

The government's ultimate aim in this sector, however, is the establishment of joint ventures between Gilbertese and foreign investors, in order to increase employment possibilities for the people.

### **Copra**

The development of the copra industry is linked with the government's plan for rural development—a plan based on the calculation that 75% of the population live in the rural areas and that rural development would help stop the drift of young people to the capital, Tarawa.

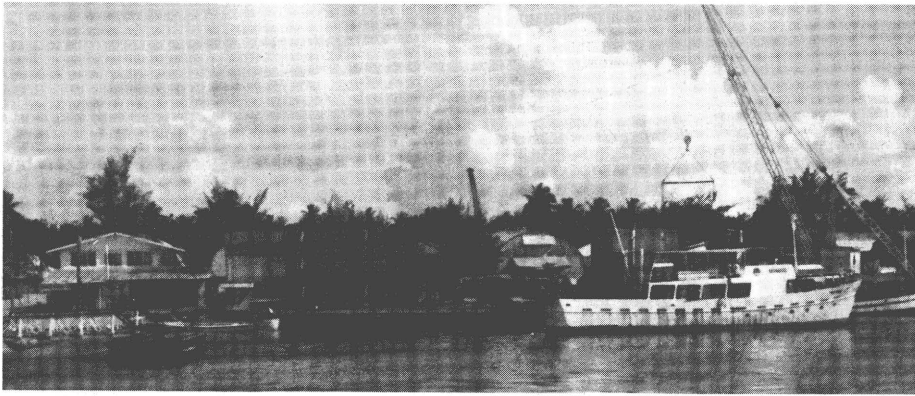
The reduction of government revenue and the consequent curtailment of expenditure have adversely affected the plan, but the process of replanting of coconut trees, begun in 1970, has continued. In 1981 the government spent some A \$ 1 m subsidizing copra prices to local producers as an incentive. It spent an additional A \$ 114 000 from its Stabex receipts on copra freight subsidies to Fiji and Majuro. The government's action is understandable. Copra is at the moment the most important foreign exchange earner for the country.

The other main sources of foreign exchange are the 2 500 Gilbertese working abroad, in Nauru, in Fiji and in foreign ships as seamen. In fact, Kiribati has a merchant navy school whose graduates are sent to work in foreign ships for foreign exchange purposes.

### **Small-scale industry**

The development of small-scale industries in Kiribati is severely circumscribed by the country's narrow agricultural base and lack of raw materials, the dominance of the subsis-





*The port of Betio (Tarawa)*

tence economy over the cash economy, and lack of market.

There are a few businesses, in furniture, transport, bakery, construction and maintenance, and retailing where the cooperative movement is dominant. Together with the government, the largest employer, these businesses account for only 25% of Kiribati's workforce—some 8 000 people, nearly all of whom are in Tarawa. So the government's efforts to broaden the industrial base are focused on Tarawa. Local people are being encouraged to invest in such areas as handicrafts, fisheries and construction, to provide employment opportunities. There are no market places, so the minister of natural resources and development, Babera Kirata, feels that the establishment of one, at least, in the capital, where people have money to spend, is the best way to expand the cash economy.

Christmas Island, on the other hand, has been identified as having potential for salt manufacturing. A study has confirmed this and a salt factory is to be set up there shortly.

### **Christmas Island**

But Christmas Island's potential is not limited to salt. Indeed it occupies a special place in Kiribati's economic future. Comprising half the land area of the country, it provides great development opportunities in agriculture and tourism with its beautiful scenery and attractions such as game fish and birds. It is less than three hours by air from Honolulu (Hawaii). If and when the decision is taken to develop the tourist industry, officials say, it will be geared towards luxury rather than mass tourism.

### **Transport and communications**

It is not surprising, therefore, to realize that efforts to improve the transport and communications network of Kiribati take into account Christmas Island.

There is an airfield on every island in the Gilbert group and the programme of construction of airfields, started before independence, is continuing in the Lines and Phoenix groups, according to the minister of communications, Taomati Iuta. Three light aircraft ensure regular inter-island air connections, but a bigger aircraft commutes between Tarawa and Christmas Island. Mr Iuta explains, "We have acquired a Boeing 727 not so much to have an international link as to ensure regular connections between Tarawa, which is the seat of administration, and Christmas Island, which is considered to have development potential".

As for international air links, Kiribati is already well served, though not on the level of frequency that the authorities prefer. There are at least three flights per week from Tarawa to Majuro, in the Marshall Islands; to

Nauru and to Fiji and back to these countries. Air Tungaru plans to provide a service to Suva in Fiji, via Funafuti (Tuvalu), to improve this traditional route to the outside world, or to maintain it in the event of Air Pacific carrying out its threat to pull out. Already a twice-monthly charter flight from Tarawa via Christmas Island to Honolulu is in operation. There are plans to operate this on a weekly basis. So the overall objective is to improve air links with neighbouring countries in order to reinforce regional cooperation and trade. It will be Kiribati's way of reducing the transport costs of its exports.

Sea transport is equally geared towards regional cooperation, but this is seen more in the context of inter-island communications and rural development.

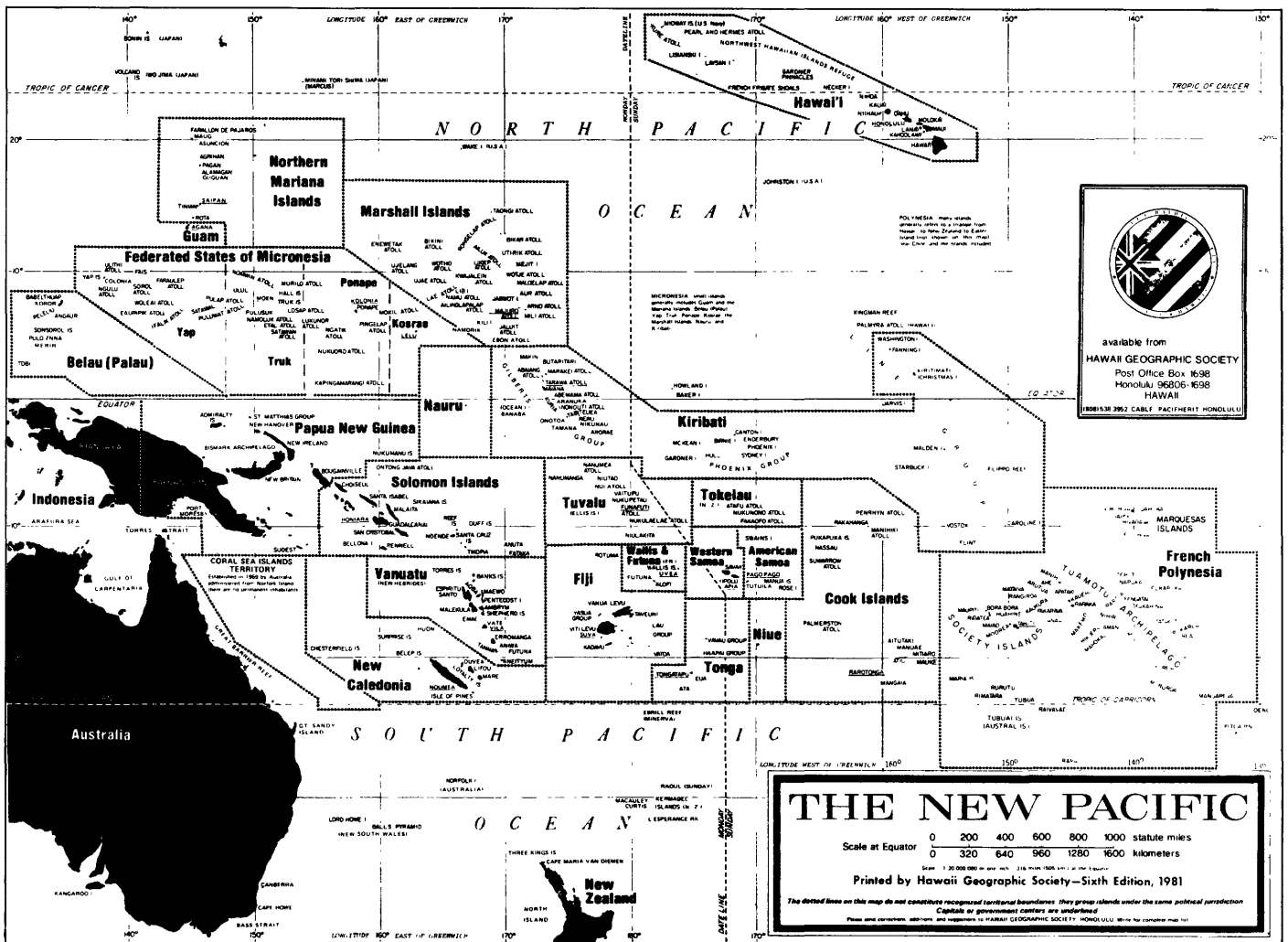
### **Betio and the outer islands**

The port of Betio, Tarawa, is the only port in the country. Some of the outer islands have lagoons where small ships can anchor. The construction of ports and warehouses in these islands is hampered by reefs; indeed, most of the reefs have had to be blasted to allow the navigation of small boats up to the interior of the islands.

Three hundred feet long, the port of Betio is equipped with cranes and three warehouses and handles the bulk of the cargo coming into the country. Recently the National Shipping Corporation of Kiribati took delivery of a 14 000-tonne ship from Japan to replace two smaller ones. The corporation has altogether seven landing craft, but the purchase of the ship has provided it with great flexibility in inter-island shipping, the minister of communications says.



*Christmas Island with its scenic game birds*



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## Profile of Kiribati

**Area:** 823 km

**Island groups:** Gilbert (17); Line (8); Phoenix (8)

**Population:** 60 000

**Capital:** Tarawa

**Independence:** 12 July 1979

**Head of State:** President Ieremia Tabai

**Imports:** machinery and equipment, rice, manufactured goods, fuel, sugar, tea, cocoa, spices and tobacco

**Exports:** copra, fish and hand-crafts

**Main trading partners:** Australia, Fiji, Japan, USA and United Kingdom

**Currency:** Australian dollar (1)

(1) 1 A\$ = 1.07 ECU.

“What really involves inter-island shipping is the distribution of cargo from Tarawa and the transporting of copra, either back to Tarawa or to Fiji and Majuro where the mills are”, Mr Iuta explains. “The two small ships we had were far too small for the job. Inter-island shipping is helped by private boats which carry a substantial amount of cargo and passengers. What goes out of Tarawa is mainly basic items, mostly rice, flour, sugar, tinned food, etc., in ships which anchor off the islands. They are then transferred into smaller boats which navigate into the interior. These boats bring passengers back to the ships”.

Administratively, however, air and sea transport are not the most efficient means of communication, especially in a country that is composed of several scattered islands with scattered populations. This is why the HF radio-telephone system, which was introduced during the colonial regime, is being revamped. Some of the sets are outdated and require replacement.

As for telecommunications with the outside world, considerable progress has been made. Tarawa has been linked to Sydney (Australia) and Nauru since the colonial days by radio. Kiribati has received assistance from the EEC in setting up an earth satellite station in the capital. Telex services are already in operation.

### “Not pessimistic”

Kiribati has still a long way to go to achieve a level of efficiency in transport and communication to allow a better integrated development and economic growth. This area, like every other sector of the economy, requires capital expenditure for which Kiribati depends on external aid. This aid, as seen, is not flowing at the rate the Kiribati government wants. The future appears bleak, but the people are not discouraged. President Ieremia Tabai sums up their feeling when he says in the following interview, “We do not like to feel pessimistic about the future”.

o A.O.

# "Our demand is a drop in the ocean"

## Interview with President Ieremia Tabai

At 32, President Ieremia Tabai of Kiribati is probably the youngest ACP head of state. Elected Chief Minister in 1978 after several years as leader of the opposition in the National Assembly (Maneaba ni Maungatabu), he led his country's delegation to the constitutional talks in London which paved the way to Kiribati's independence in July 1979.

President Tabai was re-elected to a second term of office in May this year with a comfortable majority. In this interview, he talks of politics in Kiribati, his government's view of the outside world and his country's economic problems following the end in 1979 of phosphate mining on the island of Banaba (Ocean Island), which, for over half a century, was the country's economic backbone.

► *Mr President, you were elected to a second term of office recently. Unlike most former British colonies in the Pacific, Kiribati adopted a democratic system different from the Westminster style. After three years of independence how do you rate the institutions you have adopted?*

— I think, without doubt, we are happy with the way we have conducted ourselves under our independence constitution. In fact, I can say without any hesitation that we have succeeded in carrying out our responsibility under that constitution. Our people, to my surprise, have accepted the documents very well. They have participated in the general elections, and I think as high as 80 or 90% of the eligible voters actually cast their vote during the elections. We have been able to resolve different problems under the rules of the constitution. So, in short, we are satisfied with the way we have conducted ourselves under our constitution.

► *How much of a distraction to your government is the Banaban agitation for independence?*

— Initially, it was a drag on our aspirations to become independent as soon as possible. In the London meeting before independence we

tried to offer what we considered to be reasonable concessions as we saw them. The Banabans said that they were not quite happy and could not accept them, and in fact, as we all know, they left the meeting, and so we had to agree on a draft constitution in their absence. But now, over the years, I think we have developed a very good working relationship with the Banabans. Recently the Vice-President met them in Fiji, and our feeling now is that we look



President Ieremia Tabai

forward to a very mutually good working relationship with the Banabans.

► *What is the situation now regarding your dispute with the United States over some islands in the Line and Phoenix groups?*

— Well, as you probably know, we signed a treaty of friendship with the USA some time in 1970. I think the US government has been rather slow in ratifying the treaty. Our latest information is that it has been considered by one of the Senate committees, and we've been assured that it will not be long before the whole treaty is ratified. So I can say that we are happy with the state of things. We would naturally have liked it to be ratified much earlier because the mere fact that it has not been ratified is holding up our devel-

opment plans for the islands in question.

► *What are the guiding principles of your foreign policy?*

— Well, we are basically a democratic people, having been under the UK for about 87 years, but we consider ourselves to have an open foreign policy when it comes to dealing with the countries of the world. We tend naturally to be pro-West as a result of our history, but that doesn't mean that we cannot have dialogues and links with the Eastern bloc. One of the countries that we have established links with is mainland China. That is a good indication of the broad context in which we want to establish our relationship. But no doubt, as I said, we tend to be pro-West in our outlook and in our dealings.

► *How concerned are you about nuclear proliferation?*

— We are very concerned, especially with nuclear dumping in the South Pacific area. The issue has been discussed several times in the Forum meeting of the South Pacific heads of state and governments. And on all those occasions we have resolved against any dumping in the South Pacific area. And those resolutions are very natural to the Pacific people, because their whole system, their whole livelihood, depends on the sea, and once we have the sea and our food items polluted in any way, then I think we have a very bleak future to look forward to. So our stand on the issue is very strong in that sense, because our basic life is being threatened by nuclear dumping in the South Pacific area.

► *The end of phosphate mining in 1979 had a traumatic effect on your economy. However, it could have been worse had the Revenue Equalization Reserve Fund not been set up. Looking back, would you say that the decision to set up the fund was taken at the right moment or a little bit too late?*

— I think the fund was established quite a while back. I can't remember the actual date, but all I can say now is that one thing the British government failed to do at that time was that it left the process of development to start far too late. That is probably natural, because in those days, I mean, there was a lot of



money available, and there was no urgent need to start looking for another venture that would produce income. It was only during the last few years under the colonial rule that attempts were being made, but the process of development, as we all know, takes too long to produce any results. And now, while we have the fund, worth about 60 or 70 million Australian dollars, it is not sufficient; the interest is not sufficient to balance our recurrent budget, and that's why we are being forced to seek the assistance of the UK to balance our recurrent budget.

► *To what extent has this UK assistance compensated the loss of phosphate revenue?*

— We are in a worse position now than we used to be, because the money is no longer our money, because we have to go to the UK and request for it. Naturally we are not getting what will enable us meet the sort of level of spending that we want. That is a fact of life. We would have preferred that our fund was bigger to enable us live on our own means without having to go to somewhere else to seek assistance. But at the moment we need assistance while we are trying to develop a broad economic base to enable us to earn our own living, and that's going to take a long time. All I can say is that we are doing our very best to get off the ground in terms of being able to finance our own recurrent budget mainly.

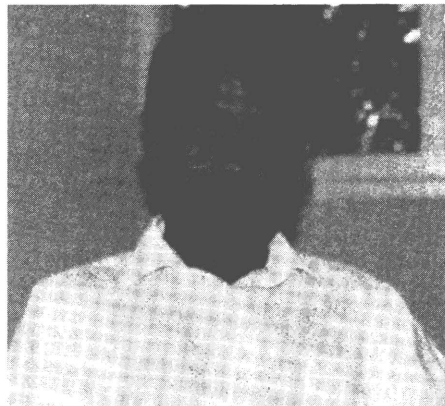
► *The period agreed with the United Kingdom for budgetary subsidies comes to an end this year. Have you any indications as to how much, and for how long, it is prepared to continue the assistance?*

— Well, the UK people have told us already that, while they agree in principle for further budgetary aid for the next few years, that will be the subject of our mutual discussion later in the year, they are looking forward to a reduction in the amount of budgetary aid they will give us. So we will be faced with a situation where we will have to cut down expenditures in areas that we may not have otherwise wished. We will try to live with the situation, but we will also try during next discussions with the UK government to convince them of our true needs, and we hope that they will respond in a positive way. We understand their problem in the

UK: their economic problem and the war, but our demands on them is very small, it's a drop in the ocean. Two or three million a year to the British is nothing as we understand it. But even then we hope they will understand our case when we bring it to them later in the year.

► *Haven't you been able to diversify your sources of aid?*

— We have received assistance from a number of countries, but not for our recurrent budget. We receive a few million Australian dollars per year from the EEC. We have received some assistance from Australia, New Zealand, Canada and Japan. So, since independence in 1979, we have broadened the base of our contacts and the source of our aid as well.



*"We tend to be pro-West in our outlook and in our dealings"*

► *You have counted upon copra to help cover the gap. Has it responded to your expectations?*

— The copra industry is now in a very bad state. The world market is very bad. We are being forced to subsidize it. Last year we spent more than a million Australian dollars in subsidizing the price of copra. And I've been told that it's going to be probably so for the next one or two years. Copra is a very dicey sort of product because the price is very much determined by the world market, of which we have very little control, if any at all. So, while we try to maintain the price for the benefit of the local producers, I mean the majority of the people, we feel we've got a problem in trying to offer what is a reasonable price in terms of what is now being expected.

► *What of tourism, any prospects in that area?*

— We have very few visitors to Kiribati if you compare us with some

of our neighbours in the South Pacific. Policy-wise, we say that we want to encourage tourism but in a controlled way, and this "controlled way" still has to be defined. At this very early stage we need more visitors. We haven't reached the stage where we feel threatened by the influx of overseas visitors. We are very conscious of the need for tourists not to threaten, in any way, our way of life. We are fully aware that mass tourism has got heavy costs and we are very cautious in that direction. We don't look on tourism as being the provider of all things, we regard it as capable of assisting us in a small way, but we're going to keep it under very tight control to make sure it does not affect us very badly.

► *How far have you succeeded in decentralizing your economy as envisaged under the 1979/82 national development plan?*

— We have a reason during the last few years to be satisfied with our attempts, not so much as to decentralize the economy, as to devolve the power and resources of central governments to smaller units of administration, which we call "outer island councils". We have really been very amazed at the result we got. People are responding very well. One reason, I suppose, is that they are involved in the decision-making themselves on the things they regard as very important to themselves. Previously everything was dictated from the centre, and in the course of the day everybody was on the receiving end, or most of the people were on the receiving end, instead of being involved in the process of development. Having been re-elected now, we want to continue the process further, and having experienced what we had so far during the last few years, I think it's going to be one success story, as I see it, without any doubt.

► *In your new cabinet you re-named the Ministry of Health and Community Affairs as the health and family planning ministry, illustrating the importance you attach to population control. How serious is the growth of population in Kiribati?*

— Statistically we have a rate of about 2.24% per annum and that is regarded as high. In general, we haven't reached the crisis point in terms of number of people. However, we consider it to be our job right now to

take steps that we feel very necessary to prevent us from reaching that crisis point. And that's why, for the purpose of emphasis, I deliberately named that ministry. "health and family planning", so that everybody, when the word is mentioned, is reminded of the need for family planning. Our aim is to reduce the population growth rate from 2.24% to 1.6% per annum. So far I have had brief discussions with our officials and the signs are very optimistic. The attitude now is that, instead of pushing the programme of family planning to our people, we try to motivate them to see the need for family planning. When they see the need, they will do what is required and we've got all the services available to provide when they do come. That's how we intend to tackle the problem. It is not all that a big problem, but we are taking precautionary measures.

► *The government at the moment dominates the economy. What scope is there for the private sector?*

— We have a very small private sector. It's only in the last few years in fact that private individuals began going into small businesses here. For a long time to come the government is going to dominate business in the country simply because it has the resources. I mean we have no choice here. The government is the only body that has got the money. But increasingly we are beginning to have a few people interested. We have some Germans, New Zealanders, Australians, doing small bits and pieces here and there and we hope in time a few more will be encouraged to come to Kiribati to invest. But the problem again is what to invest in. We have very little in this regard, but we don't like to feel pessimistic about the future. There are bits and pieces in terms of small-scale industries that can make money. We accept that the process of development is a long and straining one but we hope in time that a few more people will see fit to come down and invest a bit of their money.

► *Like every developing country you have problems of skilled manpower. Have you a strategy to overcome this?*

— We have a plan, and the plan involves a lot of training locally and overseas. We will try to take advan-

tage of the opportunities that are now being offered to us by our friends overseas every year. In fact, during the last few years, the number of our people being trained overseas as compared to say ten years ago is phenomenal. About every week now one or two people are being sent away. But we have to pay the price now, because the work that these people would normally do for their country is lost and that naturally influences the efficiency and the effectiveness of the services being provided. But I think it's a price worth paying now if we have to look to the future.

► *The question of transport and communications crops up in almost every island in the Pacific. How much of a constraint are they on Kiribati's development?*

— In many ways we are lucky in Kiribati because the basic needs of our people are being catered for. We've got a number of ships serving their needs in terms of cargo and copra. But I think the problem comes when it has to do with overseas, when it has to do with developing the remote parts of the country, and I'm talking here about Christmas Island and the islands that are disputed, because without communications, shipping and air services, it's more or less impossible to think of development. Now, we have an air service linking Tarawa and Christmas Island and that is costing the government a lot of money per year. But I think it's a price that, if one has to look towards the future, is worth paying from what we can afford now in order to start some development process on Christmas Island.

► *So you see it as an investment?*

— Yes, I see it as a kind of investment, but we will keep the Christmas Island air services operation under constant review to ensure that it is not too much of a burden on our resources.

► *Regional cooperation in the Pacific is mainly in the area of transport and communications. Are there other areas you would like to see develop?*

— I think that transport and communications are very important in terms of trade. Trade is becoming increasingly important to us. We now have fish to sell, and handicrafts as well. These are the areas where

perhaps more emphasis should be placed. I should also mention alternative sources of energy as being a very important area, because a small country like Kiribati cannot afford the ever-increasing price of the imported fuel. So, somehow, we have to look for ways to provide energy for the basic needs of our people.

► *What areas of alternative energy are promising for Kiribati?*

— Well, we've been visited by a number of experts and they have advised us that the sun can be usefully harnessed, that the timber can be used to generate energy, etc. We have been encouraged by all these experts, but the real problem is to actually implement these ideas. I think it is going to take quite a while before we have something going. Now it's all talk, but the government wants to pursue these ideas very vigorously because they will make a big difference in our way of life.

## International cooperation

► *What's your view of the Lomé Convention and how do you see the relationship between the EEC and the ACP evolving?*

— Kiribati became independent in 1979, and it took us a while to learn about the Lomé Convention. We see the Convention now in terms of our immediate needs, which tend to be financial, and I think I must say at this point that we've been very grateful for the assistance we've been getting out of that Convention. On a broader issue, I think one can say that the Lomé convention is one of those rare ideas that have been able to strengthen links between the various areas of the world. I don't know of any other kind of institutions that have been able to attract that sort of support from different parts of the world. As we see it, we want to support the Convention, we see a lot of merit in it, and we hope in the future to be more involved in the detailed activities of the Lomé Convention. Right now we are very much concerned with our small local problems, and this should not be interpreted as lack of interest in the Convention. I want to say quite clearly that, once we feel we've established ourselves reasonably well, we will try to contribute as much as we can to the success of the Convention. ○

Interview by A.O.

## Kiribati and the Lomé Convention<sup>(\*)</sup>

Kiribati's relationship with the European Communities really started when, following its independence in July 1979, it acceded as the 58th ACP state to the first Lomé Convention on 31 October 1979 at the same time as it signed the Lomé II Convention. Before independence, the then Gilbert Islands colony had for some years been associated with the EEC by virtue of its status as an OCT (overseas countries and territories) of the United Kingdom.

The Republic of Kiribati, as reported elsewhere, is a typical "smaller island country" with all the particular constraints resulting from its smallness and remoteness: transport, communications and energy problems. Possibilities for development are further reduced by its limited availability of human and natural resources, especially since the end of the phosphate mining on Banaba in 1979, which was, up till then, virtually the only source of local budget

<sup>(\*)</sup> Article provided by the Delegation of the Commission for Papua New Guinea, Solomon Islands and the Republic of Kiribati.

revenue. The 33 islands of the three archipelagoes of Kiribati (the Gilberts, Phoenix and Line islands) are not only tiny (total land area 823 sq km), but are scattered over some 4 000 km along the equator in the midst of 4.5 million sq km of Pacific Ocean. Almost all these islands, mainly coral islands and lagoon atolls, have very poor soils which make them scarcely suitable even for growing coconuts.

The independent state of Kiribati thus started as a poor country, although it had to wait until 1981 before it was officially granted the "least developed" status under article 155 (4) of the Lomé Convention (until then it still "suffered" from its reputation as a phosphate-rich country). The country is heavily dependent on foreign aid, and the assistance from the EEC arrived at a time when it was indeed badly needed.

### Trade relations

Since the end of the phosphate mining on Banaba, Kiribati has experienced a dramatic trade deficit (in 1980 exports were valued at A\$ 2.4 m against imports of A\$ 16.8 m), but it has a positive trade balance with the EEC because

the Community traditionally buys most of the copra produced in the country (A\$ 1.2 m in 1980), whereas it provides only some 7% of its imports. Even this, however, is about to change because of the ending of a regular shipping link to Europe, another ominous example of the many problems faced by Kiribati.

### Financial and technical cooperation with the EEC

The national EDF indicative programmes for Kiribati, under both Lomé Conventions (see table), have been aimed mainly at developing two sectors: the improvement of the islands' communications infrastructure as a basic prerequisite for establishing economic activities, and assisting the country in developing its fishery resources which are without doubt the main, if not only, economic hope for the future.

The *Lomé I indicative programme* (amount: ECU 3.52 m, now completely committed) will be spent for more than 80% on the rehabilitation of the telephone system of the capital, South Tarawa (which is presently struggling with outdated equipment left over on Christmas Island after the USA/UK nuclear tests in the early 1960s). In addition, two airstrips have been constructed on islands in the Gilbert group.

Financing has also been provided for doubling the area of fish ponds of the Temaiku baitfish farm. Live baitfish is an essential input for catching tuna by the pole-and-line method employed in Kiribati's fishing grounds, but natural baitfish is scarce in the lagoons of the atolls and has to be supplemented by breeding baitfish.

In the *Lomé II indicative programme* (amount between ECU 3.6 m and 4.2 m), established in late 1980, the Kiribati government has again earmarked most of the available grant funds for economic infrastructure (75%). A major project presently under consideration concerns the establishment of fisheries shore facilities (mainly cold storage) in connection with other elements to



*The Temaiku baitfish farm*



be financed with British aid (construction of a jetty). These facilities will enable a national fishery company to land and process its tuna catches locally, instead of the present practice whereby foreign (mainly Japanese) fishery fleets process tuna at sea and export these directly to their home countries, with little benefit to the host country other than modest revenue from licence fees.

Another project under consideration is a first phase of improving the inter-island telecommunications in the Gilbert group.

The indicative programme also made modest allocations for small-scale rural development (micro-projects, e.g. seaweed production, fish ponds, village community halls, small causeways) and for manpower training, mainly of those who will be involved in EDF-assistance areas (communications, fishery).

### Regional cooperation

As concerns the regional programme under Lomé I, Kiribati is officially involved in only one project, that of providing the South Pacific Forum Fishery Agency (FFA) with new headquarters in Honiara (Solomon Islands). It will, however, benefit as well from other regional Lomé I projects decided for the "older" ACP countries of the Pacific (University of the South Pacific development programmes and Pacific Telecommunications Training Centre in Fiji, and the Pacific Forum Line).

Lomé II has set aside ECU 21-26 m for regional cooperation in the Pacific, coordinated on behalf of its eight ACP states by SPEC, the secretariat of the South Pacific Forum organisation. Kiribati will be a major beneficiary of the regional telecommunications project (phase 2), under which it will be provided with a satellite earth station (thus completing the telephone project of Lomé I and the possible inter-island telecommunications project of Lomé II by providing the country with international links).

Other regional projects of special benefit to Kiribati are concerned with renewable sources of energy (especially solar) and marine resources development, and shipping (a second lot of containers for the Pacific Forum Line).

## EEC aid to Kiribati since 1977

(Situation as of 1 June 1982)

Allocations	Amount ECU '000		Projects
	Allocations	Committed 1.6.1982	
<b>LOME I – INDICATIVE PROGRAMME</b> (amended)			
– Telecommunications	2 894	2 894	– Rehabilitation of the telephone system of the capital, South Tarawa
– International airfields	456	224 232	– Airstrip on Aranuka – Airstrip on Tabiteuea South (both completed)
– Baitfish production (for tuna fishery)	170	170	– Temaikau baitfish farm (extension 40 ha)
Total Lome I Indicative Programme	3 520	3 520	100 % grants 100 % committed
<b>LOME I – STABEX</b>			
– Copra (1975)		1 200	
– Copra (1976)		1 083	
Total Lome I – Stabex	2 283	2 283	
Total Lome I	5 803	5 803	
<b>LOME II – INDICATIVE PROGRAMME</b>			
– Economic infrastructure	75%		* – Fishery shore facilities (cold storage)
– Rural developments	10%		* – Inter-island telecommunications
– Training, technical assistance, studies	10%	50	* – Microprojects – Training programme 1981/82
– Contingencies	5%	50	* – Training programme 1982/85
Total Lome II-Indicative Programme	3 600**	100	– Fishery development study
<b>LOME II – STABEX</b>			
– Copra (1980)	498	498	
Total Lomé II	4 098	598	
Grand total Lome I and II	9 901	6 401	
(*) Under preparation.			
(**) Minimum amount – 100 % grants.			

### Stabilisation of export earnings

Kiribati has regularly suffered from shortfalls in the earnings from its only remaining export product, copra, as a result of either reduced yields or low world market prices. It has thus received relatively substantial Stabex transfers for the years 1975 (ECU 1.2 m), 1976 (1.1 m) and 1980 (0.5 m), i.e. a total of ECU 2.8 m.

### Grant status

The first two transfers were made on the normal basis of reconstitution (situation caused by the buoyant "phosphate economy" before 1980), but since Kiribati was allowed the grant status as from 1979, re-

payments of the 1975 and 1976 transfers are expected to be waived as well by the Community.

The absence of regular shipping links with Europe and the resulting fall in exports of copra to the EEC explain why, from 1981, Kiribati has been granted "all destination status" for a provisional period of two years.

The European Community, although located at the opposite side of the world, has thus been able to demonstrate in a concrete way its solidarity with a small and underprivileged country, and will certainly continue to assist Kiribati in its courageous efforts to overcome its almost desperate economic conditions and to achieve a certain degree of self-reliance. ○

## **“Caribbean countries have a great future”**

### **ACP Secretary-General T. Okelo-Odongo assesses his Caribbean trip**

From 3 to 21 August 1982, ACP secretary-general Thomas Okelo-Odongo headed a mission from the ACP Secretariat to four Caribbean ACP states, Jamaica, Trinidad and Tobago, Barbados and the Bahamas.

The mission enabled the secretary-general to familiarize himself with the Caribbean area in general and to discuss with Caribbean leaders a wide range of topics and subjects important to the ACP group. In an interview with the *Courier* he outlined the main conclusions of his trip.

► *Secretary-general, what was the purpose of your August visit to four Caribbean ACP states and to what extent have your initial objectives been met?*

— The objective of my visit was, in the first place, to try to make personal contact with the people of the Caribbean. I was interested in seeing the efforts being made by the Caribbean countries for economic and social development and in seeing the performance of the Lomé Convention there. This being the objective, I'm quite satisfied that the visit was worthwhile because I feel that my colleagues and I were able to see the efforts that were being made, particularly in the implementation of the Lomé Convention. During the visit I made contact with leaders of those four countries; all these contacts were very encouraging, indeed, they gave me quite a new insight into the Caribbean countries.

► *What are your conclusions from the visit as far as the implementation of the present Lomé contract is concerned?*

— Well, the conclusions are more or less what we might have expected because we had read the reports on the implementation of the Lomé Convention. There is a genuine effort being made in the Caribbean area for economic development and in implementing the Lomé Convention, in particular in implementing the

projects that are being financed under the EDF. As expected there were problems. The general conclusion is that there is some delay in implementing these projects. The projects that we saw were in many cases projects from Lomé I, and they were not yet completed.

So, as far as the projects are concerned, the main problems tend to be in their implementation and cost over-runs.

We found with many projects that there was another factor in the implementation, namely the procedures involved with studies and project appraisals. It seems to be an area which has to be improved. In some cases we found that the government officials who were responsible for identifying and preparing projects didn't know exactly what the European Commission wanted. And it would appear that there is need for more communication in this area. Some people suggested that the ACP Secretariat could play a role here, jointly with the European Community, by organizing seminars where the government officials of the ACP countries would be familiarized and acquainted with the methods the Commission expects in the preparation of projects. So this seems to be one area of concern.

There also appears to be a lack of thorough preparation of projects, since many relevant factors are not taken into account. This results, of

course, in delays and cost over-runs and it also causes other problems.

So there also seems to be a need for a different and more thorough preparation of projects.

To summarize, there is a genuine attempt at development being made, but there are problems and particularly delays are quite common, possibly due to bottlenecks in understanding the viability of the projects or approving them on both sides. This is therefore an area to which much more attention should be directed.

► *What impression did you get of the application of the different protocols on commodities?*

— We discussed the sugar protocol during this visit, which is important for all the Caribbean countries, in particular in Jamaica, Trinidad and Tobago and Barbados. There was no dissatisfaction with the sugar protocol as far as I could see. As a matter of fact, even if there was criticism on the way it was implemented, there was none on the protocol itself, and many remarked that the protocol should remain as it is, even in the next convention. What needs to be done is to improve implementation. With regard to the rum protocol, there are some complaints. It is our intention to have discussions on this sometime in November and it is intended that new suggestions should be made on the rum protocol.

As regards the sugar problem itself, the impression I got was that sugar was treated as a very important crop in the Caribbean area. There has been some doubt on the viability of cane sugar. When I raised this with our Caribbean partners they left me in no doubt at all that cane sugar was viable and that it can compete effectively and favourably with beet sugar. As a matter of fact they stressed how much input, technology and research has been involved in beet sugar, whereas the same amount of input has not been available for cane sugar. They claim that if half of that input was put into cane sugar, its production would be viable.

To conclude, there is widespread confidence in cane sugar. By giving an outlet for ACP sugar, in this case

from the Caribbean, the protocol is important and should continue. These countries also emphasize that any doubts that might exist in the ability of cane sugar to be competitive must be forgotten.

► *Following this trip, do you see further scope for intra-ACP cooperation and if so, in what particular areas?*

— As you know, apart from implementing the Lomé Convention, one of our main objectives is building solidarity among the ACP countries themselves. Now in terms of trade, up to now there hasn't been much success, be it in trade between Africa and the Caribbean or the trade between the Pacific and Africa, and so on. This is an area where we are quite weak.

The overall weakness of ACP trade is due to historical development: trade has always been between the ACP countries and the former colonial powers, and they seem to be the ones that are still most used. It is mostly in the Caribbean area that there has been some attempt to develop trade among the ACP countries themselves, but then again there are some technicalities which are also common in Africa—the question of currencies, for example. Each country is in need of foreign exchange and they would like to trade with a country where they get hard currency and where they can also get credit facilities, etc. This appears to weaken trade between the Caribbean countries themselves. Also you have the problem of transportation, though this is less relevant when you are discussing, for instance, trade between the Caribbean countries and Africa, as Africa is quite close to the Caribbean countries compared to most European ports. These are some of the bottlenecks that still hinder intra-ACP trade development. But I noticed on this trip that our Caribbean partners are quite keen on the development of their export trade.

With regard to the future there is a great deal of potential and, when I discussed this with many Caribbean partners, they were very interested in seeing that they developed more contacts with the African continent, only culturally but also in the trade area. This is one of the things that I most treasure, as a result of my visit,



*The ACP Secretariat delegation received by Prime Minister Lynden Pindling of the Bahamas (right); l. to r. Mr I. Sylla, expert on intra-ACP cooperation, Mrs G. Francis, expert in charge of protocols on commodities, Mrs E. Isaacs, financial secretary of the Bahamas, Mr N.M. Dodoo, legal counsel, Mr T. Okelo-Odongo, ACP secretary-general*

that in talking with Caribbean leaders, they all expressed how very keen they are on cooperation and communication with the African continent and its people. There is this very strong desire to develop trade as well as closer cooperation, and again to develop our ties within the ACP group. Therefore I think we shall be looking into areas such as trade, financial and educational studies, that we are undertaking now, to bring our work closer together within the ACP group. I was very enthusiastic about this when I visited the Caribbean and I would like, in the near future, to suggest to the ACP group that in order to improve our solidarity, we adjust our constitution so that the ACP heads of state can meet at least once every two years. It seems to me that this kind of arrangement would emphasize, in a positive way, our togetherness, and would improve the solidarity that we would like to build as an ACP group.

► *Has this trip contributed to a better understanding of the activities of the ACP group and its secretariat among the ACP states concerned?*

— Yes, very much so. We had free and open discussions which

covered all kind of subjects. They are very keen in knowing exactly how we work at the secretariat. We discussed the problems of ACP cooperation among themselves, the problems of Lomé as well as the principles of and the form of future relations between the ACP and the European countries. There is a great deal of interest and awareness. They thought that this kind of visit should be done more often. They knew little of the ACP and we seized this opportunity to give them an inside look into the way we operate.

The same thing happened to us. Personally I had never been to the Caribbean area before, despite the fact that I have read a great deal about it. When I saw the countries themselves I got a completely new picture. Before I left I thought that these were islands that had been exploited by the colonialists a long time ago and that they hardly had any future. But I found out that many of the countries were wealthy, had many resources, and they have a great future for themselves. So I do believe that this visit was very useful for us as secretariat staff as well as for the people that we talked to. ◦

Interview by  
Roger DE BACKER



## THE COURT OF AUDITORS

**“The Court has genuine moral powers determined by the competence and quality of its observations”**

**Court member Marcel MART<sup>(1)</sup>**

The Court of Auditors is one of the least well-known parts of the European Community structure. Although it is not officially a Community institution (this title is reserved for the Council, the Commission, Parliament and the Court of Justice), it still has an important role to play in the running of the EEC. It comprises 10 members, one for each country of the Community, and, although it acts collectively, each of the members is responsible for a specific field.

Marcel Mart, the member for Luxembourg, is involved with EEC relations with the developing countries. The *Courier* asked him to explain the role of the Court of Auditors and to describe its particular responsibilities as far as the Community's development policy is concerned.

► *The Court of Auditors was not set up until 1977, almost 20 years after the founding of the European Communities. Why did it take so long?*

— The Court replaced two things, the Audit Board and the ECSC Auditor. The European Parliament was mainly responsible for calling for an autonomous audit body with greater scope to help it with its newly acquired function of giving discharge to the Commission. So the creation of a Court of Auditors was an important step in the historic process towards a genuine European budgetary power with its own resources and its own procedures for committing, paying and settling accounts.

► *What are the powers and the role of the Court?*

— According to the 1975 treaty, which all the member states ratified, the Court has to examine all the Community's income and expenditure, be they included in the budget or not. Practically speaking, this means that the Court audits:

— the general budget of the Euro-

pean Communities—which amounted to something like US\$ 23 000 m in 1982;

— the financial operations of the Iron and Steel Community, amounting to about US\$ 7 880 m in 1981;

— extra-budgetary financial operations via the member states' contri-

Marcel Mart has had a long career in the service of the European Community. A lawyer by training, he began his legal career at the Luxembourg bar in 1953, turning two years later to journalism as the first editor of *Agence Europe*, the international information service on Community affairs. Between 1960 and 1964 he was a spokesman with the European Coal and Steel Community, and the head of the European Communities' press and information office in New York (1964-66). On his return to Europe he became head of the service of the Commission dealing with information in third countries. From 1969 to 1977 he was economics minister in the Luxembourg government. Since 1977 Marcel Mart has been a member of the Court of Auditors.



Marcel Mart

butions to cooperation with those developing countries that are associated to the EEC—i.e. something like US\$ 5 500 m over the Lomé II period.

► *How do you ensure the independence and impartiality of the Court?*

— The 10 members of the Court, who run an administration of about 280 officials, are appointed for a six-year term by the Council of the European Communities, after consultation with the European Parliament, which has to give its opinion on the candidates. The members carry out their duties on a totally independent basis, in the general interest of the Communities. They accept no instructions from any government or organization and they have the same privileges and immunities as the judges of the European Court of Justice.

► *How is work of the Court organized and how are the decisions taken?*

— The Court is organized and acts as a single body—which is to say that it adopts all its reports and opinions by a majority of its members. But this has not prevented it, in the interests of the smooth running of its various departments, from allocating its members particular areas of activity where they have special responsibility for preparing the Court's deliberations and implementing its ideas.

(1) The views expressed by Mr Mart in this interview are personal ones which in no way bind the Court of Auditors.

► *What is the procedure for auditing accounts?*

— The Court examines the legality and regularity of all the Community's income and expenditure and it ensures that the financial management of both is satisfactory. In order to carry out this extensive task, it has access to all documents to do with financial operations right from the initial commitment. It does not have to wait for an account to be closed, it can audit *en route*. Its activity is therefore very up-to-the-minute.

Materially speaking, documents are audited both in the Court's headquarters, in the Community institutions and the member states themselves.

The Court is entitled to check EDF expenditure and aid for other developing countries via audits of documents and visits in the field, in accordance with and within the limits laid down by the EDF financial regulations and the bilateral agreements signed with the recipient countries.

**Drawing up the annual report**

► *Every year, in mid-July, the Court produces its annual report. What consultation procedure do you have to follow before it can be published at the end of the year?*

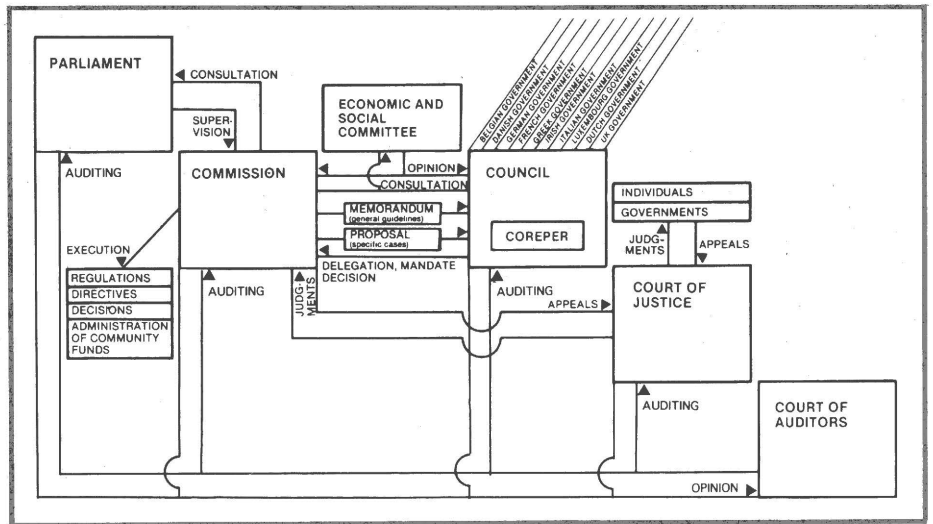
— The report is drawn up in two stages.

First of all, the Court of Auditors asks the Commission and other institutions concerned to submit any observations which they feel should figure in the annual report by 15 July at the latest.

When it has received replies from the institutions and not later than 31 October, it adopts its annual report. This is transmitted to the European Parliament and the Council and to the other institutions, together with replies from the institutions, on 30 November at the latest, and the report is then published in the *Official Journal* of the European Communities.

The annual report is examined by the Council and the European Parliament with a view to discharge by 30 April of the following year.

► *After five years of operation, how do you think the Court has*



*worked in the Community structure?*

— I should like to say—and Parliament's recent resolutions suggest I am right to do so—that the Court is beginning to have an impact on the European institutions.

It starts getting its point across when each Community official, regardless of job or rank, realizes that any financial decision he takes could be examined in detail by auditors from the Court to see whether it has been taken in a legal and regular manner and is in keeping with the principles of sound financial management. The result of that audit could be the subject of a communication to the Council and the European Parliament or of a publication directed at European public opinion.

Let us look at one or two specific cases of implementation of this principle that have been taken up in the

European press. After looking at what Commissioners were spending when representing the Commission, the Court criticized the absence of any regulations on the management of this expenditure. The Jenkins Commission reacted at once and specific rules were later introduced.

Very recently, the Court decided that it was not a good idea to introduce a system of advances for allowances paid to members of the European Parliament secretariat and that the advance payment of travel and daily expenses was not being made in accordance with the relevant provisions of the general financial regulations. The European Parliament discussed the Court's criticism and it is now introducing internal measures to see that the financial regulations are respected.

The essential thing is the understanding that at any minute there



*The headquarters of the Court of Auditors in the city of Luxembourg*



Marcel Mart with the head of his private office, Patrick Everard (left)

may be an audit by independent auditors and that it is therefore sensible to prepare for this by introducing a preventive system of self-auditing. It is the range and reliability of these internal financial controls, organized by the institutions themselves, which are the best guarantee against infringement of the rules of sound financial management.

### The Court has moral powers

► *You seem to be saying that the Court of Auditors has no actual power of constraint over institutions or the member states.*

— That is so. The Court says what it thinks in reports and opinions and its powers are essentially moral ones. It cannot force people to implement its recommendations or impose fines. But it has genuine moral powers that are determined by the competence and quality of its observations. The translation into reality of the Court's recommendations is brought about by the fundamentally democratic nature of the European institutions. It is obvious that the European Parliament and public opinion will not remain indifferent to properly drafted criticism that is backed up with evidence.

That is the essence of the democratic system, the permanent control of political leaders and public bureaucracy. It follows the old principle that while it is a good thing to have confidence, it is better to keep a check. Politicians and bureaucrats cannot keep their positions or go on using former methods of management once an audit has shown that they are in the wrong.

### The Court and the EDF

► *You are responsible for auditing development aid and you have been out to associated and non-as-*

*sociated countries which have received the various kinds of Community aid. What are the aims of these missions?*

— At the outset I explained that the Court of Auditors has the right to investigate documents and to go out to the countries in question, in accordance with EDF regulations and bilateral agreements, if this should prove necessary.

Obviously, on-the-spot auditing is exclusively concerned with the management of aid by Community bodies and in no way interferes with the sovereign rights of the associated and non-associated countries.

However, for reasons of courtesy, the Court informs the authorities of the country to be visited, through diplomatic channels, before the mission sets out, stressing the limited nature of the investigations and asking, where necessary, for collaboration from the local and national authorities. In this way the Court can get the very important point of view of the beneficiaries of aid schemes. The Court can only get a really objective idea of Community operations if it can hear both sides of the question, that of the donors and that of the recipients of aid.

The Court has applied these principles in sending out missions to almost 25 different countries since 1978. I should like to take this opportunity of thanking those both in



The Court of Auditors often travels to ACP countries as part of its work. Here in Madagascar it visited a number of microprojects financed by the EEC. From left to right Robert Goldsmith, Commission delegate in Antananarivo, Colonel Zino Paul Beot (standing), Patrick Everard and Marcel Mart of the Court of Auditors, and André Auclert, director of finance in the EEC Commission

the Commission and the countries we have visited for their understanding and collaboration. They seem to have realized that we do not wish to pry or niggle about money, but that we want first-hand information and a balanced assessment of the many causes of the success or relative failure of our aid operations.

► *What sort of audit do you carry out on missions?*

— Obviously, the Court follows a plan which is in line with the instructions laid down in the 1975 treaty and based on standard methods of auditing.

First of all, it checks how far financial decisions have respected the provisions of the financial regulations (for example, it sees whether international invitations to tender have been issued, whether the rules of origin have been adhered to, whether expenditure has been set off against the correct headings and so on).

Then it compares the original objectives with what has actually been achieved and, if the two are at variance, if there is partial or total failure, an attempt is made to see why.

This examination goes side-by-side with an assessment of the economic and social effects of the project or scheme, as any development project worthy of the name should aim to improve the economic and financial conditions of the country in



general and the standard of living of the population in particular.

Lastly, the Court tries to see what lessons can be learned from the action of Community operators, with a view to formulating recommendations to help people who will be in charge of and taking decisions on new projects.

### **Development aid is not a science yet**

► *You have sent the Community institutions your views on the annual report for 1981. At the moment, you are not in a position to comment on the details of this report, but can you tell us the main problems the Court has detected in the management of EDF aid over the past five years?*

— Development aid is not a science yet. Far from it. It's still more of an art and one that is in constant need of perfection. It has to match the reality of the recipient country and achieve a human and civilizing dimension that goes beyond the purely technical aspects of a project.

The Community has a number of advantages, as its aid—and this is a very rare thing these days—is given without any political or military *quid pro quo*. Those in charge of aid, the development commissioner in the Commission and the officials in the development directorate and the local delegations in the associated countries, are some of the most experienced and best qualified experts in any international development aid institution.

However, they are involved also in a lengthy process of learning and the ideas that the Court expresses in its confidential mission reports, and in the annual and special reports that it publishes, to a very large extent reflect the relative achievements of Commission officials and the local and national leaders in the recipient countries. There is spin-off as well from international thinkers, whose ideas appear in what are sometimes resounding works of scholarship, that have to be weighed up and sifted through carefully to sort the realistic and valuable ideas from the ideological fog.

The suggestions that the Court has made over the years are not therefore entirely original or revolutionary. But they do have the advantage of

being backed up by many examples of success and failure that have been documented on the spot and thoroughly discussed.

### **Practical advice**

► *Can you mention some of them?*

— Let me give you one or two, as they come to me and not in any order of importance or priority.

First of all, technical projects have to be studied and developed in the light of conditions in the host country and not in the light of European standards and conditions of use.

Rather than export a modern architectural plan for, say, a school or a hospital, with picture windows that soon turn it into a hothouse in the heat of Africa, it would be better to look at the traditional ways of building locally which often offer protection from the heat.

What is the point of trying to use imported materials when there are first-class local ones that stand up to the tropical climate better? What is the point of putting up buildings with several floors when there are miles and miles of empty space and pavilion-style buildings are in any case more in keeping with the traditions of the country and the way people want to use them?

What is the point of listening to people who, usually for reasons of prestige, call for up-to-the-minute technical solutions when the country's isolated situation, the impossibility of obtaining spare parts, a slim maintenance budget and the absence of any competent repair-men mean that only a few months or years after installation, equipment in a pumping station, cold rooms in a store, school infirmaries and kitchens or ultra-sophisticated apparatus in a hospital will be useless or still lying around in the boxes in which they were delivered?

Why not draw the recipients' attention to the fact that the investment cost of a project, which the Community or another source of aid covers, is only one aspect of the financial problem?

If the initial capital is not to deteriorate and be lost as the years go by, almost as much again has to be found for operation, maintenance and repair—and it has to be found within five years for a hospital, 10

years for a school or agricultural development project and 20 years for a road. Are national budgets ready to face recurring expenditure of this kind?

We have often had the opportunity to see that problems increase as projects, particularly agricultural ones, get larger and that, in many cases, small is beautiful and a more paying proposition for the recipients.

I should like to add something else: management and pricing policy and, therefore, ultimately the remuneration of the producer, can have a decisive effect on the viability of a project in the medium and the long term, particularly in the all-important field of rural projects.

Lastly, we should have the wit to look a little further than individual projects, however useful they may be at national or local level. The really urgent things in the ACP countries are often regional or continental problems, as the campaign against desertification, deforestation, the diminishing yield from the land, the rural exodus and the "shantification" of the big urban centres require much greater and more lasting means than those in traditional sectoral projects.

► *What changes in the Court's work would you like to see under an extended ACP-EEC Convention?*

— Each day brings its share of troubles and so does each EDF. We are running along in the wake of events, for, in the developing countries, not only is everything a priority, but the process is speeding up under demographic pressure and through the demands of people who want to raise their individual standard of living to something approaching what they see in the international mass media.

What I hope is that, together with the Commission and the authorities in the recipient countries, the Court can make a modest contribution to improving the instruments which already exist and have proved their worth. We can also make leaders aware of the enormity and the complexity of the problems awaiting those who wish to grapple with the terribly complicated and terribly exciting task of bringing about proper development. ○

Interview by IAN PIPER

## The impact of the CAP on the Third World

The Commission has just sent to the European Parliament a study on the common agricultural policy and the EEC's trade policy in the agricultural sector, with special reference to its effects on the developing countries, prepared in answer to the Parliament's resolution of 18 September 1980 on hunger in the world. (\*)

The study does much to dispel the allegation often made in international forums about the alleged harmful effects of the "agricultural protectionism" of the industrialized countries in general, and of the EEC in particular, on the agricultural development of the developing countries. The EEC remains the world's largest importer of agricultural produce and the LDCs' biggest customer.

The study shows that the impact of the CAP on the developing countries' exports has been relatively limited and that the trend in the LDCs' agricultural trade, is mainly due to the slow increase in production by comparison with the rise in demand in these countries. This is borne out by the rise in EEC exports to the Third World, which have helped meet an ever-increasing demand for imported food.

The study contains both a statistical analysis of the development of EEC-Third World trade in the context of world trends for trade in agricultural produce, and a summary of the EEC's trade policy measures, particularly as they affect the developing countries. The main points may be summarized as follows:

### The EEC as an importer of agricultural products

The EEC is the world's largest importer of agricultural products. EEC imports of agricultural produce were worth \$55 000 m in 1979, representing 27% of world trade. During the period 1973-78 the Community's share of world imports averaged 27% as compared to 12.5% for Japan and 11.3% for the USA.

There was a slight decline in the EEC share of world agricultural im-

ports from 29% in 1973 (the first year of the enlarged Community of Nine) to 26% in 1978, but there was a parallel decline in the other developed countries' share of world imports. This reflects the growing volume of agricultural produce imported by the LDCs themselves (from 20% of world imports in 1973 to 25% in 1978) and to a lesser extent by the state-trading countries (from 12 to 13%).

The EEC remains the main market for the developing countries' agricultural exports, absorbing on average almost 30% of the LDCs' exports over the period 1972-78. The other leading industrialized countries' imports of agricultural produce from the LDCs are much lower in both absolute and relative terms. In 1979, the EEC imported almost \$27 000 m of agricultural produce from the Third World as opposed to less than half that figure for the US (\$11 600 m) and about one fifth for Japan (\$5 600 m). For the EEC, these imports represent 0.9% of its GDP; the corresponding figure for the USA is only 0.5% and for Japan 0.56%. Per head of population, agricultural imports from the DCs amount to \$104 for the EEC, \$53 for the USA and \$49 for Japan.

The introduction of the CAP has had little overall effect on the developing countries' agricultural exports to the EEC. The fluctuations in LDCs' agricultural exports to the EEC reflect supply trends in the Third World rather than any changes in the EEC's import policy, which has anyway been adjusted to take account of the LDCs' traditional exports. This is borne out by the following:

— The LDCs' share of the EEC's agricultural imports in 1979 was 43%, the same as in 1962 (the year

the CAP came into existence). It is true that the LDCs' share of the EEC market fell to 37-38% in 1972-73, but this development follows fairly closely the trend of the LDCs' share of the world market for agricultural exports. This fell from 37% in 1962 to 33-34% in 1972-73 before rising again to 37% in 1978. The fluctuations in the growth of the LDCs' agricultural exports were reflected on all their major export markets. The increase recorded in 1977 and 1978 is due essentially to increased prices for certain tropical products such as coffee and cocoa.

— Since the enlargement of the Community there has been a slight decline in the importance of the EEC as an export market for the LDCs, from 32.4% in 1973 to 30.3% in 1978, but this decline has actually been less marked than that recorded for other market economy country (from 37.1 to 34.7%). This development is explained by the expansion of intra-LDC trade (from 19.5 to 21.5%) and to increased sales to the state-trading countries (from 10.9 to 13.4%).

— A geographical breakdown of the LDCs' share of EEC agricultural imports confirms the view that changes are linked to the supply situation in the various regions of the Third World. In spite of the fact that it has enjoyed duty-free entry to the EEC for the vast majority of its agricultural exports as a result of successive preferential arrangements, Africa has seen its share of the Community market reduced from 40.4% in 1963 to 34% in 1972 (EEC of the Six) and from 31.9% in 1973 to 31% in 1978 (EEC of the Nine). This development is explained by the fall in Africa's share of the LDCs' agricultural exports from 24.5% in 1963 to 17.1% in 1978. On the other hand, those regions which considerably expanded their total agricultural exports also increased their share of the EEC market, Latin America and the Near East mainly during the period 1968-72, and the Far East in the period since 1973.

— As regards the composition of the LDCs' exports of agricultural products to the EEC, 78% are products not covered by the CAP, such as coffee, cocoa, tea, rubber, vegetable

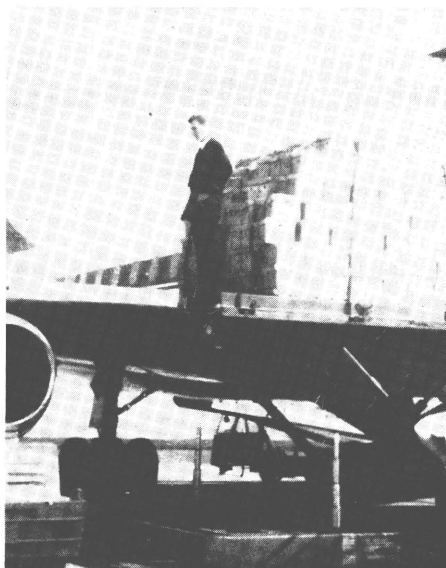
(\*) From the spokesman of the EEC Commission.

oils, groundnuts and oil cake and vegetable fibres, including wool and silk. (The corresponding figure for LDC global exports is 66%). Out of the 22% of LDC exports to the EEC covered by the CAP, 17% are accounted for by products of which the LDCs are net exporters, for which they presumably have a comparative advantage (sugar, beef, olive oil, cotton, tobacco, certain fruits and vegetables). This figure does not differ appreciably from the proportion of the LDCs' total agricultural exports accounted for by those products (21%).

### Liberalization trend

The EEC has made considerable efforts to introduce favourable terms for imports from the LDCs. Thus, certain groups of the LDCs benefit from special concessions designed to safeguard traditional exports of products covered by the CAP. This is the case for sugar (1.3 million tonnes are imported levy-free at EEC internal prices from the ACP countries and India), beef and veal (reduced levies on imports from the ACP countries and Yugoslavia) and tobacco (reduced duties). In addition to these concessions on CAP products, the EEC has made great efforts to reduce the level of tariff protection on products of interest to the Third World, both through GATT (MTN negotiations) and through special arrangements for the LDCs (GSP, preferential agreements with the ACP and Mediterranean countries). As a result, 60% of the LDCs' agricultural exports to the EEC are admitted duty-free, 33% are subject to a relatively low duty and only 7% are subject to variable import levies.

In conclusion, the analysis of trends in agricultural trade since the CAP was introduced does not provide any support for the view that the EEC's import policy is the main reason for the decline in the LDCs' export performance. Firstly, the general trend in the Community has been towards a liberalization of import arrangements, particularly as regards the LDCs. Secondly, the LDCs' share of the EEC market is not in constant decline but fluctuating. Thirdly, the Community's policy cannot explain the fact that the LDCs' performance on the markets of the other industrialized countries has followed a



*The EEC is the world's largest importer of agricultural products*

similar trend. The geographical breakdown confirms that the EEC's trade policy is not the main factor explaining the trend in the LDCs' share of the EEC market, since it is the region enjoying the most favourable trading opportunities which has lost ground, reflecting a general decline in Africa's share of world exports.

### The EEC as supplier of food

The EEC is the second largest exporter of agricultural products to the world market. In 1979, the EEC exported \$ 20 900 m worth of agricultural produce, representing 9.6% of world trade, as compared to US exports of \$ 39 800 m (18.3%). It should be noted that the EEC's total deficit on agricultural trade in 1979 came to \$ 34 000 m, as opposed to a US surplus of over \$ 14 000 m.

The EEC is also the developing countries' second largest supplier with exports in 1979 worth \$ 10 000 m (16% of LDC imports) after the US (23%). The LDCs are an increasingly important market for the EEC. From 1973 to 1978 while the EEC's exports remained constant at around 10% of world trade, the proportion of EEC agricultural exports going to the Third World rose from 31% to 42%. This increase is the result both of the increase in the LDCs' total agricultural imports from 1973 on and of an increase in the EEC share of the agricultural products imported by the developing

countries, particularly in the Middle East.

Seventy-eight per cent of the EEC's agricultural exports are of products for which the LDCs are net importers.

As far as the LDCs are concerned, the development of EEC production, particularly in the cereals and milk product sectors, have enabled the Community to help meet an ever-increasing demand for food, resulting from the slow increase in production. The expansion of EEC exports has been particularly important in the case of the developing countries whose domestic demand has increased more rapidly than production, for example in Africa. In addition, consumption patterns in the LDCs have also changed, resulting in increased demand for the agricultural products mainly produced in the industrialized countries (wheat, certain types of meat, dairy produce).

No more than 22% of the EEC's agricultural exports consist of products for which the LDCs are net exporters. To a certain extent, the EEC's exports are competing with those of the Third World. The main products concerned are sugar, of which the Community has been a net exporter since 1977/78, and beef and veal, of which the Community has been a net exporter since 1979-80. It should be noted that the LDCs' sugar production has continued to rise, albeit at the same rate as consumption, with exports remaining more or less unchanged at around 20% of overall production. As regards beef, despite a marked increase in production since 1970 in the Third World, exports began to decline in the second half of the decade and the LDCs are in danger of becoming net importers, as they already are for other types of meat.

As far as the future is concerned, an extrapolation of past trends suggests that the LDCs' agricultural trade deficit is likely to increase for cereals, particularly coarse grains, milk products and meat. On the other hand, their surpluses of oil seeds, vegetable oils, cotton and rubber will increase, while the surpluses of tropical products (coffee, cocoa, tea) and fibres will not change. The trends identified by the study are similar to those forecast by the FAO.



## Books about Europe

G. Francis SEINGRY and François VISINE — **25 years of the Common Market** — Preface by Gaston Thorn, President of the Commission of the European Communities — A high-class hard-back collection of photographs available from bookshops and from the publishers — Editions Delta, Square E. Plasky 92-94, 1040 Brussels — Bfrs 480 — 1982

More than 30 years have gone by since the Schuman declaration that marked the beginning of European integration. Today Europe exists, although unification is not complete, and here we have a collection of photographs looking back over the slow process of construction.

These 30 years are Europe's first generation and, at a time when the Community is going from one crisis to another, it is reassuring to see that the path to unification has, in fact, covered a multitude of achievements that make the daily lives of almost 300 million people easier, and that the rivalries of the past are gone for good.

Gaston Thorn, the European Commission President who coined the phrase "second generation Europe" in July 1981, wrote the preface to this album, the first photographic work on the European Community, on its achievements, its difficulties, its institutional workings and what it holds for the future.

Each stage in the development of the Community is illustrated by a photograph reminding us that the fathers of Europe were Paul-Henri Spaak, Konrad Adenauer, Jean Monnet, Robert Schuman and so on.

Historical documents (the signing of the Treaty of Rome, for example) are side-by-side with humorous pictures of such things as angry farmers taking three cows into a meeting of agricultural ministers. There are captions in French, German and English and a brief outline of the construction process. The book commemorates the 25th anniversary of the signing of the Treaties of Rome.

### The authors

François Visine, one of the most outstanding French specialists on European affairs, is an international lawyer. His many works on Europe include the *ABC of Europe*, the first European encyclopedia (an eight-volume work), and the *Visine Dictionary*, an alphabetical guide to European affairs. Mr Visine is also President of the European Foundation for Merit and a tireless campaigner for a united Europe.



Georges-Francis Seingry, who holds the European Baccalaureat and a diploma from the European Community university study centre in Paris, is a second-generation European. His father was involved in the negotiations for the Treaty of Rome, so he was immersed in European affairs from a very early age and at 30 set up a collection of reference works on the European Community.

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Christian PHILIP — **Les Institutions Européennes (the European institutions)** — Masson, 120 Blvd St Germain, F-75280 Paris — 223 pages — 1981

The rector (président) of the French Université du Maine (le

Mans), Mr Philip, has written a clear and useful round-up of the EEC institutions as part of a series of textbooks for students of law and economics. It is well set out, gives all the information needed for a working knowledge of the Community and sketches the wider perspectives from a position of neutrality. As the author explains, despite his own reservations about the EEC institutions, the book is not "militant" and is intended to explain the Community "as it is".

This does not preclude a solid historical background, constituting the first part of the book, which describes the first attempt at European institutions and earlier ideas of how the Community should be. Mr Philip stresses the significance of the European Parliament and Court of Justice in giving the Community its basis in law—an important reminder of the long-term perspective of supranationalism—while modestly using extracts from 35 years of speeches and declarations to present the arguments, rather than pursuing his own interpretation. His brief conclusion looks at the wider aim of political union from the standpoint of history, pointing out that the Community is still in its relative youth, and warns that integration has often been achieved in the past after its necessity has been learned the hard way. Political will is essential if the Community is to develop positively. Historians may argue that it is a fallacy to interpret the present in the light of the past, since the study of history works in the reverse direction, but Mr Philip is recording a background rather than analysing an epoch. The clarity and comprehensiveness of his textbook should ensure it a long life.

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Dieter BIELENSTEIN (Ed.) — **Europe's future in the Arab view — Dimensions of a new political cooperation in the Mediterranean region** — Breitenbach publishers — Memelerstr. 50, 6600 Saarbrücken,

Federal Republic of Germany or P.O.B. 16243 Fort Lauderdale/Plantation FLA 33318, USA — 166 pages — 22 Deutschmarks — 1982

In this book nine Egyptian and four German authors deal with the realistic possibilities of a new kind of Arab-European cooperation in the Mediterranean region, taking into consideration the following four dimensions:

- the shaping of a common future without ignoring the burdens of the colonial past;
- political interaction in the Mediterranean region;
- the interplay of political, socio-cultural and economic factors in the accelerated development of the Arab region;
- the political conditions and consequences of Euro-Arab economic cooperation in the 1980s.

These four dimensions are discussed in new perspectives: the future developments in the Arab world are clearly seen as an important condition of Europe's future. The expectations, demands and, in particular, the fears and criticism of the Arab world towards Western Europe therefore figure prominently in the individual contributions. Both sides raise the question both of the room between the superpowers for political manoeuvre by Euro-Arab cooperation and of an independent Western European contribution to Middle East policy. Four Egyptian authors shed light on the political and developmental consequences of re-Islamization as well as the chances of a secularization in Islam as a precondition for socio-economic innovations.

The Egyptian authors are prominent experts in social science and the humanities; some of them have also held influential positions as political advisers, such as the philosopher Prof. Mourad Wahba (Ain Shams University), Prof. Rushdi Said, adviser to the World Bank, and Prof. Magdi Wahba, former member of the University of Cairo and now member of the Presidential Council (Al-Shura).

The German authors include the orientologists Prof. Friedemann Büttner,

of the Free University of Berlin, and Dr Udo Steinbach, director of the German Oriental Institute; Winfried Böll developed the concept of this publication and explains it in his introductory remarks; the editor examines to what extent socio-cultural transfer from Europe to the Arab world is detrimental or conducive to the latter's development at the present time.

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**French Ministry for Women's Rights — The "Guide to Women's Rights"** — La Documentation Française, 29 Quai Voltaire, 75007 Paris — 1982

Yvette Roudy sees the provision of information to women as vital for, in her words, "distress, failure and inequality are often linked with ignorance of the machinery—sometimes very complex—that governs social life. Knowing about one's rights, one can order and organize one's own existence".

In this spirit, the French minister for women's rights has arranged for this guide to them to be drawn up. The booklet is just under 100 pages long and is in question-and-answer form. It contains 222 questions and as many answers, avoiding legalistic and bureaucratic jargon.

A run of 700 000 copies has been printed. The booklet is free and may be obtained on request from any of the places where women go in France when they have a problem: employment offices, women's information centres, the prefecture, etc.

As is customary with an official document intended for the general public, the booklet has been published by La Documentation Française.

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**Treaty of Rome — 25th anniversary 1957-1982** — brochure prepared by the French sales office for EEC official publications (*Official Journal*) and the Commission's press and information office. It contains a tribute to Jean Monnet by EEC Commission President Gaston Thorn and articles by André Chandernagor, François-Xavier Ortoli, Etienne Davignon, Ed-

gard Pisani, Ivor Richard, Jean-Victor Louis and Simone Veil.

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Nicolas MOUSSIS — **Les Politiques de la Communauté économique européenne (The policies of the European Community)** — Preface by E. Noel. Dalloz (11 rue Soufflot, F 75240 Paris, Cedex 05) — 417 pages — 130 FF — 1982

This work by Nicolas Moussis, currently a member of commissioner Contogeorgis' private office, provides a complete picture of all Community policies. Following an introductory chapter on the institutional framework, the author studies the "horizontal" policies (another book in preparation will deal with sectoral policies). In each chapter the author first of all states the need for the policy and its legal framework, and then goes on to objectively describe the content of this policy, and in conclusion takes stock of both its achievements and shortcomings. As Mr Noel writes in the preface: "In giving a clear and objective picture of the current situation, Mr Moussis renders a great service to all those who will have to contribute to the construction of tomorrow's Europe".

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Xavier DE ROUX — Dominique VOILLEMOT — **Le Droit de la concurrence de la CEE (EEC competition law)** — 4th edition — Juridictionnaires Joly (26 Cours Albert 1<sup>er</sup>, F 75008 Paris) — 497 p. — 220 FF — 1982

This fourth edition of the book by Xavier de Roux and Dominique Voillemot, lawyers at the Court of Paris, updates competition law, notably including the Community Court of Justice judgement of 3 December 1981 in the Pfizer case concerning industrial property. This reference work devotes chapters to articles 85 and 86 of the treaty, industrial property, competition rules applicable to the agricultural sector, transport, public enterprises, rules of procedure, sanctions for violations of articles 85 and 86 and state aids.

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# Memorandum on the Community's development policy

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## Edgard Pisani comments on the memorandum on Community development policy

In October 1972, EEC heads of state and government met in Paris and outlined the framework of the Community's development policy for the years to come.

In 1975 the first ACP-EEC Convention was signed, thus inaugurating the policy that was to succeed the Yaoundé Conventions—the Lomé policy.

In 1976 overall cooperation agreements of unlimited duration were concluded with the countries bordering the southern Mediterranean, with the aim of establishing an overall Mediterranean approach. Also in 1976, the first financial aid programmes for rural and regional development in the non-associated developing countries were launched, to benefit Asia and Latin America. At the European Parliament's initiative, arrangements were also made for co-financing with non-governmental organizations. Food aid allocations were stepped up and the system of generalized preferences was expanded. Over this period Community aid increased by an annual average of 7% in real terms and the Community was able to claim that it was the world's largest donor of trade preferences to the developing countries.

Bearing in mind what has been achieved hitherto, the Commission has now proposed that the Council and Parliament should re-examine the Community's development policy in order to draw up general guidelines for the coming decade.

This memorandum is not an exhaustive manifesto on the Commission's proposals for development policy. It sketches out the framework for proposals—to be made during the first half of 1983—for the renewal of the ACP-EEC Convention as well as for more specific proposals on individual instruments of Community policy (food aid, commercial policy, etc.).

In this interview development commissioner Edgard Pisani discusses the new memorandum on Community development policy.

► *Perhaps we can start by looking at the circumstances in which this report came out and seeing how it stands in relation to the international situation. Is it the first step in a new approach to development policy, or a platform for dialogue, or both? Why has this paper come out now?*

— There are a number of reasons. First of all, we now have the results of the first two development decades. They are disappointing. I don't mean that the developing countries haven't tried. What I am trying to say is that perhaps they haven't tried hard enough and, of course, that the money hasn't always been used properly.

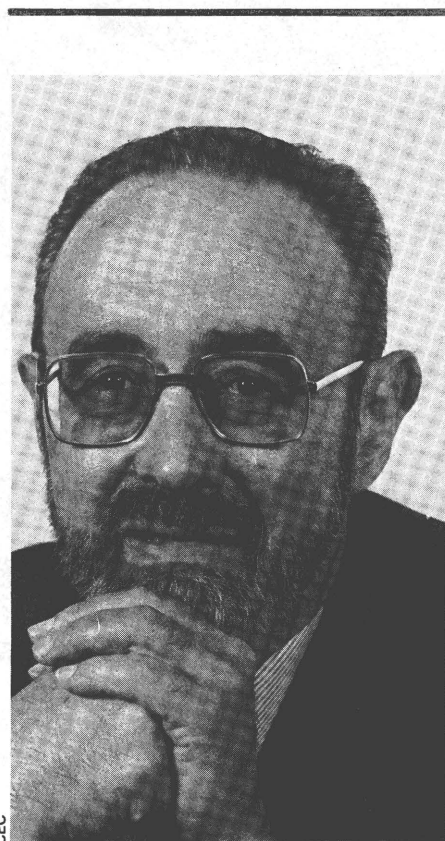
Second, there is the difficulty, the failure if you like, of the global negotiations, which go far beyond the question of development proper. What we have said, after all, is that the developing countries would be much happier if the world was different. I'm not sure that was right, but it was one way of looking at it. And in spite of Cancun, in

spite of all the time that the heads of state and government that met there spent on food and agriculture, the results are unsatisfactory in that field too.

Third, over the past few months we have been able to get a better grasp of various problems that were fairly hazy before. One of them is the problem of national debts, which are reaching considerable proportions and should be a serious and indeed vital subject of concern to developing and developed countries alike.

Four, we are due to start Lomé negotiations in September 1983. Don't you think it was a good idea to move away from Lomé for a moment to try and define a global approach to the development problems that the Community could use as a basis for these negotiations?

And there is a fifth reason, something quite different, and it is this. The distinction between the concept of cooperation and the concept of development has perhaps not been clear enough in the Community's ap-



Edgard Pisani

*The results of the first two development decades are "disappointing"*



CEC

#### *Rural development in Benin*

*Official exhortations are not enough to rehabilitate agriculture in the ACP countries; young farmers need material encouragement, such as price incentives, and government respect for their way of life*

proach to relations with the Third World. We have set up an institutional, political, financial and commercial system that is exemplary from some points of view. But haven't we perhaps failed to look hard enough into the secrets of underdevelopment? Haven't we failed to pay them the attention they deserve? And, particularly, haven't we failed to bring out the central, decisive role of food and agriculture in the phenomenon of underdevelopment?

► *So the idea is both to introduce a new method of cooperation and, of course, to extend the network of cooperation with the Third World. Can we deal with method first? The first impression we get from the report is that the Commission is intent on emphasizing agriculture in the drive for development.*

— First I have to say that, when you see the somewhat sad results of the two development decades, you mustn't forget that in fact some countries have made spectacular progress during this time. They are the countries that are on the way to industrialization and, while I am not saying they have nothing to worry about, they are getting or have already got their economies off the ground and they sometimes pose us considerable problems because of it. Beside this, Europe has permanent

contacts with a large number of countries in the least developed group.

Many of these least developed countries are in Africa and I should like to give one or two figures, although I don't wish to harp on the problem. There are 400 million people living in Africa today and there will be 800 million by the end of the century. The continent provides slightly more than 80% of its food requirements now and this will have dropped to 70% by the end of the century if present trends continue unabated. And, unless agriculture prospers and supplies plenty of jobs, all these people will move to the town and push the developing countries' food requirements up even further. So, whichever way you look at it, from the point of view of the economy as a whole (the ability to produce, that is to say) or from the point of view of the distribution of the urban and rural populations, food and agriculture—rural development, therefore—are absolutely central issues.

To put it bluntly, unless present trends are curbed, in the year 2000 Africa will have to choose between importing oil and importing food. What will it do in the year 2000 if agriculture turns out not to be able to keep hold of its labourers, its families and its work units? These people, these families and these individuals will move away to the towns. And who will be able to run monster cities in a continent where public facilities are so drastically lacking?

**“Define your policy and the Community will help you continue it and make a success of it”**

► *So this is why you have launched a food strategy support experiment in three countries, something that will be extended to other ACP countries too. And you suggest applying these methods to other fields, such as energy and industrialization.*

— I should like to start by trying to define the concept of strategy and then go on to talk about energy and industrialization.

Every country has to define its own future. That's the first thing. And the EEC can help here with discreet advice, rather than making any political will felt. These countries have to define their policy and the Community then has to say that, in implementing their policies, they have come up against obstacles and it is precisely in the difficult task of getting over them that it will help. “Define your policy”, it should say, “and the Community will help you continue it and make a success of it”.

You have to realize that this is the start of a fairly new approach. What we have done so far is give these countries tools regardless of whether the people there could actually use them. And they have often turned out to be unable to do so. Irrigation systems are ignored, HEP dams are used to only 10% or 20% of capacity, factories stand empty and hospitals fail to function because there are no proper staff.

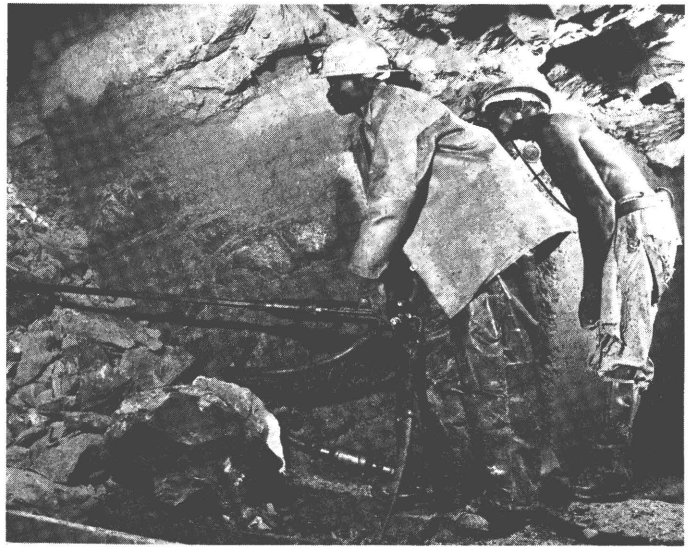
What I want to do, what the Commission has decided to do and the idea I hope the Council will go on to adopt, is to tell these countries that, if they can show they need a particular tool and can use it, then we will supply it. That's the first idea.

**"Agriculture generates general economic development once the economy becomes trade-based"**

The second idea is what I call the strategy of success. A reasonable generalization is that many countries with price policies that offer no incentives see their agricultural production drop. But if you want to offer incentives, then you have to push up the price of food in the towns and this makes for problems with the wages and salaries of ordinary workers, of soldiers, civil servants and so on. It is a difficult task that a country cannot tackle unaided and one of the aims of the strategy is to enable food prices to be pushed up without generating inflation.

Suppose this policy works: farmers will produce more and if they do, they will need storage facilities. If they produce more, what they put on the market after the harvest will have to be bought, otherwise prices will plummet. So there have to be storage facilities and there have to be rural credit facilities so farmers can buy what they need. And suppose this policy works and the farmers who produce more have a bit more money. How are they going to spend it? They are going to want fertilizers and pesticides and carts and maybe tomorrow they will want bricks and breeze-blocks to build houses too. But have these countries got the small and medium-sized businesses to go with this growth? Have they got the agricultural banking and credit facilities to support the emergence of an economy based on trade? In other words, through the food strategy, we are helping countries progress from an economy based on subsistence farming to one based on trade—and this should lead beyond agriculture and have a snowball effect on the economy as a whole. Agriculture generates general economic development once the economy becomes trade-based. These are the dynamics we are trying to establish. It's hard and we are beginning by experimenting in two or three countries, maybe five or six soon. But once the methods have been perfected—and this doesn't mean a standard model that we shall apply everywhere, as each country must work out its own strategy—I think

Zimbabwe Information Service



**Mining in Zimbabwe**

*"It is ambitious to want to process raw materials locally, especially minerals, but it is something that will be of medium and long-term importance"*

we shall be extending the experiment to other countries as well if they wish.

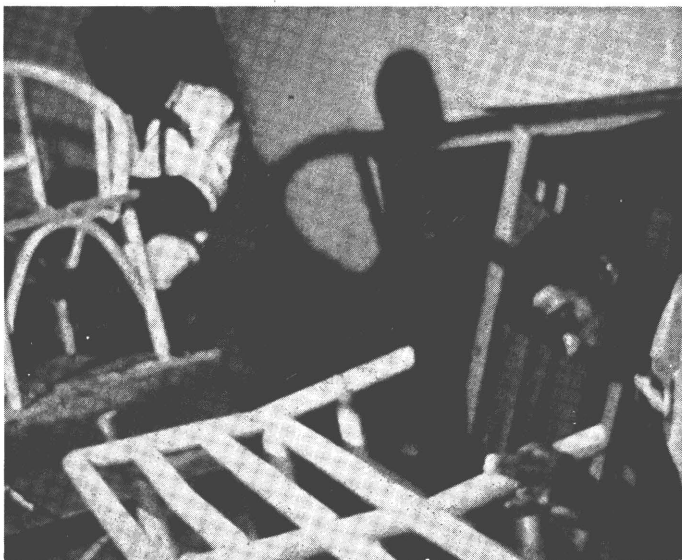
**Small and medium-sized businesses to meet local needs**

The problem in industry is different. There are three possible ways of generating industrial development. There is the delocalization of European industries in search of cheap labour. That has been tried. The results aren't that good, but they're not that bad either. Quite a lot has been achieved in textiles, although the results are not outstanding and we know as a result what difficulties to expect from any given textile producer.

The second way to industrialization is to process local raw materials. Practically nothing has been done here and the rate of local processing in the ACP countries is extraordinarily low.

Thirdly, there is another logic to industrialization: the emergence of a wide, unspectacular range of small and medium-sized firms to meet local needs. And here we come back to the food strategy. If the move from a subsistence to a trade-based economy creates local needs, will it lead to the importation of bricks, carts, pesticide and fertilizer, or will it be able to capitalize on these local needs and generate a series of small and medium-sized firms which will gradually structure urban development and the trade-based economy around their activities? This is the sort of thing we are trying to do. That is not to say that people will stop siting their industries where there are pools of cheap labour. Mechanization will soon be much cheaper and it will be more profitable to have highly sophisticated factories in Europe than plants run with cheap labour in Africa. It is ambitious to want to process raw materials locally, especially minerals, but it is something that will be of medium and long term importance.

On the other hand, working towards the sort of industrialization that is aimed at meeting immediate needs as they arise, and adapting itself to specific local conditions, seems to me to be a difficult but essential task. It is a



**Making furniture in Barbados**

*"There is another logic to industrialization: the emergence of a wide, unspectacular range of small and medium-sized firms to meet local needs"*

Barbados Information Service





CEC

*The difference between developed and developing countries is principally the presence or absence of "a multiple network of economic, social, cultural, political and intellectual relations"*

considerable innovation both for the countries we assist and for us in our approach to them.

Lastly, the energy strategy. I have to say that one of the main things in our approach to this problem is, undeniably, a desire we have formed in observing these countries find assets and seeing the very important contribution that renewable energy makes to meeting their needs. Oil imports will be a burden for these countries for many years to come, yet there are things that can be exploited but haven't always been exploited so far.

First of all, they have to save on firewood. This is the basis for the energy strategy in many of the countries we deal with. Then there is solar energy, bio-energy and hydraulic power—not the vast dams you automatically think of on the great rivers of Africa, but micro-dams. I think we have to forget the idea of very large schemes and think about developing countries so that they make the tools they want, or ask for the right sort of tools to be provided. We must not base development on exporting the sort of tools that are right for us and wrong for them.

► *So we have to help countries that wish to create a real economic network that is more coherent and more dynamic...*

— The difference between a developed country and an underdeveloped one is not so much the spectacular units, the dams, the factories and the mines as a multiple network of roads, cables, water supplies, businesses, banks and schools. The difference between them is this multiple network of economic, social, cultural, political and intellectual relations. We should be paying more attention to encouraging the creation of these networks instead of concentrating on tools.

## "Food aid is necessary but dangerous"

► *What you say about agricultural development echoes the new conception of food aid mentioned in the report. It maintains that food aid, apart from emergency aid, should be a support for coherent food policies, and suggests that this aid should be backed up by a supply of agricultural inputs, seed, fertilizers, pesticides and so on. Why is the present kind of food aid unsatisfactory?*

— Before I answer that very important question, I should like to emphasize something I think is essential. Faced with the problem of needing the sort of agriculture that can meet requirements, a number of governments in the developing world have let themselves be tempted into concentrating on the highly integrated units they call state farms or whatever. I think this is wrong. I don't mean that one or two experimental farms or seed production units or extension centres aren't useful, or even necessary. What I do mean is that it is a fundamental error to base a country's balance of food on a limited number of farms that are dominated by the public sector. A country will never meet all its needs with 20 state farms or three irrigated areas unless it starts by giving its 600 000 or 1 000 000 peasant farmers the ability to produce one or two more quintals per hectare each. There is more to be gained at less cost and with less effort from using a reasonable economic policy, that encourages the peasant masses to produce more, than from Lord knows what technological miracle or sophisticated organization that has never worked anywhere.

Let us return to food aid. It is a necessity and no one denies that. But it is dangerous for many reasons, and you have to realize why. First, with food aid, food comes from the town, from the port, and goes into the country, whereas normally food goes from the country into the town. The normal pattern is reversed, which is serious from the point of view of organizational structure.

Second, because food aid brings these countries the sort of food they are not always able to produce themselves—which is to say that we create habits they will never be in a position to cater for. White bread is fine,



Red Cross

*Food aid in Bangladesh*  
*Food aid "is a necessity and no one denies that. But it is dangerous for many reasons"*

but how many countries in Africa today have the technological ability to make it from their local cereals? We are generalizing the consumption of wheat flour that these countries will never be able to produce.

Third, food aid strengthens the centralized structures because, ultimately, it has to be channelled through the administration if it is to be distributed to the people; whereas, in a rural-based system, it is the other way round, the peasant masses send their food to the towns. So food aid can be dangerous in a number of ways. It is a necessity but it is dangerous.

The one criticism you can make of Community food aid is not that it is badly managed—it's fairly well organized, in fact, although there are some improvements to be made, as there are anywhere—but that we do not always look to see how it might make itself unnecessary, how food aid could bring about the disappearance of food aid... This means that food aid has to change into something that favours and encourages production. It has to serve the development of local production. But this means that, when the country receiving food aid becomes self-sufficient in food, the aid can be transformed into development aid—which is a bonus for making progress. So one of the main topics we bring up in the report, something we raised on the occasion of the 1983 budget and something we now raise on the subject of food strategies, is the flexibility of financial systems between food aid and development aid. The subject is an important one, particularly for the ACP countries. Why? Because food aid comes from the Community budget and development aid comes from the European Development Fund—i.e. the members states' budget. And this means a complete change in the Community's relations with its member states on the problem of development. It means that there has to be a single development aid budget that includes food aid and enables one form of aid to be transformed into another, as the need arises and as capacities alter.

### 0.1% of GNP—"a guarantee of resources... and over a long period"

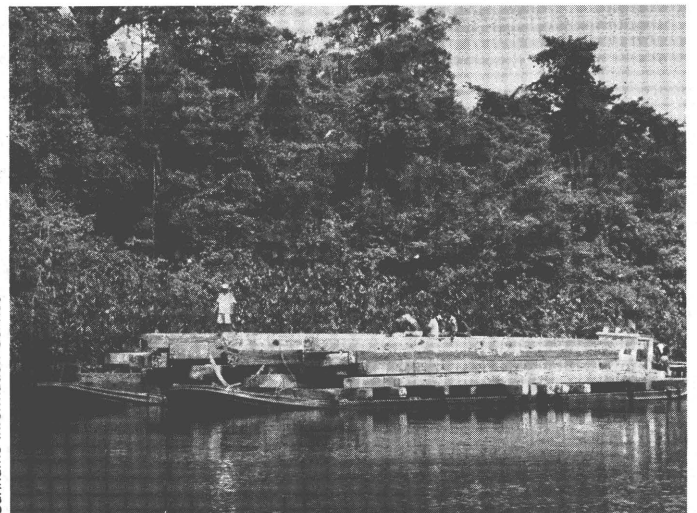
► *That is, of course, one of the main things about the future financing of development aid. And the other is the 0.1% of Community GNP as the target for the end of the decade.*

— I have to say that, when we started looking at this and one of us in the office suggested the idea of 0.1% of GNP, we were a bit ashamed of ourselves. How can the Community suggest one thousandth as an ambitious target for development aid? Does that mean that we are actually giving less at the present time? Well, yes it does. We are giving slightly less than half that amount! The idea behind the proposal is to emphasize that the pact between the Community and the developing countries provides the developing world with a guarantee of resources. So the debate between the Community and the developing countries could be on the best possible way of using these resources, rather than on the eternal renegotiation of the amount and the endless bargaining that goes with it. The aim is to show the developing countries that, whatever the crisis, whatever the Community's problems or internal situation, it still realizes

that it is better off than the developing countries and automatically reserves one thousandth of its GNP for their development. This could be the basis for discussions with the whole of the developing world. There is another aim, and that is the possibility of setting up very long-term action programmes in the light of this long-term supply of resources.

The problems facing the developing countries are often dramatic ones and their governments have unimaginably difficult situations to cope with. So, inevitably, they have to deal with the most urgent needs. Take something I saw when I was minister for agriculture. If you've got a tomato problem and a forestry problem to solve, you automatically deal with the tomatoes and the forest has to wait. When you have a balance of payments problem and a desertification problem, you deal with the balance of payments and you forget the desertification. But the desert gains ground. And 10 or 20 years later, you wake up in a country where the rainfall is different, where there is less arable land and where the production capacity has fallen off badly. If we have a system of permanent resources, then we can say that we will go in for the long-term schemes that the governments are unable to undertake because of the urgency of other problems.

This reminds of a conversation I once had with the foreign minister of one of the developing countries. He was visiting Brussels and I went and saw him at his hotel. When I went into the lounge where he was waiting for me, he was standing by the window looking out over Brussels and, without turning round, he asked me this: "Why do you help us do what we have to do in any case instead of helping us with something we are unable to do? You help us deal with our short-term economic problems, but we would have to cope with them in any case. Yet we are unable to look to the future, to the year 2000, to the desert and the rivers. Give us medium- and long-term development aid and give us a hand with the short-term problems because they are difficult. But do what we are unable to do. Help us do what we cannot do alone. Otherwise Africa is condemned. Otherwise all the developing countries are condemned". So, behind the



Suriname Information Service

#### *Forestry in Suriname*

*Priorities in the medium and long terms, such as the preservation of tropical forests, are too often likely to be put off while the developing countries' immediate difficulties are tackled.*



CEC

*"Behind that 0.1% figure, there is a guarantee. But there is also time and in that time are those great enterprises that shape the futures"*

0.1% figure, there is a guarantee. But there is also time and in that time are those great enterprises that shape the future.

### The problem of coherence...

► *When you talk about finding time for these great enterprises that shape the future, you face the problem of the coherence of the Community's internal and external policies, and perhaps other Community policies as well. How can this coherence be ensured—perhaps better than it was in the past?*

— Basically there are two policies that the development policy brings into question, if I can put it like that. They are the agricultural policy and the industrial policy.

As far as our industrial policy is concerned, I should say that any developing countries whose industrialization we encourage could force us, with a view to their development, to do what we would in any case have to do. But not to close our frontiers. There is no doubt that industrialization in the countries to which we are linked under agreements, whatever the countries may be and whatever the agreements may be, will force us to recognize our textile industry and maybe even to drop basic informatics. But if they didn't force us to, might not Japan or South-east Asia do so instead? Industrial competition from the countries we are linked to forces us to do what we are in any case going to have to do if we want to remain a world power. So, tying our aid to our own industrial reorganization, to our own industrial redeployment, is being in harmony with history—with the one addition that, since we have this link with the ACP group, we can plan ahead, where we cannot plan ahead with the world in general. I think that pressure from the countries to which we are linked in the industrial sector is, on the contrary, a positive thing compared to the unbridled competition we get from the rest of the world.

Now as to agricultural policy, the problem is a bit more subtle and more difficult to grasp intellectually. The Third World imports 85 million tonnes of grain now and it will import 220 million t come the year 2000. So it is wrong to say that, in the short term, there is competition if we want to give everyone something to eat. There is competition as far as the odd individual product is concerned, but there isn't overall.

At the same time—and I mean at the same time—we have to increase our ability to produce at lower and lower cost in Europe and to push up the developing countries' production capacity, because the world needs it. And at the same time—and this is where it is more subtle and more difficult to get an intellectual grasp of—we have to decide exactly when to reorganize, because once the Third World is self-sufficient, it will stop buying our food. But that is a question of several generations and we have plenty of time. For the moment, what we have to do during the first generation is to push up our production so as to combat hunger in the world, as the Third World will need the food. And alongside this, we have to apply the sort of development policy that will develop agricultural production in the Third World and prepare for the reorganization of our own system, ensuring that our agricultural production is more flexible than it tends to be at the moment.

### ... and the problem of unstable commodity prices

► *There is another problem where we are pressed for time, one which is only brought up here and there in the report, and that is how the instability of commodity prices can be restricted.*

— Europe cannot handle this one alone. We are fighting in all the international bodies to get the world, as such, to look at the problem of unstable prices. If Europe tried to stabilize the rates on its own, it would be ruined and its competitiveness would be reduced even further. I must say that the Lomé Convention, which invented Stabex and brought out the sugar protocol, looked forward to a stabilization of prices. But at the same time, alas, we are having to fight for stabilization, and that is another problem. We have to cope with fluctuating income and fluctuating prices in limited sectors as best we can, so as to avoid the developing countries, our partners, being struck by disasters that are too great to bear.

But there is another subject, a quite different one, and that is the new international economic order, something we are putting a lot into with, for the moment, few returns.

► *That is why Stabex in particular is having such problems?*

— It's the Stabex crisis. I have just analysed it. But we are now working on new formulae and I am in a position to say that the report that is coming out now is only the first document in a campaign that will be continuing over the coming months, when we shall be dealing with a whole series of questions to do with GATT, UNCTAD and the EEC. All these will add substance to this document, which is aimed at triggering a debate along new lines and on the adjustment of the aims of Europe's development aid policy.



## An outline convention

► *As regards the convention that will take over from Lomé II, the report contains a striking proposal about an outline convention of unspecified length. What would be the advantage of this?*

— To begin with, in most cases, the commitments the Community has made are for an unspecified period. The Maghreb, Mashreq and EFTA agreements are for an unspecified period, for example, so the idea is one we are used to. But a convention of unspecified length as described in the report does not rule out five-year financial protocols. Such a convention would define the legal, institutional and political framework for very long protocols, such as the fight against desertification, and for shorter financial and technical protocols, and regional protocols in a certain number of cases. This would give the system a unity and it would be guaranteed by a permanent convention, a kind of common political and legal core. This would give us a great deal of flexibility. In other words, and this is how I see it, how can we ensure diversity without breaking the unity of Lomé? The only way of ensuring the diversity of the ACP countries without breaking the unity of Lomé is to have a basic convention as a solid foundation and to ensure diversity by having implementing agreements for different circumstances, different countries and different times.

► *How does this differ from the collective contract you suggest for the southern and eastern Mediterranean?*

— There's no difference in spirit. My question is simply this: if we manage to produce a convention of this type with the ACP group and if we are able to get proper political and intellectual control over it, won't there come a time when the Mediterranean—in which we are more directly involved bearing in mind that the Community includes Mediterranean countries—looks upon itself as a unit in charge of its own future? What strikes me about the Mediterranean is that Europe and its associates account for 90% of the shore and that the sea doesn't belong to the people who live around it. ◊

Interview by A.L.

# The Community's cooperation and development policy in figures

## Overall appropriations

In 1981 the Community allocated, under its budget and the EDF, the sum of ECU 1 600 m to cooperation and development. This corresponds to 7.5% of the Community's budget plus the EDF's 1981 commitments of ECU 702 m, making some 10% of total Community aid (EEC and member states combined). In 1982 the sum of ECU 2 100 m is to be allocated to cooperation and development, equivalent to 8.5% of the Community budget plus the 1982 EDF allocation of ECU 1 069 m

## Breakdown of financing by type of contribution

### a) EDF:

Commitments under the third, fourth and fifth EDFs are shown below:

(m ECU)

	1981	1982 (estimate)
Projects, technical cooperation, training	383.3	600
Regional funds	49.2	120
Stabex	143.1	112,1
Sysmin	—	95
Trade promotion	6.5	17
Exceptional aid	24.6	50
Budget of Technical Centre for Agricultural and Rural Cooperation	—	0.5
Budget of Centre for Industrial Development	4,3	4,5
EIB drawings on the EDF	91	70
<b>Total</b>	<b>702</b>	<b>1 069,1</b>

It should be noted that payments from the different funds amounted to ECU 664 m in 1981. Payments of the order of ECU 750 m are forecast for 1982.

### b) Budget:

Commitments from Community budget appropriations are shown in the table below:

(m ECU)

	1981	1982 (estimate)
Food aid	498.1	499.6
Cooperation with non-associated developing countries	161.6	231
Specific measures	16.1	21.9
Exceptional measures	23	31.5
Cooperation with Mediterranean countries	156.3	209.5
Commodities cooperation	—	—
<b>Total</b>	<b>855.1</b>	<b>993.5</b>

Payments amounted to ECU 663 m in 1981 and are expected to total some ECU 765 m for 1982.

# Summary and conclusions

Development policy is a cornerstone of European integration, being increasingly important at every stage.

With the Community facing the challenge of a period of economic crisis and the prospect of further southwards enlargement, it is time to take stock of the achievements of development policy in order to affirm and refine its objectives and geographical scope and reconsider ways and means.

While for a proportion of the Third World's population average per capita incomes have increased, over 2 000 million persons have experienced a stagnation or, more commonly, a decline in income over the last 10 years. At a time when the global negotiations appear to be stalled, world public opinion is becoming aware of the structural imbalances between North and South, certain developing countries' inability to repay their debts having made this evident in a new and worrying fashion at Toronto.

This amply justifies the concern expressed by the European Parliament and public opinion in the 10 member states for efforts to combat hunger and assist development, particularly in the light of the forthcoming negotiations for renewal of the Lomé Convention.

On the strength of these considerations, the Commission herewith presents to the Council and Parliament proposals for the principles and general guidelines which should direct the course of Community development policy for this decade. It invites both bodies to endorse its conclusions on the aims, methods, institutional framework and resources such a policy should have.

## 1. Objectives

1.1. The following objectives must be pursued if the developing countries, and in particular the poorest among them, are to achieve lasting, autonomous development:

- help countries to apply development policies based on self-reliance;
- help people attain food self-sufficiency by providing support for active rural development policies and for the framing of economic policies which promote food production;
- help to develop human resources and foster awareness of the cultural aspects of development;
- develop independent capacity for scientific research and technical applications and the use of the whole range of science and technology in the service of development;
- systematically exploit all natural resource potential;
- restore and preserve the ecological balances and control the growth of urbanization.

1.2. The Community will continue to promote international economic cooperation, bilateral and multilateral, by:

- establishing and consolidating between Europe and its partners durable contractual relations based on solidarity and mutual interest;
- introducing via the North-South dialogue "a new system of international economic relations based on the principles of equality and mutual benefit as also to promote the common interest of all countries" (1);
- contributing towards the strengthening of economic relations between developing countries ("South-South cooperation").

## 2. Methods

2.1. In its development activities, the Community will seek ways to take political dialogue beyond mere negotiations on projects to be financed. The Community respects the sovereign right of beneficiary countries over the use of the resources it puts at their disposal; it also considers it has a right and a duty to engage in a dialogue with the governments of those countries concerning the effectiveness of the policies it is supporting. Such a dialogue is being tried out for the first time with regard to food strategies.

The Community also believes it should look again with the ACP states at ways to help them improve their capacity to administer aid better.

2.2. In support of consistent food strategies, the Community will, among other things, deploy food aid which, emergencies apart, should be integrated into its development activity instead of existing as an end in itself.

2.3. The Community will supplement food aid with funds allocated according to the same criteria in all cases where other types of action and the supply of agricultural inputs would be more suitable (e.g. in the form of agricultural inputs or support for structural measures).

2.4. As regards cooperation in fields of mutual interest (mineral resources, energy, industry, fisheries, etc.), the Community will seek ways of ensuring more consistent use of existing instruments, or of reforming them, in line with strategies worked out jointly with its partners. The Commission will in due course be presenting communications on these various questions.

2.5. The Community and the member states will maintain a continuous process of coordination and harmonization to improve the coherence and efficacy of their assistance to developing countries and the consistency of their internal and external policies with their development and cooperation policy.

(1) UN General Assembly resolution 34-138.

### 3. The institutional framework

3.1. The Community confirms the special importance it attaches to the cooperation links set up with the ACP countries under the Lomé Conventions and will expand the joint development work undertaken within that framework.

The Community is willing to organize its relations with the ACP countries under a framework convention of unlimited duration. It will take as its basis the institutional system already established with them in order to help them reverse the trend towards ever-greater dependence on food imports and ever-greater poverty and to contribute to their development.

3.2. Recognizing that the stability and prosperity of the Mediterranean developing countries are linked to their own political and economic interests, the Community and its member states will contribute to their development by every means available and undertake to honour the commitments undertaken in the cooperation agreements. Further, the Community is willing to organize its relations with the southern Mediterranean countries, in due course, within the framework of a comprehensive region-to-region convention.

3.3. The Community is willing to improve the content of the cooperation agreements with developing countries in Asia and Latin America, in particular by making available under these agreements certain funds to help carry out specific operations of mutual interest.

The Community will continue its development activities outside the framework of the agreements, concentrating its efforts in places where it can help fight poverty and hunger by means of financial assistance for rural development in the poorest countries and the poorest communities within them. In order to make such aid more effective the Community will endeavour to programme operations on a multi-annual basis.

3.4. Often, development operations can not be fully effective unless they are undertaken over several countries concurrently, in the areas of trade relations and industrial cooperation.

In its cooperation ties with the various groups of developing countries, the Community will continue to press for the necessary regional aspect of development work to be taken into account; it will adjust its cooperation instruments to give greater weight than in the past to this important factor, with the aim of building up complementarity and contributing to the economic balance of regional groupings.

3.5. On the multilateral front the Community and the member states will improve the effectiveness of their work within the multilateral development financing bodies by jointly defining and implementing a European position in those institutions. In this connection the idea of

financial participation in certain multilateral institutions by the Community as such should be examined.

In the North-South context, with particular reference to the global negotiations, the Community will endeavour to promote achievement of the objectives adopted by the European Council in June 1981 and subsequently broadened.

### 4. Means

4.1. The Community will set itself a development aid target level of 1% of Community GNP and will try to achieve it by stages over the next 10 years, in order to affirm the continuity of its operations and make them more predictable.

4.2. Money allocated by the Community to development aid will henceforth be brought together in a single budget framework, to reflect the uniformity and consistency and improve the flexibility of Community development policy in both its forms:

i) contractual (Lomé Convention and Mediterranean agreements, instruments incorporated in cooperation agreements with other developing countries);

ii) autonomous (financing operations by NGOs, aid to NADCs, emergency aid in line with the Commission's proposals, food aid and support for food strategies, support for scientific research of benefit to developing countries, operations under cooperation agreements where not financed on a contractual basis).

4.3. The Community will seek every possible means of increasing the flow of non-budget money to the developing countries by mobilizing money on the capital markets and encouraging private investment. It will examine the possibility of putting its own borrowing capacity directly at the service of developing countries.

In the shorter term, a more liberal interpretation of article 18 of the EIB's statute could enable the Bank to undertake operations in developing countries linked to the Community by cooperation agreements to finance operations of mutual interest.

4.4. The establishment of the EMS and the extension of its currency unit, the ECU, could be used as a stabilizing factor for developing countries or groups of countries willing to take it as a reference.

4.5. The Community's first priority in the trade field is to keep access as open and predictable as possible, especially where the arrangements are based on a contract negotiated with its partners.

4.6. As regards commodities, the Community will continue, as in the past, to work at the international level for the stabilization of commodity markets.

When the Lomé Convention comes up for renewal, the Community is willing to review with the ACP countries the Stabex and Sysmin systems and the sugar, bananas and rum protocols, in the light of experience, in order to improve their effectiveness. ○



## Introduction

Development policy is a cornerstone of European integration.

For as long, indeed, as there has been a European Community it has made a contribution towards development and this, over the lifetime of successive conventions, has grown into a comprehensive policy of cooperation worldwide, following the course charted at the Paris summit in 1972 and since amplified by EEC Council resolutions.

The policy is an important one because of the institutional, financial, technical and trade resources it deploys; because of the number of countries it reaches; because of the novel forms of international cooperation it has pioneered. Today it is a manifestation of Europe's identity in the world at large and a major plank in the Community's external policies generally; it is an earnest of solidarity with poorer countries, of awareness that international interdependence has a political and humanitarian dimension as well as an economic one, and that industrialized and developing nations have mutual interests; it is unrivalled for continuity, consistency and responsiveness to the facts of international life. Some adjustments are needed, in recognition of the diverse circumstances in which it has been formulated and built up, and of the far-reaching changes which have taken place in the international situation; a comprehensive review of Community development policy and its achievements is necessary so that we can reaffirm its aims and geographical scope and look afresh at methods and resources.

For a variety of reasons, 1982 marks a watershed in Community policy and the time is ripe for such a review.

(a) Taking stock of the first two development decades it becomes clear that resources have either been inadequate or they have been misused. A recent World Bank report makes it clear that the impact of development aid in sub-Saharan Africa, where the Community has prided itself on being most active, has been particularly disappointing. FAO and WFC forecasts point to further problems in store.

(b) The persistence and depth of the world recession and the high level of unemployment in Europe make it difficult for the Community or its member states to do more, quantitatively or qualitatively, for development in the Third World; but conversely, it is becoming increasingly plain that only economic revival in the developing countries, where that same recession has halted growth, can pull Europe out of its crisis.

(c) The prospect of a twelve-member Community once Portugal and Spain have joined means that we must ask ourselves not only where the Mediterranean policy—and policy on Latin America, too—is to go from here but, more specifically, whether the Community should or can run a policy aimed at closing the gaps in standards of living between its own central and peripheral regions in tandem with a policy designed to foster the development of the Mediterranean countries.

(d) The determined efforts and advocacy of Europe's

first directly-elected Parliament have enhanced knowledge and awareness of such issues. The Parliament has repeatedly appealed to the Community to make more resources available, particularly to combat hunger.

(e) The problems the Community is currently experiencing in fulfilling the objectives it set itself for the North-South dialogue (1) are forcing it to contemplate the crisis in the multilateral cooperation system, which in turn means that it must give more urgent thought to the future of its own direct relations with developing countries, both individually and as groups. The breakdown in the multilateral machinery reflects—and this is a problem—substantial differences of opinion between the developed countries when faced with the exigencies of dialogue with the South.

(f) The meeting of twenty-two heads of state or government in Cancun (Mexico) in October last year raised long-deferred hopes of concrete action on the North-South dialogue and global negotiations. One year on, we have to recognize the problems that are involved in such



Belga photo

*Twenty-two world leaders at Cancun (Mexico). One year after the summit to relaunch North-South cooperation, the hopes it created still have to be turned into reality*

an undertaking by reason of its sheer scale, and make an effort to provide something of a response wherever possible, particularly since the South is worried by the ever-increasing preoccupation with East-West confrontation, and, seeing no worthwhile prospects elsewhere, may be tempted to fish in troubled waters; but it would not be the only loser.

(g) Before very long the Community and the ACP states will have to sit down and "examine what provisions shall subsequently govern relations" between them once Lomé II expires—negotiations are due to start on 1 September 1983. Before then, and before putting proposals for a negotiating mandate to the Council in the first half of next year, the Commission would like to involve the Parliament, the Council and the Economic and Social Committee in a debate to work out in broad terms the kind of development policy the Community wants to pursue. This should give our partners a clear picture of our basic objectives, the framework we envisage and the resources we are prepared to commit before they actually face us across a negotiating table.

(1) First report on Community policy in the North-South dialogue, adopted by the European Council in June 1981; second report adopted by the Council at its meeting on 7-8 December 1981.

By clarifying and amplifying its policy in this way, the Community would be responding to the demands of a changed international situation, the needs of the countries which are its partners, and the voice of its own public opinion. It would also be creating the conditions of the new departure which is needed if current world tensions are not to be exacerbated, economically and politically, to a point where no really acceptable way out remains.

## I. Twenty years of development aid: the verdict

After two decades of development efforts, the verdict must be that while continued faith is justified, there is no room for complacency.

### Development in the Third World

Faith in the development process receives a boost from the virtual doubling in twenty years of real average per capita incomes in a number of developing countries, which between them have populations totalling a billion. More significantly, life expectancy at birth in those same countries has markedly improved, rising from 53 years in 1960 to 61 years in 1979. Adult literacy has also made remarkable strides.

But a yawning gap has opened up between these middle-income countries and the poorest nations, where incomes have barely stayed ahead of population growth.



WFP photo

*In 1980, 750 million people lived in absolute poverty. Millions suffered from hunger; millions of children faced hardships that will handicap them for life*

The real per capita incomes of another two billion people (including India and China) increased by no more than \$70 in those same twenty years, while incomes in the industrialized countries went up on average by \$5 080! In the last ten years per capita incomes in the poorest African countries have actually fallen by 0.4% a year.

In 1980, 750 million people, a third of the Third World's population (not counting China), were living, or rather existing, in absolute poverty; millions of people are starving, and millions of children are suffering from malnutrition which can handicap them permanently.

Overall, food production in the developing countries has kept pace with population growth, but the numbers suffering from malnutrition in southern Asia, Central America and sub-Saharan Africa have increased, with the trend becoming more marked in Africa in the latter half of the 1970s. At the same time the natural environment in the Third World has been steadily deteriorating, helping to plunge people still deeper into poverty.

This is neither a cyclical nor a strictly localized phenomenon, and it is a problem for the Community in particular because over half of the world's poorest people are linked to it in a special relationship. Whether we like it or not, we have a responsibility.

However, the developing countries' overall dependence on food imports is increasing, because of increased demand in the middle-income countries, the rapid pace of urbanization in all developing countries, and the deterioration of the environment. Grain imports had risen from 25 m tonnes gross at the beginning of the 1960s to 80 m tonnes by 1978-79 and look set to top 200 m tonnes by the year 2000. Many countries are going to have to choose between food and oil imports—not an easy choice.

Though eloquent, these few statistics cannot give a detailed picture of what is happening worldwide. But broadly speaking, the international situation has deteriorated even if there has been a certain amount of scope for a fortunate few countries to exploit the potential of the system.

The liberal trading system, which has by and large been kept going despite growing protectionist pressure, enabled fast-rising NICs to quadruple their exports of manufactures between 1970 and 1980 despite flagging world demand.

Oil-exporting countries, having tipped the terms of trade in their favour, managed to increase the purchasing power of their exports by a factor of 3.8 between 1970 and 1980. There are no grounds for thinking that today's unsteady market, the discovery of new oilfields, or OPEC members' indebtedness, herald any substantial reversal of that trend. Countries with oil reserves will probably still be in a strong position. The same cannot be said of countries with other types of mineral resource; weak commodity prices are causing virtually insoluble problems for their economic equilibrium and vital investment programmes, and their indebtedness is reaching intolerable levels.

The surprising flexibility displayed by the international banking system enabled oil-importing countries with a certain borrowing capacity to weather the first oil shock without any serious slowdown in growth, but at the cost

of devoting a much larger proportion of their earnings from goods and services exports to debt servicing. In the 1970s the developing countries' external indebtedness increased sixfold, and debt servicing costs tenfold! (2).

Broadly speaking, however, it is the poorest countries which have been hardest hit by the deteriorating international climate; from 1970 to 1980 their terms of trade with the industrialized countries declined by 16 %, substantially reducing their purchasing power on the world market. The crisis has therefore accentuated the differences between developing countries, the poor countries which missed out on the growth of the 1960s now being threatened with regression.

Official development assistance is of crucial importance to those countries; as the main source of finance for their external deficits, it effectively regulates the size of those deficits. The flow of aid has increased, but not sufficiently to absorb the impact on poor countries of the world recession; over the twenty years, the increase in ODA (2.7 % a year in real terms) has just barely stayed ahead of population growth rates. And aid does not go to those who need it most; in 1979 middle-income countries were receiving bilateral aid to the tune of \$12 per head of the population, against \$5 a head for the poorest countries!

One might be forgiven for thinking that the point of aid is not to put an end to intolerable hardships, but to fund the safest, most profitable investment. To some extent, this paradoxical state of affairs is actually a result of the very under-development, in poorer countries, which aid is meant to alleviate. Development aid has traditionally been used to finance capital projects and is thus more easily absorbed by countries which already have a sound economic and administrative infrastructure, and domestic policies conducive to the development of indigenous productive capacity. Nevertheless, there is no escaping the fact that aid donors have not always been able—or willing—to adopt an approach that would help the governments of poor countries to set up workable institutions, or encourage methods of administration and development policies capable of making the most of local resources.

This merits reflection. If it turns out that sustained assistance and an original type of relationship cannot rescue certain countries from their state of predevelop-



*The Conference on International Economic Cooperation in Paris proved an important step in the North-South dialogue. "There has been an endless stream of conferences, charters and resolutions, but rather less in the way of tangible progress"*

ment; if, as a result, those countries are acquiring neither the most basic infrastructure, nor the most vital training nor any capacity for independent administration, one would be forced to the conclusion that aid was serving merely to keep them in wretchedness. Below a certain threshold of effectiveness and relevance, aid becomes an evil, for it nourishes illusions and encourages passivity. There are countries that are being driven outside the community of nations in this way, with no real hope of ever joining in, yet no doubt they too have potential which, if rightly exploited, could transform their prospects.

Another thing which holds poor countries back, or drags them down, is political, social or military destabilization. Conflicts of one sort or another have further impoverished many parts of the world and created refugee populations, and it is not always clear whether the instability is a cause or a consequence of poverty. Both, no doubt.

Most of the international crises which have flared up in the Third World over the last twenty years, always excepting the conflict in the Middle East, have been in areas where there is abject poverty.

But to take this analysis, with its well-established arguments, a stage further, does this mean we have to question the very purpose and machinery of development aid? There has been a failure to appreciate just how frail and vulnerable the developing countries are, particularly the very poor, and initially all efforts should be geared to helping them to survive at all. Development is not a question of providing the tools, however superior their quality, but of getting a country, a region, a town, to feel the need for those tools and hence the desire to shape them and the ability to master them.

Development aid along these lines may generate fewer big contracts for the donor countries' firms in the short term, but by spending on people just a fraction of what is invested in bricks and mortar, we will have a better chance of equating a structure with its actual function.

### International economic cooperation

Development aid does not operate in a vacuum and the international order of which it forms a part can amplify or stifle its effect.

A particular disappointment in these two development decades, then, has been the failure of the North-South dialogue; the non-event at Cancun, the stalled global negotiations and the IDA (3) crisis are symptomatic of this.

From UNCTAD I in 1964 via the CIEC (4) to the 1981 Cancun summit, there has been an endless stream of conferences, charters and resolutions, but rather less in

(2) Since 1973, the developing countries' external debt has increased practically fivefold and now amounts to nearly \$500 000 million. Nor does this figure include very short-term debt; it should be noted in this connection that many countries, especially since 1980-81, have borrowed massively on a very short-term basis.

The bulk of the developing countries' external debt is concentrated in the relatively richer developing countries. The ten most heavily indebted countries—comprising five net oil exporters and five newly industrialized countries—account for 60 % of the total debt.

(3) The International Development Association, a subsidiary of the World Bank.

(4) Conference on International Economic Cooperation (Paris, 1975-77).



the way of tangible progress. The variety of institutional frameworks adopted—open conferences on specific topics, select conferences, summits and so on—has simply made the thing look like a technical exercise divorced from any political goal.

Progress has of course been achieved in certain specific areas—the IMF, with such instruments as its compensatory financing and extended facilities, has become more responsive to the needs of the developing countries, the World Bank's resources have been increased, a system of generalized preferences is operating, certain debts have been written off. But most agreements which have been reached are merely symbolic or exhortatory, as with the Common Fund or the development strategies.

Responsibility for this state of affairs is shared. The developing countries themselves, with a natural desire to play up their political solidarity, have tabled one demand after another in the quest for a "new international economic order", which has generally borne a closer resemblance to a millenary vision than to a coherent strategy. By politicizing the debate—an inevitable development, admittedly—they have triggered off political reactions and rhetorical debates and risked seeing the really urgent issues ignored.

The East European countries have consistently remained aloof from the North-South debate, preferring to ascribe the Third World's problems to the legacy of colonialism and bringing their military and ideological weight to bear in bilateral dealings, rather than being prepared to shoulder the responsibility of participation in the establishment of a system of multilateral cooperation which would glaringly show up their shortcomings in the trade and aid stakes. This quite unjustifiable attitude places a severe strain on the whole North-South dialogue issue, transforming it into a West-South dialogue and all too often producing hateful situations where development aid (West-South) comes into conflict with ideological and strategic support (East-South), thus replacing the North-South dialogue by an East-West confrontation wholly alien to the ends of development assistance.

The United States, which, unlike the Soviet Union, has always been a prime mover of the multilateral cooperation system, is now concentrating on the East-West dimension of international issues to the extent that it regards the Third World merely as an area of masked superpower confrontation and prefers to conduct its relations with those countries in terms of bilateral influence, apparently ignoring the major contribution its wealth and economic dynamism could make to the North-South dialogue.

The Community has a fundamental interest in the existence of a stable, well-regulated and predictable system of international relations. As a political and mercantile power, it is naturally concerned to promote a system which speaks the language of interdependence rather than conflict, and in that sense its interests are the same as those of the developing countries. The Community and the developing countries can play significant roles only in a world at peace. In the event of war, they would in all probability be cast as victims or provide the battlefields. The Community therefore cannot acquiesce in

postponement of the North-South dialogue *sine die*. It cannot afford to let East-West confrontation, which is a matter of power, take precedence over that dialogue, which is a question of development.

In establishing its network of contractual relations with some groups of developing countries, the Community has been acting in a similar spirit, working towards a more harmonious and secure system of international relations which is more consistent with the interests of all concerned. Between its Lomé policy on the one hand, dealing with a specific group of developing countries, and its North-South policy, addressed to all of them, on the other, the Community should find a place for a wider application of the North-South doctrine which it has formulated.

In the course of two development decades which have seen remarkable economic and technological advances, in which millions of people have attained higher living standards than ever before, in which world peace has been preserved despite the outbreak of local conflicts and astronomical arms spending, incomes in the poorest countries have obstinately refused to rise, the number of those living in absolute poverty and suffering from hunger has increased, and the international community has failed to give the developing countries full member status—with all the rights and obligations that entails—in an effective system of multilateral cooperation. An awareness of these failures shapes the Commission's proposals for the future of Community development policy, and imposes on the Community, even in the toils of recession, a duty to do what it can to boost the effectiveness of action it has already taken and demonstrate that North and South can work together for development that is interdependent, unequal but in the interests of both.

## II. The Community's development policy to date — an assessment

In 1971 the Commission forwarded to the Council a memorandum the title of which, "Pour une politique communautaire de développement" (Memorandum on a Community policy for development cooperation), was chosen deliberately in response to a perceived need. Up to then, the Community had merely acquired the instruments of development policy without having defined a policy as such. As a result of the impetus given by the Paris summit, the range of Community instruments has since been increased considerably, but it is still open to question today whether Community activity in the development field, rich in instruments and potential though it may be, has really acquired the coherence and consistency of a policy.

Within Community development policy, it is possible to distinguish four major areas, each with its own specific historical background.

1. **The Lomé policy**, the oldest and most fully developed area, has its origin in the desire manifested in 1963 by 18 newly independent African countries to replace the



*Lomé policy is a collective contract negotiated by partners on an equal footing, "administered jointly and covering the economic, financial and trade facets of that relationship"*

colonial links binding them to various member states by an agreement negotiated with the Community.

The articles of the Treaty of Rome put the Community on the road towards an entirely new system of international relations. Surely no one could have foreseen at the outset the strength that would be acquired with the passage of time and experience by an agreement that signified the end of an era, an agreement that was to become with Yaoundé and Lomé a unique political, economic and institutional edifice.

The Lomé system is and remains an original system in that it establishes a special relationship between a group of industrialized countries and a group of developing countries on the basis of a collective contract negotiated on an equal footing, administered jointly, and covering the economic, financial and trade facets of that relationship. It is original in that, once the pact has been concluded, the relationship is sustained by an entire institutional system involving not only the executives but also the parliaments. The ACP-EEC Council of Ministers and Consultative Assembly are forums where two groups of countries together seek to ensure optimum implementation of a policy jointly defined for five years, though it is in fact renewable.

2. In the implementation of its **Mediterranean policy**, the Community took the Lomé model as its basis. It, in fact, went beyond that model in certain respects, since, with the exception of the financial protocols, the agreements with the Mediterranean countries are of indefinite duration. But it was not able to give them the solidity and political value of a collective contract; the Mediterranean agreements are merely a series of bilateral agreements. What is more, a double question mark now hangs over these agreements: firstly, the conditions under which these agreements have been applied have already revealed that their technical and financial clauses are of little value if their commercial clauses are not rigorously observed. Secondly, enlargement to include Spain and Portugal could further exacerbate the difficulties that have led to the present situation. Conceived of as instruments of international relations, the Mediterranean agreements will retain their rightful place and significance in an enlarged Community only if Europe has the capacity and will to draw up and implement an overall Mediterranean

policy making this area one of the main stages on which its destiny will be acted out.

3. **The cooperation instruments linked to the common policies** (generalized preferences, participation in commodity agreements, food aid) have become part of the arsenal of means of action available to the Community as a result of the international extensions of the common commercial and common agricultural policies.

4. **The aid system set up by the Community on a unilateral basis**; this comprises emergency, aid reflecting the moral obligation to express solidarity with the victims of disasters; participation in the financing of projects promoted by non-governmental organizations, whose activities show that development cooperation is not solely a matter for governments; and lastly and most importantly "financial and technical aid to non-associated developing countries", the budget description of which is a poor translation of its purpose given that the aid in question is geared to the poorest countries of Latin America and Asia and has as its main objective—besides the promotion of regional cooperation—assistance to boost agricultural and food production.

\* \* \*

The overall structure is impressive:

**In trade terms:** The Community is the developing countries' main trading partner (5). Its customs tariff is, on average, one of the lowest in the world, and the customs duties on products of particular interest to the developing countries have, over the past twenty years, recorded a much more pronounced downward trend than the duties on other products.

(5) Imports of manufactured products from the developing countries accounted for 1.35 % of Community GNP in 1980 compared with 1.13 % for the United States and 0.58 % for Japan (even in the case of textiles, the Community market is twice as open to imports as that of the United States or Japan); for agricultural and food products, the corresponding figures are 0.9 %, 0.45 % and 0.47 % respectively.



*Emergency aid expresses "solidarity" with the victims of natural disasters, such as the great drought which struck the Sahel in the 1970s*

In addition, the Community is the world leader in the provision of trade preferences for the developing countries. The most comprehensive systems (Lomé, Mediterranean) enable the countries in question to compensate in part for their low level of international competitiveness, while the generalized preferences system, which permits almost the same volume of preferential imports from over one hundred countries, but principally from seven of that number, was a major and imaginative innovation. Although it has had undoubted political impact, its effectiveness remains limited by the uneven use the beneficiaries make of it.

**In financial terms:** The Community's development policy mobilizes financial resources which amounted in 1980, counting only official development assistance, to 10 % of the total disbursed by the member states (which total itself represented 50 % of total aid disbursed by the OECD countries in 1980).

The expansion of Community aid proper has been remarkable in several respects: in volume terms, aid increased by a real 7 % per year during the 1970s; accordingly, it should reach an annual commitment rate of over ECU 1 500 m in 1981. From the viewpoint of the instruments used, diversification has been rapid: on top of the Yaoundé and Lomé Conventions have come food aid (30 % of total disbursements), financial and technical aid (article 930 of the budget), the aid provided via non-governmental organizations, emergency aid, aid for trade promotion and regional cooperation, etc. The result has been to make the geographical spread very much wider: after concentrating almost exclusively on Africa in the early 1960s, 65 % (average for 1972-79) of Community financial aid now goes to Africa compared with 35 % to the rest of the world (6). Generally speaking, the proportion of Community aid earmarked for the least developed countries is greater than the average proportion of the member states' bilateral aid going to those countries.

However, before proposing a blueprint for the development of the system of relations between the Community and the developing countries, it is worth comparing the characteristics peculiar to that system with the bilateral systems implemented by the member states and also with the multilateral institutions of which the member states are members and which they help to finance.

The Community is not a multilateral development institution: being the expression of a European identity, the Community development policy embodies geographical preferences; although it is a manifestation of solidarity with certain developing countries, it also reflects the Community's economic interests in the organization of its relations with countries on which it depends for the security of its supplies and its markets. This sets it apart from the global or multilateral institutions.

At the same time, the Community development policy is distinct from the member states' bilateral policies, and is seen as a separate entity by the beneficiary countries. It is not an eleventh policy superimposed on the ten others. It is the expression, not multilateral but collective, of a Community which has neither the attributes nor the ambitions of a state, but which nevertheless has great

capabilities. The Community conducts policies which affect the Third World to a greater extent than could surely be achieved by its development policy alone. The Community is seen as a responsible actor on the international stage and as a natural forum for concerting and coordinating the member states' national policies and positions.

This development policy is increasingly becoming the expression of the fundamental objectives assigned to it by European public opinion. For Europe to be able to recognize itself in its collective action to promote development and find an identity through that action, it is therefore necessary that the Community development policy should clearly reflect the priorities which the European Parliament has forcefully voiced on a number of occasions, notably in the resolutions concluding its debates on development and hunger in the world.

It is on these specific features of the Community development policy that the Commission intends to base its proposals to the Council for a redefinition of the policy's objectives and a review of its methods and instruments.

### III. Objectives for the 1980s

An investigation of the specific features of the Community system as it has been built up over the years suggests two approaches for Community policy towards the developing countries:

- (i) action to promote the self-reliant and sustainable development of those countries, and in particular of the poorest, which have been left behind during two development decades;
- (ii) action to promote original forms of international economic cooperation, both at the level of direct relations between Europe and developing countries, or groups of developing countries, and at the North-South level.

These approaches are by no means mutually exclusive, but they do make it possible to demarcate areas of action which, albeit consistent with one another, are nonetheless very different.

From the results of two development decades and the experience acquired by the Community, the Commission draws the conviction that it is in these two areas that it is necessary to strengthen the specificity of Community action, define its priority objectives and regiment its resources.

In the light of the foregoing, the Commission proposes adopting the following main objectives:

#### (i) on action for development

- the development of societies capable of defining and implementing development models based on self-reliance, and of participating actively in the international economy;
- food security, involving support for the definition and implementation of economic policies which promote food production and for the application of an active rural development policy;
- the development of human resources;

(6) By comparison, Africa accounts for around 45 % of the member states' bilateral aid.





FAO photo

*Emphasis must be put on helping people to feed themselves*

- the development of independent capacities for scientific research and technical applications and the use of the whole range of science and technology in the service of development;
- the systematic exploitation of all natural resource potential;
- the restoration and preservation of the ecological balances and control of the growth of urbanization.

**(ii) on international economic cooperation**

- the establishment and consolidation between Europe and its partners of durable contractual relations based on solidarity and mutual interest, in particular in the industrial, energy and mining fields;
- the introduction via the North-South dialogue of a "new system of international economic relations based on the principles of equality and mutual benefit as also to promote the common interest of all countries" (7);
- contributing towards the strengthening of economic relations between developing countries (South-South cooperation).

It is the role of the Community, as stated in the preamble to the Treaty of Rome, to follow these two complementary paths in order to "preserve and strengthen peace and liberty". It will employ all the instruments created for the attainment of this two-fold objective, development aid and economic cooperation being able to assist one another in many cases.

## IV. Action for development: methods and areas of application

The assessment that has been made of two decades of development and of Community action clearly shows that the pursuit of the objectives which the Community sets itself requires, over and above the quantitative aspects—which must not be neglected—a qualitative improvement in the means deployed in the various areas of action.

(7) UN General Assembly resolution 34/138.

### 4.1. Methods of development action

To step up development action requires more than a mere increase in aid resources.

Even so, an increase is very necessary. In the case of sub-Saharan Africa, for example, a recent World Bank report concluded that aid must be doubled in real terms during the 1980s simply to avoid a zero or negative overall per capita growth rate.

However, to double the amount of aid without making any policy changes would be no guarantee of success. In the light of experience and changes that have occurred in the world and the developing countries themselves, the time has come to stop and think again.

The transfers made have not only been inadequate in terms of volume, but have too often been unsuitable or even in some cases positively dangerous. Food aid, necessary though it is, sometimes discourages local production and alters consumption habits, particularly since it tends to become merely a kind of regular assistance to the balance of payments; in the administration of their financial aid, donors incline towards financing projects that are clearly identifiable though not necessarily adapted to the needs or integrated into the economic and social fabric of the recipient country. Aid in this case does more to benefit undertakings in industrialized countries than to help to create local networks of small and medium-sized enterprises. The transfers of technology which it sets in train cause more trauma than real progress.

That is why, all in all, and through lack of an examination of the situation in sufficient depth, external aid has not achieved the full effect sought by donors or recipient countries; while aid needs to be increased, it must also be adapted to local requirements.

The countries of the Third World are also partly responsible for the disappointing results; the reasons include administrative difficulties and the priority given to the machinery of state, to the towns, to large-scale projects and to the élites trained in the North. Prisoners of the short term, rare are the governments which have succeeded in defining a policy and sticking to it. With little inclination to enter into regional cooperation and slow to see the need for trade to promote complementarity between neighbouring countries, they have frequently sought special relationships with powerful part-



FAO photo

*Should aid go to the machinery of the state or to the peasant farmer?*

# THE CONVENTION AT WORK

## STABEX

### Financing decisions for 1981

The Commission recently decided on the payments to be made to the ACP countries for 1981 under the export earnings stabilization system.

The financing shortfall encountered for the first time in 1980 occurred again in 1981, but this time it was bigger. While justified requests totalled more than ECU 453 million, the resources available under the Convention amounted to little more than ECU 112 million.

In view of the extent of the shortfall and the difficulties encountered by the commodity-exporting ACP states, the Community presented, at

the ACP-EEC Council of Ministers meeting in Libreville (May 1982), an exceptional proposal for additional finance of ECU 70.7 million (1).

Furthermore, certain ACP states which owed money to the system in respect of transfers received for 1975 and 1976 agreed to abandon a corresponding proportion of their transfer entitlements for 1981, thus clearing their debts: this brought the transfer entitlements down to ECU

(1) Of which ECU 40 million to be charged against interest on EDF assets (to be used for financing development projects capable of being implemented rapidly) and ECU 30.7 million from special loan repayments by ACP countries.

#### Also in the yellow pages

##### The Convention at work

- II. EDF: new financing decisions
- V. Edgard Pisani in East Africa
- VI. ACP Group

##### General Information

- IX. Aid to non-associated developing countries
- XI. New International Coffee Agreement
- XII. Sam Nujoma in Brussels

##### European Community

- XIV. Multifibre agreement
- XV. GSP 1983
- XVII. Restructuring of DG VIII

427.3 million, against available finance of ECU 182.8 million.

These ACP-EEC Council decisions therefore resulted in an overall cover

### Stabex payments 1981

States	Products	1981 transfer amounts	Advances already paid
Cameroon	Cocoa products	10 348 448	
Cameroon	Raw or roasted coffee	6 988 461	
Ivory Coast	Raw or roasted coffee	35 329 724	
Fiji	Coconut oil	653 391	
Ghana	Cocoa products	32 776 692	
Kenya	Raw or roasted coffee	21 054 231	7 500 000
Madagascar	Raw or roasted coffee	3 440 826	
Papua New Guinea	Raw or roasted coffee	9 421 513	
Papua New Guinea	Cocoa beans	5 738 012	
Papua New Guinea	Copra	1 385 695	
Papua New Guinea	Coconut oil	1 160 130	
Senegal	Groundnut products	26 272 999	18 000 000
Benin	Cotton not carded or combed	130 169	
Benin	Palm oil	254 585	
Benin	Palm nut and kernel	544 668	
Central African Rep.	Raw or roasted coffee	1 536 796	
Dominica	Coconut products	502 143	
Ethiopia	Raw or roasted coffee	968 702	
Gambia	Groundnuts shelled or not	2 225 089	1 850 000
Gambia	Groundnut oil	1 440 360	1 850 000
Gambia	Oil cake	529 741	400 000
Grenada	Nutmeg and mace	197 531	
Lesotho	Mohair	354 533	
Malawi	Tea	653 391	
Mali	Sheanut kernel	653 391	
Rwanda	Raw or roasted coffee	653 391	
Solomon Islands	Copra	723 321	400 000
Western Samoa	Cocoa beans	1 170 846	685 000
Western Samoa	Copra	1 035 401	430 000
Sao Tome Principe	Cocoa beans	994 895	
Sierra Leone	Palm kernel products	1 082 263	
Sierra Leone	Cocoa beans	53 351	
Somalia	Fresh bananas	949 211	
Sudan	Cotton not carded or combed	10 879 030	
Tanzania	Raw or roasted coffee	694 174	
Tuvalu	Copra	56 606	
<b>Total</b>		<b>182 853 710</b>	

rate of 42.8%, the EEC-ACP committee of ambassadors being entrusted with allocating the funds available among the ACP countries.

The allocation, decided on 5 August 1982, is as follows:

— the least developed ACP states will receive transfers corresponding to 46.5% of the loss sustained, the rate for the other countries being fixed at 41.9%;

— 100% compensation will, however, be maintained for transfer entitlements of less than ECU 1 million.

Advances already received by a number of ACP states will, of course, be deducted from the amounts calculated as above.

The Commission also decided to make a ECU 341 000 transfer to Vanuatu, which, although it acceded to the Lomé Convention after it became independent, is still covered by the arrangements applying to the Overseas Countries and Territories. ○

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## STABEX 1982

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### Stabex advances to Swaziland and Tonga

The Commission has decided to make the following Stabex advances for 1982:

Swaziland	cotton	ECU 600 000
Tonga	coconut oil	ECU 350 000
Tonga	copra	ECU 450 000
Tonga	bananas	ECU 50 000

The forecast loss of export earnings for Swaziland is based on a 1982 harvest which is about 40% down on 1981 as a result of a severe drought, which is affecting the entire eastern part of southern Africa.

The poor outlook for exports of the products in question from Tonga is due essentially to hurricane Isaac, which hit the island in March 1982 and seriously damaged crops. ○

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## EDF

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### New financing decisions

Following the favourable opinion delivered by the EDF Committee at its 171st meeting on 20, 21 and 22 September, the Commission has decided to finance the projects described below:

### Benin

#### Continuation and extension of the "development of fish farming" project

Grant: ECU 1 700 000 — 5th EDF

The project is the continuation of a 1978 scheme. It is concerned mainly with the coastal area of Benin, in particular Lake Nokoué, where intensive fish-farming techniques using enclosures and cages will be introduced to the fishermen. It is also concerned with the Aplahoué region in Mono province, where small-scale pond-based fish farming will be developed integrated with the region's agricultural activities.

### Cape Verde

#### Support for cooperatives

Grant: ECU 310 000 — 5th EDF

The aim of the project is to help consolidate the currently rudimentary cooperative movement, which is spread over a number of islands. To achieve this it is planned to provide some infrastructure and equipment on a modest scale, set up a revolving fund to guarantee small loans for equipment to producer cooperatives, and provide simple extension services to train those in charge of the cooperative movement in management techniques.

### Central African Republic

#### Damara-Sibut road (repairs)

Grant: ECU 8 960 000 — 5th EDF

This project is concerned with repairs to the section of road between Damara and Sibut (111 km), which forms part of route nationale 2. Not only does RN 2 link the capital, Bangui, with the eastern parts of the country but it forms the connection, at Sibut, with the RN 8, which provides access to a large part of the northern provinces.

### Djibouti

#### Improvement of animal health

Grant: ECU 1 123 000 — 5th EDF

The purpose of the project is to improve animal health in order to step up the stockfarmers' incomes by increasing the productivity of the animals.

There are four components:

- infrastructure works;
- epidemiological surveys;
- supplies for the Department of Stockfarming;

— training for Department of Stock-farming staff.

### Ethiopia

#### Multiannual training programme (1982-85)

Grant: ECU 5 000 000 — 5th EDF

The aim of the programme is to meet Ethiopia's need for qualified staff by financing crash courses in a number of fields. Training is to be provided in particular for teachers, accountants, technicians, management staff, construction engineers and coffee-growing experts.

#### Construction and equipment of the Debarq and Mizen Teferi hospitals and of the Addis Ababa school for laboratory technicians

Grant: ECU 15 400 000 — 5th EDF

The purpose of this project is to improve Ethiopia's health system by building and equipping two 70-bed hospitals in the north and west of the country—since both regions are sadly lacking in health infrastructure. The sum earmarked for these constructions is ECU 13 600 000. The remaining ECU 1 800 000 is to be spent on stepping up the number of students which the Addis Ababa laboratory technician school can train. The school will be able to cope with 80 students instead of the present 25.

### Mali

#### Boosting of tobacco growing in the Upper Niger Valley

Grant: ECU 275 000 — 5th EDF

This project involves extended aid for an earlier EDF-financed project. The new Commission operation will involve providing the growers, via an appropriate credit system, with equipment, notably for irrigation; supplying the operation, on a pilot basis, with modern equipment for the drying and market preparation of light tobacco, and providing additional technical assistance to the "Opération haute vallée du Niger", the body responsible for implementing the project.

#### Control of epizootic disease in Mali border areas

Grant: ECU 80 000 — 5th EDF

The purpose of the project is to help control epizootic disease in the border areas of Mali.

The Community's contribution consists in providing the Department



of Stockfarming with vaccine and equipment for a rinderpest vaccination campaign until a full-scale drive to eradicate the disease can be put in hand.

## **New Caledonia**

**Freshwater aquaculture in Melanesian-inhabited areas**  
Grant: ECU 490 000 — 5th EDF

The project provides for the setting-up of two experimental freshwater shrimp-culture units in village areas. It will thus make it possible to evaluate the potential, in field conditions, of a new and interesting line of production.

## **Uganda**

**Rehabilitation of the seeds industry**  
Grant: ECU 9 500 000 — 5th EDF

The purpose of this project is to begin restoring the seeds industry, which has declined dramatically since 1974. In particular it will assist the foundation seed unit and Kisindi farm through the provision of staff housing, office and storage facilities, transport and farm machinery. A technical assistance team will help implement the project.

## **Senegal**

**Village irrigated areas (Podor)**  
Grants: ECU 480 000 — 4th EDF  
ECU 4 220 000 — 5th EDF

The project consists of developing 1 000 ha of village irrigated areas into about 50 plots with a surface area of approximately 20 ha, along the Senegal river in the Department of Podor, with the aim of increasing cereal production so that the population is self-sufficient in food.

**Kavil-Keur Madiabel road**  
Grant: ECU 2 228 500 — 5th EDF

The purpose of this project is to reinforce and asphalt the 24 km road section between Keur Madiabel and Kavil. The existing road is in poor repair and can no longer cope with current traffic demands.

The project will re-establish the vital road link for a typical groundnut production area.

## **Sierra Leone**

**Kambia fisheries development project**  
Grant: ECU 900 000 — 5th EDF

The project aims to redesign the

fishing boats currently in use because they are equipped to run on outboard petrol motors. The sharp increase in the cost of petrol is threatening the livelihood of millions of people living along the coasts. This is a pilot project to provide the Kambia fishermen with a number of prototypes of open boats equipped with energy-saving diesel motors.

## **Somalia**

**Mogadishu water supply expansion**  
Grant: ECU 5 340 000 — 5th EDF

The project aims to contribute substantially towards closing the gap between drinking-water demand and supply in Mogadishu. By financing the construction of 24 wells, water mains, reservoirs, pumping plants and other infrastructure it will increase supply capacity and enable production to meet demand over the next five years.

## **Tanzania**

**Road from Idetero to paper mill**  
Special loan: ECU 5 000 000 — 5th EDF

This project provides additional financing for the construction of the road connecting the Mufindi paper mill and Idetero. The mill is under construction with financing from international sources to the tune of \$ 252 m. Financing the road is the Community's contribution to the operation.

## **Wallis and Futuna**

**Enlargement of Mata-Utu quay**  
Grant: ECU 1 200 000 — 5th EDF

The aim of the project is to facilitate sea communications for the island of Wallis by improving and extending its quay and storage facilities. The project involves the repair and extension by 30 metres of an existing quay, the enlargement of the backs of quays and the construction of 500 m<sup>2</sup> of warehousing.

## **Zaire**

**Equipping health centres in five rural areas with lighting and refrigerators run on solar energy**  
Grant: ECU 1 700 000 — 5th EDF

The purpose of this project is to create the minimum prerequisites for effective work in rural health centres, other premises and accommodation by providing lighting and the possibility of storing perishable medicines

and vaccine. In practice the project consists of equipping 750 clinics, social centres, schools and houses in five selected rural areas with photovoltaic solar generators to run lighting appliances and refrigerators in which to store medicine and vaccine.

## **Kenya, Somalia, Sudan, Zimbabwe**

**Reintegration of qualified African nationals**  
Grant: ECU 3 300 000 — 5th EDF

The conference of African ministers responsible for human resources planning, development and utilization, meeting in Monrovia in October 1981, expressed "grave concern over the gravity of the brain drain from Africa" and suggested that African countries should take steps to examine possibilities of cooperation in the return of their technically skilled nationals residing in the EEC countries and in other regions of the world outside Africa.

This pilot project is intended as an initial contribution towards the internal efforts in this field. Its aim is, over a two-year period, to assist 200 qualified Africans living at present in industrialized countries to return to the four countries involved in the project.

## **Djibouti, Ethiopia, Kenya, Somalia, Sudan, Tanzania and Uganda**

**Migrant pest control in Eastern Africa**  
Regional project:  
Grant: ECU 3 300 000 — 5th EDF

The project aims at assisting the Desert Locust Control Organization for Eastern Africa (DLCO-EA) and the national plant protection services of the seven DLCO-member countries to control migrant pests in the region by strengthening their facilities and training staff. The objective of the programme is to reduce the losses caused by the pests to crop and pasture production in the region.

## **Botswana and Zimbabwe**

**Regional foot and mouth disease control project**  
Grant: ECU 12 800 000 — 5th EDF

The main objective of the project is to eradicate foot and mouth disease in most of Zimbabwe and Botswana. To this end the cattle in the

northern part of Botswana and the southern part of Zimbabwe will be vaccinated twice a year. The EDF's contribution will be used to finance an ice-making plant, mobile crushers, radio sets, vaccine and transport equipment.

## **Niger and Upper Volta**

### **Fada N'Gourma-Pièga road**

Regional project:

Grant: ECU 10 000 000 — 5th EDF

The purpose of this project is to improve and asphalt 60 km of the road between Fada N'Gourma and Pièga, which is part of the international trunk roads from Lomé to Niamey and from Ouagadougou to Niamey. The project will make domestic traffic and international transit traffic easier on this section of the trunk road in all weathers.

## **Comoros, Kenya, Madagascar, Mauritius, Seychelles, Somalia and Tanzania**

### **Telecommunications to aid air navigation in the Indian Ocean**

Regional project:

Grant: ECU 7 600 000 — 4th EDF

ECU 3 300 000 — 5th EDF

Regional cooperation in Eastern Africa and the Indian Ocean is made difficult by geographical factors. The purpose of this project is to establish and/or renovate completely the regional telecommunications networks for aid to air navigation of the seven countries concerned. Under the project, telecommunications equipment is to be supplied and installed, buildings are to be constructed and fitted out and there is to be a training and technical assistance programme.

## **Caricom member states**

### **Line of credit to small and medium-scale agricultural projects in the Caribbean.**

Regional project:

5th EDF:

Grant: ECU 500 000

Special loan: ECU 1 500 000

The objective of the project is to provide the Caribbean Food Corporation with the means of implementing a number of projects to develop trade in the fields of agricultural production, agribusiness, marketing and fisheries in order to help meet the overall objectives of the regional food plan.

## **Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu**

### **Pacific Forum Line: containers**

Regional project:

Grant: ECU 1 000 000 — 5th EDF

It is the purpose of the project to contribute to the long-term financial viability of the Pacific Forum Line, a shipping line created in 1977 to offer small and isolated Pacific island countries a regular and high-quality shipping service. The EDF contribution will serve in particular to provide integral refrigerated containers. ○

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## **EMERGENCY AID**

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### **Emergency aid for Benin, Cape Verde and Ghana**

The Commission has decided to allocate emergency aid under article 137 of the second Lomé Convention to:

#### **Benin — ECU 400 000**

The aid is to support the government's relief programme for victims of floods caused by recent rainstorms.

#### **Cape Verde — ECU 500 000**

This allocation is to help control the drought affecting all the islands.

#### **Ghana — ECU 90 000**

This is an urgent allocation to support the government's efforts to control a cholera epidemic which broke out in the country recently. ○

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## **EIB**

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### **Loan for electricity supply project in Grenada**

Under the terms of the second Lomé Convention, the European Investment Bank (EIB), the European Community's bank for long-term finance, has lent the equivalent of ECU 2.4 million (6.2 million East Caribbean dollars) for modernization and expansion of electricity production and supply facilities in Grenada. This is the EIB's first operation in the country.

The loan is to Grenada Electricity Services Ltd (Grenlec) for 20 years at an interest rate of 2%.

It takes the form of a subordinated loan (i.e. repayable only after reimbursement of loans from other banks) and is drawn from risk capital

resources provided under the Convention which the EIB manages on the Community's behalf.

Grenlec is the country's sole electricity company. It operates one power station (firm capacity 4 MW) at Queen's Park, St George's, which is no longer able to meet the demand.

The loan will go towards two new 1.5 MW diesel generators, improvements to the transmission and distribution system, a feasibility study on small hydro-electric schemes and the drawing up of an overall medium-term electricity development programme, plus technical assistance.

### **Loans for Uganda's industrial recovery**

The European Investment Bank has also lent the equivalent of ECU 10 million to help Uganda's economic recovery, through the modernization of medium-scale industrial, agro-industrial and mining enterprises in the country.

The funds come from risk capital resources provided for under the second Lomé Convention and managed by the EIB. They have been made available in the form of two conditional loans:

— ECU 7.5 million lent for 15 years at an interest rate of 8% to the state-owned Uganda Development Bank, which has a key role to play in restructuring the country's economy;

— ECU 2.5 million lent to the state for 25 years at 2% to cover part of its subscription to an increase in UDB's equity capital.

These new resources made available by the EIB, together with funds provided by the World Bank, the OPEC Special Fund and other international lending institutions, will enable the Uganda Development Bank to assist various investments which are urgently necessary, for the most part involving the replacement of worn-out machinery or fitting of new parts.

Given this support, the enterprises should be able to make a useful contribution, in the medium term, to improving Uganda's external accounts, by either increasing export earnings or replacing imports.

This is the EIB's second operation in Uganda. Last year the Bank provided ECU 350 000, also from risk capital, for a feasibility study on re-opening copper mines at Kilembe. ○

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## VISITS

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### Edgard Pisani visits Sudan and the Horn of Africa

Development commissioner Edgard Pisani made an official visit to Sudan, Ethiopia and Somalia from 28 August to 4 September, during which he expressed concern that Africa, with its present lack of unity and many armed conflicts, would be unable to meet the challenge of an ever-increasing population and its requirements. Mr Pisani pointed to the gradual desertification of large parts of the continent, its food and energy dependence, the hazards of the world markets in the raw materials and other products it exports and the far too heavy burden of its external debt. Each of the three countries Mr Pisani visited suffer directly or indirectly from the unpleasant fact that money, equipment and human effort have to be spent on wars and their aftermath—refugees, displaced populations and destruction.

Only with unity and peace can all the means and all the efforts be channelled into development. And how can these means and this effort be mobilized? By organizing development strategies, starting with food strategies that are aimed at increasing the level of self-sufficiency.

These were the essential subjects of discussion during Mr Pisani's visit. And, of course, the European Community's contribution to the organization and implementation of such strategies was also dealt with.

To put it in more detail, the meetings between Edgard Pisani, the heads of state and top-level officials from governments and international organizations enabled the following topics to be discussed and the following results to be achieved.

#### Sudan

#### Priority to the relaunching of the economy and aid for refugees

##### Relaunching the economy

Faced with an economic crisis (stagnation, a genuine drop in per capita income, official debts of more than US \$3 000 million), the Sudanese government has been concentrating on an economic relaunch strategy

since 1978. This involves moving over to more competitive agricultural production, a better price policy and a rational system of trade, and creating a general climate that is more conducive to aid and external investments.

Thanks to changes in the national plan originally scheduled for 1977/8-1982/3 and the adoption of a new three-year investment plan (which will be presented to an advisory group of donors in Paris this autumn), the prospects of tighter control over the budget and the official debt are good. The Community in particular is entirely in agreement with the priority which the three-year plan puts on the rehabilitation and maintenance of existing capacity rather than the creation of new production capacity.

Back in 1980, the Community contributed to an agricultural rehabilitation programme by giving ECU 10 million (extra-Lomé I) to a special scheme launched by the World Bank.

A further agreement on giving Sudan (Gezira Board) free supplies of fertilizer worth ECU 16 million was signed during the visit by Mr Pisani and Mr Mansour, the Sudanese minister for finance and economic planning. This agreement provides for all earnings derived from the local sale of fertilizer to be ploughed into two projects to develop the pumping sys-

tems on the White Nile and the Blue Nile.

The other agreement which was signed is for ECU 9 800 000 worth of Community aid to finance the extension of the country's only major rice production project (the Aweil rice scheme). This is an interesting project because of the contribution it makes to the food self-sufficiency campaign and to regional balance in Sudan.

Discussions also covered agricultural development in the Nile valley. Sudan is anxious to see the development of the Jonglei canal (drainage of vast marshy areas in the south) and the attendant development of agriculture. It is in favour of the idea of a regional approach on the part of all the countries along the Nile.

It is worth mentioning here that EEC aid to Sudan over the 1974-80 period amounted to ECU 170 million (Lomé I, exceptional aid, food aid and NGOs) and that the figure for the 1981-85 period will certainly be beyond the ECU 130 million mark.

#### Aid for refugees

Every day, between 400 and 600 more refugees are registered in eastern and southern Sudan. They are sick and suffering from malnutrition. One of the biggest problems is the water shortage. Generally speaking, Sudan welcomes the refugees and treats them like its own nationals. Their attempts at self-sufficiency are encouraged wherever possible by allocating them land and developing small-scale craft concerns. The Community is also planning extra emergency aid for them.



*Commissioner Edgard Pisani during his talks with chairman Mengistu Haile Mariam of Ethiopia*



## Ethiopia

### **Fighting poverty by putting priority on the development of agriculture, operational industries and raw materials**

All the problems facing the Ethiopian economy were discussed when Edgard Pisani talked to President Mengistu, the foreign affairs minister, the members of the ministerial committee for the European Community, the minister for state farms and other Ethiopian leaders.

Ethiopia is one of the poorest countries in the world and 90% of its population live off agriculture. Its economy has long been disrupted by war, civil upheaval and a transport crisis, but the government is trying to get it back on its feet by launching revolutionary national development campaigns and producing a 10-year (1981-91) plan.

Priority will go to the development of agriculture (peasant farmers will be grouped together and work incentives will be offered, research centres will be set up, new techniques will be popularized, teachers will be trained, storage capacity will be increased and transport facilities will be improved); to small and medium-sized businesses in the industrial sector; to the realization of the country's HEP potential; to the development of the mining sector and to reforestation.

The need for cooperation and co-financing is considerable and external aid is inadequate. Ethiopia is the country with the lowest per capita rate of development aid. Its cooperation with the EEC brings in ECU 350 million (Lomé II plus extra-Conventional aid), but the government took the opportunity of the commissioner's visit to ask for additional aid to be released (putting the amount above the Lomé II indicative programme and the multiannual food aid and fertilizer programme). This request was fairly well received, particularly as it seems capable of being fitted in with a food strategy (as yet to be defined) that the European Community could undertake with Ethiopia.

## Somalia

### **Priority to internal stability**

The Ogaden, the refugees and the economic crisis are problems that Somalia will never be able to solve without solidarity from the national

and international communities, as emerged quite clearly from the talks Edgard Pisani held with President Siad Barre and members of his government. The adoption of the five-year (1982-86) plan no doubt mitigates in favour of both.

This plan is accompanied by a three-stage development strategy (stabilization of the economy, recovery of production capacity and proper control over public spending) and is designed both to mobilize the people of Somalia and attract international aid. About 5-6% of the projected investments could be financed by Lomé II.

Half the programme aid under Lomé II is now earmarked for the biggest individual project in the plan, a series of hydro-agricultural developments and the construction of the Bardhere dam in the Juba valley. However, the work is not scheduled to start until 1985, so the EDF money (ECU 40 million) will be blocked to no good effect until then.

This is why the conditions for rearranging the timetable of the financing were discussed at the talks. A rearrangement would liberate funds that Somalia could use for a large number of smaller development projects in the agricultural sector that would yield more rapid effects. These projects could involve pastoral water supply schemes, improvements to seed quality, better use of firewood, technical assistance and so on.

As Edgard Pisani says, these projects would have the added advantage of being in line with the food strategy that the Community is planning to undertake with Somalia, which recognizes the necessity for this, in the near future. This food strategy would also lay down a framework for the food aid that the European Community will continue to give Somalia and the Somalian refugees. In order to avoid situations of permanent assistance, food aid will be converted into agricultural development projects, small agricultural research centres, crops centres around the refugee camps and so on.

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## **ACP COMMITTEE OF AMBASSADORS**

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The ACP committee of ambassadors held its first meeting after the summer recess on 16 September.

Gabonese ambassador Martin Rekangalt, the new chairman of the ACP committee, made a preliminary speech, paying tribute to his predecessors and Barbadian ambassador Oliver Jackman, the most recent in line, in particular. Speaking of a turning-point in the history of the ACP group and in ACP-EEC relations, Mr Rekangalt stressed the particularly heavy work programme which the ACP group would have to cope with. A number of meetings are scheduled and he made particular mention of the annual session of the ACP-EEC Consultative Assembly in Rome in November, the important budget meeting of the ACP Council of Ministers in Brussels the same month and the ACP-EEC Council of Ministers, of which the ACP group had requested a special session at the Libreville ministers' meeting. This special meeting should look into the problems of Stabex during the Lomé II period.

He also stressed the historical responsibility of the ACP group in preparing and drafting the provisions which would govern ACP-EEC relations after Lomé II. It was up to the ACP group, he said, to lay the foundations for a new kind of cooperation for the end of the 20th century and the beginning of the 21st.

Martin Rekangalt also said he was sorry that both the ACP group and the EEC had rather lost sight of the fact that, in their relations, cooperation was the means of developing the different countries and that development was the essential objective.

The ambassador concluded by launching an urgent appeal for greater solidarity and greater vigilance on the part of the members of the ACP group.

During the meeting, the committee of ambassadors discussed two important documents about ACP-EEC relations. The letter to the chairman of the committee of ambassadors from the EEC development commissioner on the list of products and the method of calculating the amounts payable under the Stabex was the subject of particular discussion.

The committee made the necessary distinction between immediate reflexion and the forthcoming negotiations on the Stabex problem, and forwarded all documents to the relevant sub-committees for thorough examination.

The committee also heard oral reports by the chairmen of the sub-committees on commercial, agricultural and ACP cooperation.

Lastly, the committee formally approved the officers elected for the next six months. In addition to Gabonese ambassador Martin Rekan-galt, the chairman (central Africa), there are the ambassadors for Niger (western Africa), Zimbabwe (southern Africa), Tanzania (eastern Africa), Fiji (Pacific) and Trinidad & Tobago (Caribbean).

- During his stay in Brussels, Harvey H. Naarandorp, Suriname's foreign minister, made an official visit to ACP House on 16 September.

The minister was accompanied by a three-man delegation, including Dr Werners, Suriname's chargé d'affaires in Brussels, and received at ACP House by secretary-general Thomas Okelo-Odongo and administrative director R. Gnanih.

He made a speech emphasizing the importance that the member countries, particularly those in the Caribbean, should attach to the ACP group. He had hoped, he said, to see the ACP group play a greater part and develop a policy of greater presence in this region. In this respect, the recent visit to four Caribbean countries (Jamaica, Trinidad & Tobago, Barbados and the Bahamas) by a delegation from the secretariat-general was a very positive move. He went on to talk about cooperation between the ACP countries in such fields as transport and mentioned a number of other possibilities in this line. He also said that his country, Suriname, had developed good relations with the countries of Africa, some of which had embassies in Paramaribo.

- Desmond Cartey, Trinidad & Tobago's minister for industry, trade and consumption and current chairman of the ACP Council of Ministers, made a working visit to ACP headquarters in Brussels on 19-23 September. This was Mr Cartey's first visit to the secretariat-general and the occasion for him to find out about the way the offices worked, the problems they had to cope with, the timetable of ACP meetings in the coming months and the state of advancement of the various dossiers.

A long working meeting with the bureau and enlarged bureau of the ACP committee of ambassadors was chaired by Martin Rekan-galt, the Ga-

bonese ambassador who is now chairman of the committee, and participants discussed the problems of ACP cooperation. They also put Mr Cartey in the picture about outstanding problems in the various fields of ACP-EEC cooperation.

This fruitful working meeting and the contact made with the secretariat enabled the chairman of the ACP Council of Ministers to take stock of a large number of subjects up for discussion since the last ministerial meetings in Libreville (Gabon).

He went into one or two dossiers—on Stabex, sugar and trade—in detail.

Mr Cartey laid down a number of guidelines and then suggested that the various ACP bodies continue their discussions so that the ACP Council of Ministers could have the benefit of them at their next meeting and be up to date at any meetings with the EEC.

While he was in Brussels, Desmond Cartey paid a courtesy visit to Leo Tindemans, Belgian foreign minister, and talked with the chairman of the EEC Council of Ministers.

- EEC development commissioner Edgard Pisani went to ACP House on 29 September to present the Commission memorandum on Community development policy to the ACP ambassadors.

Mr Pisani and a number of colleagues—including director-general Dieter Frisch and his deputy Michel Hauswirth—were received by the ACP ambassadors' chairman Martin Rekan-galt, who said that the ACP committee of ambassadors was very appreciative of the fact that Mr Pisani had come to speak to them about the memorandum.

However, as far as ACP-EEC cooperation was concerned, Mr Rekan-galt said, all the partners should be more interested in the implementation of the Lomé Convention. We want to be sure, he said, that the close attention paid to the post-Lomé period did not push our immediate problems—which in fact determined the way we assessed future relations with the EEC—into the background.

He mentioned the vital role of the EEC Commission in the implementation of Lomé and the allocation of certain powers directly concerned with ACP-EEC cooperation within it.

The ACP committee of ambassadors, he said, was looking into the possibility of making its own communications to the commissioners on its various subjects of concern.

Mr Pisani's memorandum takes a fresh look at Community development policy and aims to lay down guidelines for the next decade. The EEC's proposals on renewal of the Lomé Convention would be made within this worldwide framework.

Mr Pisani said that the two complementary avenues mapped out in the document involved strengthening cooperation and making development schemes more effective by putting priority on the rural world and seeking a new kind of contractual approach.

The management of joint ACP-EEC interests—and he mentioned various subjects here, including Stabex, sugar, regionalization and trade—would be improved via new provisions ensuring permanency, diversification and flexibility. A convention providing a permanent framework would define the aims and institutional rules and there would be implementing agreements on specific aspects to guarantee flexibility.

Commissioner Pisani felt that the originality of the Lomé Convention would be preserved. ○

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## ACP EMBASSIES

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The new Somalian and Zambian ambassadors recently presented their credentials to the Presidents of the Council and the Commission of the European Communities.

### Somalia

Dr Mohamed Shaikh Mohamud Maalingur read economics and business studies at the University of Perugia (Italy) and international relations at New York. He taught for a number of years at the business school in Mogadishu and was then moved to the budget section of the Ministry of Finance before directing the accounting department of a sugar refinery. He then began his diplomatic career. He has been economic adviser to the Somalian mission to the UN, consul-general in New York and ambassador to Djibouti. Dr Maalingur, a family man with two children, is 36.



*Ambassador John Kazunga of Zambia with President Gaston Thorn*



*President Thorn (left) receiving credentials from ambassador Mohamed Shaikh Mohamud Maalinger of Somalia*

## Zambia

The new ambassador for Zambia, Mr Sundie John Kazunga, is a teacher who trained at the universities of Fort Hare and London. He began his career as a teacher in England but went back to Zambia in 1964, hold-

ing a number of different posts, first in the Department of Education and then in a series of ministry cabinets. In 1978, he was appointed special adviser to the President, a post which he held until his Brussels appointment. Mr Kagunga, who is 55, is married with four children. ○

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## ANGOLA - MOZAMBIQUE

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### Angola and Mozambique to take part in Lomé renewal negotiations

The authorities of the People's Republic of Angola and the People's Republic of Mozambique have officially notified the Commission of their intention to take part in the negotiations to renew the ACP-EEC Convention of Lomé, which are due to start in September next year.

This decision, implying acceptance of the territorial definition of the Community enshrined in the Treaty of Rome, means that Angola and Mozambique are now entitled to receive Community aid under the programme for non-associated developing countries (NADCs).

A total of approximately ECU 17 million is available for Angola and Mozambique under the NADC aid programme for the financial years 1981 and 1982. Teams of experts will shortly be visiting the two countries to identify projects suitable for rapid funding. To fulfil the criteria for aid to NADCs, the projects must be concerned with either rural development or regional cooperation. ○

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## CULTURAL COOPERATION

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In preparation for the meetings of the ACP-EEC Joint Committee and the Consultative Assembly (1-5 November in Rome), the ad hoc working group of the Joint Committee has continued the study of the Chasle report (ambassador of Mauritius) on ACP-EEC cultural cooperation. The group is to meet again under the chairmanship of Mr Turner (Eur. Dem. GB) in order to adopt the proposals to be put to the Consultative Assembly.

The rapporteur, Mr Chasle, welcomed the fact that commissioner Pisani also stressed the importance of the cultural dimension in cooperation between Community and the ACP states. This dimension ought to be taken more into consideration in the third Lomé Convention, on which negotiations are to begin next year. The Chasle report comprises a series of practical suggestions on cultural cooperation. ○



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# GENERAL INFORMATION

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## Aid to the non-associated developing countries: general guidelines for 1983

The Commission has approved the general guidelines for financial and technical cooperation with the non-associated developing countries.

Irrespective of the amount of the aid, which has yet to be determined by the budget authority and which the Commission estimated at ECU 290 million in its preliminary draft budget for 1983, the proposal relates to the geographical and sectoral breakdown of the aid.

### 1. Geographical breakdown

— The Community's aid is earmarked for some 30 countries in Asia, Latin America and Africa, representing a total population (1) of some 1 300 million, of whom 1 200 million live in fifteen countries with an annual per capita income of less than US \$ 370.

— The Commission proposes the following breakdown:

• **Asia:** 74% to 78% of the funds. The potential beneficiaries are all those countries which have hitherto received Community aid, plus the few poorest countries to which it was not possible to give aid under preceding programmes.

Of the latter, China deserves to be taken into consideration. In recent years it has become clearly identified as a developing country. With an average per capita income of US \$ 260 (1979), it belongs to the category of low-income countries, as do most of the countries which receive Community aid.

• **Latin America:** 17% to 20% of the funds. All countries which have hitherto received aid in this form are potential beneficiaries. In the case of Central America, for which the Commission recently proposed a special action, the aid effort will be maintained in order to encourage more balanced development of the rural sector.

• **Africa:** 5% to 6% of the funds. Regional operations designed to open up certain areas could be undertaken for countries eligible for this aid or likely to become eligible.

(1) Excluding China.

### 2. Structure of the aid

Priority will still be given to the rural sector, i.e. crop-farming, stock-farming, fisheries and forestry, and whenever possible to operations connected with food supplies for the population concerned.

These operations will focus not only on the actual production stages but on activities upstream and downstream of these, and on production and back-up infrastructure, including welfare and education infrastructure, in order to help improve the population's income and living conditions.

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## FAIRS

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The 20th Overseas Import Fair "Partners for Progress" closed on 12 September in Berlin with positive results. Despite the world-wide recession and efforts at introducing protectionism, actual business conducted in Berlin proved to be stable. The majority of exhibitors and buyers expressed their satisfaction with the course of events at the fair. In some cases business results and contacts were an improvement on those of 1981. Assessments of anticipated follow-up business after the fair were generally positive.

A total of 4 113 trade visitors from the Federal Republic and from abroad attended this international trade fair (1981: 3 508).

A total of 738 direct exhibitors (1981: 681) and 413 (1981: 498) additionally represented firms and trade organizations from 61 countries and territories of Africa, America, Asia and Australia displayed their export products on an overall floor area of 20 941 m<sup>2</sup> (1981: 20 941 m<sup>2</sup>) — a net area of 11 145 m<sup>2</sup> (1981: 12 330 m<sup>2</sup>). The Overseas Import Fair was supplemented by special shows by companies and trade organizations from Greece and Portugal.

In a poll conducted by AMK Berlin at the conclusion of the fair it was revealed that 46% of the exhibitors

questioned were able to sign contracts during the fair itself. In view of their contacts with German and European importers, 80% anticipate good business after the fair; 7% were even able to conclude business during the fair. A total of 56% of all exhibitors were presenting new products to European importers, and 55% obtained useful ideas for their future marketing strategies.

At the opening of the fair, the President of the European Commission, Mr Gaston Thorn, outlined a Community development policy. According to Mr Thorn, the Community has, through its development policy, succeeded in surmounting the quarrel between "regionalist" and "worldist" approaches. EEC cooperation policy is not an "eleventh" policy merely added to that of the 10 member states, but "the action of a Community which is increasingly seen as a partner responsible for world events, and a natural venue for discussion and coordination of national policies".

Among other things, Mr Thorn emphasised the following aspects:

— **North-South dialogue.** The EEC recognises the great difficulties as regards the resumption of global negotiations, but it does not intend adopting an attitude of resignation.

— **Lomé agreements.** They are probably "what is closest to what one can realistically imagine as the satisfactory solution for economic relations between industrial countries and developing countries". Even a good agreement can be improved upon, Mr Thorn said, and the Commission's present work with a view to "Lomé III" is situated in the context of "overall reflection on the aims, geographical structure, methods and means of Community development policy".

— **EEC/LDC trade relations.** They play a vital part, and the Community will pay a great deal of attention to them, notably with a view to the GATT ministerial conference next November and the 6th UNCTAD conference, to be held around the middle of next year. Mr Thorn recalled the conclusions of a recent Commission study on the repercussions of the CAP (common agricultural policy) on imports of agricultural products from the developing countries: the CAP, he said, does not have more than an insignificant influence on the volume and structure of these imports: the EEC continues to be the chief dispo-



*The President of the Federal Republic of Germany Dr Karl Carstens being welcome at the Ivorian stand by David Annah of the Centre Ivoirien du Commerce Extérieur*

sal market for the Third World, and each year it imports (with 100 dollars per capita) about double the number of these products as Japan or the United States.

Speaking afterwards, Mr Martin Rekangalt, chairman of the ACP committee of ambassadors, criticized several aspects of the Convention. In his opinion, "the amount of money placed at the disposal of the ACP states under the EDF or the EIB did not meet our aim of economic growth". This is why he estimates that the "financial assistance we receive from Europe and elsewhere, contrary to general belief, does not

really contribute to solving our development problems."

On industrial cooperation, Mr Rekangalt underlined the fact that wherever the ACP states have comparative advantages (and there are very few of them), it is considered a threat to employment in the Community. He concluded by pointing out that if the ACP states want to participate effectively in a trade fair like this they must invest, above all, in productive sectors. In this regard, the investment provisions of the Lomé Convention are aimed at encouraging EEC investments in the ACP states. It should be noted that

the Lomé Convention is the only multilateral agreement that foresees trade promotion and investment safeguards. In spite of these, private investments in the ACP states have declined rather than increased in the past few years.

### Rural fair in Bulawayo

In September the first International Exhibition of Rural Development Technology was held in Bulawayo, Zimbabwe. For the first time an exhibition in Africa was devoted wholly and exclusively to the problems of the peasant farmer and his family. Faced with the seemingly inexorable rise in population, governments in Africa now realise they must raise living standards in rural areas. If they do not, then the drift to the towns will turn into a human flood, creating both urban and rural slums where starvation and misery are the norm.

180 exhibitors from 17 countries gathered in Bulawayo to show some of the products and processes which are available to make life better for the ordinary villager. The result was a surge of business which delighted the governments of the nine SADCC countries, for whom the exhibition was specially designed, and surprised even the exhibitors themselves. Leading the field were numerous methods of producing renewable energy, which attracted eager attention in a region which is one of the hardest hit by the rise in oil prices.

Food production, processing and storage was a central theme, as was water supply and purification. Improved agricultural productivity has



Gaston Thorn



Martin Rekangalt



*The Bulawayo fair attracted many visitors from neighbouring countries*

to be the base for rural development and more efficient home-manufactured tools and implements were being displayed by most SADC countries. Botswana demonstrated a sorghum dehuller developed at their Rural Industries Innovation Centre and Zimbabwe had a range of cheap PVC food storage bags for mounting on home-made timber frames.

As was to be expected at a first-time event, there were lessons to be learnt for the next exhibition—schedule to take place in Bulawayo on 19-23 September 1984. Perhaps most important is the need to assist more people to come from neighbouring countries to see the exhibition.

The principal support for the exhibition came from the EEC, which paid for SADC countries to have their own stands. ○

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## COFFEE

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### New international agreement

The draft text of a new six-year pact, which will date from 1 October next year, was agreed by producer and consumer members of the current International Coffee Agreement (ICA) early on 25 September in London; the present ICA had been due to expire this month but has now been formally extended for a year.

The long and arduous talks, lasting three weeks, had initially revolved around the setting of export quotas for the 1982-83 coffee year (see below).

To enter into force, the new agreement must be ratified within the next 12 months by at least 20 exporting nations, having 80% of producer votes in the Coffee Council, and by at least 10 importing nations having 80% of consumer votes in the Council. No problems are envisaged as the draft text had the approval of the vast majority of major consumers, including the US and the EEC and its member states, and of producers. Papua New Guinea issued a statement objecting to certain aspects of the text relating to quota fixing but is unlikely to stay out of the agreement, according to informed sources.

In structure, the new pact varies little from the current system, in that supplies will continue to be regulated through export quotas with upward

and downward adjustments in quotas relating to a set range of trigger prices.

The main difference lies in the inclusion of a provision for selective quota adjustments for the four individual coffee groups, instead of across-the-board adjustments as now. The idea, propounded by the US and Germany with qualified support from the EEC, will be studied by a working group. On the basis of this study the Council may or may not decide to introduce the system from coffee year 1983-84.

### Export quotas

On the question of export quotas for 1982-83, the eventually agreed global figure was unchanged on the previous year's 56 million bags of 60 kilos. An initial disagreement amongst producers, principally the "big two"—Brazil and Colombia—was resolved with both accepting quotas similar to last year. The consumers' main concern was that Colombia and producers of the "other milds" coffee would retain a large slice of the global quota. This was ensured with Colombia and the "other milds" receiving 43%. There was satisfaction for smaller producers (such as Burundi and Rwanda) who are not subject to quota restrictions. They were allocated 3.2 million bags of the global quota against 2.8 million previously. On the other hand, there was disappointment for Indonesia, which failed to secure a higher quota despite its rapidly increasing export potential and a place on the executive committee of the Council (once again Asia is not represented on this committee) despite Japanese support. ○

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## FOOD AID

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The Commission has proposed to the Council that three food aid allocations be made—to Honduras, Tunisia and Sri Lanka.

### Honduras

Honduras has been receiving Community food aid since 1974 and the allocations (of grains and milk products) have been worth a total of ECU 20.6 million. Under the 1982 food programme it had been planned to allocate 600 t of butteroil. New requests on the part of the Honduran authorities show that skimmed-milk

powder is also needed. The Commission proposes that 2 000 t of milk powder be allocated to Honduras, worth ECU 2.3 million; 1 000 t of vitamin-enriched milk will be distributed free of charge mainly via the ministries of health and education; 1 000 t will be sold to the dairy industry and the counterpart funds generated will go to the Banasupro organization (people's shops) to finance the project, being co-financed with financial and technical aid from the Community, for the opening in four years' time of 75 new Banasupro centres. The aim of the project is to stabilize prices at levels accessible to the people.

### Tunisia

The government of Tunisia has submitted a request to the Commission for multiannual food aid involving 4 500 t of milk powder and 1 500 t of butteroil per annum for a period of five years.

The aim is twofold, namely to increase milk supply in order to cope with increasing demand and to finance, using the counterpart funds, stock-farming projects which would, in the long run, reduce Tunisia's dependence on outside sources of supply for dairy produce. Therefore, the Commission is proposing that the Council approve its intention to implement a multiannual food aid programme for Tunisia involving 19 000 t of milk powder and 6 345 t of butteroil, worth a total of some ECU 31.2 million. It is proposing at the same time that 1 000 t of milk powder and 345 t of butteroil be allocated for 1982.

### Sri Lanka

The aid was requested by the government of Sri Lanka after the failure of the 1980/81 and 1981/82 rice harvests in the north-east of the country, due to drought, had brought famine to 400 000 families (about 2 million people) in the worst-hit areas of the 18 districts concerned.

Sri Lanka has already received 37 000 tonnes of wheat and 100 tonnes of butteroil, at an estimated value of around ECU 5.9 million, under the Community's 1982 food aid programme. However, in view of the seriousness of the situation the Commission proposes that this extra 10 000 tonnes of cereal, worth ECU 2.1 million, be granted.

It has also notified the Council of its intention to allocate Sri Lanka 350 tonnes of sugar as food aid.

## Lebanon

The Commission has voted to contribute funds to an emergency relief plan for Lebanese citizens and Palestinians in Lebanon. The plan has been drawn up by the United Nations Disaster Relief Office (UNDRO), an agency entrusted by the UN General Assembly with the coordination of international disaster relief operations. The programme is to cost a total ECU 17 million, of which the Commission is to provide ECU 8.9 million, the remainder of the available appropriations.

The programme will reach over 230 000 Lebanese and Palestinians in West Beirut and southern Lebanon. It covers relief supplies, services, reconstruction work and temporary accommodation.

This latest decision, added to the emergency food aid already voted, brings Community aid to Lebanon to a total of ECU 22 million. ◦

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## BRANDT COMMISSION

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The Brandt Commission met in Brussels on 22-23 September at the invitation of EEC development commissioner Edgard Pisani to discuss the current and future relations between the North and the South.

The Brandt Commission, which includes leading figures from different countries of the North and the South, was set up in 1977 on the initiative of the former World Bank president Robert McNamara to report on the social and economic imbalances in the world, and to make proposals for bridging the gap between the poor and the rich nations.

At their meeting in Brussels, the Brandt group discussed how the emergency programme in the 1980 report could be up dated before the global North-South negotiations can be launched. The commission will concentrate its attention on emergency measures to attenuate the more immediate problems of the Third World in four main areas: finance and commerce (including the growing problem of the debt of the LDCs); energy; agriculture and food-stuffs; and reform of international organizations.

As far as energy is concerned, Mr Brandt indicated that, in view of the American reticence on the matter, the committee members had questioned the possibility of going ahead with the project of a financial energy institution, even without the participation of the United States. According to Mr Brandt, the Western European countries and certain oil-producing countries, such as Saudi Arabia (which has shown its interest in this project), would be able to carry it out; given the lack of American support, however, there would no longer be talk of a "subsidiary" of the World Bank, where the participation of the United States is dominant.

The Brandt Committee, said Mr Brandt, believed it indispensable to review the report drawn up in 1980; although the basic data remained valid, it had to be updated in order to take into account the increasingly worsening economic crisis.

The new concrete suggestions will be finalized at a meeting in Canada, in the first half of December, and could, Mr. Brandt said, be the subject of consideration for all the meetings which, during the next few months, would deal with the problems of development (meeting of the non-aligned states; UNCTAD IV; discussions on the North-South dialogue).

Mr Brandt also pointed out that all participants in the committee studies had expressed their desire to see Eu-

rope playing a greater role in development policy at world level. The food strategies and the new conception of the EEC's development policy, which had been explained by commissioner Pisani, were considered by all with great interest. Mr Brandt observed that it was, moreover, on the question of agriculture and food that the summit meeting at Cancun had been the least disappointing. The European Commission would shortly have to adopt its communication to the EEC Council and to the European Parliament, on the new EEC development policy, based on Mr Pisani's guidelines.

Another member of the commission, Mr Anthony Sampson, also referred to the expectation expressed by all vis-à-vis Europe, and the former British Prime Minister, Mr Heath, emphasized the role which Europe must play, not only as regards the ACP states but at actual world level.

To conclude, Mr Brandt recalled that contracts were also being negotiated with superpowers other than the United States (he mentioned the USSR and China, which have shown greater interest) in order that they may assume their responsibilities in the North-South dialogue. This having been said, the debate on the prospects for the UN negotiations was characterized by a singular absence of illusions, accompanied by a feeling of the urgent need to carry out these immediate actions without waiting for the global negotiation. ◦

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## NAMIBIA

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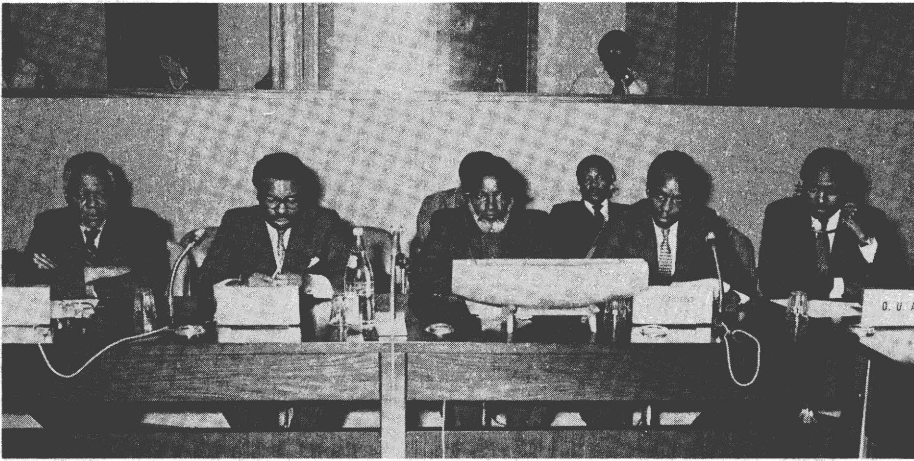
### Sam Nujoma received by the ACP and the Commission

Sam Nujoma, leader of SWAPO, the Namibian liberation movement, was received at the EEC Commission on 28 September 1982 when he made an official visit at the invitation of development commissioner Edgard Pisani. In the course of their talks, they discussed the prospects of independence and economic development for Namibia.

Mr Nujoma said that the commissioner assured him of the sympathy and understanding of the Community—which thought that Namibia's independence should not be held up forever. As to the economic situation

in the country after independence, the EEC had agreed to help some years ago, in particular by training future administrative and technical management staff, the absence of which was always the Achilles' heel of new countries. A vocational training centre for Namibian refugees was accordingly in operation in Denmark. Mr Nujoma said he felt the Community's action here, and its precious humanitarian aid to the Namibian people, were a positive beginning in the important relationship that had to be established between the EEC and an independent Namibia.





*The Namibian leader visits ACP House where, before the ambassadors, he reasserts his movement's determination in the fight for independence. To his left, Cyprien Mbonimpa, the ambassador of Burundi and chairman of the OAU group in Brussels, and Michael August Kamba, head of the OAU office in Brussels. To his right, Martin Rekangalt, chairman of the ACP ambassadors, and ACP secretary-general Thomas Okelo-Odongo*

During his stay in Brussels, Mr Nujoma also met Belgian foreign minister Leo Tindemans, and was received by the ACP ambassadors and the local OAU group, currently chaired by Cyprien Mbonimpa, Burundi's ambassador, accompanied on this occasion by Michel August Kamba, head of the Brussels OAU office.

In his speech of welcome, ambassador Mbonimpa mentioned the long and difficult fight for liberation that Sam Nujoma and SWAPO (the South West African People's Organization that he founded in April 1960) were carrying on. Like other liberation organizations in southern Africa, the ambassador said, SWAPO had resorted to armed combat through sheer desperation. He said that SWAPO was the only authentic representative of the Namibian people to be recognized by the OAU and the UN. Mr Nujoma mentioned the importance, in this context, of the work of the contact group (France, the USA, the UK, Canada and Germany). He said that it had brought them nearer a solution, but he regretted that some countries in the contact group were still only lukewarm as far as supporting the cause of Namibian independence was concerned. He mentioned the USA here and "unfortunately, one or two European countries", which, for historical rather than rational considerations, were being difficult in this unjustified delay in Namibia's accession to independence.

Mr Nujoma spoke to ACP ambassadors and to the Brussels OAU

group, giving a detailed report on the three main points at issue in the negotiations begun in New York on 6 July 1982.

The first point was the guarantee South Africa was seeking for the white minority (about 100 000 of the million-strong population). SWAPO, Mr Nujoma said, was against this, as it was strange that South Africa, which gave no such guarantees to the majority of the people living there, should be claiming them for a minority. However, he said, "we have agreed to offer a guarantee of property and security to the minority and this will involve no exceptions, as all Namibian citizens will have the same kind of protection".

The second point was the adoption of the constitution by a two-thirds majority of the constituent assembly. Here again, Mr Nujoma said, SWAPO had acceded to the South African request.

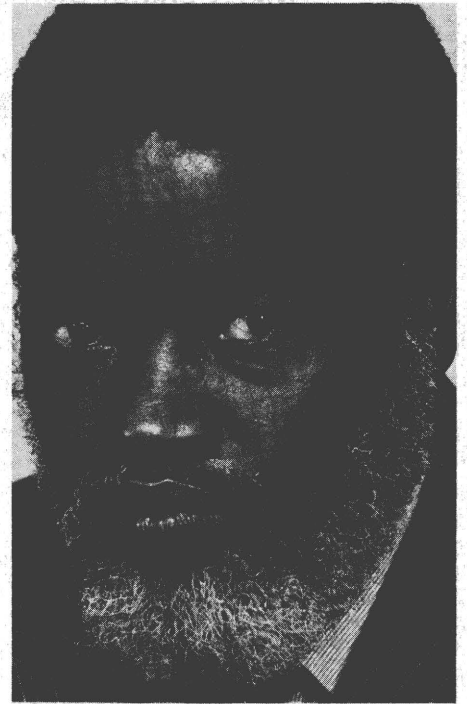
But, he went on, "we have firmly rejected the electoral system combining proportional representation with a uninominal vote that South Africa is trying to impose". The aim of such a system, he said, was to introduce bantustanization—apartheid, no less—into the institutions of an independent Namibia. "We cannot accept this. What democratic country of Europe would stand for this in its institutions? We want an electoral system based on one man-one vote".

The SWAPO leader went on to denounce the South African subterfuge aimed at linking the problem of Nam-

ibian independence to the presence of Cuban troops in Angola. This was an absurd line to take, he said. If Cuban troops were in Angola, it was because of the South African threat to that country. And even if there were no threat, was not Angola an independent country that was free to make what alliances it chose?

He made it clear that his movement had no military bases in either Angola or Zambia and that "the South African attacks on these countries, apparently aimed at us, are intended to gradually destroy the populations and send the army in to occupy part of their territories". Mr Nujoma reasserted his own and his people's determination to gain freedom from the illegal South African occupation. It had to be remembered, he said, that Namibia had been a German colony until the end of the First World War, when it was placed under South African administration as a League of Nations protectorate, in the same way as Cameroon, Togo and Tanganyika (now Tanzania), which were placed under French and British administration respectively.

The SWAPO leader also mentioned the considerable Namibian resources which South Africa was pillaging—although the extent of the



*The contact group has made a certain amount of progress possible, but the impediments that led to an unjustifiable delay in Namibia's accession to independence were to be regretted*

degradation was not known, as Namibian statistics were mixed with South African ones in a deliberate attempt to hide the gravity of the situation.

In a brief but well-noted reply to the Namibian leader, Trinidad & Tobago's ambassador to Brussels, Mr J. O'Neil Lewis, regretted that the ACP countries were still unable to receive Sam Nujoma as head of an independent Namibia. He repeated that the ACP ambassadors in Brussels would be insisting that the EEC countries fulfilled their obligations to Namibia and that they would do all they could to further the Namibian cause, "a just cause indeed". ◦

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## UNCTAD

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Divergences within UNCTAD on the organization's role in world trade developments arose once again during an UNCTAD board meeting in Geneva which ended on 17 September. The meeting was primarily devoted to a review of the UNCTAD Secretariat's 1982 trade and devel-

opment report, although there were also attempts to define UNCTAD's position in monitoring and commenting on developments in world trade.

The issue of international trade in goods and services is on the agenda for the UNCTAD VI meeting, to be held in Belgrade, Yugoslavia, in mid-1983. The agenda was adopted in July after being put to the vote but with a US reserve. Discussions at the latest meeting on world trade and the role of UNCTAD were hampered once again by the position of the US, which could not accept UNCTAD's competence to review the impact on world trade of international policies and principles and to take stock of the development of policies governing world trade. This definition of UNCTAD's role was favoured by the EEC, but the US was still concerned about UNCTAD "treading on the toes" of GATT. Further discussions brought the US closer to compromising, but final agreement was not reached because the Asian countries wanted a completely new definition of UNCTAD's role in world trade. ◦

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## EUROPEAN COMMUNITY

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### MFA: end of the second round of talks

The second round of EEC/MFA country negotiations on the new bilateral agreements (the current agreements expire on 31 December 1982) finished on 27 September. Agreements were concluded with four countries: Colombia, Egypt, India and Yugoslavia. These are in addition to the 14 agreements reached with other MFA countries in the first round of negotiations before the summer. Talks with the "dominant" suppliers (Hong Kong, South Korea, Macao), four ASEAN countries (Singapore, Malaysia, Indonesia, the Philippines — Thailand signed an agreement before the summer) and Brazil and Argentina did not, however, lead to any concrete results.

In the past, the ASEAN suppliers often did not fully use the quotas allocated to them but, now that their textile industries are expanding, they hope to use them more fully and thus feel particularly threatened by the surge clause.

On the Community side, India's acceptance of the provisions under dis-

pute, including the surge clause, is seen as a big step forward. ◦

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## LAW OF THE SEA

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### Signing in December

The European Commission proposes to the Council that the EEC and the member states jointly sign the Convention on the Law of the Sea which will be open for signature in December in Jamaica. The Commission believes that the Convention's provisions are globally positive in the areas of Community competence: fishing, environment, participation of international organizations (the EEC is recognised as the only signatory organization), recognition of the 200-mile economic zone (which is of the greatest importance to the EEC).

On the other hand, the Commission is of the opinion that the provisions on deep seabed exploration and exploitation do not fully corre-

spond with Community objectives. The latter should look for improvements in these areas (in the course of preparatory committee discussions, next year) and link its final judgement with these improvements. When signing the Convention, the EEC and the member states can take part in the preparatory committee discussions with a deliberative vote. ◦

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## FOOD AID

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The 1982 cereals food aid programme adopted by the Council in April provided for total aid of 927 663 tonnes; the Commission's initial proposal, approved by Parliament, was for 1 087 963 tonnes. The Commission is now asking the Council to vote an increase of 160 300 tonnes in order to bring the programme up to the level originally intended.

Taking account of the cuts inflicted by the Council in April and subsequent information about the requirements of various recipients, the Commission would allocate the proposed increase and the reserve from the previously approved programme as follows:

— Cape Verde, Comores, Djibouti, Guinea Bissau, Sao Tome and Principe, Benin, Guyana, Honduras, Rwanda and Sierra Leone: originally, no cereals aid had been planned for these countries.

— Southern Africa: Botswana, Mozambique, Swaziland, Tanzania and Zambia, which are all facing exceptional food shortages as a result of severe drought.

— Latin America: Peru, which is facing a severe cereals shortfall, and non-governmental organizations running programmes in Chile, El Salvador, Guatemala and Costa Rica.

— Kampuchea and the Yemen Arab Republic: these countries' requirements were not known when the original programme was drawn up.

— Bangladesh, Egypt, Ethiopia, Ghana, Madagascar, Sri Lanka and Zaire, plus the World Food Programme (WFP), whose allocations were cut back when the programme was approved by the Council. ◦

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## NEW ENERGY

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The Commission of the European Communities organized its second

conference on "energy from biomass," in cooperation with the Senate of Berlin and the Federal German ministries for research, technology, agriculture, forestry and food, on 20-23 September 1982 at the International Congress Center (ICC) in Berlin.

About 600 experts from all over the world, mainly from the EEC countries, attended the conference, to discuss the most recent advances in research, development, manufacture and applications.

Among the new technologies for energy production, biomass deserves special attention as its importance is steadily increasing, particularly for temperate regions. It is expected that on a medium-term basis about 5-10% of the energy requirements can be met by biomass.

The European Communities, recognizing the importance of biomass already at an early stage, are today strongly engaged in this field (under the responsibility of commission vice-president E. Davignon) and coordinate and support a large number of research, development and demonstration projects, covering the production of biomass as well as its bioconversion. In this context an attempt is made, for example, to develop a network of pilot projects for methanol from wood, as the gasification of cellulosic material is felt to be rather promising. This is also clearly seen from the many contributions submitted in this area and the time allotted to the subject matter at the conference.

The main topics covered were:

Biomass resources dealing with the production side, as well as implementation in industrialized and developing countries and liquid fuels, covering the bioconversion aspects.

Concurrently with the congress an exhibition displayed the equipment for handling and processing biomass, thus demonstrating the technological state of the art. ◊

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## EUROPEAN PARLIAMENT

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### Memorandum on development policy

On 30 September, before the European Parliaments' development cooperation committee chaired by Michel Poniatowski (Lib. Fr.), com-

missioner Pisani introduced his "memorandum on the Community's development policy", which had been unanimously adopted only a few hours before at the weekly meeting of the full Commission. Mr Pisani pointed out that the document had a wide viewpoint—it did not only refer to the Lomé Convention, although it provided a basis for the run-up to Lomé III, for which negotiations would begin in September 1983. He asked the help of the Parliament and, in particular, the development committee to "ensure a wide public debate on these matters". Mr Pisani stressed that he was asking for a "long-term vision" in the Community's development policy. He mentioned three major policy lines; the search for a new economic order; industrial policy and the strengthening of Community policy tools such as the Stabex system.

Talking in geographical terms, he stated that, although the core of the aid strategy would continue to favour the ACP states, the ideal of the Community's development strategy must incorporate other areas as well, i.e., the Mediterranean and Latin America. (The document aims for an eventual Mediterranean convention or "collective contract" similar to Lomé). As for other countries in the rest of the world the commissioner pointed out that they were "noisy and out there waiting" and the Community could not turn its back on them. In particular Latin America was "crying out for help".

### Destruction of fruit and vegetables

For years the claim that fruit and vegetables are destroyed to support the market has been used to criticize the common agricultural policy. As the various publications to this effect are often inaccurate and biased due to a lack of understanding of the real situation, the committee on agriculture of the European Parliament has now taken the opportunity afforded by a petition sent to the European Parliament to comment on this issue. At its meeting on 30 September and 1 October 1982, chaired by British Conservative David Curry, in Brussels, the committee adopted its opinion on this matter.

The opinion, which was drawn up by German member Reinhold Bocklet (CSU, Christian Democratic Group), begins by noting that the amounts of fruit and vegetables withdrawn from

the market in the marketing years 1979/1980 and 1980/1981 represented 2.5% and 2% respectively of total Community production. More than two-thirds of the produce removed from the market were put to good use (processing, animal feed, free distribution). Approximately half of the quantities, which were not disposed of in this way, had already perished before they were destroyed so that in terms of total fruit and vegetable production in the year 1979/80 only 0.36% was in fact destroyed while the corresponding figure in the marketing year 1980/81 was 0.3% of the fruit and vegetables produced.

Nevertheless, the committee on agriculture of the European Parliament emphasized that the destruction of sound fruit and vegetables is an activity which the European Community should not be prepared to tolerate. Such actions create public hostility to the common agricultural policy and to the Community in general. This hostility is further intensified by reports which make no distinction between the elimination of perished goods and the destruction of sound fruit and vegetables. The Commission is urged to provide comprehensive and accurate information on its intervention measures in future to prevent such misunderstandings. At all events more attention is to be given in future to the moral aspects of destroying fruit and vegetables. ◊

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## COUNCIL

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### GSP 1983

The Council of Ministers is to adopt the EEC 1983 generalized preferences scheme for developing countries (1983 GPS) in its session of 22 and 23 November 1982 (i.e. in its second "general" session, after that of 25 and 26 October. Last July the Commission had presented general proposals for the whole of the 1983-1985 period, and detailed proposals on the year 1983. The attention of the national delegations is focused on the measures to be applied next year, of which the main points proposed by the Commission are:

— in the agricultural sector, an extension of tax exemptions for the poorer countries; the raising of preferential margins for 18 products already listed in the "preferences";

the inclusion in the list of nine new products; the re-examination of preferential quotas for certain important products (soluble coffee, tinned pineapple, certain tobaccos); the full extension of the preferential scheme for China;

— in the industrial sector, a general raising by 15 % of the tax exemption ceilings for non-sensitive products; increases (up to 15 %) of the individual quotas or ceilings for sensitive products; the status quo in sectors experiencing difficulties (iron and steel industry, shoe manufacturing, certain branches of the chemical industry), limited additional concessions for Romania and China (to which the EEC scheme partially applies); amendments in the list of sensitive products subject to quotas (inclusion of certain new products, exclusion of others); a raising by 5 % of the tax exemption ceilings for textiles (with some exceptions).

The Commission proposals were examined also by the European Parliament. Its rapporteur, Mr Rudolf Wedekind (EPP, Germany) makes various remarks which, in the main, amount to the reaffirmation of the fact that the legal contents of the Community arrangement are not the main thing: what really matters is to discover whether, and to what extent, the countries of the Third World, and more particularly the poorest ones among them, actually succeed in utilizing the advantages offered them by the EEC. Having made this point, the rapporteur nonetheless approves the proposals put forward by the Commission and makes a particular point of stressing that the preferences should apply to agricultural produce and even those products covered by the common agricultural policy. But the improvements made to the SGP will have no positive effect if an information and training policy directed at the developing countries is not undertaken. ○

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## COMMISSION

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Efforts to promote increased cooperation between higher education institutions in the 10 member states of the Community received a further boost with the announcement recently in Brussels of a record 93 new Commission grants for the development of joint programmes of study in the 1982/3 academic year.

The new awards bring the total of grants provided under the "joint study programmes scheme", as it has come to be known, to 467 since the scheme began in 1976/7 as part of the Community's "action programme in the field of education". In all, some 269 joint programmes have received Community support over that period, and they all have one thing in common: their aim to stimulate and increase the mobility of students, staff and expertise between the countries of the Ten. ○

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## STEEL INDUSTRY

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### Strengthening the reconversion policy

When the Commission adopted the "general objectives for steel—1985", it also approved in general outline the measures to be taken to strengthen reconversion policy in the areas affected by the steel crisis.

The Commission considers it essential to use the full range of the Community's financial instruments in order to back up this reconversion policy and make it easier to create other economic activities as alternatives to steel.

The measures under consideration include decisions to be taken by the Commission itself, particularly on bringing ECSC instruments into action. Where other financial instruments are concerned, the Council must make decisions on proposals already submitted by the Commission and others it is due shortly to submit.

Restructuring will inevitably include cutting down excess capacity, which will affect employment in the steel industry. It is expected that, following the 247 000 jobs lost during the period 1974 to 1981 (inclusive), more jobs will go over the next three years.

The economic crisis is aggravating the decline in the industry and making it even more difficult to create new jobs quickly.

It is, therefore, not enough to intensify efforts to provide more jobs for workers made redundant by the restructuring process in the steel industry. Any actions must encompass the whole socio-economic fabric of a region if the latter is to be revitalized and new activities, and therefore jobs, are to be created for

all the region's inhabitants, particularly the young people. ○

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## SOCIAL FUND

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Major new social fund allocations have recently been agreed by the Commission on the basis of proposals made by social affairs commissioner Ivor Richard. The most recent of these is a tranche of ECU 649 million (the fund's fourth tranche for 1982) which has just been notified to member states. This follows on a smaller funding decision—of ECU 14 m—approved earlier and concerning exclusively a limited number of projects for assisting migrant workers (1982's third tranche). Taken together with the funding decisions announced in the first half of the year, these bring the total of ESF financing to date in 1982 to an unprecedented ECU 1 292 m.

Commenting on the significant increases in the fund's financing possibilities, Mr Richard said: "With about ECU 1 300 m so far earmarked for social fund projects this year, fund assistance in 1982 is already about 30 % up on last year's overall total of around ECU 1 000 m. But this must only be seen as an initial step in the right direction. The severity and persistence of the present unemployment crisis have created new training needs, which can only be met by further major increases in the fund's budget". ○

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## EEC-ACP YOUTH FORUM

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### EEC-ACP youth seminar

The Youth Forum of the European Communities has requested the EEC to establish, together with the ACP countries, a youth project fund in order to provide help to local projects initiated by young people in the ACP countries.

This is one of the recommendations following a four-day seminar the Youth Forum organized in Antwerp and Brussels (closing session in the ACP Secretariat).

After two days of internal discussion, the Youth Forum representatives presented their views to representatives from Commission, Parliament, ACP Secretariat and non-governmental organizations (NOVIB, OXFAM, ICDA). ○



# Overhaul for EEC Commission development directorate

## Why the recent reorganization? Director-general Dieter Frisch explains

The directorate-general for development, DG VIII (1), has been run along different lines since 15 September 1982. "What! More reorganization?", some people are wondering. "Was it really necessary?"

It is not only useful, but necessary, for an administrative structure to take a critical look at its efficiency and how well it deals with problems as they develop. There is nothing unusual about revamping an organization after a few years. On the contrary, it is a sign of any administration's vitality and a team's ability to adapt to changing circumstances.

Still, you don't overturn your administrative structures just to shake up the staff. Particularly since those in DG VIII certainly were not sleeping on the job.

There were better reasons than that.

### Turning point in development policy

In the first place, the idea was to adapt the administrative machinery to the demands of a situation that had altered. No one denies that the Community's development policy has reached a turning point.

In spite of all that cooperation and development aid have done, the economic and social situation of many developing countries and their people has got very much worse, in particular due to the international crisis. Priorities are being redefined and new ones are emerging. Meeting food requirements has joined the energy problem as the number one concern in

many countries, particularly, but not only, in Africa.

As we see it, the only way of finding an answer is to make a concentrated effort with essential, properly defined priorities

aimed at the improvement of basic development, and rural development above all; vocational training; local technical and scientific practical and theoretical ability; and systematic capitalization on the other resources of the countries in question, using the right means of cooperation. This would mean grouping together all the instruments of development that we possess so we can have a global economic and social approach to each country and devise original formulae to suit the individual potential of each of our partners.

So Europe has to redefine its concept of development policy so as to channel its own practical efforts properly and make for a con-



*EEC headquarters in Brussels*

(1) In the Commission of the European Communities, this directorate-general is responsible, in particular, for designing relations with the developing countries in general (North-South and Community-South problems), for all aspects of relations with the ACP countries within the Lomé Convention framework and with the southern and eastern Mediterranean countries, and for practical cooperation with the developing countries of Asia and Latin America (in collaboration with the directorate-general for external relations which is geographically responsible for these countries). It also deals with the Community programme of food aid, emergency aid and cooperation with the NGOs, as well as relations with certain international organizations (UNCTAD).

# DIRECTORATE-GENERAL

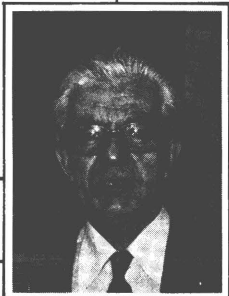


- Assistant to D.G.  
H. CARLE  
- Relations with delegations  
R. BRENNER  
- Relations with the institutions  
B. RYELANDT



Deputy director-general  
M. FOLEY

**E**  
Finance  
A. AUCLERT



Adviser  
K. BARNES

**A**  
Development activities  
F.J. VAN HOEK



Adviser  
M. PANNIER

**E1** Financing\*  
B. PETIT

**E2** Authorization of payments and accounting\*  
J. HEUSGHEM

**E3** Invitations to tender, finance agreements and disputes  
K. PRANGE

**E4** Emergency aid\*  
G. MOLINIER

**EAC** European Association for Cooperation (EAC).  
M. DELAUCHE

**A1** Human resources\*  
C. VAN DER VAEREN

**A2** Agriculture, food and the environment, food aid  
G. GRUNER

**A3** Energy, mining and industry  
D. VINCENT

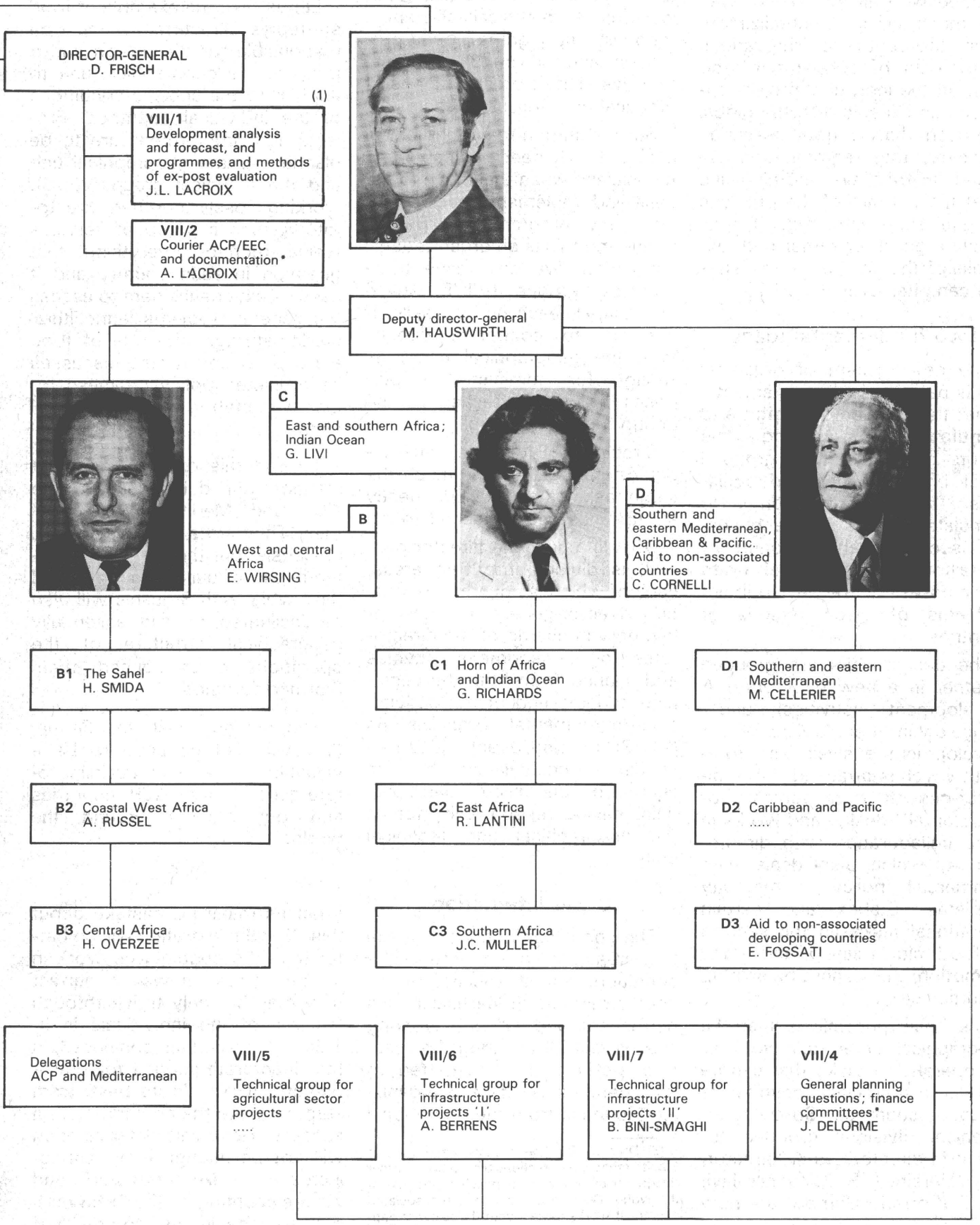
**A4** Commercial development  
L. MACKENZIE

**A5** Primary products, Stabex, relations with UNCTAD  
.....

**VIII/3**  
Non-governmental organizations\*  
W. KÖDDERITZSCH

- (1) This division is responsible for planning and coordinating export evaluation and some overall evaluation exercises, sectoral evaluation being the responsibility of the various directorate A divisions.
- (2) Including aspects of financing methods, co-financing and some periodical reports.
- (3) Including some non-sectoral training exercises (e.g. seminars) and general aspects of research.
- (4) Including food aid programmes.
- (5) Including Sysmin.
- (6) Trade questions: EEC and developing countries/ACP, intra- and extra-ACP/developing countries, protocols (sugar, etc.), fishing agreements, general aspects of trade promotion.
- (7) Agricultural commodities.
- (\*) Specialized services.

# FOR DEVELOPMENT



structive re-opening of the North-South dialogue (2).

DG VIII, as it was previously, was no longer really in a position to cope with all this. There was too much compartmentalization. It was too centred on the various instruments of cooperation, too keen on the individual project approach and ill-suited to the global approach that is now essential. However, the fragmentation we ended up with was nothing like what the authors of the previous reorganization intended. It was simply a good, or rather bad, example of the way an administration can alter over the years.

### Two fundamental ideas

The new system of organization is based on two fundamental ideas: the creation of **design and stimulation units** covering all the factors of development grouped under broad themes and objectives. Their main function is to formulate policies for each sector: secondly, the creation of **operational geographical units** which assess all the development problems of given regions or countries.

The design units are grouped together in a new directorate A (development activities) under François van Hoek. Division VIII/1 (development analysis and forecast), which is attached to the director-general, is responsible for "horizontal" design and works in close collaboration with directorate A, which also deals with commercial policy, commodity problems, Stabex and certain operational tasks (in the sectors of food aid, training and trade promotion) that cannot be split up geographically.

The basic principle is that the geographical units deal with all the operational tasks that can be tied to a particular country or group of countries. So the geographical divisions grouped together in directorates A (director, Erich Wirsing), B (Giovanni Livi) and D (Corrado Cornelli) are now

(2) See the interview with Mr Pisani and the memorandum in the dossier in this issue.

responsible for all forms of cooperation with given countries and it is to them that the representatives of the partner countries have to apply if they want to talk about investments, technical assistance, food aid, study grants, trade promotion and so on (3). We feel that this kind of organization is of practical help to our partners.

But the staff in the geographical units naturally need engineers and technicians when they have to assess and implement specific projects and programmes. This is why—and this is an organizational innovation—we now have three technical groups (VIII/5, VIII/6 and VIII/7), each under heads of division, to cooperate directly with the geographical units, although for administrative purposes they are attached to the deputy director-general.

Directorate E (finance), still under André Auclert, has much the same tasks as before. Emergency aid (E4) has been attached to it.

DG VIII, under the director-general, is divided into two areas, each of which is covered by a deputy director-general. Maurice Foley, now in charge of the directorates for development activities and finance, is at both the beginning and the end of our activity. Non-governmental organizations (VIII/3) are also directly attached to him. Michel Hauswirth is in charge of the more operational field, having responsibility for all the geographical and technical units.

### Close interaction

The connexions between these two areas are strong—one of the conditions for the success of our new structure. In particular, the permanent and *ad hoc* working groups will be ensuring that sectoral policies are transmitted to the operational units and organizing feedback from the operational

(3) Division D1 (the southern and eastern Mediterranean) is responsible, among other things, for our commercial policy in this part of the world. Division D3 (aid to non-associated countries) works closely with the relevant geographical departments of the directorate-general for external relations.

units to the design units—which are also responsible for the ex-post evaluation in their particular sectors.

Let us take the example of food strategies. Directorate A must be responsible for the design and it is up to the geographical unit to apply it to the specific conditions of the individual countries. Projects and programmes are to be planned by the geographical unit and the technical group (VIII/5), working closely together. Directorate A runs a group of services which monitor everything that goes on in each country and it uses its experience here to assess the general problems (agricultural credit, storage, the role of food aid and so on). It also discusses its projected policy on these topics with staff in the geographical units.

To end this round-up, I must mention our delegations in the ACP and Mediterranean countries. They are a long way away, obviously, but they are still an integral part of our organization and their work with Brussels will also be facilitated by the essentially geographical structure of the operations which concern them first and foremost.

Last but not least, the *Courier* (VIII-A-2) will continue to be a valuable link between our directorate-general, the ACP countries and our readers around the world.

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Let us make no mistake about this. No administration will be better than the people who work in it. Structures, however perfect they may be, only thrive through the will of the individuals in it. This will exist, I am convinced, in the directorate-general for development. It will do its best, I am sure, to make the new structure a success. However, determination will not be enough if we cannot increase the size of our staff—and we are counting on the 1983 budget to enable us to do so!

o D.F.



ners and tried to model themselves on those partners rather than looking to themselves, their land, culture, neighbours and human resources for the means to fashion their future.

The solution is not for donors to impose stricter conditionality on external aid. Nor is it an answer to transfer to the governments of the recipient countries sole responsibility for implementing and administering the aid they receive.

It is absolutely essential that, between rigid conditionality imposed by financing bodies and the irresponsibility of non-conditionality, ways be found of achieving a political dialogue between external providers of funds and local decision-makers, and that such a dialogue should go beyond the process of mere haggling or simply discussing the technicalities of schemes requiring financing.

Ultimately, governments of countries receiving Community aid have the sovereign right to determine their priorities; they decide on how to use their own resources and those which the Community places contractually at their disposal. However, the Community participates with the governments in a dialogue concerning the effectiveness of the policies which they ask the Community to support and the relevance of such policies in terms of the general objectives of the Community's development policy.

Except in cases where human survival is in question, in which case aid is provided immediately, Community assistance should aim to reinforce policies freely chosen by governments, policies designed to improve the standard of living of the local population, ensure autonomous and sustained economic development and lead to flourishing societies. This is inverted conditionality since the condition upon which continued support is predicated is that the government concerned should continue in the direction which it has itself decided to follow.

In this approach, which aims to give greater coherence to external flows and internal policies, the government has sole responsibility for determining the policy which it intends to pursue. In agreement with the Community and on the basis of a probable scenario, it identifies the problems which may be encountered during the implementation of that policy. The Community undertakes to lend assistance to resolve such problems so that the policy defined may be pursued; it also undertakes to ensure that its instruments have the necessary flexibility and can react with the necessary speed to cope with the reality of a policy in the making.

The conceptual and organizational work required of both parties is considerable. In this context, the Community will have to re-examine with the countries which receive its aid the ways of helping them to strengthen their administrative capacity for managing that aid, as well as the ways of enabling the Community aid to be programmed predominantly on the basis of each country's basic national development priorities and the priorities common to regional units.

The Community embarked on this path when, in conjunction with a number of African countries, it initiated on a trial basis an exercise to bolster their food strategies.

The difficulty of this approach militates in favour of

carrying out a limited number of experiments. These should be carefully monitored by the Commission and the member states jointly responsible; but this work of definition, now being carried out in relation to the food sector, should apply equally in other contexts, notably the energy sector. The developing countries' oil bill has direct and indirect consequences that are too great for energy self-sufficiency not to be given any less prominence than food self-sufficiency. Likewise in the industrial sector where, before aiming to become major exporters, local undertakings should first ensure that they can satisfy the basic domestic needs which at present are not being met.

According to these principles, aid would not be superimposed on an alien reality, but would tend to become an integral part of a policy which, as a result, would be more likely to succeed.

## 4.2. Development and cooperation

Besides those areas where external aid is intended to enable fragile or weak economies to develop, there are also areas in which development action can more clearly take the form of an exchange of advantages.

Four examples may be cited; in time there may well be others, but they will be based on the same principles.

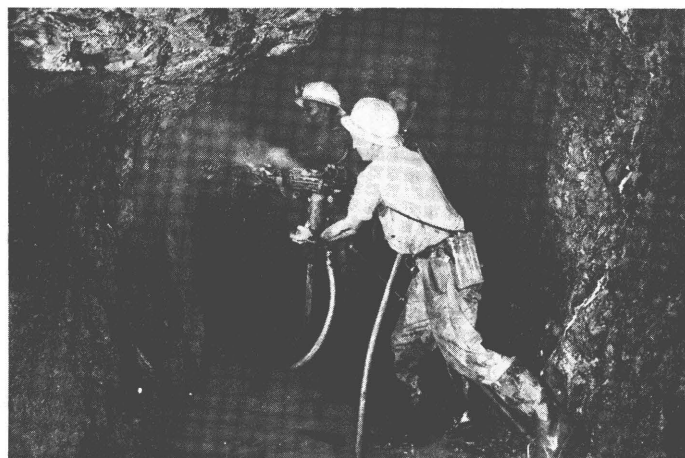
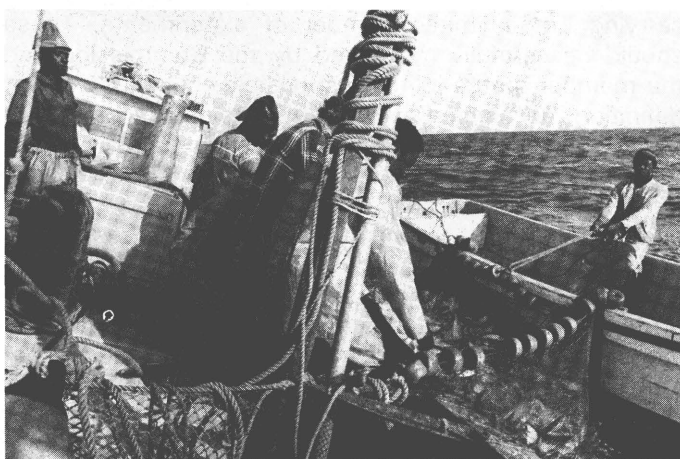
The first example concerns **fisheries**, an area in which the Community has insufficient fishery products for its own consumption while at the same time having excess production capacity in terms of fishery vessels. Many of our developing partners have the same food deficit, but others have considerable resources in their waters which they are unable to exploit rationally themselves.

Moreover, the activities of ships under foreign flags are often carried out without any effective control, without sufficient attention being paid to the reconstitution of stocks and without adequate benefit being derived by the coastal states, either for their economy as a whole or to improve their food balance.

The fisheries agreements concluded between the Community and a number of ACP countries in recent years already aim to raise the moral level of the relations between the coastal countries and foreign flag operators and to ensure that both sides' interests are respected. However, it has to be said that because of the limited scope of those agreements (reflecting the low level of Community fishing activities in the ACP zones) and the small number of projects financed by the EDF or via other Community instruments, a start has yet to be made on the problem of a prudently self-centred development of the fishery resources of the Third World coastal states.

A new policy based on mutual interest remains to be defined in which Europe's technical and productive capacities would be involved in the development of local fisheries and appropriate distribution networks, the fishery products being intended for the local market, for the processing industries or for large-scale export in order to ensure the maximum overall economic benefit.

However, there is another area of much greater importance, namely development of the **mineral resources** of the developing countries to which Europe is bound by special links. Provisions do already exist, as in the case



*Common interest is the basis of the ACP-EEC fishing agreements (Senegal) and the new emphasis placed on mining (Zaire)*

of Sysmin and the possibility of EIB operations. Nevertheless, a real policy still has to be worked out. The problem must be put in simple terms: of all the world's major industrial powers, Europe is one of the poorest in terms of mineral resources; of all the vast mineral reserves in the world, Africa's have been the least explored and worst exploited. Action based on this dovetailing of needs would not preclude similar operations with the countries of Latin America and Asia whenever this reflected the two sides' mutual interest.

Mutual interest in the increased exploitation of resources under improved conditions of security and concertation cannot hide the fact, however, that an initial analysis is not encouraging, showing that the countries with mineral wealth have not always been able to use their resources to advantage to promote their own development. The exploitation of mineral and oil resources has had adverse political, social and economic effects, run counter to national development and led to agricultural decline. Volatile world prices are not the only factor responsible. The wealth provided by the subsoil is nothing more than an opportunity which must be exploited to produce growth.

Moreover, in the countries to which the Community and its member states make financial contributions, the rational exploitation of subsoil resources and external aid could work together to the mutual advantage and to produce a greater impact.

We must imagine between a country possessing mineral resources and the Community the coordinated use of Community instruments whereby mineral exploitation, land-use planning and development will be covered by a consistent approach which also guarantees the flow of supplies to the Community and its member states.

No less important is the **energy** field. The Commission feels that the energy problems of the industrialized world and the developing countries are interdependent in nature, and indeed are often similar and complementary. For the Third World, which has two-thirds of the world population but accounts for less than 20% of total world energy consumption, the solutions to the energy problems are crucial, not only for economic growth and improvements in the standard of living, but also for the survival of a sizeable proportion of the population.

Moreover, certain of those countries possess energy resources which are often insufficiently developed and could contribute towards covering a proportion of their demand and even supplying new resources to the industrialized world.

Because of its special relations with a large number of developing countries, and the special responsibilities that flow therefrom, the Community is already applying itself to the establishment of cooperation with certain developing countries in the energy field. It intends to develop that cooperation in the future.

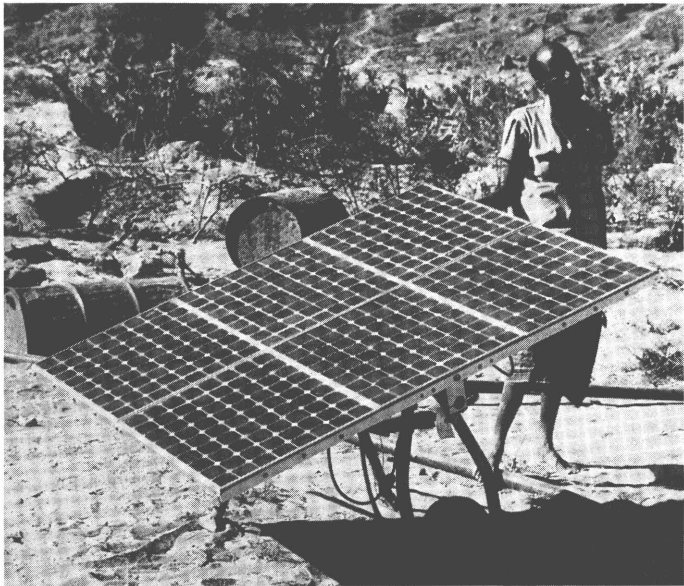
The fourth example concerns **industrialization**. This has been a myth in the eyes of newly independent countries and has proved successful only in a few cases. And yet it has been accorded priority, against the evidence of the past. In the West, agricultural development provided the basis for industrial development; however, in some developing countries it was thought that a scenario omitting agriculture was possible. The disappointments have been cruel. As for the Community, it has offered to open its frontiers to the industrial products of certain developing countries; but where, with Community assistance, a country has started exporting, limits have been placed on its market access. This kind of conduct cannot be repeated without risk. What Europe needs is an industrial development policy which takes account of the progress in the Third World. It is entitled to say no to unrestricted or unconditional access, but must endeavour to organize its own restructuring at a predictable tempo.

Here a pause for reflection is called for. Industrialization of the Third World may serve three purposes: to meet domestic and regional needs, to process local raw materials and to exploit cheap labour markets. So far, the emphasis has been on the third aspect. The first two are more promising.

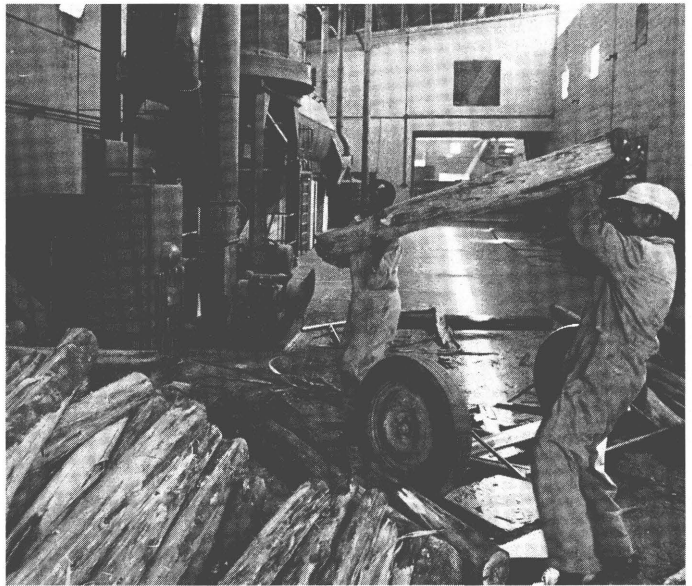
Hence, development and cooperation link up and are complementary even if they require differentiation for the convenience of analysis. Blurring the distinction makes the political approach unintelligible, but emphasizing it makes the effort ineffectual.

### 4.3. Areas of application

The pursuit of the basic objectives proposed by the Commission runs up against geographical constraints, as



FAO photo.



BNZ photo

*The Community encourages the development of new and renewable sources of energy and the local processing of raw materials*

the Community cannot claim to cover every corner of the globe where development action is desirable. The fact that funds (even if they are increased) are limited dictates that Community action be concentrated where its effectiveness is most assured, i.e. in areas where the strength of the European presence, the experience acquired and the responsibilities assumed in the past have given rise to a special obligation.

Africa is the first area for Community development action, particularly the poorest African countries, whose economic record and growth prospects stand in stark contrast with results achieved elsewhere in Africa and the Third World.

These poor countries account for 54% of the population of sub-Saharan Africa. Their total population will rise from 190 million in 1980 to over 330 million by the end of the century. Just in the last ten years, their food production per head of population has fallen by around 10%.

Imports of cereals have increased accordingly and over 20% of those imports are now financed by food aid. These keep the towns—whose population is doubling every ten to twelve years (and already accounts for 20% of the total population)—supplied with food which the rural sector is no longer able to provide. Such imports are responsible for introducing largely artificial patterns of consumption and economic practices into a process of urbanization which is becoming potentially explosive and uncontrollable.

The Caribbean and Pacific countries, though characterised by less acute poverty and a generally more favourable development of their economies, are nonetheless experiencing the same deterioration in their food balances. In addition, their whole development effort is conditioned by their insularity and, for many of them, by the small area of their territory—in some cases spread over extensive archipelagos.

Faced with these problems, the Community, which has forged with the African, Caribbean and Pacific states a unique model of cooperation, must assume the responsibilities that flow therefrom. With the ACP countries it

must use the institutional system of Lomé in order to reverse the trend towards greater food dependence and impoverishment. It is necessary to create the conditions for lasting development taking account of the interdependence between development, the environment, population and resources. The same effort must be made to exploit the ACP states' mineral and energy resources in the service of their development and to encourage on a regional basis forms of industrialization which are both internationally competitive and geared to meeting domestic requirements.

Without in any way usurping the decision-making powers of individual states, the Community must, through its analyses of the situation and the resources it intends to deploy, convince Africa that its future depends primarily on the mobilization and nurturing of peasant labour, development of the huge land resources available and protection of the currently endangered vegetation. It is not sufficient for Europe merely to spend money on Africa; it must ensure that the policies applied enable a possible future to take shape.

Another important area for development action is the Mediterranean, which is linked to the Community by the cooperation or association agreements, but first and foremost by virtue of geography and historical ties. The Community, in the implementation of the overall approach established in 1972, and in the application of the association agreements, has demonstrated its willingness to participate in the development of its Mediterranean partners, while respecting their individual political philosophies.

The sociological, ecological and economic context is not the same as in the case of Black Africa, but the development problems, particularly in respect of agriculture, are considerable and are increasing as the population expands. If those problems are to be solved a new impetus must be given to financial cooperation which, while under no circumstances being able to replace the trade commitments entered into by the Community in the context of the agreements, remains a basic pillar of the Community's role in the Mediterranean.

In the case of other developing countries of Asia and Latin America, the very scale of their financing requirements means that the Community must concentrate on those countries and sectors to which a constant flow of official development assistance remains essential; a Community presence is imperative in those countries where its aid, along with that of other donors, can help to combat poverty and hunger. The Commission therefore recommends that the Community extend its aid programmes directed towards the poorest countries of Asia and Latin America, programmes mainly designed to promote rural development, to help the neediest sections of the population. To make this type of action more effective, the Commission considers it would be desirable to embark upon multiannual programming of the aid provided, independently of the funds intended to help implement the cooperation agreements, which are the expression of the traditional links which the Community maintains with the countries of Latin America and Asia (see section 5.3 below).

In addition to these direct contributions there are those which the Community and the member states make to multilateral development financing institutions (World Bank, IDA, regional banks) which devote a substantial share of their resources to development in Asian and Latin American countries. In view of the danger of curtailment of the scope of these institutions' activities, the Community and the member states should act jointly to increase their resources and influence their methods of action.

## V. The system of cooperation

Although world interdependence has grown steadily over the last twenty years, collective capacity to overcome insecurity—which should go hand-in-hand with such interdependence—has instead become weaker.

As the most deeply involved of all the major industrial powers in the workings of world economic interdependence, the Community shares with the developing countries a fundamental interest in the construction of a system of international economic cooperation that offers the participating countries a minimum standard of security and predictability. The policies pursued to that end, on a basis of mutual interest, are complementary to action for development, the results of which are constantly in danger of being undermined by world economic instability.

Despite its unfinished state, the Community constitutes by its very existence a call for the reorganization of international economic relations and a challenge to move away from the traditional framework of relations between nation states and gradually replace it, with a system of relations between regional groups or major continental units basing their relations on the predictability and security of a contract negotiated between equals and administered jointly in their mutual interest.

The Community is neither a nation nor a state, but it is an actor on the world stage and cannot remain passive before the current trend of international relations. It supports the development of the North-South dialogue as a means of achieving greater justice and regrets the resur-

gence of East-West confrontation as the sole mode of classifying and organizing the powers. Though a fully committed member of the West, whose values it shaped and defends, the Community cannot bring itself to look on the world in black-and-white terms. In defending the values of liberty and following its natural inclination towards the workings of the market and enterprise, it also intends to preserve its own vision of the world.

Such is its constant endeavour.

Internally, this is the very essence of the Community, founded upon the treaties. That is the thrust of the plan to make the EMS a factor for stability in the international monetary system. It is also the principle underlying the Community system of cooperation, most fully articulated to date in the Lomé Convention.

### 5.1. The Lomé policy

At the appropriate time the Commission will present proposals to the Council with a view to the adoption of directives for the negotiations due to open on 1 September 1983 between the Community and the ACP countries. The proposals will fall within the framework of the guidelines laid down by this memorandum.

But even at this stage the Commission proposes that the Council confirm the importance it attaches to the cooperation links forged with the ACP countries, and also its readiness to continue and expand the joint action for development begun in this framework.

The Lomé cooperation framework serves the interest of the ACP: they demonstrated this by deciding, in the light of experience of the first Convention, to renew the contract while making a number of improvements. In an uncertain world, the security of access to the Community market and the predictability of financial assistance under the Lomé Convention help them to plan ahead. The Convention can and must be improved, not only as a factor making for security, but also as an instrument of development.

It is a framework that can also serve the basic interests of the Community inasmuch as the Community's own economic aims can be dovetailed with its partners' development objectives, particularly in the industrial, energy and mining fields.

But the action provided for in the Convention can only be developed over time. The Commission has therefore been looking at ways of bestowing greater continuity on a cooperation system which has the manifest support of the Community and the ACP but is thrown into the melting pot at each renegotiation.

The implementing arrangements and the financial provisions of the Convention will have to continue to be reviewed at intervals. But to call the whole system into question every five years (8) is to inject uncertainty into the objectives, the permanence of the guarantee machinery (9) and the security of conditions of access to the Community market, all to no purpose. Unnecessary confrontations are caused, when everyone knows from the outset that the Convention will be renewed in one form or another.

(8) Every three years, in fact, given the length of the negotiations.

(9) E.g. Stabex, Sysmin and emergency aid.





*Long-term action is needed in the fight against desertification and to protect the forests and the natural environment*

The Commission therefore proposes that the Community declare its readiness—if the ACP so wish—to negotiate with the ACP a framework convention for an unlimited period establishing the principles, objectives, key features and institutional machinery of their cooperation; this would not preclude protocols on sectoral or regional implementation, the duration of which would have to be tailored to their specific object. This would ensure a proper balance between the continuity of a Convention which remains a fundamental political instrument and the adaptability of its machinery in line with circumstances and differences in the situation of the ACP countries or in the way in which they evolve.

Such continuity would make it possible to undertake certain activities which are indispensable for development but for which lead times are long; the fight against desertification, the preservation of tropical forests, soil management and the management of natural and energy resources, the development of indigenous scientific and technical research capacity, the fight against the major endemic diseases—these are not tasks on which the Community and the ACP can embark without allowing themselves a more ample time scale than that of the five-year conventions and without giving themselves scope for action beyond the limits of national frontiers or even regional boundaries.

Are these long-term operations not precisely those that governments, at grips with immediate needs, sometimes tend to neglect? If EEC-ACP cooperation did not help to meet the cost and if resources for such major undertakings were not guaranteed as a matter of principle, development operations would soon become futile since the natural environment itself would already be destroyed.

With regard, finally, to extending the geographical scope of the future Convention, the Commission hopes that ways will be found of enabling Angola, Mozambique and an independent Namibia to participate.

Then the group of ACP countries would bring together—with the exception of one country—all of sub-Saharan Africa, in addition to all those Caribbean and Pacific countries which have their own vision of the Con-

vention to which they attach unquestionable value. But the diversity of the countries covered by the Convention constitutes a *de facto* argument in favour of a regionalized approach under the Convention. Without involving any departure from the framework convention suggested, the existence of forms of regional cooperation geared to practicalities can offer substantial advantages. There will be no question of regions being devised either by Europe or the Convention. But the European Community, drawing on its rich experience, may be able to establish the conditions for fruitful forms of regional cooperation, though only time will tell whether they can or should be institutionalized or take on a political form.

In any case the Commission will propose in due course that the measures for encouraging regional cooperation, whether between ACP countries or between the ACP and neighbouring developing countries, should be further strengthened. In addition to the case of southern Africa, this will embrace European aid for development in the countries of Central America and the Caribbean, some of which belong to the ACP group, and the strengthening of cooperation with the Mediterranean countries.

## 5.2. The Mediterranean policy

On 24 June 1982 the Commission sent the Council a Communication regarding overall Mediterranean policy for the enlarged Community (10). With the prospect of Spanish and Portuguese membership, the Community must confirm that it has the will to honour the undertakings given to the Mediterranean countries, particularly as regards trade. The Community's commercial policy has an indispensable part to play—more important even than financial assistance—in giving these countries the means to develop themselves, and their progress, on both the industrial and agricultural fronts, will depend on the quality of their cooperation with the Community.

Failing such cooperation, the Community would run the risk of a serious deterioration in its relations with its Mediterranean partners, threatening its own political, economic and social interests. In that event the financial protocols, which are nowadays vital adjuncts to cooperation but not its essence, would be resented as an attempt on the part of the Community to divert attention away from policy decisions detrimental to its partners' interests.

But the Mediterranean policy would be stronger and broader in scope if the Community's overall collective approach was matched by its partners: cooperation between the Community and the Mediterranean countries is set in a bilateral mould because of the divisions preventing the conclusion of an overall convention—like the Lomé—between the Community and all the countries of that region.

The Commission proposes nevertheless, as an act of faith in the future, that the Community declare its readiness to propose that all the Mediterranean countries participate in a collective contract as soon as circumstances permit. By so doing they would be joining the Community in affirming a common resolve for peace and indepen-

(10) COM(82)353, 24 June 1982.

dence from external forces, in a framework that would foster their economic growth and cultural contact.

The Commission does not underestimate either the difficulty of the operation or the time needed to carry it out successfully, but it refuses to accept as inevitable the confrontation which has turned the Mediterranean into a crisis area for the past forty years. The Mediterranean can and must recover the major role it once had. The Community must be tireless in seeking ways of allowing all the Mediterranean countries to overcome their contradictions and cultivate their complementary aspects. In addition, institutional and operational links should be maximized between our existing agreements and the forms of cooperation—of whatever kind—which we already maintain, or which we might establish, with the remainder of the Arab world.

\* \* \*

The Community's approach to this area, given its historical responsibilities, should go beyond development aid and commercial policy to try and create the conditions for a peace without which there can be no prosperity or security for anyone. The Community and its member states should give the Mediterranean question a priority commensurate with what is at stake politically, backed up by the necessary financial and trade provisions. Between them the Community's member states and special partners stretch along nine-tenths of the shores of a sea whose waters are ruled by powerful outsiders, and it cannot avoid accepting a large measure of responsibility for the Mediterranean equilibrium, with the obligations that entails.

### 5.3. Relations with other developing countries

But although Africa, the Caribbean, the Pacific and the Mediterranean constitute a vast field of action, the European presence cannot stop there.

The Commission considers that guidelines are essential for Community policy towards the "non-associated" developing countries—a piece of Community jargon which is unfortunate to say the least. Even though the ACP or most of the Mediterranean countries do not look upon themselves as associated countries, the Community has fallen into the habit of putting an essentially negative label on its relations with the rest of the Third World.

It is in the Community's interest to organize stable cooperation links with interested developing countries and possibly to promote by this means regional cooperation among those countries.

As regards the countries of Latin America, geographical distance and passing tensions cannot affect their traditional links with the countries of the EEC, links which are taking on increased importance for their own development and for that of Europe, given the prospect of enlargement to include Portugal and Spain.

For the Latin American countries, as for the developing countries of Asia, notably those in ASEAN and the southern Asian subcontinent, the development of cooperation that has taken place in recent years must be

consolidated and expanded by an increased effort in the field of aid for the least developed countries of the region and on a basis of increasingly balanced cooperation as regards the most advanced countries. In particular, the Community will continue to intensify its support for the regional cooperation efforts initiated by these countries.



*Kuala Lumpur: the signing of the ASEAN-EEC cooperation agreement in March 1980 with five Asian countries brought about a contractual relationship between the two sides*

The contractual framework of cooperation agreements such as those concluded with the ASEAN countries, India, Brazil and Mexico is designed to permit more intensive scientific and technical cooperation, industrial cooperation and consultations to foster the harmonious development of trade.

With this in view, the Commission considers that the Community should endeavour, in the light of experience gained, to work for greater enrichment of the contractual content of the agreements so as to give more substance and continuity to operations undertaken jointly and bring greater predictability to trade arrangements.

The Commission proposes that consideration be given to the possibility of injecting into the cooperation agreements a financial element, to be administered jointly, as a means of facilitating the joint preparation of schemes furthering the objectives of the agreements (feasibility studies, technical assistance, industrial and trade promotion, preparation of investments and joint ventures, etc.).

Such steps will provide clear evidence that the Community does not want its policy of bilateral cooperation with the developing countries to remain fixed in an outmoded division between "associated" and "non-associated" countries; the Community will be serving both its own and its partners' interests by providing a stable institutional basis for the cooperation links it wishes to develop with certain regions of the Third World with which the Community is less closely involved but which it certainly does not intend to regard with indifference.

\* \* \*

Such then, in broad outline, is the Community's plan for its relations with the Third World, governed by the two-fold concern for cooperation and development, mutual interest and solidarity.

The ACP countries and the Community already constitute a unit in which the joint negotiation and management of common interests, the predictability of commitments and the diversity of instruments will be backed up by new provisions bringing permanence, diversification and flexibility to the service of development.

The Mediterranean is being called upon by Europe to rise above its disagreements, to take charge of its destiny and to seek out its points of complementarity. The proposed task will be long and difficult, but it is of historic importance. Its multiple aspects embrace a development effort affecting southern Europe as well as North Africa, and a cooperation effort whose full importance and arduousness are highlighted by Europe's new dimension.

The vast areas of the South which, with immense efforts, are rejecting under-development as their historic fate, appeal to Europe to be their partner or in some cases bear witness on their behalf. For those areas, cooperation based on mutual interest could provide, even without vast expenditure, the means of forging profitable links beneficial for world peace.

Such is, in sum, the general system that the Community might propose to its many partner countries—each of which, numerous though they are, retains nevertheless in the eyes of the Community its own special individuality.

#### **5.4. Community action at multilateral level**

The purpose of this memorandum is not to propose new guidelines in addition to those set out in the paper on Community policy in the North-South dialogue, which was adopted by the European Council in June 1981 and expanded in December of that year. That paper must continue to be the basis of concerted Community action in North-South negotiations.

There is one field, however, straddling North-South policy and development operations, in which the absence of Community policy or even of any common position of its member states is having a serious effect, namely in the multilateral development financing institutions—the World Bank, IDA and regional development banks—for which the member states nevertheless provide positive and continuous support and which are essential instruments of their presence in the Third World.

For nearly two years these institutions have been under considerable financial stress resulting from the United States government's reconsideration of a number of its financial commitments. The new American policy, set out in a government memorandum published in February 1982, also embraces greater control over the institutions' development policies and the stalling of new projects such as the World Bank's energy affiliate.

The Commission proposes that the member states and the Community, whose interests are threatened by this policy, adopt principles in common and coordinate their efforts to give expression to a European attitude in the institutions in question. The line recently taken by the Commission in its paper on matters relating to the financing of the multilateral financial institutions (29 April 1982) is a first step in this direction.

Financial participation by the Community as such in multilateral development financing institutions would, in conjunction with improved coordination among member states, enable Europe's influence within such institutions to be strengthened.

## **VI. Resources of the Community's development policy**

### **6.1. Financial resources: volume and growth**

The overall amount of official development assistance disbursed by all the member states bilaterally, via Community channels and via multilateral institutions is considerable, accounting for half the aid flows provided by the DAC (OECD Development Assistance Committee) countries in 1981: that is, half the official development assistance mobilized in the developed countries of the West.

Although their aid has grown by 5% per annum in real terms during the past decade, the member states have still not collectively attained the target of 0.7% of GNP (11), but they are getting close, the figure being 0.52% for 1981.

Community aid accounts for approximately 10% of the member states' total aid, that is 0.05% of their combined GNP.

In the future, increases in Community aid could come about solely as a consequence of the negotiations to be conducted with the ACP and Mediterranean countries and of the annual discussions on budget appropriations.

The Commission, however, feels that the Community's desire to make development policy an essential aspect of the European enterprise would be better substantiated if the Community were able to set itself a target which would determine how the overall financial resources it intends to earmark for development aid are to develop and increase.

The existence of such a target would be likely to bring about a change in the approach to negotiations with the ACP and, where appropriate, other developing countries, which would involve attaching greater importance to substantive discussion of the objectives and methods of development cooperation and less importance to negotiations on resources, which, relevant though they may be at a formal level, are none the less frustrating.

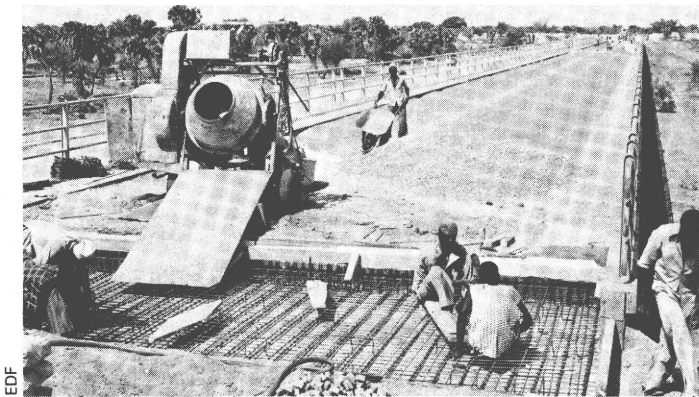
The Commission proposes that the Community set itself the figure of 0.1% of the Community's GNP as its development aid target and that it attain that target in stages over the next ten years.

By then, if the member states collectively attain the 0.7% target, Community aid would increase from 10% (its 1980 level) of the member states' total aid effort to 14% (12).

(11) This target has been exceeded by the Netherlands (1.08% in 1981) and Denmark (0.73%).

(12) Or 20% should the member states not improve on their present performance (0.5% of GNP).





EDF

*An EDF road project in Niger. The Commission proposes that the Community as such set itself the target of 0.1% of GNP for development aid in order to double, in real terms, its present resources*

The proposed target is ambitious although not unrealistic. It would make it possible to gear the increase in the amount of Community aid to the real increase in the Community's ability to contribute, without, however, casting doubt on its desire to provide more money in line with what it can afford; lastly, it would authorize a reasonable increase in the rate of "Communitization", of aid, leaving ample scope for the development of each member state's own individual policies.

The proposed target is politically important as it would confirm the irreversible and progressive nature of commitments. It would make aid more predictable and hence more effective.

Furthermore, the Community, taking account of the fact that development will require more money than is available in the budget, could try to help third countries, including the non-associated countries, by making wider use of Community financial instruments based on recourse to the resources of the international capital market.

Currently, EIB loans are the only instrument available to the Community for channelling market resources to the developing countries. The Commission favours a liberal interpretation of article 18 of the EIB's statute, so as to enable the EIB to undertake operations—notably in the energy and mining sectors—outside the ACP-Mediterranean area in other developing countries linked to the Community by cooperation agreements, whenever such operations are in the mutual interest of the parties concerned.

The Community could furthermore use its own borrowing capacity to the advantage of developing countries for the purpose of financing economically profitable projects in the mining and energy sectors.

The question should also be asked whether the Community should not take more coordinated action, either by itself or in the context of the appropriate international bodies, in serious balance of payments crises in countries with which it has close relations.

The Commission also urges that private investment's role in the developing countries should be defined more closely. Though far from being an alternative to official development assistance, direct investment can none the less play an appreciable complementary role in the devel-

opment process, provided, of course, that it ties in with the host country's development priorities. The Commission considers that the Community should suggest to the developing countries with which it concludes cooperation agreements the setting up of a contractual framework to foster the development—in the mutual interest—of private investment. This supposes that financial and legal provisions to guarantee and regulate investment are adopted that reassure and encourage the private investor while offering the host country greater security. In order to get the process really moving, the very general provisions so far adopted in agreements between the Community and certain developing countries or groups of developing countries must be rendered more operational.

Lastly, the creation of the EMS and the development of its monetary instrument, the ECU, enable the Community to propose a factor of monetary stability to those developing countries and groups of developing countries which wish to use it as a reference.

It could be to the advantage of these countries to limit the fluctuations in their currencies against European currencies and opt to take the ECU as an exchange reference, given that the fluctuations between currencies linked individually to the ECU would at the same time be reduced, which would contribute to greater intra-regional monetary stability. This trend would be favoured by the development of the EMS, which would enable the ECU to acquire progressively all the attributes of a currency, namely those of a unit of account, of an instrument for transactions and of a reserve asset.

The banks and other financial institutions in the member countries offer a growing range of loan and investment possibilities in ECU. Third countries can now denominate their commercial contracts and financial transactions in ECU and consider using the ECU as a means of diversifying their monetary assets.

## **6.2. Financial resources: budgetary unity and specificity of the instruments**

The Commission proposes that all the Community's development aid funds should in future be brought together within the same budgetary framework, reflecting the unity and cohesion of the Community's development policy. This would bring all the funds under the same budgetary procedures and the same controls, due account being taken of any specific rules applicable to them, and make them subject to the same public discussion.

The Community's development policy budget would then cover:

- (i) contractual aid for the ACP (13) and Mediterranean countries, plus aid provided for under certain cooperation agreements concluded with other developing countries or groups of developing countries;
- (ii) development aid applied by the Community autonomously, such as:
  - the funds for financing operations with non-governmental organizations;

(13) This would mean that the next EDF (including the Stabex and Sysmin appropriations) would be included in the budget.



- aid for the "non-associated developing countries", which is in fact rural development (and incidentally regional cooperation) aid directed towards the poorest countries in Asia and Latin America;

- aid for energy programming;

(iii) consumption and operating aids, which the Community must have available to help the developing countries cope with emergency situations or to support the development policies of Governments grappling with exceptional difficulties (14).

Food aid, which is the Community's principal instrument in this third category, presents a problem.

In terms of commitments it accounts for 40% of that part of the Community's development aid resources which are not made available to partner countries under contractual arrangements.

The Commission, which has undertaken a systematic evaluation of the effects of food aid on the recipient countries, will propose to the Council the changes suggested by its findings. Generally, this will involve arranging for food aid, except in emergency cases, to back up coherent food strategies instead of being an end in itself as is too often the case. The future food aid should be provided on terms which would permit the receiving countries to integrate this in their national food strategies. This implies that the food aid will have to be of a more continuous nature. In order to make this aid as efficient and development-oriented as possible it should to a higher degree be linked to national development projects.

Once these changes have been made, it would, however, be paradoxical for this instrument, which is a double-edged weapon for development, to remain in fact the only instrument which the Community could apply autonomously to support a food strategy compromised by exceptional difficulties beyond the control of the government of the country in question.

The Commission proposes that food aid be supplemented by financial resources allocated according to the same criteria in all cases where alternative forms of action and the supply of agricultural inputs would be more appropriate (e.g. in the form of agricultural inputs or support for structural measures).

\* \* \*

By aggregating its aid, calculating it as a percentage of its GNP and laying down strict but flexible rules for administering that aid, the Community would be providing itself with the wherewithal of a particularly effective and original approach in the North-South dialogue.

### 6.3. Trade and commodities

Since the terms governing access to the Community market are very important for the expansion of the developing countries' exports and their economic growth, the Community must, via its agricultural, industrial and commercial policies, assume the responsibilities incumbent upon it as the main outlet for the developing countries' exports. This is obviously in its interest, given the impor-

ance of the developing countries in the Community's external trade.

And yet as long as the world recession lasts, the Community will have only limited room for manoeuvre for pursuing trade liberalization. It is already the industrialized entity most open to exports from the developing countries and, moreover, the accession of Greece, and in due course that of Spain and Portugal, means that it is preparing to liberalize completely its trade with three countries still classed by international organizations among the "newly industrializing countries".

In this context, the Community's first priority is to make trade arrangements as predictable as possible, since this is more important to the partner countries, from the angle of the Community's credibility and the security of its trade flows, than any limited progress which might be made towards liberalizing trade.

Guaranteeing the predictability of trade arrangements is an even stricter obligation when those arrangements have been established by contract negotiated with the partner countries. The regional framework of preferential agreements is also the one in which there seem to be the best conditions for success, because of two key features:

(i) the duration of the undertakings on market access (a fundamental prerequisite for stimulating investment and creating new trade flows). In the case of the Mediterranean countries the undertaking is already for an indefinite period;

(ii) the insertion of trade relations into a system of organized relations governing economic, industrial, financial (and even monetary) cooperation.

From this angle, the pattern of "enlarging" the Community's trade relations would depend on the intensity of the overall economic links (existing or to be created) with each region:

(a) maintenance of the ACP preferential arrangements for a long period, on the pattern of those applying to the Mediterranean countries, plus increased consultation to head off crisis situations;

(b) an effort to open up its markets through the GSP and to promote trade under cooperation agreements with developing countries or groups of developing countries, such as ASEAN, India, the Andean Pact;

(c) lastly, for the most advanced of the Asian or Latin American developing countries trade will increasingly develop on a basis of graduated reciprocity.

Predictability of trade arrangements is of interest primarily to countries which export agricultural and industrial products that compete with European goods.

The developing countries, whose economies depend on commodity exports, are victims of the market instability which, at times of crisis, reflects in an exaggerated manner the cyclical or chance variations in supply and demand.

The Community must continue actively to lead the search for ways of limiting the instability of commodity prices, which is seriously affecting many developing countries and disrupting, often to an intolerable extent, their ability to manage their economies.

It will do so either at the international level, by participating in the negotiation of commodity agreements, or at

(14) See *Maintenance assistance (consumption and operating aids)—aims and methods*, Commission staff paper, 1 June 1982.



Mauritius Min. Inf.



CEDUS photo

*Sugar cane and sugar beet: "For its part, the Commission will be bent on seeing to it that the Community's internal and external policies dovetail with its development policy"*

the regional level, by seeking appropriate solutions with the consumer and producer countries directly concerned.

The Commission would also point out that it has already proposed the creation of another instrument to support the food strategies of those developing countries which do not depend exclusively on food aid for their cereals imports, namely long-term agreements. Such agreements could, by offering the developing countries the opportunity to secure their cereals supplies on commercial terms, form a basic component of their food strategies.

Lastly, the Commission is determined to propose that the Stabex and Sysmin systems and the protocols on sugar, bananas and rum be maintained for the ACP countries, subject to revision of their mechanisms in the light of experience in order to make them more effective. It will make proposals to the Council on this matter as part of its preparations for the negotiations with the ACP countries due to commence in 1983.

In the context of UNCTAD VI the Community should propose to the other industrialized countries that they join forces with it in extending the Stabex system to all the least developed countries.

#### 6.4. Policy coordination and coherence

In their cooperation with the developing countries the Community and its member states express themselves and act at three levels; overall cohesion is sometimes lacking:

- (i) The first level is that of the common and national policies which indirectly affect in one way or another the Community's relations with the developing countries (e.g., the CAP, EMS, energy and industrial policies, export credits).
- (ii) The second level is that of Euro-South relations, i.e., the Community's bilateral cooperation with developing countries, or preferably, groups of developing countries (Lomé, Mediterranean agreements, GSP, cooperation agreements with India, Brazil, ASEAN, etc.).

- (iii) The third level is that of multilateral relations, embracing the North-South negotiating forums, where the European identity has been strongly asserted, and the international financial institutions which the member states are involved in financing but where they do not exert the influence which they could obtain by means of closer coordination of their activities.

The Commission affirms the need for the Community and its member states to strengthen, by means of constant coordination and harmonization, the cohesion and dynamism of their activities at each of these three levels, as well as their overall cohesion, in order to meet development and cooperation policy objectives.

For its part the Commission will be bent on seeing to it that the Community's internal and external policies dovetail with its development policy.

It intends to report periodically to the Council and Parliament on the progress made and difficulties encountered in coordinating bilateral and Community cooperation policies and on the consequences for the developing countries of the development of the various Community policies decided on by the Council.

Furthermore, it will take the initiative of proposing the strengthening, whenever appropriate, of the cooperation existing between the member states, but also between the member states and the Community, in specific development operations on the lines of the action currently being taken with regard to food strategies.

True to the effort made by the Community since its inception to promote development, strongly committed to the preferential links to be established between Europe and the Third World, aware of the value of the institutions and instruments worked out through concerted action in the course of time, attentive to the difficulties which the world economic crisis has imposed on the developing countries in particular, conscious of Europe's responsibilities in a world whose balance is threatened, continuing to attach great political value to the North-South dialogue, the Commission proposes that the Council approve the guidelines of European development and cooperation policy set out above. ○

# Protecting the world we live in

by Christiane LINET (\*)

In his quest for development, man is spreading over the whole of the surface of the Earth and using all its natural resources.

If the planet is to go on supporting the human race and all other forms of life, it is urgent for man to recognize the limits of resources and the regenerative power of ecosystems. And he has to concern himself not only with his own well-being today but also with the well-being of future generations.

So conservation is the message that the World Wildlife Fund has spread and put into practice ever since it was set up in 1961.

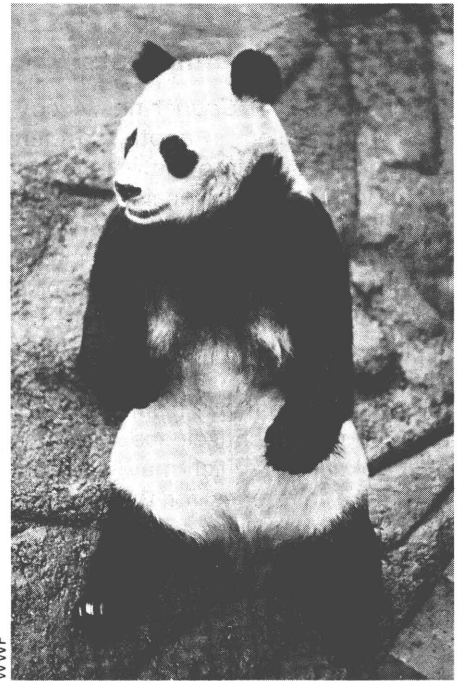
The World Wildlife Fund (WWF) is an international foundation with headquarters in Gland, in Switzerland, and branches throughout the five continents of the world. One of the branches is in Brussels.

The WWF first met the most urgent needs by launching last-ditch operations to save certain species from imminent extinction, and certain particularly rich and precious natural sites from potential destruction. The Arabian oryx, the Hawaiian goose and the Bengal tiger were some of the first to benefit from the WWF's activities, and great national parks such as Coto Donana (Spain), the Galapagos Islands (Ecuador) and Lake Nakuru (Kenya) have been opened, extended and run with its support.

Alongside this, the WWF has tried to cater for the future by developing an ambitious youth programme (set-

ting up conservation schools in Mweka and Garoua in Africa and organizing youth movements and Panda Clubs in many countries of Europe, America, Africa and Asia), and opening a legal resource centre in Bonn (Germany) to look into national and international laws on the environment and bring them into line with the demands of conservation.

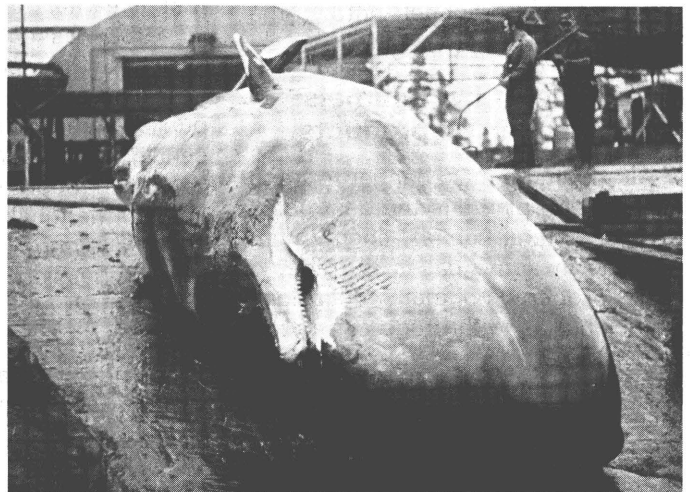
The WWF was successful with its first one-off schemes, it has a worldwide network of several million members and supporters and the public now looks upon it, in a way, as nature's United Nations. It has therefore been able to plan much larger operations that are no longer restricted to one species or site. These are very complex programmes aimed at protecting whole families of animals (gorillas, chimpanzees and



*The giant panda is the emblem of the WWF, which, in cooperation with the Chinese government, has launched a conservation programme to save the animal from extinction*

orang-utangs, for example) or plants (succulents) and, above all, at preserving vast areas of the most fragile and endangered ecosystems, such as the tropical forests, coral reefs and marshlands.

The WWF is implementing an international conservation strategy under the direction of an international body of experts, the International Union for Conservation of Nature and Natural Resources (IUCN).



*Examples of man's destructiveness. Elephant tusks and rhinoceros horns (left) collected by hunters. This practice has reduced the world population of elephants to one sixth of the total 25 years ago and put rhinoceroses in danger of extinction. The same fate awaits many species of whales, but a new ban on hunting from 1986 should save many now in danger*



What have been World Wildlife Fund's outstanding achievements in 1982?

### Tropical rainforests

The dossier in *Courier* no 74 covered this problem in depth, so there is no need to go into the reasons for preserving the tropical rainforest here. In October 1982 the WWF is launching an international campaign, based in Bali, to save the tropical rainforests of Africa, Asia, the Pacific, Latin America and the Caribbean. There are two aims here: to tell people about the tropical forest, that jungle which science has long overlooked and which may well contain more mysteries for the scientist than the planet Mars, and to suggest lasting alternative methods of exploitation to governments which allow their forests to be used, proving that conservation is an attractive proposition even on an economic level.

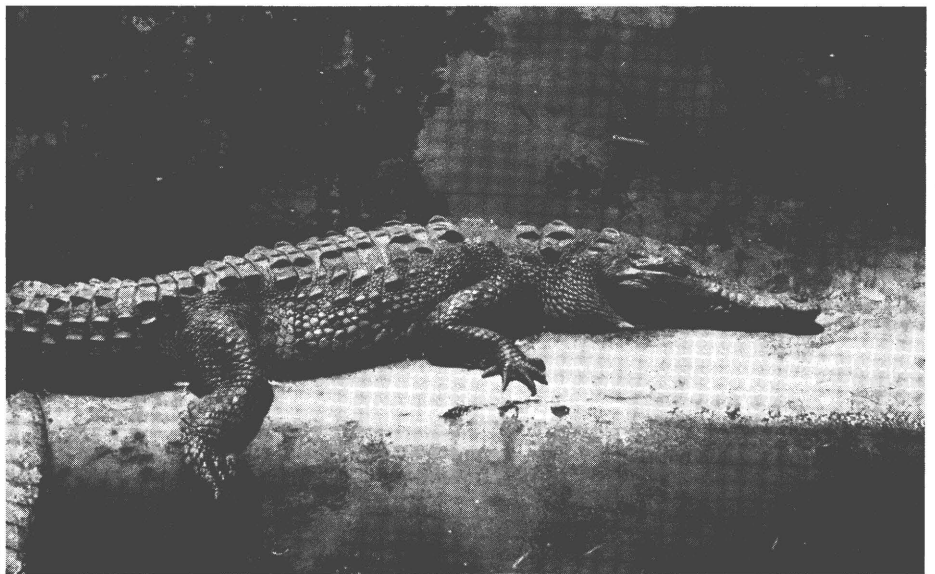
### Cetacea

Whales are a marine resource which know no frontier and they have been over-exploited for the past 50 years, to the point where many of the species have reached or gone past the stage where extinction seems inevitable. After several years of campaigning, the WWF, with world-wide support from ecologists, got the International Whaling Commission to adopt a total moratorium on all forms of commercial whaling in July 1982. This will come into effect in 1986, the three-year delay having been agreed to enable the whaling nations to convert their fleets and move the personnel into other fields.

### Trade in live animals and their by-products

Although the main danger for most animals and plants is the destruction of their natural habitat, enemy number one in some cases is trade, or more properly on many occasions, trafficking (as with drugs and prostitutes), as it involves all manner of unpleasantness, including enormous illicit profits and what can easily be the bloody settling of accounts.

The main victims here are elephants (there were an estimated six million plus 25 years ago, but there are apparently less than a million to-



*The crocodile would have no problems with survival if his skin was not so popular with shoe and handbag makers*

day), which are hunted for their ivory; rhinoceroses, for ground horn (\*); spotted cats for their skins; gorillas, chimpanzees and orang-utangs for zoos, circuses and laboratories; and exotic birds for aviaries.

The WWF has produced an international convention on trade in threatened species of plants and animals, the Washington Convention, which is already being applied in 77 countries. It is campaigning to get other countries (Belgium and Japan included), which still persist in encouraging this traffic, to respect it too.

### China

The WWF was the first non-governmental organization to establish nature conservation cooperation agreements with China. It began a first five-year period of cooperation in 1980, associating the scientific skills and financial resources of the both the WWF and the People's Republic in the practical creation of a centre for ecological studies in the Szechuan mountain area, sending out an international giant panda (the WWF's symbol) research and protection mission, and opening new nature reserves and extending existing ones.

An odd combination of circumstances accounts for the need to protect the giant panda. This hyper-specialized beast lives almost entire-

ly off bamboo shoots and two species (the umbrella-shaped *Thamnochlamus spataceus* and the fountain-shaped *Arundinaria nitida*), which are most commonly found in the panda's environment, the mountains of Szechuan, Kansu and Shensi, provide the bulk of its diet. These two species grow in clumps and live for 80-100 years. Individual stalks die off quickly, but they are replaced by new shoots which grow from rhizomes underground. When a clump of bamboo enters the reproductive phase during which it flowers, produces fruit and dies, the process is regulated by a kind of biological clock which starts at the same time in the case of all shoots from the same seed. So whole clumps disappear suddenly and, before new shoots have had time to appear and form further edible stalks, the pandas have had plenty of time to die of hunger. The problem is a fascinating one which opens the way for genetic research and a study of the aging process. The sudden disappearance of bamboo which began in the 1980s means that urgent measures have to be taken to ensure that the panda survives. They include setting up artificial feeding points with alternative foodstuffs, growing bamboo and diversifying the species and encouraging pandas to reproduce in captivity. The universities of Beijing and Nanchong are actively involved in research which should, it seems, have very favourable spin-off for the phytopharmaceutical industries in the area.

(\*) Ground rhinoceros horn is sold at very high prices on the mistaken assumption that it is an aphrodisiac.



## Development of fresh water fish resources

by Professor E. A. HUISMAN<sup>(\*)</sup>

Give someone a fish and he has a meal. Teach him how to farm fish and he has food for a lifetime. That straightforward observation is the simple but sound basis for the transition from fishing to fish farming, from catching something that occurs naturally to harvesting something that man himself has produced. On land, the transition from hunting to herding is more or less complete, but in water, hunting has been the trend for thousands of years and it is still the main method of obtaining fish.

The overall growth potential of world fish production (fresh and salt water) is limited to about 70 million tonnes per annum over the next 10 or 15 years. But the gap between supply and demand is still widening and it will probably be as much as 15-30 million tonnes in 15-20 years' time.

This means that the fishing industry has to develop our fish resources on solid bases so as to maintain production as far as possible. Fisheries development is often considered to be tied up with the legal problems of national fishing zones, the vital restrictions on catches and the determination of the maximum catch that can be viably sustained. But it is also an empirical biological science which

includes hydrobiology, ecology, the physiology of reproduction and growth and other areas of research. It is aimed at formulating and achieving optimal utilization in the light of the considerable interest in developing aquatic ecosystems.

The fish-farming industry has to expand a great deal if current and future demand is to be met. At the moment, fish farming (salt and fresh water) yields 6-7 million t. p.a.—or about 10% of total fish production. Nevertheless, as 30% of the catch is processed for the compound feed in-

<sup>(\*)</sup> Professor Huisman is from the department of fisheries and fish farming at the National Institute of Agronomy, Wageningen (NL).



*Products of fish farming: rich sources of protein for the human diet*



*The Arabian oryx was one of the first animals to be the object of a WWF campaign*

### Marshlands

The regions under greatest threat are also those with the richest biomass and the widest variety of flora and fauna. But as swamps, ponds, bogs and other marshlands are considered worthless from industrial, agricultural, tourist and urban points of view, they are drained, filled in and concreted over.

The WWF regularly gives subsidies to local authorities and NGOs interested in preserving these marshlands. This has been the policy for more than 10 years now and it has helped prevent the disappearance of many water birds as well as reduce the pressures on bats and a certain number of predators (marsh owls, bald buzzards and sea eagles).

Few people object to the idea of protecting nature for scientific, ethical or aesthetic reasons. It is only when conservation interferes with the demands of development that it tends to put aside.

The WWF is determined to show that keeping life support systems intact and preserving the extraordinary genetic diversity of the planet are activities with a long-term economic value outweighing any short-term profits.

The concept of lasting development and constant improvement in the quality of human life means we have to have conservation — like it or not, man has much more in common with the skylark than with the computer! ○ C.L.

dustry, fish farming makes a direct contribution of about 16% to the human consumption of fish and fish products.

### The efficiency of fish farming

As far as energy is concerned, fish farming has a great advantage over other types of animal production. Warm-blooded animals normally support their body weight and maintain a body temperature of around 37°C. But cold-blooded aquatic organisms float in water and adapt to a surrounding temperature that is usually well below 37°C, so they need very little energy to survive and the rate of conversion of fish food to fish flesh is therefore very high.

verts into more flesh in a shorter time, something which makes a large contribution to the success of fish farming in the tropics.

### Some aspects of fish farming in Africa

However, the popularity of fish farming in the tropics varies enormously from one region to another. South-east Asia is the most advanced area from this point of view, with a history of fish farming going back several centuries, while Africa has hardly developed its fish farming at all over the past two millenia. Although the first signs of controlled fish production probably go back to the Pharaohs, there is nothing to

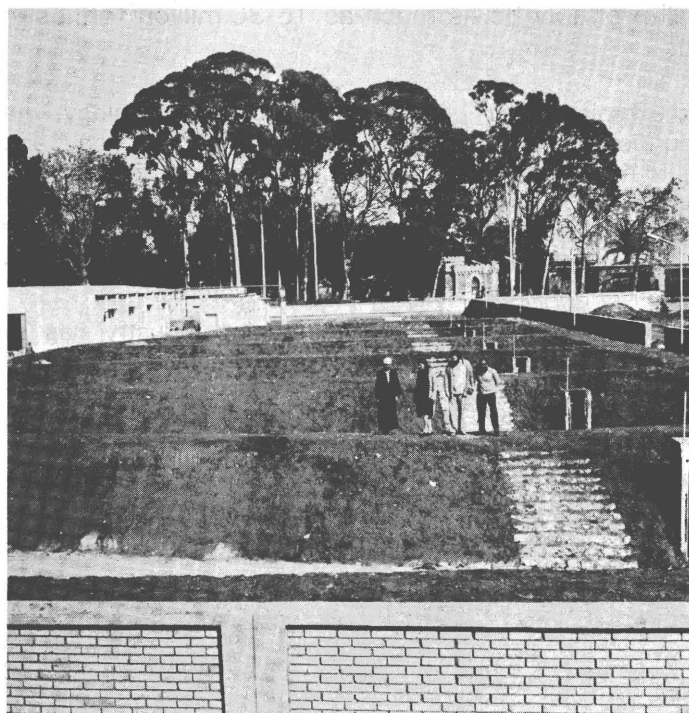
are also being farmed and there is growing interest in foreign species, such as the plant-eating *Cyprinides*.

This revival of interest in fish farming can be illustrated by two recent series of activities which we shall investigate more closely.

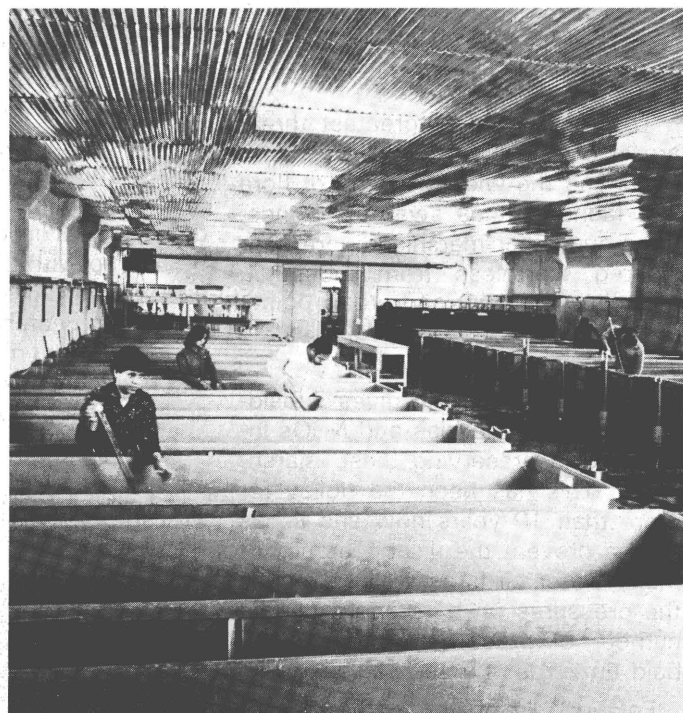
### *Clarius lazera* farming

This is a species of catfish common in Africa and a very popular food in many areas. It appears to be an ideal candidate for fish farming because:

- it is virtually omnivorous and has no great nutritional demands;
- it is only slightly sensitive to poorer quality water and stands up well to handling;



Chinese plant-eating carp farm at El Kanater in Egypt



The interior of a hatching farm for young fish

### Food conversion in different types of animal production

	Food conversion rate (kg food per kg growth)	Protein utilization efficiency (%)
fish	1 - 2	33
table fowl	2 - 2.5	22
pigs	3 - 4	16

Fish farming is the raising of cold-blooded creatures and the influence of temperature on the production process is twofold—food consumption is accelerated and the food conversion rate is improved when the temperature rises. In other words, at high temperatures, more food con-

suggest that any further developments were made until modern times. The first attempts at farming *Tilapia* were made in Kenya in 1924 and the experiment gradually spread to other parts of Africa, the 1950s and '60s being particularly good periods. But no progress has been made since and there was even a period of decline after the initial growth.

However, over the past few years, interest in fish farming in both fresh and salt water in Africa has been growing gradually.

In addition to *Tilapia*, other local species such as *Alestes*, *Heterosis*, *Hemichromus*, *Clarias* and *Siganus*

— its level of activity is very low and a fairly large percentage of the nutritive energy can be converted into growth;

— it can breathe atmospheric air through a kind of pulmonary organ, so oxygen in the pond (only 7-8 parts oxygen to 1 million parts water) does not restrict production.

It is therefore possible to produce several dozen tonnes of fish per ha (surface area of the pond).

This kind of fish farming was impossible until quite recently because there was no proper method of achieving viable reproduction of this species or, therefore, of generating

supplies of young fish, so farms depended very much on fry being caught in natural surroundings. There have been changes over the past few years, however, thanks to research run in the department of fisheries and fish farming at Wageningen in the Netherlands, where methods of producing a regular, reliable supply of fry throughout the year have been devised in the laboratory and in the hatchery. Research has also shown that the food-growth conversion rate is greater in *Clarias* than in other species of fish—which, bearing in mind the properties mentioned earlier, is not surprising.

A project financed with assistance from the EEC and the Dutch ministry of cooperation in the Hague began in the Landjia fish-farming centre near Bangui (CAR) 18 months ago. It is being run under the auspices of the FAO and aims to adapt methods of production and rearing to African conditions and promote local fish-farming schemes. The project does not just concern the 1150 or so private fish farmers in the Bangui area. Because of the drive to spread the results, it has helped stimulate the African fish-farming industry, which will be making a genuine contribution to the human diet in the future, throughout the central part of the continent.

### **Irrigation systems as a source of protein for human consumption**

A total of 6 million ha of Africa is under irrigation. Although there is a shortage of precise data, the cost of operation and maintenance of the irrigation and drainage systems has been estimated at US\$ 10-30 per ha and higher in some cases. A large part of these costs—as much as 30% of the total—goes on clearing aquatic vegetation.

Literature on this subject suggests that weeding channels and waterways in areas under irrigation costs about US\$ 300 per ha water p.a. and, since 2-3% of the gross area under irrigation is water and assuming that weed clearance is necessary in two thirds of all cases, the annual outlay on this can be put at US\$ 30 million. Exploitation of the vegetation in the channels is rarely, if ever, possible, as it counters the basic aim of transporting water, given that plants



*Traditional fishing near Kisangani, Zaire*

considerably slow down the current. This is why mechanical and chemical clearance are counted a loss in the exploitation of an irrigated area. Then use of plant-eating fish to keep undesirable aquatic plants at bay is an attractive way of converting this loss into gain. The plant-eating carp is eminently suitable for this purpose and already used on a wide scale in such places as Egypt. Interest in this biological method of clearance is very much on the increase in other parts of Africa too.

The plant-eating carp is a success here because:

- it is an effective, economic and ecologically sound means which can usefully replace chemical or mechanical clearance. Where it can be used successfully, this biological process is no more expensive and in many cases may even be cheaper than the other methods;
- in addition, proper management of plant-eating carps enables about 150-200 kg per ha of clean fish to be produced for human consumption;
- the nutritional elements in aquatic plants are liberated into the water via the digestion and defecation of the carp and can be reintegrated into the food chain. At the same time, there is an extra increase in the yield (of up to 100 kg per ha) of endemic species of fish.

Several years' research in Egypt have proved that, bearing in mind the last two points, the use of plant-eating carp means that losses due to weed clearance can be converted into an attractive profit.

The use of irrigation systems involving processes of this kind results in:

- better exploitation of natural resources;
- an increase in non-agricultural activities in rural areas;
- a reduction in pollution;
- a reduction in dependence on foreign exchange to purchase food, herbicide and machinery.

Furthermore, water-borne diseases, such as schistosomiasis, are likely to be prevented by the limitation of the biotope of the snails which act as intermediary hosts.

But let us return to the current situation in fish farming. It should be noted that, although some progress has been made, there is still a long way to go. More than 250 kinds of fish are being farmed in the world today, but in more than half the cases there is no reliable, rational method of reproduction and people do not always have a very clear idea of the basic nutritional requirements.

However, the above considerations clearly illustrate the fact that, bearing in mind the physiological nature of the production of the group of creatures in question, fish farming can make a real and effective contribution to the food supply in rural areas.

It is more vital now than ever it was to decide whether fish farming should be included in any integrated development projects that are being planned or implemented. ○ E.A.H.



## African cinema seeks a new language

Unesco's World Conference on Cultural Policies—MONDIACULT—took place in Mexico City from 26 July to 6 August 1982. It brought together ministers and other high officials concerned with their governments' policies in the cultural field.

As well as reviewing what had been accomplished since the first such conference in Venice in 1970, MONDIACULT allowed its participants to think aloud on major problems of culture today and

► *Do you think that African cultural life has changed significantly since the black African states achieved independence? And if so, how?*

— When independence came, there was no such thing as a single African culture. There was a mosaic of cultures. Those cultures are now either coming into their own or merging. This is happening most noticeably in music, a form of cultural expression that allows exchanges between ethnic groups through linguistic borrowing. But it is a development that has to be analysed within the African context, and with all due allowance for any contradictions that may have existed before or during the process of independence.

We in Africa are now going through a period of transition from a culture that reflects diverse ethnic groups to a style of being that is the seal of a civilisation. In African literature, one still finds the same uncertainty about which language to use — should it be French, English, Portuguese or Spanish, or else the writer's native tongue? Here again, particularly in the case of poetry, music has played an important role, as young musicians are tending to make greater use of African languages, even those other than their mother tongues.

► *As a film-maker, you have played a vital role in the coming of age of the African cinema. To what extent has that cinema helped the assertion of African cultural identity, and how does it encourage intercultural relations?*

— The cinema seems almost to have been created with us in mind,

(1) Reprinted from *Unesco Features* no. 776/777.

spell out fresh guidelines for strengthening the cultural dimension in development and for facilitating international cultural cooperation.

Sembene Ousmane, who is Senegalese, is probably Africa's best-known film-maker. He is also widely admired for his highly popular novels. In the following interview (1) Mr Ousmane discusses the special role of the cinema in Africa.

at our particular stage of development. It is the most complete form of expression. We are at present making a transition from words to pictures and from pictures to sound. When making a film, we have to start by examining the culture of the ethnic group concerned, its symbols and its metaphors. But the themes are always universal. The transition from words to pictures enables people to see themselves — the cinema reflects their image. This is something literature could not do. African folk tales and legends always depicted animals, but in a film it is man who faces his own destiny. Hence the great power of the cinema, which is heightened by the important role played by sound. Man can now see his landscape, both internal and external. The cinema, too, does more than merely enable us to listen to ourselves: through it, we can get to know other cultures and realise that we are not alone. The African countries that have made the greatest contribution to film expression since their independence are Mozambique and Angola, because their cinema is directed at the masses and not at a Europeanised elite.

People can also be helped by the cinema to understand that their own language is something of value and that it serves as a vehicle for their culture. Film-makers have to be bi- or tri-lingual if they wish to reach a wide audience. And they also have to learn a new form of film expression that makes use of African symbolism and African gestural tradition.

### From an oral tradition to an audiovisual medium

The exploratory phase we are now going through shows that the cinema is the form of expression with the

most to offer Africa as it shifts from an oral tradition to an audiovisual medium. African governments have, on the whole, made considerable efforts to encourage the birth of an African cinema. An event like the Ouagadougou Festival, which lasts a fortnight and is held every two years, brings together more than 50 film-makers from all the African countries. Not only are their films shown, but they can have discussions among themselves and with the public. The real film critics are the members of the public.

Because it is looking for a new language—a more authentic form of expression in line with our understanding of the times we live in—the cinema has become an absolute necessity. There is a lot of talk about cultural dialogue and exchange, but that dialogue must first exist at home, within our African states, before it can become possible elsewhere.

► *Do you believe it is possible to achieve or guarantee national unity while at the same time allowing cultural pluralism?*

— Ideally, yes. But insofar as we film-makers are able to express ourselves through the prism of our individual cultures I would say that this was not a problem of great urgency. At the moment, what we must do is safeguard the values of our neighbours, or examine ways in which they can complement each other. We are in a position to create a new identity in which each ethnic group can recognise itself while remaining true to itself. But this is particularly difficult to do in the cinema. How, for instance, do you act the part of a Zimbabwean farmer and of a Senegalese farmer? We try to respect the differences that exist without causing resentment.



► *In your opinion, how can each culture borrow freely from other cultures in such a way that it can usefully adapt to its own sensibility all elements likely to enrich it?*

— It all depends on the people making the film. Prejudices are likely to creep in as soon as there is any ignorance of, or contempt for, another culture. In our associations or federations, we turn down any film that might cause ill-feeling between ethnic groups.

► *To what extent do governments take into account the cultural aspect of development, when working out policy?*

— Speaking only for myself, I would say that it is nowadays possible to link culture to economic development, though many African countries still have no cultural policy. Priority is given to prestige, and some countries have distorted the notion of culture by confusing it with folklore. Similarly, culture is all too often thought to be the same thing as academic qualifications. Yet in our countries there are plenty of university bigwigs who are culturally illiterate.

How many African countries are there which have an ethnographical museum that illustrates every culture in a given geographical area? Yet it's so easy to set up: all you need is a hut or a shed, where this or that ethnic group could come and see what the others are doing—how they weave, how cotton gets from the field to the factory and so on. Some

of our ministries march to only one tune—folklore.

### **“We are losing our values”**

► *Do you think the African cinema can help in any way to mobilize people as far as economic, social and cultural development is concerned?*

— Yes, if a government uses culture to mobilize its whole people. But it must make sure its political slogans are not culturally meaningless. Two different trends may be observed. First, people are turning increasingly to their own culture in order to assert their identity. And secondly, this ever-greater emphasis on culture is the result of the standardization of the way people live all over the world, which is something that threatens to take over their values, attitudes and sensibilities as well as their individual and family environment. A conception of life alien to our own is being imposed on us, and we can now see the disastrous results of galloping Westernization: we are losing our values.

Let me take a very straightforward example from the history of the African diaspora — black American jazz. Jazz and the blues were the expression of people who did not want to die. But nowadays they have stopped being the exclusive property of the ethnic group that created them, and have become universal music.

Things are worse in Africa. Afri-

cans are in danger of being uprooted even on the black continent. Take the example of West Africa, where English and French are the official languages. If you can't speak one of those languages, you can neither write nor send a telegram. We're in danger of becoming like the Indians of Latin America. I'm all for universality, but on condition that as I go to meet those different from me, they also come towards me.

We have decided, in our films, to use only our mother tongues and to show characters in their own cultural context. When we portray men and women in a rural milieu, what point could there be in having them speak French or English? I believe that the contradictions now jeopardising Africa's cultural future should be resolved by the African themselves.

### **Reflecting the reality of Africa**

► *There is a lot of talk about the democratization of culture. How do you, as a film-maker, see it being achieved?*

— I'm personally in favour of an aggressive brand of culture that makes people sit up and take notice. But African artists of all kinds are going through a difficult period. Any subject you care to mention has become taboo. Sometimes, we have to do so much changing of dialogue and themes that when we see the final product we realise we've got nowhere near reflecting the reality of Africa. More than 150 films have now been directed by black African film-makers, yet in a given year only 30 of them, if that, will get shown. And even when a filmmaker's work has not been banned he is afraid to show it and just keeps quiet. In the African countries, democracy exists above all to please Europe. Film-makers have great difficulty in giving a true picture of present-day Africa, let alone suggesting ways of improving the situation. The role of the artist is not to enter the political arena, but to draw attention to what is happening, especially when it is left unsaid. He has the right to speak. He is the conscience of the rulers. We are now witnessing the birth, or the metamorphosis, of a bourgeoisie that is like any other bourgeoisie in the world — and this is the raw material the artist will draw on. ○



*Safi Faye of Senegal in a film on “white ethnology”. “We are in a position to create a new identity in which each ethnic group can recognize itself while remaining true to itself”*

## Outstanding ACP works of art in Hamburg and Bremen

The role and influence of African and South American culture on European culture tend to be underestimated by the man in the street and Africans and South Americans themselves look upon it as merely secondary. But as interest grows and people try to discover the basic links between cultural life in the West and in Africa and South America, it becomes clear that the former has always been fascinated by the latter—and to a far greater extent than might be supposed from the image that Europe and North America have given

of the culture of these continents over the years. The classical foundations of music have been profoundly affected by the advent of jazz and the rhythm backing of the 1960s and beyond. And now Western art is undergoing a real change, something which began in people's minds years ago, a difference in Europe's attitude to cultures that were long looked upon as too different from the traditional concept of universal culture.

The *Courier* has already visited the British Museum in London (*Courier* n° 74) and the Berlin Museum and now it takes a look at the museums of Hamburg and Bremen, which, like London and Berlin and other major cities of Europe, house important works of art and culture from Africa, the Caribbean and the Pacific.

As the name suggests, the Overseas Museum in Bremen specializes in works of art from overseas. It is two hundred years old and one of the oldest museums in Europe, an attractive and imposing building now being modernized and reorganized. Tens of thousands of works of art and culture from ACP and Asian

countries are on show. The bulk of the South Pacific collection is a lively display of the art and culture of Papua New Guinea and it gives a most instructive picture of New Guinean society. This museum does not just display works of art. It also deals with ethnography and, in order to get a proper understanding of the relationship between New Guinean society and South Pacific societies in general, for example, Dr Dieter Heintze, the head curator of this section, has run a comparative study of the means of expression (spoken language, ethnic culture, archaeology and so on) and the driving forces of society and history—the role of the individual in the group and in society, natural phenomena (position adopted by the women in childbirth), type of authority (central or other) and foreign influence, particularly that of Europe and America since the last war. It emerges that South Pacific societies have a great deal in common (language, way of life and so on) and that Western influence has not made any fundamental change in the social structures as a whole.

The African collection contains many works from all parts of the continent. Although they are in storage for the moment, pending modernization of the building, Bremen's African pieces are of considerable in-



Photo musée Hambourg

A 1945 Senubo (Ivory Coast) carving in the Berlin Museum

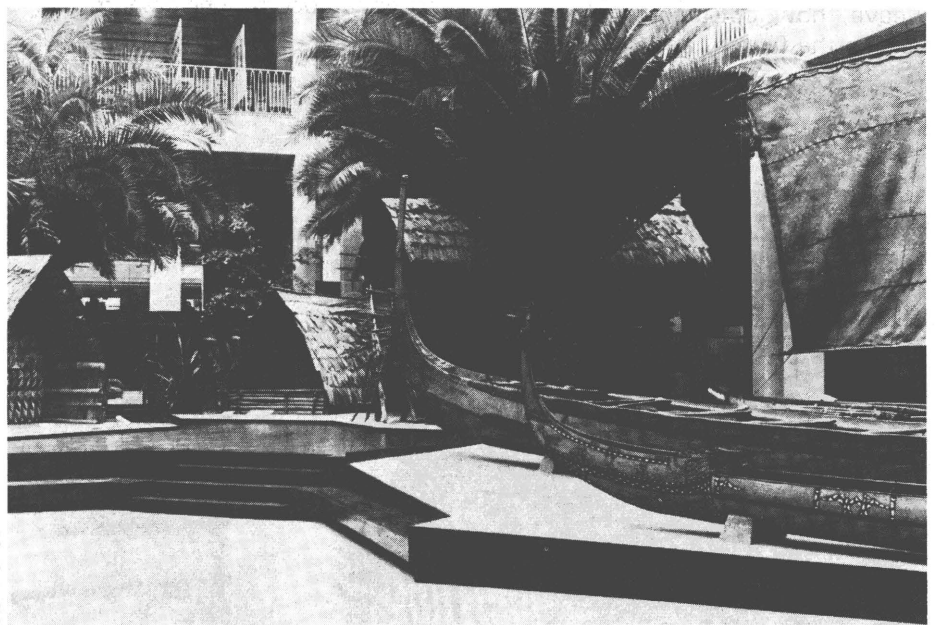


Photo H. JÄGER

Stepping into a Papua New Guinea lifestyle—modern museums offer vivid new displays

terest. The African collection is very similar to the Berlin collection, but the unusual thing about Bremen, another of northern Germany's Hanseatic towns, is that the curators are anxious not to neglect the "tourist" art of Africa. So ordinary pieces designed and produced rapidly for sale to tourists who know little about African art are on show alongside works of considerable cultural merit. This is a most unusual approach, aimed not so much at making an artistic point as at showing the way local art has developed, as this development can reflect the social and economic decline whose effects can so easily influence on all forms of expression.

The Hamburg Museum of Ethnology has collections from the ACP countries and from Europe and Asia as well. It is one of the few museums in Europe to put the same emphasis on works of art from, say, Germany, France and Russia as on those from Zaire, Cameroon, Nigeria, the Sahel and South America. The ACP works, and those from Africa in particular, are outstanding from the point of view of quality rather than quantity and the museum in fact houses some of the oldest pieces, dating from Germany's first contact with the dark continent more than a century and a half ago. The ACP works in this museum are veritable art treasures which would be the dream of many of the countries of origin—Nigeria, for example, which is represented by a number of bronze heads, some of them unique, of the most ancient kings.

Art is less a matter for contemplation than it was before and when we go into a museum today, we tend to wonder more about the social and cultural values of what is on display. But these pieces were designed to be looked at and they command reflection, particularly from the increasingly large number of Europeans to be open to the plurality and equality of civilizations. Non-Western cultures have become less objects of disdain than hopeful sources of regeneration for industrial society, as Dieter Heintze and Wulf Lohse, who run the Pacific and African collections at Bremen and Hamburg, say. The slow, tardy ACP and Asian cultural offensive and the profound cultural and moral doubt currently being

experienced by the materialistic industrialized countries is leading the West to recognize the principle of the relativity of cultures; today, now one can really support the idea of a universal culture. This is a positive trend and an important one which can make a considerable contribution to our understanding of the relations between peoples and civilizations and greatly reduce the possibility of economic war—or war, in that economic models are transmitted along with the cultural and social systems to which they are related.

### Towards an international cultural heritage open to all

However, this trend is not without posing one or two problems to the countries of origin of the works of art now housed in Europe—some of

Dr Lohse (Hamburg) in particular, feel that Europeans would still be looking at the world as they did a century ago if they did not have their museums and the increasing amount of audio-visual means of learning about the societies they have long overlooked and ignored. And, as the Bremen and Hamburg curators say, the ACP works of art are not booty from colonial expeditions and conquests. They are covered by national legislation and their management is the subject of political decisions at government level—hence the need to deal with the problem of repatriation at that level too. However, Dr Lohse and Dr Heintze feel that satisfactory solutions can be arrived at through cooperation between the ACP countries which have works in Europe and those museums and governments now in possession of them.

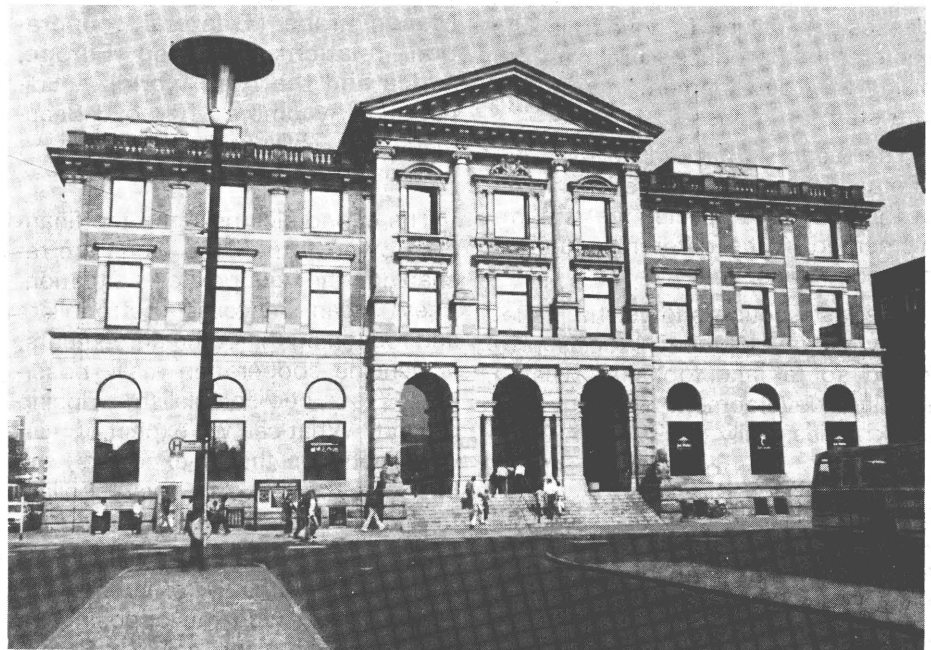


Photo H. Jäger

*The Bremen Museum: investing in art preservation may be a more effective way of explaining social traditions than writing books about them*

which genuinely reflect the national consciousness. How can these precious works of art be repatriated and integrated into their own cultural heritage? According to the European (London, Berlin, Hamburg and Bremen) curators the *Courier* has interviewed, it will be difficult to find a simple answer to this problem. For they suggest that the ACP works of art housed in European museums now belong to our international cultural heritage and contribute to our understanding of peoples and civilizations. The European curators, and

This cooperation should be founded on such things as exchanges with and loans to the countries of origin for specific periods, provided, of course, proper conservation can be ensured. The debate on ACP works in Europe is now open.

However, it is felt that the ACP countries themselves should make an effort to preserve art and culture and the best way of doing so would be to increase the number of museums and regional conservation centres. ○ L.P.



**Gérard GRELLET — Les structures économiques de l'Afrique noire (The economic structures of black Africa)** — IEDES — Collection Tiers monde — 179 pages — Bfrs 1102 — 1982

Over the last decade, most of the countries of Africa have been through a serious economic, food and financial crisis. This work tries to outline the structural reasons for it, looking beyond such short-term economic causes as drought and the soaring cost of imported energy.

The author introduces the idea of a one-way economy in an attempt to show the way these structures develop. He shows that the method of production in black Africa is based on the extraction of a surplus from the primary sector for the benefit of civil servants and the urban classes. A failure to invest in the sectors that produce surpluses explains why development in Africa is in a state of impasse.

The theory is backed up by a set of statistical data and an examination of the economic policies that are implemented in the different countries of black Africa.

The last section shows the inadequacy of development policies projected so far and looks at what a specific development strategy for black Africa really could do.

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**Guido MONTANI — Le Tiers monde et l'unité européenne (The Third World and European unity)** — Editions Fédérop, 38, rue du Doyenné, 69005, Lyon, France — 188 pages — Bfrs 433 — 1982

The political debate on the need to emancipate the Third World recognizes the economic, social and cultural unity of mankind, a unity it is no longer possible to deny.

But the realization that problems are becoming more internationalized has not yet been accompanied by a desire to set up the political institutions we need to ensure democratic government of a multinational society and a multinational economy. Our world is tragically divided into sovereign states, inward-looking nations whether rich and powerful or poor and weak.

This is why European unity, the author says, going beyond the obsessive national development which only serves to imprison the Third World in its ghetto of poverty, can make a decisive contribution to solving the problem of world poverty today. It can make a decisive contribution to the construction of a new social order too. The completion of European unity, with a genuine European government, is vital if the multi-focal alternative to the policy of blocs is to be highlighted, the non-aligned front is to be extended and relations between rich and poor countries are to be built on new bases of cooperation.

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**Bernard DUHAMEL — La coopération trilatérale — Les relations entre l'Europe, l'Afrique et le Monde arabe (Trilateral cooperation—relations between Europe, Africa and the Arab world)** — Editions Le Sycomore, 102 bvd Beaumarchais, 75011 Paris, France — 109 pages — Bfrs 254 — 1982

The economic crisis and the financial power of the Arab world are reshaping the geopolitical situation. They mean recycling petrodollars and redefining the Lomé agreements. Is genuine cooperation really possible? Is neo-colonialism losing ground? What can we expect of relations between the oil-exporters, the EEC and Africa? Are they spoiling the game of the super-powers?

But in a world where development is unequal, a reminder of interdependence cannot hide the opposing interests of what we call the South, the underdeveloped part of the world that is shaken by intense social upheaval, and the North, the overdeveloped and socially more stable area. Until now, North and South have managed no real agreement in any international conference on the new international economic order that the Third World wants. And the North still holds the trump cards, with its economic power, and the contradictions between the USA, the EEC and Japan are increasingly obvious. Are we not talking openly now of "economic war"?

There are two possible approaches to the implementation of

trilateral cooperation. First, the American internationalist approach, whereby there is a natural area for this cooperation based on Arab-African geography and the historical ties that have led Africa to link its destiny to the European powers thus far. This area could be the basis for a move towards a multi-focal world and a redefinition of the international monetary system.

Obviously a Euro-Arab-African area is a possibility.

But even if the economic conditions for this were achieved, could political cohesion be maintained at a time when the growing inequality of relations between the centre and the periphery heightens social and international contradictions?

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**Armando TOLEDANO LAREDO — Intégration et démocratie (Integration and democracy)** — Preface by Jean-Victor Louis — Editions de l'Université de Bruxelles — 192 pages — Bfrs 275 — 1982

This work provides a summary of the most recent institutional developments in the Community, the Andean Pact and LAIDA (the Latin American Industrial Development Association, which replaced LAFTA, the Latin American Free Trade Association). It also shows the relations between integration and democracy.

This is a clear, systematic account of the most recent trends in integration as related to the institutions, human rights and the exercise of public freedom in Europe and Latin America.

An awareness of the need for a regional approach to world problems is developing in a variety of places—in the World Bank, in UNITAR and in the Club of Rome. Regionalism now seems the only way to salvation between the pipe-dream of universalism and the inadequacy of the nation state.

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**J.C. SANCHEZ ARNAU** (coordinator), **George CORM**, **Abdelkader SIDAHMED**, **Samuel LICHTENSZTENJN**, **José M. QUIJANO** and **Gonzalo D. MARTNER** — **Dettes et développement (Debt and development)** — Editions Publisud, 25 rue de l'Espér-



# INDUSTRIAL OPPORTUNITIES

No 29—November 82



Centre for Industrial Development. Rue de l'Industrie 28, B-1040 Brussels, Belgium — Telex CDI 61427 — Telephone 513 41 00



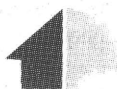
*Three visitors to the CID stand examine samples of compacted agricultural waste used for producing energy*

CID put itself on public display in Africa in September by bringing a sizeable stand to the Rural Development Technology '82 Exhibition in Zimbabwe. The stand proved to be an effective way of promoting the CID's aims. By taking part in the exhibition the CID initiated industrial projects in southern African countries and alerted key people in the region to the services which the CID provides.

The stands at the exhibition showed technologies suitable for village-level applications right through to industrial plants. Most major aid donor countries were represented as well as private business and the nine countries of SADCC (Southern African Development Coordinating Committee).

The exhibition attracted strong contingents from all the SADCC countries and from African countries like Kenya. It was attended by an estimated 10,000 people who included government officials, members of cooperatives and people involved in rural development. It was also attended by businessmen, industrialists, schools, teacher training

## Rural development technology '82



### Zimbabwe exhibition encourages industrial activity

colleges and universities. The exhibition was opened by the President of Zimbabwe Rev. the Hon. Canaan Banana and among the visitors were the Prime Minister Mr. Robert Mugabe, several Ministers of the Zimbabwe Government, and Mr. Joshua Nkomo, Member of Parliament.

President Banana congratulated the CID for "a very interesting and unusual stand". The CID invited nine EEC companies and one Zimbabwe company to share its stand. These companies are particularly relevant to the rural development needs of

southern Africa and their activities include renewable energy, low cost bricks, portable units for drilling for water, and small-scale milling of indigenous grains.

Because of the high cost of fuel in Zimbabwe, visitors to the CID stand expressed much interest in renewable energy and a Belgian promoter expects that 3 joint-ventures in renewable energy will be concluded from discussions initiated on the stand.

There are important advantages to be gained by bringing EEC industrialists to this kind of exhibition. It is, for instance, possible for them to discuss their technologies on the spot with the whole range of local people directly concerned with a project.

Several of the EEC companies on the CID stand were able to establish cooperation agreements—including joint-ventures—with African firms. A French company (Stargil) envisages joint-ventures in Zimbabwe and Zambia for the manufacture of non-baked bricks. A Danish firm (JMS) has opened discussions on a joint-venture project in Zimbabwe for the establishment of a small-scale mill to produce flour from local grain. The mill would supply and maintain a chain of bakeries to cater for the needs of small rural population centres.

This idea could be of particular interest to rural cooperatives which can both produce the grain needed for flour milling and finance the establishment of small bakeries. One of the interesting features of the proposed mill is that it would use local grains such as sorghum, millet, maize and peas to produce flour comparable in quality to imported flour.

*Continued on page 2*

## In this issue

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Continued from page 1

The Zimbabwe firm which was represented on the CID stand (Bell Engineering) established useful contacts in neighbouring countries for the manufacture and sale of its range of small engine-driven maize grinders.

Considerable interest was expressed in CID's profiles of adapted technologies. A number of profiles were requested by potential entrepreneurs who may use them as

guides when starting up small-scale industries. Among the profiles most frequently requested were those for the canning of food and fruit juice and one for the manufacture of charcoal from agricultural waste for use in domestic cooking.

At least 10 other projects were also considered in which the CID will help with training, with technical assistance and with finding European partners for joint-ventures.

During the exhibition the CID discussed the possibility of providing

training assistance for Zimbabwe nationals. It is planned, for instance, to provide training in the small-scale tanning of game skins.

The exhibition proved to be a valuable form of promotion both for the services offered by CID and for the creation of joint ventures in areas of national priority for ACP countries; and Prime Minister Robert Mugabe who was in Brussels earlier this year to promote Zimbabwe, said of the CID stand: "This is the kind of reaction I hoped to get".

## Mission to Nigeria

### Great potential for joint-ventures

Nigeria is a vast country with 19 federal states and a population of 90 million. The CID has several active Nigerian projects but they are few in proportion to the size of the country. A mission therefore set out in September to extend the CID's range of contacts in Nigeria.

The mission was led by the CID's Director Jens Mosgard and it decided to concentrate on the old regional centres. That is, Lagos City, Ibadan, Kano, Kaduna and Enugu. Important contacts were made with ministries of industry in the states of Lagos, Oyo, Kaduna, Kano and Anambra. The CID mission also visited the Federal Ministry of Industry where it met the Minister of State, Dr. Igbani. As the main purpose of the mission was to create closer liaison with Nigerian industrial development institutions, meetings were held with chambers of commerce, manufacturers' associations and development finance institutions.

#### Priorities agreed

It was agreed that the CID will give priority to assisting the development of medium-sized industries with investment in the range of some 300 000 ₦ to 10 million ₦. Preference will be given to states situated away from Lagos City, as the city is already quite attractive to investors. Also the emphasis will be on finding partners for existing industries which need new inputs.

#### Benefits for Nigeria

So far, the CID has helped many Nigerian private investors and government bodies to establish contact

with potential European industrial partners. With the CID's support, feasibility studies were undertaken for specific projects in the fields of metal processing, agricultural machines, coffee processing, wood utilization and pharmaceuticals. The CID will continue to support these projects throughout the implementation stage. At present the CID has 10 Nigerian projects. Some are in the final negotiation stage. Feasibility studies are being carried out for others. Additional projects in the agro-food sector were recently identified for the CID by Nigerian and EEC consultants.

#### New projects

The CID mission returned from Nigeria with 30 new projects. Some are joint-venture projects and others are aimed at the expansion or rehabilitation of existing industries. Three are outlined on page 5 but the majority await further substantiation by the Nigerian promoters.

It was sometimes necessary to convince Nigerians that CID offers its services free of charge. It was also necessary to stress that the CID cannot give the same emphasis to Nigeria as to other African countries. Although some internal Nigerian states are as much in need of industrial development as sovereign states elsewhere in Africa, the CID is obliged to give priority to the Least Developed Countries (LDCs).

For this reason the CID cannot afford to help Nigerian promoters to prepare project proposals. Yet it is very important that project proposals coming from Nigeria be properly

prepared if they are to attract European investment.

#### Preparing project proposals

The CID mission told Nigerian promoters that the best way for a businessman to approach the CID is first to speak to a local development finance institution and to get its support in principle for his project and possibly to have either the institution or a local consultant help with the preparation of a project proposal. The type of pre-feasibility information the CID is asking for should normally, for a medium-sized project, cost only 600 ₦ to 800 ₦ when prepared by a local consultant.

Once it receives a documented request, CID can help in several ways. It can, for instance, help find European partners and mediate in negotiations. Nigerian businessmen were particularly interested to learn that CID can provide background information on potential EEC partners and assist in evaluating joint-venture proposals.

The CID mission formed the overall impression that for medium-sized industries, there is a predominance of project proposals for simpler industries like assembly, bottling, garment making and packaging. In moving into the next stage of industrialization, Nigeria could profit from increased training inputs to productive enterprises. The skills of the workers trained in these enterprises could increase the country's development potential. The CID mission felt that much could be achieved in the training area by cooperation between the public and private sectors.

# Waste recycling

## A new area for assistance

The EEC's involvement in waste recycling industries in ACP countries gathered momentum with the signing of Lomé I in 1975. At that time the world was still reeling from the shock of the first oil crisis (1974/75). There was then a keen awareness of the urgent need for developing countries to reduce their dependence on imported energy and imported raw materials and to develop—and exploit commercially—alternative local resources.

The low level of industrialisation in many ACP countries continues to limit the potential for the recycling of industrial and household waste; nonetheless, the potential for the recycling of scrap iron, waste paper, tyres, glass and lubrication oil, and in particular agricultural and forestry waste materials, is steadily growing.

The main field of activity will remain, for quite a number of years, the generation of fuel and electricity from biomass—particularly from agricultural and forestry waste.

Industrial recycling, that is, the use of waste material from industry—materials like metals, glass, rubber and paper—will grow more slowly, in pace with the speed of industrialisation.

There are however, major obstacles which must be removed before industrial waste recycling in ACP countries can really take off:

1. Low waste collection efficiency due to transport and organisational difficulties;
2. The high capital intensity and high minimum capacity of many currently available recycling technologies;
3. The low "industrial absorption capacity" of ACP countries: some ACP countries simply do not have sufficient financial, managerial and technical capacity to establish additional industries without substantial assistance from EEC industry and EEC financial institutions;
4. The financial incapacity and disinclination of European firms to invest in developing countries.

The CID helps to tackle these obstacles by supporting ACP countries' programmes and projects.

The following waste recycling projects are typical of those receiving CID assistance:

The CID, ever since it was established in 1977, has given particular priority to industries based on the recycling of agricultural and industrial waste materials.

**Wolfgang Ulbrich**, Deputy Head of the Industrial Studies Division at the CID, addressed the 3rd International Recycling Conference in Berlin last April and made the following observations.



**Wolfgang Ulbrich**  
*Deputy Manager of CID's Industrial Studies Division*

### Lubrication oils

To date, a third of the 63 ACP countries have shown an interest in recycling lubrication oils.

Several feasibility studies and preliminary investigations have been carried out with the assistance of the CID. Some of the CID-assisted projects have now arrived at an advanced stage. For example:

A plant with an annual capacity of 2 000 tonnes will be set up in Kenya.

Financial negotiations are in the final stages for a further project in Madagascar.

### Wood and wood-waste

The idea is not to add to deforestation problems by using up more scarce forestry resources. The idea is rather to improve the technical efficiency and commercial viability of energy production from wood waste. Among the wood and wood waste projects the CID has supported are the following two:

1. Integrated Wood Carbonisation (Pyrolysis) in Cameroon

Ten thousand tonnes per annum of wood waste from a saw-mill will be processed into heating gas, heavy fuel oil and charcoal. This project will represent a capital investment of US\$ 2.5 million; and annual production value will reach the same figure. 33 jobs will be created.

The CID has identified the technology and co-financed the feasibility study and is currently co-financing test runs, with wood waste from Cameroon, in a pilot plant.

2. Wood Gasification

This technology was successfully used in Europe around the World War II period. It is now experiencing a renaissance, especially in countries with well developed timber exploitation and timber processing industries.

Among the projects supported by the CID by way of a feasibility study is a plant for the gasification of coconut shells or charcoal—for the generation of electricity—in the Seychelles. The CID is also supporting a similar project in Western Samoa.

### Please contact us

*European industrialists, and ACP firms or ACP state agencies, interested in joint-ventures or technical cooperation in the field of waste recycling, may contact the CID for assistance.*

*The CID is specially interested in hearing from EEC companies who have developed waste recycling technologies appropriate to developing countries and who are willing to help financially with the establishment of waste recycling industries. CID invites such companies to write with details of their technologies, together with information on their industrial activities and an outline of the kind of project they might propose.*

## Offers from ACP sponsors

**EEC INDUSTRIAL PARTNERS WANTED**

EEC industries are invited to contact CID, quoting the reference number, in response to any offer outlined in this section. CID will answer questions on any item and will indicate the kind of assistance which CID provides. EEC industries should give a brief description of their operations; and, in relation to the proposed project, they should state the kind of involvement which they envisage.

Organisations reprinting these offers in their own publications are asked to ALWAYS include the CID reference numbers.

**Sierra-Leone, Malawi, Swaziland**

Three African industrial promotion specialists are currently in Europe promoting these six projects (see pages 6 and 7). They are based at CID headquarters and can travel to meet interested EEC industrialists.

**Galvanised corrugated  
roofing sheets**  
Sierra Leone
**Ref. 82/63b**

A light engineering metal workshop wishes to set up a roll forming line for producing galvanised corrugated roofing sheets for building schemes and other domestic purposes. The manufacture of gutter and roof hives should go along with this production. Possibility of future export to neighbouring countries after satisfying the local market.

- Capacity 4 000 tons a year
- Sizes 28 swg - 34 swg  
from 8'0" length

*The company seeks joint-venture partnership with a European manufacturer willing to provide technical and financial assistance to implement the project. A share in equity of up to 40% is also desired.*

**Wood-cement particle  
board**  
Swaziland
**Ref. 82/73b**

The National Development Corporation wishes to establish a plant for the manufacture of a cement-bonded particle board to be used in low and medium cost housing.

The plant would produce 6 750 m<sup>3</sup>/year at full capacity.

- size 1 200 × 2 440 mm
- thickness 16 mm
- density 1 250 kg/m<sup>3</sup>

The product would be directed at the local market. A prefeasibility study is available.

*A joint-venture partner is required to participate in the project financially and to provide management and technical know-how.*

**Production of dehydrated  
vegetables**  
Swaziland
**Ref. 82/71b**

The National Industrial Development Corporation wishes to establish a plant for the manufacture of dehydrated vegetables for export to Europe.

Part of the project would consist of the establishment of a factory-owned irrigated farm estate where 60-70% of the required vegetables would be grown. The remainder would be supplied by local farmers.

At full capacity the factory would process 18 000 tons/year of fresh vegetables to produce 1 575 tons/year of dehydrated vegetables. A feasibility study is available.

The Development Corporation seeks a joint-venture partner to implement the project. The partner would be required to take a portion of the equity and to provide technical and managerial expertise.

**Waste oil recycling and  
blending**  
Malawi
**Ref. 82/66b**

Local sponsor of a waste oil recycling and blending project is looking for an EEC joint venture partner in order to set up a plant to recycle and blend used lubricating oil.

*The EEC partner is invited to provide know-how, technical management, technical assistance, training of locals, to participate in equity and to participate in a feasibility study.*

Two old feasibility studies are available but need to be updated. There is also a market study available.

**Ceramic tableware  
manufacture**  
Swaziland
**Ref. 82/72b**

On the basis of the substantial local deposits of kaolin, the National Development Corporation seeks to set up a factory for the manufacture of vitrified tableware products.

A study has been carried out. Indications are that the project is commercially and economically justified. At full capacity the plant would produce over 4 million units/year. The project is aimed at markets of the southern African region.

The Corporation requires a joint-venture partner who would participate in equity as well as supply technical and managerial expertise. The partner would also be expected to train local staff.

**Glassware manufacture**  
Malawi
**Ref. 82/68b**

Private Malawian company wishes to set up a glassware factory to manufacture bottles—initially—for the beer, soft drink and milk industries. *It is seeking a European partner to provide know-how, financial backing and management for the plant. The EEC partner is*



also invited to participate in equity.

Raw material is locally available in quantities sufficient to support the project for 10 to 15 years.

### Leather gloves Mauritius

#### Ref. 82/61a

Mauritian private company producing industrial leather gloves is looking for a German joint-venture partner already manufacturing this product and wishing to expand his production. The German partner should be backed by a good marketing organisation.

The purpose of the joint-venture is to set up production of 160 000 pairs of gloves annually for export to Germany. Transfer of know-how is not required.

Total fixed capital cost for the new investment is DM 97 000 000. Estimated working capital requirements are DM 115 000 000. Equity will be DM 76 000 of which 40% for the German partner.

This project can in principle benefit from an Export Free Zone certificate and a tax holiday on profits/dividends. Local loans are available.

### Industrial production of shrimps Suriname

#### Ref. 82/69a

A firm in Suriname wants to set up a

farm for the industrial production of shrimps on the east bank of the Comew'ne river. The planned annual production level is 240 tons of which 40% is for the local market and 60% for export.

The total investment required is about 1.4 million US \$ of which about 1.1 million US \$ in foreign finance.

*A financial partner is looked for, to whom a minority participation in equity is offered.*

### Rubber products Kenya

#### Ref. 82/70a

A private Kenyan manufacturer of rubber articles with a subscribed share capital of about US \$ 90 000—wants to expand and diversify production and is looking for an EEC partner willing to participate in equity, to supply additional machinery, to develop export markets and to bring in finance and working capital. This joint venture is required for a period of 5 years.

The current range of products is erasers and pharmaceutical products including stoppers and flash balls. Other products have been developed and certified, including rubbers for car and railway engine mounting, but the joint-venture partner may propose further products. 46 people are currently employed.

### Coir fibre end products St. Vincent

#### Ref. 82/75a

An individual with banking experience, intends to set up a new project to produce mats, matting, rope, twine, brooms, brushes, floor covering and other coir end products. An estimated investment of US\$ 200 000 will be required to produce approximately 60 tons of coir fibre per annum.

He is seeking a European partner to provide coir technology and expertise and to assist with export credits for the equipment required.

### Boards for solid doors and furniture Fiji

#### Ref. 82/74a

An existing company manufacturing timber and aluminium joinery would like to expand and diversify its production. Its intention is to use a locally grown Fiji pine timber and to produce furniture and door boards for solid core door manufacturers.

The company would like to be introduced to an EEC joint-venture partner with a view to exporting the products to Europe, possibly in collaboration with a third party from the Pacific region.

## New Nigerian projects from recent mission (see page 2)

### Expansion of shoe factory European expertise and equity wanted

#### Ref. 82/62b

An existing leather shoe manufacturing company in Kano seeks to expand and diversify production, with a view to making better use of existing equipment. Some investment in new machinery is also envisaged.

The company is state-owned and is looking for a European shoe manufacturer interested in assuming full management responsibility, in providing technical assistance and in taking a 30% equity share.

The factory has a capacity of 1 000 pairs per day. Actual production is only 350 pairs per day due to shortage of working capital and inefficient production management. Buildings and machi-

nery are both in good condition and labour productivity is relatively high.

### Shovels, spades, machetes Established trader going industrial

#### Ref. 82/65a

A well established trading firm in Ibadan wishes to set up a production unit for agricultural hand tools and seeks partnership with a European manufacturer willing to provide technical assistance and some equity.

The Nigerian market for shovels and spades is estimated at about 10 million pieces per year of which only 10% are manufactured locally. The range of tools to be manufactured and the capacity of the plant will be determined as part of the feasibility study to be undertaken together with the EEC partner and eventually the CID.

### Sanitary fittings Existing manufacturer wants to diversify

#### Ref. 82/76a

Manufacturer of ceramic sanitary ware in Kano, northern Nigeria, plans to diversify his activities and to produce products which complement his existing range.

This would include taps, pipes and fittings in chrome (500 000 pieces a year) and brass (several million taps a year), as well as syphons.

The company is looking for an EEC manufacturer of these products to be a joint-venture partner with up to 20% equity share and willing to provide technical assistance and to supply components.

## CID's antenna organisations send senior staff to promote valuable projects in Europe

For two three-month spells every year, the CID brings together a group of promotional attachés from ACP countries. CID covers their living expenses, and provides them with office facilities at the CID's Brussels headquarters. The attachés are able to study the operations of the CID at first hand and are given help in making industrial contacts for the projects they are promoting. CID also pays the expenses of any of the promotional attachés who need to travel in Europe to meet potential industrial partners or to visit plants and equipment.

Promotional attachés from three anglophone African countries are currently completing a

three-month stay (September-November) with the CID. They are: Victor Deveneaux from Sierra Leone, Mayson Dlamini from Swaziland, and Alan Chipasula from Malawi. A fourth promotional attaché 'Mohammed Rimi from Nigeria' arrived as we were going to press and will be profiled in the next issue. All are active and experienced in industrial promotion in their own countries and they are using their stay at the CID to promote a number of approved, documented and valuable projects. Some of these projects are described on page 4.

We present brief sketches of three attachés and their comments on some of the projects they are promoting.



**Mayson Dlamini**  
Swaziland

Mayson Dlamini is Senior Projects Officer with the National Industrial Development Corporation of Swaziland (NIDCS). He holds a B.Sc. from the University of Botswana, Lesotho and Swaziland and a B.A. (Economics) from the University of Maritoba (Canada).

The NIDCS is a para-statal body under the Ministry of Commerce, Industry, Mines and Tourism; and since his return from Canada in 1979, Mayson Dlamini has worked for the NIDCS identifying projects which could be feasible for Swaziland. Preferred projects will use local resources and be labour intensive. Swaziland is basically an agricultural country so the NIDCS concentrates on agro-industrial projects. The NIDCS can take equity in projects and with the help of international institutions it can furnish factory shells and provide loans to investors.

Three of the projects being promoted in Europe by Mayson Dlamini are outlined on page 4. **He has the following comments to make about these projects** and says that Swazi-

land poses no foreign exchange problems for partners wishing to repatriate profits from joint ventures.

### Cement bonded particle board

Developed in Europe, this product will be directed at the low cost housing market in Swaziland. The plant will use wood waste bonded by cement to make panels for interior and exterior use. The product should initiate a new building method in Swaziland.

### Vegetable dehydration

The NIDCS are very anxious to get going with this project which falls under the agro-industry priority heading. Cabbage, carrots, celery, green pepper, leeks, onions and tomatoes will be processed for sale on export markets to companies engaged in, for instance, soup making.

### Ceramic tableware

This project falls into line with the overall development priorities of Swaziland as it is based on a raw material available in abundance and suitable for a china-type of tableware. The plant would be situated in an industrial estate close to the deposits of raw material. A study concentrating on the local southern African market has been car-

ried out and the tableware designs would conform to local taste.



**Victor Alphonse Deveneaux**  
Sierra Leone

With a British training in production and mechanical engineering, Victor Alphonse Deveneaux is currently performing the duties of General Manager of the National Workshops based in Cline Town, near the Freetown docks. National Workshops is a light engineering metal working industry. It employs about 350 people making it one of the largest employers in the Western area of Sierra Leone. Victor Alphonse Deveneaux helped to build up National Workshops and believes that he has the capacity and experience to attract investors to his country.

He was asked by the National Authorizing Officer of Sierra Leone to come to the CID to study how it works and to promote projects on behalf of industries and companies based in his country. One of the projects which he is promoting is outlined on page 4 and **he has the following comments to make about it.**

## Galvanized sheets

Victor Deveneaux says that "to date there has been no prospective project in Sierra Leone which could serve as a trigger to stimulate general awareness of the potential of partnerships with EEC industries". With this in mind he is going "all out" to push the manufacture of galvanized roofing sheets for which there is a ready market in Sierra Leone. This project could save 2.3 m US \$ in foreign exchange each year.



**Alan Chipasula**  
Malawi

Alan Chipasula took a degree in economics at the University of Malawi and

following postgraduate studies in North America, he returned to his home university as an assistant lecturer in Economics. In 1977 he moved to the Investment and Development Bank of Malawi where he now holds the post of project investigation manager.

He values the opportunity he will have during this stay with the CID to get to know European investors. "Back at home", he says, "we appraise projects without having a clear picture of what the investors we want to attract are really like".

He says that his bank engages in giving medium and long term loans to viable projects, and that it can participate in investment up to 30% of equity. He adds: "The bank is only just beginning to promote projects jointly with companies". Two of the projects which Alan Chipasula is promoting on behalf of his bank are outlined on page 4 and **he has the following comments to make about them.**

## Waste oil recycling and blending

Malawi imports about 5 million litres of lubrication and transformer oils per annum; and as the technology for recycling these oils already exists it seems sensible to introduce it to Malawi to save foreign exchange. The collection of waste oil will not be a problem. Indeed, one Malawi company already collects waste oil for export to South Africa. Feasibility studies show that the plant could be viable with an output of 1 million litres per annum.

## Glassware

Two studies by UNIDO experts show that a plant using local sand and making a variety of glass products, could be viable. The bank has agreed to initiate this project in conjunction with the Malawi Development Corporation.

## Offers from EEC firms

### ACP ENTREPRENEURS PLEASE REPLY

ACP entrepreneurs are invited to contact CID, quoting the reference number, in response to any offer outlined in this section. ACP entrepreneurs must supply the CID with background information about their industrial and commercial activities. They must also provide a short assessment of the viability of the proposed project, giving details of the potential market.

#### Italian Group wants African contacts Wooden furniture

##### Ref. 82/80a

Group of Italian furniture manufacturers wishes to establish contacts with African industrialists to manufacture all types of wooden furniture, kitchen furniture, desks or furniture components.

This group is willing to consider a joint-venture including if necessary participation in equity as well assistance with a feasibility study, the setting-up and management of the plant and the training of personnel.

#### Italian firm seeks ACP partner Small electrical appliances

##### Ref. 82/78a

Leading Italian company for the manufacture of small electrical appliances is seeking an ACP partner to develop

industrial operations in an ACP country. The first production stage requires an investment of about US\$ 500 000.

The Italian company is willing to participate in a joint venture project and to provide technical assistance, training and management.

Interested ACP companies should indicate their knowledge of small electrical appliances and their activities in this sector.

#### A Belgian proposal Prefabricated houses, workshops and cold storage

##### Ref. 82/79b

Belgian company wishes to offer its services to partners in ACP countries. The company proposes not only the supply of prefabricated houses, self-supporting buildings, mechanical and joinery workshops, cold storage rooms, but also technical assistance,

participation in management, finance and training for the possible implementation and local manufacture of these products.

#### Irish firm makes offer Refuse collection/compaction, vacuum tankers

##### Ref. 82/77a

An Irish firm manufacturing refuse collection/compaction equipment, vacuum tankers, and experienced in ACP manufacturing is interested in participating with know-how, training and management assistance, in setting-up assembly or partial manufacture of its range of equipment in ACP countries.

The product range is suited to companies already active in metal working but wishing to expand their range. Manufacture/assembly involves sheet metal working, guillotining, bending, cutting and welding.

## The CID's information service Industrial data supplied free of charge

The CID has built up a comprehensive industrial information service for the benefit of the ACP world. This service is backed up by a specialised library and documentation section and by a computer terminal giving on-line access to the principal international sources of technical, industrial and economic information.

The service is open to any bona fide enquirer in an ACP country, whether from a Government office or public organisation, a trade or industrial association or an industrial firm, whether private or parastatal. Except where the acquisition of information implies a significant cost, the service is available free of charge to ACP enquirers.

Industrial information covers a wide range of subjects and the CID cannot undertake to provide a service on all of them. Nevertheless, the topics covered by the CID include most of those likely to be of interest to industrial managers, promoters and investors, and the list is a large one. Typical subjects are outlined in the accompanying box.

In order to use the service it is necessary to complete a simple questionnaire which is available from the CID's office in Brussels or from local CID contacts in each ACP country. Questions should be specific rather than general as the replies, which are communicated by letter or telex according to the degree of urgency, will relate to matters of factual information, obtained from one or more sources, and not to wider questions for which the use of the information service would be inappropriate.

Where information is not available from the CID's own resources the enquiry may be directed, by the on-line computer terminal, to either the European Space Agency Information Retrieval Service or to the Lockheed or System Development Corporation centres in California, USA. If questions on industrial matters are carefully prepared, with as much definition as possible, there is an un-



*A corner of the CID library showing the computer terminal which gives keyboard access to three major international information storage systems*

qualified opportunity through this space age retrieval system, to obtain the best available reply to an enquiry.

Certain safeguards are necessary in the operation of the CID's Information Service. For example, any information supplied must remain confidential between the enquirer and the

CID, and the CID cannot be held responsible for the legal or other consequences of information which has been supplied in good faith.

Further details and a leaflet about the Information Service, are available from the Centre for Industrial Development in Brussels.

### Some of the subjects on which the CID can provide information

- Agricultural products and food processing (tropical and others)
- Building materials industries
- Metalworking industries
- Rubber, plastic and leather industries
- Textile industries
- Timber industries
- Information sources on: various industries
- Information on companies
- General information on Investment Codes, Guides for Investors and Directories of Industries, in the ACP states
- Information on European enterprises and on European investment policies on ACP Countries.

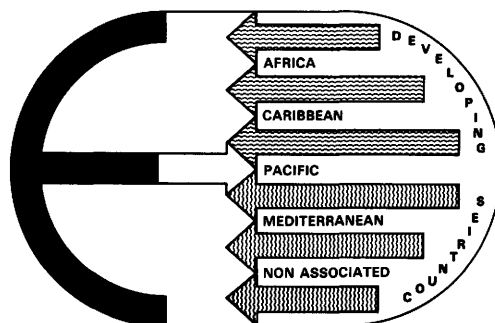
Enquiries may concern statistics, prices, industrial profiles, technologies, equipment and machinery, scale of production and other relevant industrial topics.

In addition, information is available under a number of general headings which include:

- Computer services
- Country information (ACP)
- Financial organisations
- Law and Patents
- Marketing
- Science and Technology



# Operational summary of EEC-financed development schemes



## OPERATIONAL SUMMARY No. 13 – November 1982

(position as of 13 October 1982)

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

Correspondance about this operational summary can be sent directly to:

Mr. Franco Cupini  
Directorate General for Development  
Commission of the European Communities  
(ARCH.25/1-1)  
200, Rue de la Loi  
B-1049 Brussels

who will pass requests for information to the services in charge of projects.

# ACP STATES

★ Denotes new projects

## BAHAMAS

**Food technology laboratory.** Resp. Auth.: Ministry of Agriculture and Fisheries, Nassau. 0,800 mECU. Establishment of first food technology laboratory in the Bahamas. Gross area 520 m<sup>2</sup> consisting of a chemical and microbiological laboratory, pilot processing plant, store rooms and offices. Building construction: direct agreement. Equipment and fittings: int. tender. TA: two food technologists specialist in processing and in standards and quality control. Contracts: in '83. Project in execution. 4th EDF.

**Primary Health Centres.** Resp. Auth.: Ministry of Health. Estimated cost 0.436 mECU. EDF 0.200 mECU. Construction of 3 small centres on the islands Grand Bahama, Eleuthera and Exuma. Date financial decision July '82. 5th EDF.

## BARBADOS

★ **Trade Promotion Programme.** Resp. Auth.: Barbados Export Promotion Corporation. 0.175 mECU. T.A., Trade promotion, Training, Research. Date foreseen for financial decision October '82. 5th EDF.

## 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 in '82. Project in execution. 4th 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: Technosynthesis (I) and Carrara (ACP). 4th EDF. Works 5th EDF.

**Upgrading of health service infrastructure in Porto Novo Hospital.** Resp. Auth.: Ministère de la Santé Publique. Porto Novo: renovation and construction of the hospital building and equipment. New technical and architectural studies to be prepared. Short list done. 4th EDF.

**Parakou polytechnical complex.** Resp. Auth.: Ministère de l'Enseignement Moyen, Général, Technique et Professionnel. Total estimated cost 6.9 mECU. Construction of 8 000 m<sup>2</sup> of pedagogical and administrative buildings and hostels. Supplies and equipment. Technical and architectural study: Arch. VINO (Local). Project on appraisal. Date foreseen for financial decision 1st half 83. 4th EDF.

**Cotonou maternity hospital.** Resp. Auth.: Ministère de la Santé Publique. ±1 mECU. Works: Acc. tender. Equipments: int. tender in '82 or '83. Date foreseen for financial decision: 4th quarter '82. 4th EDF.

**Continuation and extension of fishery development project.** Resp. Auth.: Ministère des Fermes d'État, de l'Élevage et de la Pêche. 1.7 mECU. Date financial decision. September '82. 5th EDF.

**Livestock development in the Borgou region.** Resp. Auth.: Ministère des Fermes d'État, de l'Élevage et de la Pêche. Numerical and stabilizing cattle improvement for meat production increase. Study on hand: SCET International (F). Project on appraisal. 5th EDF.

**Geological mapping and mining research between 9th parallel and Ocean.** Resp. Auth.: Ministère de l'Industrie et de l'Artisanat. 3.5 mECU. National mineral resources development. Drawing up a geological chart, surveys, supplies. Project on appraisal. 5th EDF.

**Rural Hydraulics.** Resp. Auth.: Ministère de la Santé Publique and Ministère des Travaux Publics. Estimated cost 4.5 mECU. Water points. Establishing a maintenance service. Nationals training. Works, supplies and T.A. Int. tender for wells and supply of pumps launched August '82. Project in execution. 5th EDF.

## BOTSWANA

**Poultry-farming development project.** Resp. Auth.: Ministry of Agriculture. 0.750 mECU. Supply of equipment. T.A.: Gallo & Gallina (UK). Int. tender launched June '82. 5th EDF.

**Trade promotion.** Resp. Auth.: Ministry of Commerce and Industry — Trade Promotion Unit (TPU). 1.1 mECU. TA, marketing studies, training. Submission for financing 4th quarter '82. 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 '82 to '84. Fertilizer: int. tender launched August '82. 4th EDF.

**Institut Universitaire de Sciences de l'Éducation (IUSE).** Resp. Auth.: Ministère de l'Éducation Nationale — 0.7 mECU. Construction and equipment of educational buildings (general teaching classes, laboratories, workshops). Architectural and technical studies: TETRA Consultants (Lux). Evaluation study; DURIAU (B). Project on appraisal. 4th EDF.

**Rural development of East Mpanda.** Resp. Auth.: Ministère de l'Agriculture. De-

velopment 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 stage: identification. 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. Int. tender 1st quarter '83. T.A.: short-list, already drawn up. Project in execution. 5th EDF.

**Livestock development project.** Resp. Auth.: Ministère de l'Agriculture. Estimated Cost: ±1 mECU. Supply of equipment and T.A. Study: SEDES Consultant (F). Project on appraisal. 4th EDF.

**Remera tea factory.** Resp. Auth.: Ministère du Plan. Tea factory building for 600-700 tons/year. Project stage: identification. 5th EDF.

**Ngozi-Kayanza electricity supply.** Resp. Auth.: REGIDESO. Estimated cost ±2 mECU. Construction of electric lines. Supplies: int. tender, 2nd half '82. Project on appraisal. 4th EDF.

**Tora region electricity supply.** Resp. Auth.: REGIDESO. Estimated Cost ±2 mECU. Construction of medium voltage electric lines. Project on appraisal. 5th EDF.

**Bujumbura naval ship yard.** Resp. Auth.: Ministère des Transports. Study on hand by I.P.G. (D). 4th EDF.

**Rwegura. Hydro-electric power station.** Resp. Auth.: Ministère de l'Énergie des Mines et des T.P. Estimated total cost 71 mECU. EDF part estimated at ±8 mECU. Foreseen cofundings with KFW (D), CCCE (F), BAD, Kuwait Funds. EDF part for electromechanical equipment. Prequalification foreseen for 2nd half '82. Int. tender in 1st half '83. Project on appraisal. 5th EDF.

**Kitaba-Gihofi road.** Resp. Auth.: Ministère des Travaux Publics. Estimated cost 9 mECU. Asphaltting of the road. 28.5 km. Project on appraisal. 5th EDF.

## CAMEROON

**Douala-Yaoundé road.** Resp. Auth.: Ministère de l'Équipement. Construction of a modern road and new bridge (±311 m) over Dibamba-river. Estimated cost: 220 mECU. Cofinancings: Af.D.B. ABEDIA, FRANCE, EDF, NETHERLANDS, KUWEIT, IDB,

**WORLD BANK, CANADA.** Local. EDF: part for the bridge. Supervision of work financed by non EDF donors. Works: int. tender launched in August '82 for the bridge. 4th and 5th EDF. Project on appraisal.

**Rural development in the North-West Province.** Resp. Auth.: Ministry of Agriculture. Cofinanced project. Increase of production of agricultural foodstuffs, improvement for professional training of staff of the extension service, repairing regional road network. Funding. EDF 8.92 mECU. Works: direct agreement. after acc. tender. Supplies: int. tender and direct agreement. T.A.: Agrar und Hydrotechnik (D). Project in execution. 4th EDF.

**Transcam — realignment of Eseka-Maloume railway.** Resp. Auth.: Office des Chemins de Fer Transcamerounais (OCFT). Geotechnical study: Coyne et Belier (F). 4th EDF. Works, 5th EDF with cofinancing. Estimated cost: ±86 mECU. Works: int. tender with prequalification foreseen, 4th quarter '82.

**Rural development in the Benoué upper valley.** Resp. Auth.: Ministère de l'Agriculture and Ministère de l'Urbanisme et de l'Habitat. (Mission de développement de la Benoué - Garoua). Estimated total cost 22.4 mECU. EDF 12.880 mECU, France 1 mECU. Local 7 mECU. Strengthening, continuation and extension current operations. T.A.: Short-list already drawn up. Supplies: int. tender launched August '82. Date financial decision July '82. 5th EDF.

**Rural development in Logone and Chari departments.** Resp. Auth.: Ministère de l'Agriculture. (SEMRY). Continuation and extension current operation, study on hand: Hydroplan (D) - 5th EDF.

**Trade promotion programme.** Resp. Auth.: C.N.C.E. 0.650 mECU. Organisation and improvement of the production. T.A. to the C.N.C.E., short list already drawn up. 5th EDF.

## 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.

**Underground water research in the Praia region.** Resp. Auth.: Secretariat du Plan. Estimated cost ±1 mECU. Study: Administration. Date foreseen for financial decision, 4th quarter '82. 5th EDF.

**Praia water supply and sewerage.** Resp. Auth.: Secretariat au Plan. Estimated cost ±7.5 mECU. Study on hand: definition portion of works to execute and definition management structure. Bureau W.P.W. (D). Project on appraisal. Date foreseen for financial decision, 1st quarter '83, cofinanced with Kuwait Funds. 5th EDF.

**Civil works for laboratory construction.** Resp. Auth.: Secretariat au Plan. Estimated cost 0.066 mECU. Construction of a laboratory for soil and rock mechanics in St. Jorge.

Date foreseen for financial decision 1st quarter '83. 4th EDF.

**Cooperative development.** Resp. Auth.: Secretariat au Plan. Estimated cost 0.347 mECU. EDF 0.310 mECU. Works, equipment and T.A. Date financial decision September '82. 5th EDF.

## CENTRAL AFRICAN REPUBLIC

**Renovation and equipment of Lycée Technique de Bangui.** Resp. Auth.: Ministère de l'Education. 0.800 mECU. Supply of equipment and renovation works. Studies: O.R.T. (UK). Date foreseen for financial decision: 4th quarter '82. 5th EDF.

**College of Education in Bangui (Lycée d'application de l'E.N.S.)** Resp. Auth.: Ministère de l'Education. Estimated total cost 1.2 mECU. Building and equipment of the school. Date foreseen for financial decision, 4th quarter '82. 5th EDF.

**Bridge building on RN3 and RN2.** Resp. Auth.: Ministère des Travaux Publics. 9.250 mECU. Building and strengthening of bridges. Works: int. tender launched in February '82. Supervision of works: SOTECNI (I). 5th EDF.

**Damara-Sibut Road.** Resp. Auth.: Ministère de Travaux Publics. 8.960 mECU. Repairing and maintenance (±109 kms). Works: int. tender conditional upon provisional finance launched end of March '82. Date financial decision, September '82. Supervision of works: short-list already drawn up. 5th EDF.

**Rural development in the coffee region.** Resp. Auth.: Ministère de l'Agriculture. (AD-ECAF). 9.7 mECU. Continuation current operations. Date foreseen for financial decision October '82. 5th EDF.

**Livestock development at Ouaka and Basse Kotto.** Resp. Auth.: Ministère de l'Agriculture et de l'élevage. 3.4 mECU. Works, supply of: vehicles, equipment, furniture and T.A. Works, by direct labour, supplies: int. tender. T.A: direct agreement. Date foreseen for financial decision, 4th quarter '82. 5th EDF.

**Rural development in the cotton area.** Resp. Auth.: Ministère de l'Agriculture et de l'Élevage. Cofinanced project with I.D.A. and France. Study done with I.D.A. funding. Project evaluation on the way. Project stage: identification. 5th EDF.

## CHAD

**Agricultural and rural interventions in the sudan area.** Continuation and strengthening existing operations. 7 mECU. Date foreseen for financial decision October '82. 5th EDF.

## COMOROS

**Economical and technical study to assess harbour infrastructure in Grande Comore and in Mohéli.** Resp. Auth.: Ministère des Travaux Publics. NEI-D.H.V. (NL). Project on appraisal. 5th EDF.

**Maize development project.** Resp. Auth.: Ministère de l'Agriculture. Estimated Cost 1.5 mECU. Works, supplies and T.A. Project on appraisal. 5th EDF.

**Fomboni water supply.** Resp. Auth.: Ministère du Plan. 0.700 mECU. Renovation of installation and drinking water network in the chef-lieu of Mohéli island. Date foreseen for financial decision 4th quarter '82. 5th EDF.

## CONGO

**Sibiti-Bihoua-Loudima Road.** Resp. Auth.: Ministère des Travaux Publics. Estimated Cost: 25 mECU. Reconstruction of the section Sibiti-Bihoua (20 km) and construction of a new road Bihoua-Loudima (57 km). Works: contract on a warding. Supervision of works: short-list not yet drawn up. Date foreseen for financial decision November '82. 5th EDF.

**Continuation to improve sanitation of the M' FOA river in Brazzaville.** Resp. Auth.: Ministère du Plan. 2.5 mECU. Construction of a concrete bed and a service gravel-road. T.A. Works: int. tender, launched end of March '82. T.A.: direct agreement. Project in execution. 5th EDF.

**Sanitary and social actions.** Resp. Auth.: Ministère de la Santé Publique. Study and construction of the Ouesso hospital and construction of the Ecole de formation paramédicale et médico-sociale J.J. Loukabou (Brazzaville). Appraisal of the project after sanitary programming and technical studies. Project stage: identification. 5th EDF.

## DJIBOUTI

**Support to the livestock service for anti-ticks baths network settlement.** Resp. Auth.: Ministère de l'Agriculture. 1.123 mECU. Date financial decision September '82. 5th EDF.

**Medical equipment for the Peltier Hospital.** Resp. Auth.: Ministère de la Santé. 0.632 mECU. Supply and transport. Project on appraisal. 5th EDF.

**Djibouti water supply.** Resp. Auth.: Ministère du Plan. 1 mECU. Improvement of production (EDF part). Pump station rehabilitation and reinstatement of the installations' management. (CCCE part). Works and supplies. Date foreseen for financial decision 1st quarter '83. 5th EDF.

## DOMINICA

**Reinstatement of Pont Casse-Castle Bruce Road — Surfacing of 2 coastal roads East and West.** Resp. Auth.: Public Works Department. Estimated cost 2.5 mECU. Study on the way: Nicolas O'Dwyer (Irl.) Project stage: identification. 5th EDF.

## ETHIOPIA

**Health project.** Resp. Auth.: Ministry of Health. 15.400 mECU. Construction and equipping of two rural hospitals and a school for laboratory technicians in Addis

Ababa. Works: int. tender on hand, launched again, conditional upon provisional finance. Date decision September '82. 4th EDF.

**Fishery 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.E.L.P.A. Ethiopian Electrical Power Authority. Estimated cost: 10 mECU. Dam and tunnel. Study and T.A. Works: int. tender launched in July '82. Project in execution. 5th EDF.

**Electrical tariffication study.** Resp. Auth.: E.E.L.P.A. Short-list already drawn up. Project on appraisal. 5th EDF.

**Addis-Ababa Water Supply.** Resp. Auth.: Addis-Ababa Water and Sewerage Authority (AAWSA). Estimation:  $\pm 53$  mECU. Works, supplies and T.A. Int. tenders for works and supplies launched end of March '82. Project in execution. 5th EDF.

**Coffee improvement (phase 2).** Resp. Auth.: Ministry of Coffee and Tea Development. 27.2 mECU. Works, supplies and T.A.: Short-list already drawn-up. Int. tender for fertilizer, insecticides and equipment in '82-'83. 5th EDF.

★ **Dessie Region Power Project.** Resp. Auth.: E.E.L.P.A. 24.5 mECU. Transmission lines, substations, supply of equipment and T.A. Date foreseen for financial decision December '82. 4th and 5th EDF.

## FIJI

**Central Division Roads.** Resp. Auth.: Government of Fiji. Construction of a modern earth road. Estimated cost 2 mECU. Project stage: identification. 5th EDF.

## GABON

**Reafforestation (improvement of the reafforestation brigade's activity).** Resp. Auth.: Ministère de l'Agriculture. EDF part for renewing and completing equipment. Project stage: identification. Study: C.T.F.T. (F). 5th EDF.

**Hevea-cultivation in Mitzic.** (HEVEGAB) Resp. Auth.: Ministère de l'Agriculture. Cofinanced project. CCCE - BAD - EDF - FAC and Local. Estimated cost  $\pm 50$  mECU. EDF part 3.63 mECU. Plantation of 3,300 ha heveas. Supply of equipment (lorries, tractors machines). Project in execution. 5th EDF.

**Mining and geological inventory in 3 sections.** Resp. Auth.: Ministère des Mines et du Pétrole. Direction Générale Mines et Géologie. Section 1: Radar survey done. Section 2: Aerial-geophysical survey: awarding of contract on the way. EDF-GABON. Section 3. Soil prospection (FAC-GABON). EDF part 5th EDF, 3.212 mECU. Date financial decision July '82. 5th EDF.

**Small-fishery centre in Owendo.** Resp. Auth.: Ministère, des Eaux et Forêts. Total cost 2.450 mECU EDF 1.900 mECU. Italy 0.425 mECU, local 0.125 mECU. Infrastructure for handling facilities for boats and fish products, marketing and management. T.A. and supervision of works, direct agreement on 1st quarter '83. Date foreseen for financial decision December '82. 5th EDF.

## GAMBIA

**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 1982. 4th EDF.

**Banjul sewerage and drainage project.** Resp. Auth.: Ministry of Works. Estimated Cost:  $\pm 15$  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.: GITEC (D). Works: int. tender, 4th quarter 1982. 5th EDF.

**Rural vocational training, phase 2.** Resp. Auth.: National training board. 0.500 mECU. Supply of pedagogical equipment. Date foreseen for financial decision 4th quarter '82. 5th EDF.

## GHANA

**Central and Accra Regions Rural Integrated Programme (CARRIP).** Resp. Auth.: Ministry of Finance and Economic Planning. Feasibility study for potential projects within the two regions, with the aim of improving the food situation in Accra and other coastal towns. Study: rehabilitation irrigation project: HEDESELSKABET (DK) 4th EDF. Study: 3 integrated projects: short-list already drawn up. 5th 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 (Pretea excepted). Consultant: Harrison Fleming (UK). 4th EDF.

**Aveyme livestock development.** Resp. Auth.: Ministry of Agriculture. 3.2 mECU. Works, supply of vehicles and equipment, T.A.: short-list already drawn up. 5th EDF.

## GRENADA

**Eastern Main Road Rehabilitation Phase 2.** Repairing and strengthening of a section of the circular road. Estimated cost 1.350 mECU. Project on appraisal. 5th EDF.

**Hillsborough Jetty.** Resp. Auth.: Ministry of Public Works. 0.357 mECU. Construction of a jetty for goods and passenger handling. 5th EDF.

## GUINEA

**Land development in Kankan and Labé regions.** Resp. Auth.: Ministère de l'Agriculture

et des F.A.P.A. 2.5 mECU. 1st phase. Cultivation of 1 000 ha of hydro-agricultural land by rural development brigades. Works, supplies, furnitures and vehicles and T.A. Work and supply: int. tender and acc. tender or direct agreement. T.A.: CEDRAT (F) and Brigade d'aménagement rural. Project in execution. 4th EDF.

**2nd phase.** Estimated cost: 5 mECU. Hydro-agricultural land improvement by controlled flooding. Carrying out of plan: Bureau EUROCONSULT (N). Project on appraisal. 5th EDF.

**Dairying in Guinea.** Resp. Auth.: Premier ministre 3.5 mECU. Dairying improvement for population nourishment. Construction of a milk reconstitution unit. Project on appraisal. 4th EDF.

**Rural hydraulics.** Resp. Auth.: Ministère de l'Agriculture, des Eaux, Forêts, et des FAPA. Estimated total cost  $\pm 12$  mECU. EDF 3.5 mECU and 1.5 mECU (microprojects amount), UNEF (United Nations Equipment Fund) 1.8 mECU, USAID and UNICEF  $\pm 2.6$  mECU. Local  $\pm 2.5$  mECU. Construction of 460 water points (180 wells and 280 drills) and improvement of 405 sources, EDF part. EDF works: restr. tender launched in August '82. T.A.: short-list already drawn up. UNEF: supply of drill equipment int. tender with UNEF rules. UNICEF: supply of different equipment and manual pumps: int. tender with UNICEF rules. USAID: management for direct labour: direct agreement. 5th EDF.

**Cotton development.** Resp. Auth.: Ministère de l'Agriculture, des Eaux, Forêts et FAPA. Estimated cost 7 mECU. Rural infrastructure, supply of rural inputs, equipment, vehicles and T.A. Project on appraisal, 5th EDF.

**Town planning and construction of council houses.** Resp. Auth.: Ministère de l'Urbanisme et de l'Habitat. Estimated cost 9 mECU. Buildings, supply of equipment and T.A. Project on appraisal. 5th EDF.

**T.A. to Ministère des P.M.E. et de l'Artisanat.** Resp. Auth.: Ministère de P.M.E. et de l'Artisanat. One expert specialised in industrial work during 36 months. Project on appraisal. 5th EDF.

## GUINEA BISSAU

**Improvement of small scale fishing in Cacheu.** Resp. Auth.: Secretariat d'Etat pour la pêche. 1.970 mECU. Improvement of infrastructure and equipment. Cold factory. Works: Acc. tender. Supplies: int. tender in '83. T.A.: IDROCONSULT (I). Project in execution. 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. Supply of crop inputs by int. tender in '81 and '82. T.A.: by C.F.D.T. (F). 5th EDF.



**Rio Campossa Bridge.** Resp. Auth.: Commissariat d'Etat aux Travaux Publics. Bafata-Bambadinca Road. Works, supply may be, T.A. Study on the way by STINCEM (I). Project on appraisal. 5th EDF.

**Health infrastructures.** Resp. Auth.: Commissariat d'Etat aux Travaux Publics. Estimated cost 1.9 mECU. Construction and equipment of 2 district hospitals, 4 health centres and staff-housing. Supply of equipment: int. tender on 1st half '83. T.A.: Ass. Engineers (I). 5th EDF.

**North-East forestry development.** Resp. Auth.: Commissariat général au développement rural. Estimated cost 2.5 mECU. Project stage: identification. 5th EDF.

**Rural hydraulics.** Resp. Auth.: Ministère des ressources naturelles. Estimated cost 1.4 mECU. Construction of big diameter wells (1.5 m) about 120 wells in the GABU region. Project on appraisal. 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.

**Faculty of Agriculture.** Estimated cost 1.100 mECU. Construction, supply of equipment and supervision of works. Technical study and tender dossier: Rodriguez (ACP). Project on appraisal. 5th EDF.

**Rehabilitation of sewerage and water supply systems of Georgetown.** 1.6 mECU. Laying sanitation pipes, construction of water supply wells. Supplies and T.A. Date financial decision September '82. Supply: int. tender foreseen 1st quarter '83. 5th EDF.

★ **Fishing port and fish-market in Georgetown.** Building of a new port and fish market in Georgetown. 2.700 mECU. Date foreseen for financial decision November '82. 5th EDF.

## IVORY COAST

**Trade promotion programme.** Resp. Auth.: Centre Ivoirien du commerce Extérieur (CICE). EDF part 2.325 mECU. Local 8 mECU. EDF: vocational training actions (seminars and training) and products promotion (studies, marketing) and monitoring. T.A.: foreseen until end '83 for european offices and until end '85 for CICE in Abidjan. T.A.: direct agreement after prequalification. 5th EDF.

**Extension of "Lycee Sainte-Marie of Abidjan".** Resp. Auth.: Ministère de l'Education Nationale. 2.050 mECU. Construction and equipment of laboratories and specialized rooms. Works: acc. tender in '82. Supply of equipments: int. tender launched in July '82. Project in execution. 3rd and 4th EDF.

## JAMAICA

**Assistance to Veterinary Services.** Resp. Auth.: Ministry of Agriculture.

1.5 mECU. Works: construction of office by direct labour, supply of equipments, vehicles, X-ray equipment, medical products, int. tender or direct agreement. T.A.: training by direct agreement. Date foreseen for financial decision, 2nd half '82. 5th EDF.

**Board of Revenue — Revenue Information System.** Resp. Auth.: Govt of Jamaica. 3.25 mECU. Reorganisation of the administration and preparation of the Revenue Information System. Supplies and T.A. Date foreseen for financial decision December '82. 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 launched in June '82. TA: Salzgitter Consultant (D). Project in execution. 4th EDF.

**Smallholder rice, Nyanza Province.** Resp. Auth.: Ministry of Agriculture. 4.350 mECU. Rehabilitation of 4 smallholder rice schemes (650 ha). NEDECO (N). Works, supplies. T.A.: Supply of vehicles and equipment, int. tender launched June '82. Project in execution. 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. Project in execution. 5th EDF.

**Development of the Kisii Valley.** Resp. Auth.: Ministry of Agriculture, Provincial Irrigation Unit (PIU). Total estimated cost 7.906 mECU. EDF 4.822 mECU, Netherlands, 2,087 mECU, local 0.997 mECU. Works: irrigation and draining, construction of buildings and storages. Supply of tractors and lorries. T.A. foreseen with Netherland aid. Works: int. tender or direct agreement considering size. Supply: int. tender launched on June '82 and direct agreement. Project in execution. 5th EDF.

**Eldoret Polytechnic.** Estimated cost. 6 mECU. Construction, supply of equipment (pedagogical) and T.A. Project stage: identification. 5th EDF.

**Veterinary Investigation Laboratory Mariakani.** Adm. Resp.: Ministry of Livestock Department. Veterinary Department. 3.4 mECU. Construction of a veterinary investigation laboratory. Supply of materials and equipments. T.A. Materials and equipment: int. tender 1st quarter '83. T.A.: direct agreement. 5th FED.

**Turkwell hydro-electric project.** Resp. Auth.: Ministry of Energy. Feasibility study

to be done. Project stage: identification. 5th EDF.

## KIRIBATI

**Rehabilitation of the South Tarawa telephonic network.** Resp. Auth.: Controller of Telecommunications of the Ministry of Communications and Works. 2.894 mECU. Works by direct labour. Supply of equipment int. tender end-'82. Supervision of works: direct agreement. 4th EDF.

## LESOTHO

**Maseru airport.** Resp. Auth.: Ministry of Transport and Communication. Estimation 50 mECU. Provision of a modern international airport 15 km south of Maseru. Foreseen funding: Lesotho - Saudi Fund - Kuwait Fund - ABEDA 4.4 mECU - OPEC - Abu Dhabi - ADB. EDF and Finland. - Project on appraisal. 4th and 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. 4th EDF.

**Feasibility study for the project: "Lesotho Highland, Water Scheme".** Resp. Auth.: Ministry of water resources, energy and mines. Estimated cost  $\pm 5$  mECU. Int. tender foreseen on 2nd half '82. After prequalification. Prequalification on the way. 5th EDF.

**Mohale's Hoek - Quthing road.** Resp. Auth.: Ministry of Transport and communications. Reinstatement of a road. 50 km. Estimated cost  $\pm 15$  mECU. EDF contribution estimated for  $\pm 8.5$  mECU. Cofinancing needed. Project stage: identification 5th EDF.

## LIBERIA

**Coffee and cocoa development project at Zwedru and Plahn.** Resp. Auth.: Ministry of Agriculture 5.7 mECU, EDF 2.9 mECU, Local 2.8 mECU. To develop 980 hectares of robusta coffee and 1 320 hectares of cocoa in Grand Gedeh and Sinoe countries. Works by acc. tender. — Supplies by int. tender in '82. Project in execution. 4th EDF.

**Buto oil palm.** Resp. Auth.: Ministry of Agriculture. Study on the way by I.R.H.O. (F) for phase 2.

## 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, launched. Crop inputs (fertilizers and pesticides): int. tender, 1st half '81, '82, '83, '84. Int. tender for 82-83 launched May '82. Project in execution. 4th EDF.

**Rural hydraulic.** Resp. Auth.: Ministère de l'Agriculture et de la Réforme Agraire. 7 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 launched in June '82. T.A.: short-list already drawn up. Project in execution. 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.

**Bridges over RN 5A, Isesy-Vohemar.** Resp. Auth.: Ministère des Travaux Publics. Estimated cost ±9.750 mECU. Reinstatement and construction of bridges. (15). Int. tender launched July '82. Supervision of works: short-list not yet drawn up. 5th EDF.

**Supply of pharmaceutical and medical products and analysis of the industrial sector rehabilitation.** Resp. Auth.: Gouvernement de Madagascar. 2.165 mECU. Supply by int. tender of special milk and products for children, medical fabrics. Industrial sector expertise by direct agreement. Date foreseen for financial decision 2nd half '82. 5th EDF.

**Urgent programme.** Resp. Auth.: Ministère de la production agricole et de la réforme agraire. Damage from cyclonic depressions. Rice-growing areas 3 mECU. Works by direct agreement or direct labour. Supervision of works: Hydroplan (D). Rehabilitation study: HUNTINGS (UK) Sambava coconut palm plantations: works by direct labour. 1.2 mECU. 5th EDF.

## MALAWI

**National rural development programme, phase I** Resp. Auth.: Ministry of Agriculture. Integrated rural development programme financed in parallel with other donors. Infrastructural improvement, roads, housing, boreholes. EDF 7.9 mECU, UK 9.0 mECU, Germany 5.1 mECU, IBRD 14.6 mECU, CIDA 2.0 mECU, USAID 0.6 mECU, Local 7.5 mECU. Int. tender for vehicles and equipment launched end of July '82. TA: Huntings Consultant (UK). Project in execution. 4th EDF.

**Blantyre-Mwanza road.** Resp. Auth.: Ministry of Works. Reinstatement and asphaltting of the road (±95 km). Economical study: Hoff & Overgaard Consultant (DK). Technical study: COWI CONS (DK). Project on appraisal. 4th EDF.

**Dairy cattle development.** Resp. Auth.: Ministry of Agriculture. Cross local bovine breed with european dairy breeds. Project on appraisal. 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

**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. 2.570 mECU. Buildings, equipments, training. Architecturals and technicals studies: GOUSIER (F). 4th 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.

**Rural hydraulics.** Resp. Auth.: Ministère du Développement Industriel et du Tourisme. Direction de l'Hydraulique. Estimated cost: 3.4 mECU. Water-points. Study: situation of the hydrolic sector in the project area: UNIGEO (I). Project stage: identification. 5th EDF.

**Action programme for Mali development.** Resp. Auth.: Ministère du Plan. 2.6 mECU. Actions for rural sector, for tobacco, for "l'office du Niger", seed and crop protection, livestock, human hydraulics, public works and transport. Works, supply of 6 solar pumps and 4 wind pumps, reinstatement of 2 feeder roads and 1 bridge. Works: acc. tender. Supplies: int. tender or direct agreements. Date financial decision September '82 except. for rural hydraulics roads and bridge. Decision foreseen on December '82. 5th EDF.

## MAURITANIA

**Extension of Kaédi regional hospital.** Resp. Auth.: Ministère de l'Equipement. 1.925 mECU. Construction, equipment and TA for Kaédi hospital (100 beds). Works: on the way. Medical-technical equipment int. tender, 2nd half '82. 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. Supply of agricultural input and pumping equipment: int. tender, in '82. Works by direct labour. Project in execution. 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.

**Small dams construction in the Hodhs region.** Resp. Auth.: Ministère du Développement rural. Estimated cost 3.5 mECU. Study on the way Binnie and Partners (UK). Project on appraisal. 5th EDF.

**Nouakchott - Rosso Road.** Resp. Auth.: Ministère des Travaux Publics. Estimated cost 5 mECU. Repairing and reinstatement. Project on appraisal. 5th EDF.

**Livestock development in the South-East.** Resp. Auth.: Ministère du Développement Rural. 3.943 mECU. Works, supplies and T.A. Supply of vehicles, equipment and veterinary products, int. tender 2nd half '82. T.A.: short-list already drawn up. Works by direct labour. 5th EDF.

**Regional capitals water supply.** Resp. Auth.: Direction de l'Hydraulique. Estimated cost 2.5 mECU. Studies: deep water research and towns water supply. Short-list not yet drawn up. 5th EDF.

**Nouakchott Wharf.** Resp. Auth.: Ministère de l'Equipement et des Transports. Estimated cost 1.6 mECU. Maintaining, equipment and repairing. 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, in '82. Consultancy service: — APFEL (D). 4th EDF.

**Development of Ile Rodrigues.** Resp. Auth.: Ministry of Agriculture. Development centred on agricultural production. Economical and technical study, on the way; VINK (NL). 5th EDF.

**Investments and trade promotion.** Resp. Auth.: Ministry of Trade and Industry. (Investment Promotion Unit and Export Promotion Unit). 1.610 mECU. Contracts by direct agreements. Short-list already drawn up. 5th EDF.

**Strengthening of the sanitary infrastructure.** Resp. Auth.: Ministry of Health. 3.150 mECU. Reinstatement and extension of 3 hospitals and 2 health centres. Supply of equipment, int. tender in '83. 5th EDF.

★ **2 Maize drying units.** Resp. Auth.: Ministry of economic planning and development. 0.800 mECU. Construction and equipment of the 2 units for treatment of 1.500 T each of maize grown in alternating rows with sugar-cane. Works and supplies, int. tender with competition 1st quarter '83. Date foreseen for financial decision end '82, beginning '83. 5th EDF.

## NIGER

★ **Rural Development of Zinder Department.** Resp. Auth.: Ministère de l'Agriculture. Estimated cost 7.6 mECU. Project on appraisal. 5th EDF.

★ **Rural Development of Bodeguicheri Department.** Resp. Auth.: Ministère de l'Agriculture. Estimated cost 3.4 mECU. Project on appraisal. 5th EDF.

**Air Valley development.** Resp. Auth.: Ministère de l'Agriculture. Estimated cost 2.8 mECU. Hydro-agricultural works. Project on appraisal. 5th EDF.

**Rural hydraulics.** Resp. Auth.: Ministère de l'Hydraulique. 300 drills in the Zinder region. Hydrogeological study and tender dossier: Bureau GKW (D). Project on appraisal. 5th EDF.

**Kolo water supply.** Resp. Auth.: Ministère de l'Hydraulique. Estimated cost 1 mECU. Study on the way: G.K.W. (D). Project on appraisal. 5th EDF.

**Animal disease control. 2nd phase.** Resp. Auth.: Ministère du Développement Rural. 1.840 mECU. Supply of equipment and T.A. Supplies: int. tender on 2nd half '82. 5th 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: in '82. Project on appraisal. 5th EDF.

## PAPUA NEW GUINEA

**Foodstuffs production on the south coast.** Resp. Auth.: Department of Primary Industry. E.D.F. part 3 mECU. Development of seasonal cultivation and marketing. Technical and economic studies. Definition of the project: Produce Studies Ltd. Consultant (UK). Project on appraisal. 4th EDF and 5th.

**Momote airport.** Resp. Auth.: Department of Transport and Civil Aviation. Estimated cost 0.930 mECU. Reconstruction and sealing of runway. Project on appraisal. 5th EDF.

**Hiritano Highway.** Resp. Auth.: Department of Works. 2.5 mECU. Asphalted of an hearth road of  $\pm 22$  km. Int. tender for works launched in August '82. Project in execution. 5th EDF.

## RWANDA

**Bugesera water supply.** Resp. Auth.: Ministère du Plan. Construction of a drinking-water network in Bugesera. Project on appraisal. 5th EDF.

**Development of Zaïre Nil Crest.** Resp. Auth.: Ministère de l'Agriculture 13.8 mECU. Développement of agricultural production and social-economic infrastructure. T.A.: INSTRUPA (D). Supply: int. tender in '83. Project in execution. 5th EDF.

**Transmission-lines study in secondary centres.** Resp. Auth.: Ministère du Plan. Economical and technical studies to be done. Short-list not yet drawn up. 5th EDF.

**IPN of Ruengeri - vocational school.** Resp. Auth.: Ministère de l'Éducation. Estimated cost 0.970 mECU. Works, equipments, expert's mission. Project stage: identification. 5th EDF.

**Cyangugu-Butare Road.** Resp. Auth.: Ministère des Travaux Publics. Estimated

cost 74 mECU. Reinstatement and asphalted of the exiting hearth road. (153 km). Economical study: SEDES (F). Technical study part Butare-Ntendezi: DHV (N). Cofinancing: World Bank, BAD, Kuwait Fund, BAD-EA. Project on appraisal. Int. tender for works launched July '82 conditional upon provisional finance. 5th EDF.

**Educational and handicraft integrated centres.** Resp. Auth.: Ministère de l'Enseignement primaire et secondaire. Estimated cost  $\pm 2$  mECU. Construction and equipment of 40 centres. Project on appraisal. 5th EDF.

**Lines of credit for S.M.E.** Resp. Auth.: Banque Rwandaise de Développement. 0.700 mECU. Development of the credit to the S.M.E. rurals with "Banque Populaire". Project on appraisal. 5th EDF.

**Strengthening of the "public enterprises".** Resp. Auth.: Ministère du Plan. Estimated cost 2.595 mECU. Creation of a central accountancy agency, training and control data. Supply of equipment for auditing and office and vehicles. T.A.: Short list not yet drawn up. 5th EDF.

★ **Development of Préfecture de Butare. Priority actions.** Resp. Auth.: Ministères du Plan et de l'Agriculture. Total estimated cost 11.765 mECU. EDF 10.400 mECU. Local 1.365 mECU. Actions to improve rural products, S.M.E., handicrafts and administration. Works by direct labour or direct agreement. Supplies and equipment, int. tender or direct agreement. T.A.: direct agreement. Date foreseen for financial decision November '82. 5th EDF.

## ST LUCIA

**Livestock development project. Phase 2.** Resp. Auth.: Ministry of rural development. Estimated cost 0.860 mECU. Extension project zone. Works, supplies and T.A. Study: short-list already drawn up. Project on appraisal. 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  $\pm 400$  m<sup>2</sup>) and also housing accommodation for the staff ( $\pm 300$  m<sup>2</sup>). Works: on the way. Equipment: int. tender in '82. Project in execution. 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. Works: on the way. Equipments: int. tender in '82. Project in execution. 5th EDF.

## SAO TOME PRINCIPE

**Oleaginous cultivation.** Resp. Auth.: Ministère de l'Agriculture. Funding, 5 mECU. EDF  $\pm 2.16$  mECU. Selected oil palm-tree plantations over 300 to 500 ha. Project in execution. T.A.: I.R.H.O. (F). 5th EDF.

## SENEGAL

**Increase of cereal-growth in S.O.** Resp. Auth.: Ministère du Développement Rural. 4.68 mECU. Preparatory study: SODEFITEX (Senegal). Hydro-agricultural improvements in small areas. Works by direct labour. Supply of crop inputs and pumping equipment: int. tender in '82. Project in execution. 5th EDF.

**New energy research and test in rural region.** Resp. Auth.: Secretariat d'Etat à la Recherche Scientifique. 1.5 mECU. Creation of pilot unit for solar energy, biomass and wind energy. Studies T.A. and equipment. Studies: short list not yet drawn up. T.A.: direct agreement end 82. Equipments: int. tender end 82. Project on appraisal. 5th EDF.

**Gum-tree plantation.** Resp. Auth.: Ministère du Développement Rural. Estimated cost 2.5 mECU. Works, supplies and T.A. T.A.: short-list already drawn up. Project in execution. 5th EDF.

**Sewerage of the "Gueule Tapée" district.** Resp. Auth.: Direction Générale des Travaux Publics. Estimated cost 7 mECU. Construction of canalization and pipes for rain waters. Improvement of the sewage network. Definition study and tender dossier: GEO PROGETTI (I). Project on appraisal. 5th EDF.

**Rural Hydraulics.** Resp. Auth.: Ministère de l'Équipement. Directeur de l'Hydraulique. 1.7 mECU. Construction of 21 drills. Study for phreatic sheet and modalities for execution: UNIGEO (I). Project on appraisal. 5th EDF.

**Trade Promotion programme.** Resp. Auth.: Centre Sénégalais du Commerce Extérieur. 1.083 mECU. Actions for productions, marketing and T.A. Contract: direct agreement or restr. tender. 5th EDF.

**Renovation of "St. Louis Hospital" and of the health centre of Tambacounda.** Resp. Auth.: Ministère du Plan et de la Coopération. Estimated total cost 3.725 mECU. EDF 2.825 mECU. Luxembourg 0.900 mECU. Works: acc. tender 2nd half '82. Supplies: int. tender in '83. Project in execution. 5th EDF.

**Expenditures previously foreseen as participation of Govt. of Senegal for 3 projects financed on 4th and 5th EDF, charged on 5th EDF.** 1.985 mECU. Complementary funding for the project: "Livestock development" 0.700 mECU. Complementary funding for the project "Construction and equipment of ENIE", 0.900 mECU. Complementary funding for the project "Handicraft promotion". 0.385 mECU. Project on appraisal. 5th EDF.

**Small villager areas. (Podor).** Resp. Auth.: Ministère du Développement Rural. Estimated cost 4.700 mECU. Hydro-agricultural improvement of 1000 ha in 20 small areas. Works: irrigation, tracks. Supply of motor-pumps. T.A.: Date financial decision September '82. 4th and 5th EDF.

**Kavil-Keur Madiabel Road.** Resp. Auth.: Direction Générale Travaux Publics. ±2.228 mECU. Widening and modernization of the road. 24 km. Acc. tender. Date financial decision September '82. 5th EDF.

**Noirot Bridge at Kaolack.** Resp. Auth.: Direction Générale Travaux Publics. Estimated cost 2.4 mECU. Existing bridge replacement with a new T.A.: to prepare technical dossier for an int. tender with competition. Int. tender foreseen 2nd half '82. T.A.: Short-list already drawn up. 5th EDF.

## SEYCHELLES

**Renovation of Victoria Hospital.** Resp. Auth.: Ministry of Health. Estimated cost 6 mECU. EDF 2.4 mECU, ADB (African Dev. Bank) 3.6 mECU. Renovation and new constructions, supply of medical equipment. Project on appraisal. 5th EDF.

## SIERRA LEONE

**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. Project in execution. 4th and 5th EDF.

**Koinadugu — Phase II.** Resp. Auth.: Ministry of Agriculture and Forestry. Estimated total cost 8.370 mECU. EDF 7.5 mECU. Local 0.870 mECU. Buildings and housing, transport equipment, farm inputs, operation, maintenance, staff salaries. Date foreseen for financial decision November-December '82. 5th 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 in 1982. Agricultural equipment: int. tender, in 1982. Teacher training colleges — building works: int. tender, in 1982. 4th EDF.

**POTORU Rubber project.** Resp. Auth.: Ministry of Agriculture and forestry. Cofinanced project with CDC (UK) and CCCE (F). 2.4 mECU for EDF part. 5th EDF.

**Rural hydraulics.** Resp. Auth.: Ministry of Agriculture and Forestry. Estimated cost 1.55 mECU. Construction of water points for villages with 2000 inhabitants. Study to prepare project and appraisal: IWACO (NL). Date foreseen for financial decision 4th quarter '82. 5th EDF.

**Kambia Fishery Development.** Resp. Auth.: Ministry of Agriculture and Forestry. 0.900 mECU. Construction of 2 buildings and a boatyard, supply of boats, motors, vehicles and T.A. Date financial decision September '82. 5th EDF.

**N'Jala University College Water Supply.** Resp. Auth.: Sierra Leone Electricity Corporation (S.L.E.C.) Estimated cost 0.950 mECU. Water supply capacity of 1000 m<sup>3</sup> per day. Pumping station, water tanks, network. Study to determine system: E. Davies and Ass. (UK). Project on appraisal. Works: acc. tender, launched 2nd half '82 upon provisional finance. Date foreseen for financial decision 4th quarter '82. 5th EDF.

★ **Economical study of the Sambamba-Kabala Road.** Short-list already drawn up. Project stage: identification. 5th 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. Project in execution. 4th EDF.

**Viru reforestation Project.** Resp. Auth.: Forestry Division. 1.450 mECU. Creation of 875 ha different plantations in New Georgia Island. Works and equipments. Date financial decision July '82. 5th 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.: Istituto Cerealicultura (I) Land improvement works and estate infrastructure: contracts awarded. Supplies: int. tender 4th quarter '82. Project in execution. 4th EDF.

**Bardheera Dam.** Resp. Auth.: Bardheera Dam Authority (BDA). 600 mECU. (Estimated) Dam Project 500 mECU. Powerline to Mogadishu 100 mECU. Funding: EDF, Italy, Germany, France, Saudi Arabia, Abu Dhabi, Koweit Funds, FADES, Isl. Dev. Bank. Local. 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. Civil works: first int. tender during 1984. Transmission lines int. tender in 1984. Equipment: powerhouse main equipment and auxiliary equipment, int. tenders in 1985. Gates, valves, intake equipment, int tender in 1986. 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 on the way: AVECO (NL). Date foreseen for financial decision: in '82. 4th EDF.

**Mogadishu Dairy.** Resp. Auth.: Ministry of Industry. Estimated cost 3.81 mECU. EDF 1.250 mECU. EIB 2.56 mECU. Rehabilitation of the existing dairy. Works, supply of equipment and T.A. Supplies, int. tenders 2nd quarter '82. T.A.: short-list already drawn up. 4th EDF.

**Mogadishu Institute of Statistics.** Resp. Auth.: Ministry of Public Works. Estimated cost: 0.800 mECU. Supply: int. tender in '83. Project on appraisal. 4th EDF.

**Development of pheniculture (date-palm).** Resp. Auth.: Ministry of Agriculture. Estimated cost 2 mECU. 1000 ha plantation in the North region. Supply of equipment, machines, inputs, rural monitoring. T.A. to define, may be French aid. Project on appraisal. 5th EDF.

**Mogadishu water supply.** Resp. Auth.: Ministry of Planning. Estimated total cost 38.5 mECU. EDF 5.34 mECU. Foreseen cofinancing, World Bank, Arab Funds et Local. New drills and strengthening of existing network. 2 int. tenders foreseen 4th quarter '82. Date financial decision September '82. 5th EDF.

**Somalia Trade Promotion.** Resp. Auth.: Ministry of National Planning. 0.670 mECU. Four independent components: development of supportive infrastructure and T.A. for frankincense, myrrh and gums. Identification of obstacles to livestock exports and study of livestock marketing. Participation in Trade Fairs. Training, short term consultancies. 5th EDF.

**"Aula Magna" Mogadishu National University.** Resp. Auth.: Ministry of Public Works. ±2.5 mECU. Project on appraisal. 4th EDF.

## SUDAN

**Jebel Marra rural development project.** Resp. Auth.: Ministry of Agriculture, Food and Natural Resources. 15.043 mECU. EDF 11 mECU. Local 4.043 mECU. Agricultural extension and improvement or rural infrastructure (road improvement and maintenance, forestry programme, community development programme). Supplies: int. tenders in 1982 and 1983. TA: Hunting Technical Services Ltd (UK). 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 m<sup>2</sup> each) dining hall and kitchen (360 m<sup>2</sup>), 3 college buildings (1 850 m<sup>2</sup>), 21 staff houses (each 170 m<sup>2</sup>). Works including infrastructure for water, sewerage and electricity: int. tender launched September '82. Equipment: int. tender in 1983. 4th EDF.

**Upper Talanga Tea Project - Phase 2.** Resp. Auth.: Ministry of Agriculture, Food, and Natural Resources 12 mECU. Works, supplies and T.A. Supply of vehicles, agricultural machinery, equipments, material inputs, int. tender '82 or '83. Other works by direct labour or restr. tender or direct agreement. T.A.: short-list already drawn up. Int.



tender launched in July '82 for vehicles. 5th EDF.

**Trade Promotion Sudan.** Resp. Auth.: Ministry of Co-operation, Commerce and Supply. 0.34 mECU. Studies, T.A. and participation in trade Fairs. Studies and contract: Short-list already drawn up. 4th EDF.

**Port Sudan-Hayia Railway.** Resp. Auth.: Sudan Railway Corporation. Expertise: KAMPSA (DK). 4th EDF.

**Aweil Rice Development Project Phase II.** Resp. Auth.: Ministry of Agriculture, Food and Natural Resources. Total estimated cost 14.181 mECU. EDF 9.8 mECU, Local 4.381 mECU. Construction of buildings and rice mill. For rice will, int. tender launched September '82. Supply of vehicles, agricultural equipment and machinery. T.A.: short-list already drawn up. Project in execution. 5th EDF.

**Agricultural Inputs and Rehabilitation Project (AIRP).** Resp. Auth.: Ministry of Agriculture, Food and Natural Resources. Total estimated cost 103 mECU. EDF 16 mECU, I.D.A. 56.5 mECU. ADF 8.4 mECU, Local 22.1 mECU. Works, irrigation and drainage structures, buildings, roads, water supplies and installation of pumps for Blue and White Nile Schemes. Supply of fertilizers for Gezira int. tender launched May '82. Conditional upon provisioning finance. 5th EDF.

## SURINAM

**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.

**Surfacing of the road Alkmaar-Taman-redjo.** Resp. Auth.: Stichting Plan Bureau. 1.850 mECU. Works: acc. tender end '82. Project in execution. 5th EDF.

## SWAZILAND

**Rural hydraulics.** Resp. Auth.: Rural Water Supply Board. Estimated cost 2.456 m ECU. Study construction, works supervision. 12 villages. Supply of equipment and material. Project on appraisal. Date foreseen for financial decision October '82. 5th EDF.

## TANZANIA

**Training of irrigation engineers.** Resp. Auth.: Ministry of Finance. 0.920 mECU. Degree courses in irrigation engineering for 30 irrigation engineers. Training will take place in India. 5th EDF.

**Coffee improvement programme phase 2.** Resp. Auth.: Coffee Authority of Tanzania (CAT). 13.500 mECU. 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. T.A.: short-list already drawn up. 5th EDF.

**Iringa integrated rural development, phase 2.** Resp. Auth.: Iringa Regional Development Directorate. 19.325 mECU. 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. 5th EDF.

**Lusahunga-Bukombe road.** Resp. Auth.: Ministry of Works. 20 mECU EDF part. Bitumen road of 127 km. Works: Int. tender foreseen 1st quarter '83. Supervision of work: GITEC (D). Seek for cofundings. 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 m<sup>2</sup>. Works: on the way. Equipment: int. tender with possibility of restr. tender or direct agreement depending on nature of supply. Supplies: restr. tender all in '83. Project in execution. 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 2nd half '82. Contract: Jennings and O'Donovan (Irl). 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. Supervision of works: direct agreement. 5th EDF.

**Mwanza Water Supply.** Resp. Auth.: Ministry of Water, Energy and Minerals. 11 mECU. Construction of a new water intake, installation of a new pumping equipment and treatment plant, laying of a new distribution pipelines. Works and supplies, int. tender foreseen end '82 or early '83. Contract: direct agreement, for supervision of works. 5th EDF.

**Kigoma Port.** Resp. Auth.: Ministry of Works. Estimated cost 4.95 mECU. Project design: HAECON (B). Works and equipment: int. tender foreseen end of '82. Project on appraisal. 4th EDF.

## TOGO

**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, in '82. T.A.: Zooconsult (I). Project in execution. 4th EDF.

**Strengthening and improvement of 4 roads.** Resp. Auth.: Ministère des Travaux Publics, des Mines, de l'Energie et de Ressources Hydrauliques. Estimated cost 13.6 mECU. Aflao-Avepozo road (19 km) - Lomé-Kpaliné road (118 km) - Atakpamé-Blitta road (100 km). Avepozo-Aneho (30 km). Works: int. tender foreseen 1st quarter '82, conditional upon provisional finance. Date foreseen for financial decision October '82. 5th EDF.

**Rural hydraulics.** Resp. Auth.: Ministère des Travaux Publics. Estimated cost 3 mECU. Construction of  $\pm 200$  drills, supply of manual pumps and training. Date foreseen for financial decision, 2nd quarter '83. 5th EDF.

**Credit to C.N.C.A. (Caisse Nationale de Credit Agricole) to develop actions in rural sector.** Resp. Auth.: C.N.C.A. Estimated cost 2 mECU. Loans with favourable conditions. Project on appraisal. 5th EDF.

## UGANDA

**Nutritional rehabilitation centres.** Resp. Auth.: Ministry of Health and Ministry of Works. 1.1 mECU. To improve health care in rural areas and to reduce malnutrition (particularly widespread among children). Contribution and equipping of 10 centres. Works: acc. tender. Supply: int. tender in '83. Project on appraisal. 4th EDF.

**Coffee rehabilitation programme.** Resp. Auth.: Ministry of Agriculture and Forestry. 25 mECU. Works, equipment, training and T.A. Works by direct agreement. Supplies: int. tender or acc. tender or restr. tender. T.A.: Booker Agricultural (UK). Supply: int. tender launched in July '82 for vehicles. Project in execution. 4th EDF.

**Karamoja Development Programme.** Resp. Auth.: Ministry of Agriculture and Forestry. 4.4 mECU. Constructions and Civil works. Transport, Equipment, Supplies, Training. T.A. by Lutheran World Federation. Supplies: int. tender in July '82 for vehicles. Project in execution. 5th EDF.

**Rehabilitation of the seeds industry.** Resp. Auth.: Ministry of Agriculture and Forestry. 9.5 mECU. To increase production and distribution of improved seeds. Project preparation: Bureau Courtoy (B). Date financial decision September '82. 5th EDF.

**Rural electrification project.** Resp. Auth.: Ministry of Power and Communications. Estimated cost 5 mECU. Supply and erection of 33 KV electrical distribution lines. Project stage: identification. 5th EDF.

**Animal Disease Control Project.** Resp. Auth.: Ministry of Livestock and Fishery. Total estimated cost 11 mECU. EDF 7.3 mECU. Local 3.7 mECU. Re-establishment of veterinary extension service. Repair of cattle dips, spray races. Tse tse control programme. T.A. For medical products and vaccines purchase during first six months, restr. tender. For equipment material, transport, int. tender launched September '82. T.A.: short-list already drawn up. 4th EDF.

**T.A. to the Uganda Development Bank.** Resp. Auth.: Uganda Dev. Bank. 2 experts. 1 year, renewable. Short-list already drawn up. Project on appraisal. 5th EDF.

## UPPER VOLTA

**Mine of Poura rehabilitation.** Resp. Auth.: Ministère du Commerce, du Développement Industriel et des Mines. 4.14 mECU for assessment of the worker's town. Project in execution. 5th EDF.

**Improvement of Dakiri plain.** Resp. Auth.: Ministère du Développement Rural. 1.838 mECU. Hydro-agricultural improvement ( $\pm 200$  ha). Irrigation and drain network. T.A. and monitoring. Works: acc. tender, 2nd half '82. T.A. and supervision of works: Land Reclamation Cons. (UK). 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  $\pm 102$  mECU. Earth-dam construction, access road non asphalted  $\pm 18$  kms, two groups of alternators 7800 KVA each, transmission power lines. Works: restr. tender after prequalification. Prequalification done. Project on appraisal. 5th EDF.

**Development of the Douna plain.** Resp. Auth.: Ministère du développement rural. Estimated cost 10 mECU. Irrigation and draining works, supply of equipments, inputs and T.A. Project stage: identification. 5th EDF.

**Volta valleys assessment. (A.V.V.) 2nd part. Improvement of the Mankarga development unit.** Resp. Auth.: Ministère du Développement Rural. 4.450 mECU. Works: feeder roads, soil preparation, waterpoints, rural and social building). Monitoring and training for country-groupings. T.A. Date financial decision July '82. T.A. and supervision of works: short-list already drawn up. 4th EDF.

★ **Young farmers' training.** Resp. Auth.: Ministère du Développement Rural. 2.880 mECU. T.A.: works and equipment. Date foreseen for financial decision November '82. 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. Supplies: int. tender in '82. 5th EDF.

**Sauniatu Hydro Electric Scheme.** Resp. Auth.: Electric Power Corporation (EPC). Es-

timated 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: launched august '81. Int. tender: '82 and in August '82 for electrical equipment. Supplies: int. tender: launched march '82. Supervision of works: in '82. 5th EDF.

## VANUATU

**Rice study.** Resp. Auth.: Ministry of Agriculture. Feasibility study on hand at Big-Bay-Santo. GITEC (D). 5th EDF.

**Coco-trees development.** Resp. Auth.: Ministry of Agriculture. Estimated cost 1.885 mECU. Works, supply of transport and equipment and agricultural inputs. T.A. and training. T.A.: I.R.H.O. (F). 5th EDF.

**Road South Malekula.** Earth road 67 km. Study on the way: CONSULINT (I). Works: direct labour. Project on appraisal. 5th EDF.

## ZAIRE

**Extension of Kinoisé market garden's.** Resp. Auth.: Département de l'Agriculture (Centres des Produits maraichers: CECO-MAF). 7.88 mECU. EDF 4.85 mECU. FAC and local 3.03 mECU. Projet in execution. 4th EDF.

**Akula-Gemena road.** Resp. Auth.: Commissariat aux Travaux Publics. Upgrading and asphaltting of the road (115 km). Economic study: Bureau SPE (Local). Technical study: LUXCONSULT (Lux). Project on appraisal. 5th 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.: Commissariat aux Travaux Publics. Part (81 km) of the national road Matadi-Shaba. Prequalification launched in July '81. Int. tender launched on 3rd quarter '82. Date foreseen for financial decision 1st quarter '83. 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-TRACTION-NEL-OTUI (F.B.F.). 4th EDF. Complementary technical study: for the port (F+I), electrical (B), water supply (D), water research (EDF). Project stage: identification. 5th EDF.

**Cacao-trees at Bulu.** Resp. Auth.: CACAOZA-Département de l'Agriculture. Strengthening and continuation existing operations. Project stage: identification. 5th EDF.

**Palm-trees at Gosuma.** Resp. Auth.: PALMEZA-Département de l'Agriculture. Strengthening and continuation existing operations. Project stage: identification. 5th EDF.

**Retraining of teaching and technical staff attached to the National Vocational Training Habitants. (I.N.P.P.).** Resp. Auth.: Direction I.N.P.P. 0.73 mECU. Training, T.A. and supply of equipment. T.A.: direct agreement. Supply: int. tender in '82. 4th EDF.

**Lubutu-Oso-Walikale Road.** Resp. Auth.: Commissariat aux Travaux Publics. Prequalification launched January '82. Int. tender foreseen on 3rd quarter '82 or 4th. Project on execution. 4th EDF.

**Health centres equipment in 5 rural areas: Lighting and refrigerators with solar energy feeding.** Resp. Auth.: Département Santé. 1.7 mECU. Supplies: int. tender foreseen 2nd half 82. Date financial decision September 82. 5th EDF.

**Mine industry (copper-cobalt) rehabilitation.** Resp. Auth.: GECAMINES. Estimated cost EDF part: 40 mECU. Supply of equipment: 8 int. tenders launched end of June '82. Date financial decision July '82. 5th EDF.

**Butembo-Beni hydro-electrical development.** Preliminary study done by Tractionnel (B) on local funds. Studies to be done: detailed economical and technical studies. Restr. tender on a list established by the commission. Project on appraisal. 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 in '82. 5th EDF.

**Maize development project.** Resp. Auth.: Ministry of Agriculture and Water Development. Total cost 6.54 mECU. EDF 5.55 mECU, Rocaf 0.99 mECU. Works: construction housing and office accommodation, marketing depots, feeder roads. Supply: 4 WD vehicles, motorcycles and bicycles. T.A. Works: acc. tender or direct agreement. Supplies: int. tender launched September '82. T.A.: short-list already drawn up. 5th EDF.

**Zambia Marketing and Trade Promotion.** Resp. Auth.: Ministry of Commerce and Industry. Zambian Export Promotion Council. 0.795 mECU. Product Development and Marketing. Marketing management. Trade Fairs — Tourism planning and promotion. Contracts by direct agreement. 5th EDF.

**Rice Development Project.** Resp. Auth.: Ministry of Agriculture and Water Development. 4 mECU, EDF Part. Local 1.135 mECU. Works: access roads, marketing depots, housing. Supply of equipments, agricultural inputs, T.A. Supply of vehicles: int. tender launched September '82. Works: acc. tender or direct labour. T.A.: short-list already drawn up. 5th EDF.

**Animal Vaccine Unit Production.** Laboratory construction. Supply of equipment and T.A. Estimated cost 3.79 mECU. EDF 3 mECU, local 0.79 mECU. Project on appraisal. Date foreseen for financial decision October '82. 5th EDF.

**Mkushi electrification.** Estimated cost 6.07 mECU. EDF 3.07 mECU. Cofinancing needed. Study on hand: MERTZ McLENNAN (UK). Project stage: identification. 5th EDF.

**Mine industry (copper-cobalt) rehabilitation.** Resp. Auth.: ZAMBIA Cons. Copper Mines at Lusaka. Total estimated cost 85.346 mECU. EDF part 55 mECU. Supply of equipment: 10 int. tenders launched in July, August and September '82. For T.A. the Zambian Cons. Copper Mines will be in charge for recruitment for staff from EEC countries. 5th EDF.

**T.A. to the Development Bank of Zambia.** Resp. Auth.: Dev. Bank of Zambia. 0.54 mECU. Short-list already drawn up. 5th EDF.

**Rural township Water Supply.** Resp. Auth.: Ministry of Agriculture and Water Development. 5.200 mECU. Construction and supply of equipment and supervision of works. Works and supplies: int. tender on 1st half '83. 5th EDF.

★ **Mpongue Development Project, phase 2.** Resp. Auth.: Ministry of Agriculture and Water Development. (M.A.W.D.) 3.712 mECU. To complete develop existing project. Works, supplies and T.A. Project on appraisal. 5th EDF.

## ZIMBABWE

**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. 5th EDF.

**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. 5th EDF.

**Coal study.** Resp. Auth.: M.E.P.D. Cofunding EDF-EIB. EDF 0.500 mECU. EIB 0.4 mECU. Restr. tender after short-list. Short-list already drawn up. 5th EDF.

★ **Development of accelerated resettlement schemes.** Resp. Auth.: Ministry of Lands, resettlement and Rural development. Estimated cost 6 mECU. Infrastructures,

agricultural activities, equipments and inputs. Project appraisal. 5th EDF.

## Overseas Countries and Territories (OCT)

### NETHERLANDS ANTILLES

**St Martin Airport.** Resp. Auth.: Departement voor ontwikkelingssamenwerking. 7.292 mECU. Construction of new air terminal. Study and works. Study: execution, Flughafen Frankfurt (D). Works and supplies in '82: int. tender end '82. 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. 0.85 mECU, EDF 0.73 mECU, Ministère Français de l'Agriculture 0.12 mECU. Modern abattoir to replace old slaughterhouses and improve hygienic conditions for meat provisioning. Capacity 2 000 cattle and 13 000 pigs per year. Works: int. tender 2nd half '82. 4th EDF.

**Gas-generators and electro-generators powerstations in the Touamotou Islands.** Resp. Auth.: Assemblée Territoriale des Touamotou. 0.460 mECU. Supply of gas-generators fed with charcoal from coconut waste and coco-trees wood waste. Int. tender foreseen 2nd half 82. Date foreseen for financial decision 4th quarter 82. 4th EDF.

### REUNION

**Hydro-agricultural development of Bras de Cilaos.** Resp. Auth.: Ministère de l'agriculture. 2.65 mECU. Installations of a first section of water-supply network. Supplies and ductlaying and accessories, int. tend. end '82. 4th EDF.

### WALLIS and FUTUNA ISLANDS

**Futuna electrification.** Resp. Auth.: Administration Territoriale. Estimated Cost 1.305 mECU. Construction of a mini hydro-electric power station. Works: local tender for civil works. Equipments: int. tender 2nd half '82. Project on appraisal. 5th EDF.

### NEW CALEDONIA

**Inshore aquaculture.** Resp. Auth.: Direction territoriale des Services Ruraux. 0.49 mECU. Creation of pilot fishery station. Supply of equipment. Modalities to be decided. Date financial decision September '82. 5th EDF.

**Loyauté Islands water supply.** Resp. Auth.: Direction Territoriale des Services Ruraux. 0.900 mECU. Constructions and drills and small water supply networks. Date foreseen for financial decision 2nd half '82. 5th EDF.

**Reafforestation programme.** Resp. Auth.: Territoire de la Nouvelle Calédonie des Eaux et Forêts. Estimated total cost 4.7

mECU. EDF part ±3 mECU. Cofundings with France, CCCE (F) and Local. 3 000 ha plantation "Pin de Caraibes" with all necessary infrastructure and investments. Project on appraisal. 5th EDF.

★ **Veterinary laboratory and zoonosis investigation.** Total estimated cost 1.5 mECU. EDF 0.350 mECU. Territoire and FIDES 1.150 mECU. Project on appraisal. 5th EDF.

### BRITISH VIRGIN ISLANDS

**East End Water Supply Project.** Resp. Auth.: Public Works Department (P.W.D.) Estimated Cost 0.53 mECU. EDF 0.5 mECU. Local 0.03 mECU. Construction of 4 wells, 900 m<sup>3</sup> reservoir and distribution pipework. Works by direct labour. Equipments: int. tender launched August '82. 5th EDF.

### CAYMAN ISLANDS

**New airport terminal.** Resp. Auth.: Public Works Department. Estimated Cost 876 000 ECU. Construction of terminal. Project on appraisal. 5th EDF.

### TURKS AND CAICOS ISLANDS

**Transport study, North and Middle Caicos.** Resp. Auth.: Public Works Department. Shortlist drawn up. 5th EDF.

## Regional Projects

### BELIZE

**Caricom grains project, pilot farm.** Resp. Auth.: Carribbean Development Bank. Estimate 2.145 mECU. EDF 1.826 mECU. Works: acc. tender 1st quarter '82. Supplies: equipment and vehicles: int. tender 2nd half '82. 4th EDF.

### ETHIOPIA — SUDAN

**Telecommunications project.** Technical study done by U.I.T. Economical and commercial study to be done. Short-list not yet drawn up. 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. Total estimated cost 4.8 mECU. EDF part 3 mECU. Pedagogical, administratives and hostel buildings (5,000 m<sup>2</sup>). Correspondent equipment supply. Date foreseen for financial decision 4th quarter '82. 5th EDF.

### MEMBER COUNTRIES OF ECOWAS

**Informations and investments promotion project.** Resp. Auth.: ECOWAS Secretariat. 1.0 mECU. Actions to promote firm implantation in the West Africa countries. Project on appraisal. Date financial decision July '82. T.A.: SOFIDAK (ACP). 5th EDF.

**MEMBER COUNTRIES 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. 1.207 mECU. Construction of 1,358 m<sup>2</sup> of buildings, and supply of equipment. Works: contracts in awarding. Supplies: int. tender 1st half '83. Project in execution. 5th EDF.

**GABON-SAO TOME PRINCIPE**

**Improvement of maritime communication.** Resp. Auth.: Secretariat, d'Etat aux Transport et Communications. Estimated cost ±2 mECU. Purchase of ocean-going vessels. Project on appraisal. 5th EDF.

**MEMBER COUNTRIES OF CEAO**

**ESITEX Segou (Mali).** Resp. Auth.: CEAO Secretariat. Management training for textile industry. Complex construction in Segou. Supply of equipment. Project stage: identification. 5th EDF.

**Ecole des Mines et de la géologie, Niamey.** Resp. Auth.: CEAO Secretariat. Creation of a school for 350 students coming from CEAO countries. Estimated total cost 28 mECU. EDF 7 mECU. Cofundings with FAC-FAD-D. Project on appraisal. 5th 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. Canada 21.7 mECU, USA 11/22 mECU. Technical study: DHV-Rijkswaterstaat-Waterloopkundig Laboratorium Delft (NL). Project stage: identification. 5th EDF.

**Agronomical study for the area concerned by the bridge barrage.** Short-list already drawn up. 5th EDF.

**GUYANA — SURINAM**

**Guyana — ferry-link.** Resp. Auth.: Ministère des Travaux Publics and Ministerie van Openbare Werken. Link ferry on Corentine river. Study on the way by C.A. Liburd and Ass. + Sesson Group (ACP). Project on appraisal. 4th EDF.

**UPPER — VOLTA — NIGER — TOGO**

**Fada-N'Gurma Piega Road.** Resp. Auth.: Ministère des Travaux Publics. 10 mECU. Construction and surfacing of the road for 60 km. Int. tender launched May '82. Project on appraisal. Probable cofunding with F and BADEA. Date financial decision September '82. 5th EDF.

**TOGO — BENIN**

**Integrate development of the Mono Valley.** Resp. Auth.: Ministères des Travaux Publics. Estimated cost: 170 mECU. Construction of a dam and a hydro-electric power

plant of 2 x 30.7 MW. Foreseen funding: World Bank, EEC (EDF + EIB), France, FRG, Canada, ADB, UNDP. Feasibility study done. Completion envisaged 1982/85. Project on appraisal. 5th EDF.

**BENIN — IVORY COAST — NIGER — TOGO — UPPER VOLTA**

**Regional training centre for road maintenance in Lomé-Togo. (CERFER).** Resp. Auth.: Secretariat CERFER. Training. T.A. and scholarships. Estimated cost 0.900 mECU. Project stage identification. 3rd, 4th and 5th EDF.

**ZAIRE — RWANDA — BURUNDI**

**Study to integrate gas-generators for agro-industrial and plant wastes.** Resp. Auth.: Electricité de Grands Lacs (E.G.L.) 0.300 mECU. Supply of 6 gas-generators. Two for each countries. Restr. tender foreseen on 4th quarter '82. 4th and 5th EDF.

**Hydro-electric development «Ruzizi II».** Resp. Auth.: E.G.L. Estimated cost: 60 mECU. Construction of a central hydro electric plant of 35 MW. Funding: EDF. World Bank, I, BDEGL, EIB. Civil works: World Bank. Alternators and electr. equipments: Italy. Houses: BDEGL, other equipment and supervision of Work, EDF. For EDF part int. tender foreseen end '82. 5th EDF.

**RWANDA — ZAIRE**

**Methane gas from Lake Kivu.** Resp. Auth.: CEPGL and Commission mixte de 2 pays. Pre-feasibility study done. (Studies 4th EDF). Feasibility study foreseen with EDF, EIB fundings: for 2 stations with upher unit, compressed gas and methane. Short-list on the way. Project on appraisal. 5th EDF.

**NIGER BASIN AUTHORITY**

**Protection and reforestation in the "Haut Bassin Versant du fleuve Niger in Guinea".** Works, supplies and T.A. Estimated total cost 1.5 mECU. Project stage: identification. 5th EDF.

**MEMBER COUNTRIES OF CIADFOR**

**Extension of A.N.F.P.P. (Agence Nationale de formation et de Perfectionnement Professionnels) in Libreville.** Extension and modernization and new complex building in Oloumi. Project stage: identification. 5th EDF.

**Training instructors and printing specialists, production of the teaching material.** Resp. Auth.: CIADFOR Secretariat. 1.45 mECU. Training, TA, supply of equipment. Date foreseen for financial decision 4th quarter '82. 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.

**WESTERN SAMOA — FIJI — SOLOMON — KIRIBATI — TUVALU — PAPUA NEW GUINEA — TONGA**

**Renewable energy development project in the South Pacific.** Resp. Auth.: SPEC (South Pacific Bureau for Economic Cooperation). 6.2 mECU. Creation of pilot units for ocean energy, gas, small stations 25 kW fed with wood waste. Photovoltaic generators 20 kW and wind-generators 15 kW. Prefaisibility study on the way: LAHMEYER and DORNIER (D). Works, supply and T.A. Supplies: int. tender 1st half 1983. T.A. end 82 or 1st quarter 83. Project on appraisal. 5th EDF.

**TOGO — MALI — UPPER VOLTA — NIGER — CHAD**

**Agricultural products regional transit centre, in the Lomé port.** Resp. Auth.: Ministères du Plan. Estimated total 7 mECU with cofunding. Technical and economic feasibility study: Bureau SATEC (F). Project stage: identification. 4th and 5th 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.

**PACIFIC ACP COUNTRIES**

**Forum Fisheries Agency Headquarters.** Resp. Auth.: South Pacific Bureau for Economic Cooperation (SPEC). 0.650 mECU. Creation of an international fisheries resources management agency. Works by acc. tender. Supply of equipment restr. tender. Supply of computer and data processing equipment, int. tender. 4th and 5th EDF.

**Pacific Forum Line: containers.** Resp. Auth.: S.P.E.C. Estimated total cost 4 mECU. Cofinancing with EIB. Purchase of 200 containers equipped with integral refrigeration units. Date EDF financial decision September '82. 5th EDF.

**BOTSWANA — ZIMBABWE**

**Regional project foot-and-mouth disease.** Resp. Auth.: Ministry of Agriculture. Estimated total cost 24.51 mECU, EDF 12.8 mECU, GOB 8.167 mECU, GOZ 2.013 mECU. Supply of equipment and vaccines. Date financial decision September '82. Int. tender foreseen on 4th quarter '82. 5th EDF.

**FIJI — KIRIBATI — PAPUA NEW GUINEA — TUVALU**

**Telecommunication project.** Resp. Auth.: S.P.E.C. 8.75 mECU. Supply and installation of 2 ground stations standard B for satellite. One in PNG the other in Kiribati. Equipment to extend telex service by satellite in Fiji and radio and telex equipment in Tuvalu. Int. tender launched September '82. Project in execution. 5th 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. 10.9 mECU. Supply and installation of telecommunication equipment. Technical detailed study: SOFREAVIA (F). Int. tender foreseen 4th quarter '82. Date financial decision September '82. 4th and 5th EDF.

**MADAGASCAR-SEYCHELLES**

**Ecole Maritime de Majunga.** Resp. Auth.: Ministère de l'Education. 1.850 mECU. Managerial staff training for mercantile marine and fishery. Supply of a school-vessel and equipment. T.A. 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. 5th EDF.

**SENEGAL — GAMBIA  
GUINEA BISSAU**

**Dakar — Banjul — Bissau Road.** Resp. Auth.: Ministères Travaux Publics of the 3 countries. Asphalted road between Mandina Ba (Gambia) and Sao Vicente (Guinea Bissau). 129 km. Estimated cost 35 mECU. EDF 10 mECU. Technical study: Associated Eng. (I.). Project on appraisal. 5th EDF.

**MEMBER COUNTRIES OF  
CEAO AND CILSS**

**Construction of Centre Régional d'Énergie Solaire (CRES) in Bamako, Mali.** Estimated total cost 30 mECU. EDF part. 3.5 mECU. T.A. and equipment. Project on appraisal. T.A.: short-list already drawn up. 5th EDF.

**MEMBER COUNTRIES OF ECOWAS**

**Wireless beam telecommunications.** Resp. Auth.: Ecowas Secretariat. Estimated cost 32 mECU. EDF 5 mECU. Project on appraisal. 5th EDF.

**EASTERN AFRICA  
COUNTRIES**

**Statistical training centre for eastern africa in Tanzania.** Resp. Auth.: Secretariat of the centre. 2.0 mECU. Widening of the capacity. Construction of class-room, offices and housing. Project stage: identification. 5th EDF.

**MEMBER COUNTRIES OF ASECNA**

**Air safety.** Resp. Auth.: Asecna Secretariat in Dakar. 10 mECU. Supply and instal-

lation of flying assistance equipment for several airports. Project on appraisal. Date financial decision July '82. 5th EDF.

**DJIBOUTI — ETHIOPIA —  
KENYA — SUDAN — SOMALIA —  
TANZANIA — UGANDA**

**Prevention against noxious migratory animals in eastern africa.** Resp. Auth.: Desert Locust Control Organization for eastern africa. Construction of buildings, storage, for pesticide, aircrafts, equipment for vaporization, vehicles and T.A. Total estimated cost 6.634 mECU. EDF 3.3 mECU int. tender for equipment hangar, provisional upon acceptance on 3rd quarter '82. Date financial decision September '82. 5th EDF.

**KENYA — TANZANIA**

**Regional Health Improvement Project.** Resp. Auth.: Ministries of Health. Estimated cost 1.6 mECU. Extension of the regional centre at Nairobi and construction of a centre in Dar-el-Salam, T.A. Works: acc. tender. Contracts: direct agreement. Date foreseen for financial decision, 4th quarter '82. 5th EDF.

**ZAMBIA — KENYA — UGANDA —  
SUDAN**

**Field-oriented research on control of tsetse and livestock ticks of the International centre of insect physiology and ecology (ICIPE) Nairobi-Kenya.** 4.4 mECU. EDF part 1.5 mECU. Cofundings with: UNDP-USAID-Switzerland and Netherlands. Supply of equipment and TA. Date foreseen for financial decision 4th quarter '82. 5th EDF.

**MEMBER COUNTRIES OF SADCC  
(South African development coordination conference)**

**Faculty of Veterinary Sciences University of Zimbabwe.** Total estimated cost 9 mECU. EDF part estimated at 5 mECU. Construction of a new veterinary faculty as a regional institution within the existing university of Zimbabwe. Works and supplies. Project stage identification. 5th EDF.

**MEMBER COUNTRIES  
OF CARICOM**

**Development of the regional trade promotion services in the Caribbean region.** Resp. Auth.: Caricom Secretariat. 1.8 mECU. T.A. project. Contract: direct agreement. 5th EDF.

**Assistance to Caribbean Agricultural Research and Development Institute (CARDI).** Resp. Auth.: CARDI Secretariat. EDF part 3.035 mECU. T.A. equipment and training. 5th EDF.

**Windward Islands Fishing Boat Project.** Resp. Auth.: Caricom Secretariat. Estimated cost 0.345 mECU. EDF part 0.275 mECU and 0.070 mECU from sales of boats. Equipment and TA for the construction of

about 100 fishing boats and workshop installation. Project on appraisal. 5th EDF.

**Regional hotel trade school at St. Lucia.** Resp. Auth.: Caricom Secretariat. Estimated total cost 0.900 mECU. EDF 0.200 mECU. Work financed locally. EDF part: supply of pedagogical equipment, furniture and 1 vehicle. Project on appraisal. 5th EDF.

**Caribbean Food Corporation. Credit lines for S.M.E.** Resp. Auth.: Caribbean Secretariat. 2 mECU. Development of rural S.M.E. Date financial decision September '82. 5th EDF.

★ **LIAT — Equipments and T.A.** Resp. Auth.: Caricom Secretariat and Caribbean Dev. Bank. Estimated cost 5.215 mECU. Aying assistance equipment. Project on appraisal. Date foreseen for financial decision 1st quarter '83. 4th EDF.

★ **Regional Tourism Promotion Programme.** Resp. Auth.: Caricom Secretariat. Caribbean Tourist Association. 5.100 mECU. Studies T.A. marketing and tourist promotion. Short-lists not yet grown up. Date foreseen for financial decision December '82. 5th EDF.

**TANZANIA (BURUNDI — RWANDA —  
ZAIRE — ZAMBIA)**

**Tanzania Railways Corporation Project (T.R.C.).** 10 mECU. Maintenance and improvement of the railway. Works, supply of equipment. Supply: int. tender 1st half '83. Supervision of works: short list not yet drawn up. 4th EDF.

**BURUNDI — RWANDA — TANZANIA —  
ZAIRE — ZAMBIA**

**Dar es Salam port project.** Improvement of the transit goods handling facilities, for the Central Corridor transports. Supply of equipment and T.A. Estimated cost 2 mECU. Project stage identification. 5th EDF.

**TANZANIA — UGANDA**

**Transport project Lake Victoria.** Improvement of the existing wagon ferry terminal facilities in Jinja, Mwanza, Bukoba and Musoma ports. Estimated cost 2 mECU. Project stage identification. 5th EDF.

## **MEDITERRANEAN COUNTRIES**

**ALGERIA**

**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.) 4.3 mECU. Scholarships, T.A. experts and supply of equipment. For scientific equipment int. tender.

**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.: short-list already drawn up.

**Contribution towards the extension of two training centres for fishermen (Annaba and Beni-Saf).** Resp. Auth.: Ministère des Transports et de la Pêche. Secretariat d'Etat à la pêche. 0.6 m ECU. Supply of pedagogical equipment and T.A. Supply: int. tender. launched in November '81 T.A.: short-list not yet drawn up.

## CYPRUS

**Nicosia drainage system, phase II.** Resp. Auth.: Nicosia Sewage Board for southern area, Dept of Water, Geology and Mines for northern area. Total estimated cost 11.12 mECU: EEC 7.5 m (Commission 4.5 m, EIB 3 m) local contribution 3.62 m. Supplies, works and TA, acc. procedure for public works. Date foreseen for financial decision October '82.

## EGYPT

**Soil improvement programme in Kafrel-Sheikh Governorate.** Resp. Auth.: Executive Authority for Land Improvement Projects (EALIP). Provisional amount 8 mECU. To reclaim an area of 65 000 acres of saline soil, located in Hamoul district of the Kafrel-Sheikh Governorate. Project on appraisal. Date foreseen for financial decision October '82.

**Improved of agricultural input storage facilities in the Daqhalia Governorate.** Resp. Auth.: Principal Bank for Development and Agricultural Credit. EEC Contribution 6 mECU. Construction of 13 new ware houses on prefabricated steel of 1 700 m<sup>2</sup> each providing a total capacity of 27 000 T. Works: int. tender end '82. Date financial decision July '82.

**Helwan waste water Project.** Resp. Auth.: Cairo waste water organization. Estimated Cost 125.04 mECU. EEC Contribution estimated 31.54 mECU. Netherlands 4.32 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 1982.

**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.

**Egyptian Renewable Energy Development Organisation. EREDO.** Resp. Auth.: Egyptian Government. Estimated total cost 10.74 mECU. EEC contribution 7.7 mECU. Construction and equipment for the centre. Works and supplies: int. tender in '82.

## JORDAN

**2 Trade Training Centres (TTC).** Resp. Auth.: National Planning Council (NPC) and Vocational Training Corporation. Cost estimate 1.2 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). Supply: int. tender for Zarqa launched on February '82. Project in execution.

**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 launched June '82 T.A.: Contracts in '81 and '82.

**Jordan Valley Transplant Production Unit.** Resp. Auth.: Jordan Valley Authority. Estimated total cost 2.210 mECU, EEC part 0.95 mECU. Supplies, construction green-houses, irrigation. T.A. Supply: int. tender, launched June '82. T.A.: short list already drawn up.

## 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.

**Aid for the Union Nationale de Crédit Coopératif (UNCC).** 1.4 mECU. Line of credit to the UNCC and T.A.

**Document automatization for the Chambre de Commerce et de l'Industrie de Beyrouth (CCIB).** Resp. Auth.: C.C.I.B. 0.24 mECU. Supply and T.A. For equipment int. tender in '82 or '83. Date foreseen for financial decision 2nd half '82.

## MALTA

**Coastal maritime radio station.** Installation, building, supplies and operational link-up, training. Estimated cost 1.75 mECU. Project on appraisal.

**Upgrading St Lukes's Hospital radiology department.** Training, TA and supply of equipment. Estimated cost 1.23 mECU. Project on appraisal.

## MOROCCO

**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.

**Interventions for Laboratoire de Technologie des céréales de Rabat.** Resp.

Auth.: Ministère de l'Agriculture. 0.790 mECU. Equipment, T.A. and training. Supply by restr. tender or direct agreement. T.A.: short-list not yet drawn up.

## SYRIA

**Scientific and Technical Cooperation with CERS. (Centre d'Etudes et de Recherches Scientifiques.)** EEC part 4.820 mECU. Studies, T.A., training and supply of scientific equipment. Last int. tender launched January '82 for teledetection.

**Assistance to the Damascus and Aleppo Intermediate Institutes of Technology. (CIIT.)** 4 mECU. Supply of equipment, T.A. and training. Supply: int. tender foreseen 2nd half '82.

## 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: 1st quarter 1982 (12 mECU). Works: 9 int. tenders, several lots launched in July '82.

**Expansion of industrial development activities.** Resp. Auth.: Ministère de l'Industrie, des Mines et de l'Energie. Agence de Promotion des Investissements (API) and the Banque de Développement Economique de Tunisie (BDET). 0.630 mECU. TA and studies. Contracts by direct agreement in '81 and '82.

**Participation to create 3 Training Vocational Centres: in Nabeul, Menzel-Bourguiba, Zaghuan.** Resp. Auth.: O.T.T.E.E.F.P. (Office des Travailleurs Tunisiens à l'Etranger 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. T.A.: A.A.B. (D). Project on appraisal.

## TURKEY

**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 '82.

**Electricity Transmission Line Project.** Resp. Auth.: Turkish Electricity Authority. (TEK). Estimated cost 72 mECU. EEC 16 mECU. Upgrading of existing transmission lines and supply of equipment. Construction of new transmission lines. Italian aid foreseen for 5.2 mECU. Supply and works: int. tenders in '82.

**Beypazari Lignite Project - T.A.** Resp. Auth.: T.K.I. 2.6 mECU. T.A. with 7 experts. T.A. and training.

# Non-associated developing countries

## BANGLADESH

**Tea rehabilitation project.** Resp. Auth.: Bangladesh Tea Board (BTB). EEC 6.6 mECU, UK and Local 55.68 mECU. Purchase of machinery for tea factories. Call for quotation in EEC member states and Indian subcontinent in 1982 and '83.

**Cotton Development project.** Resp. Auth.: Cotton Development Board. Estimated Cost: 13.5 ECU. EEC 6.5 mECU, Local 7 mECU. Supply of equipment, T.A. Works. T.A.: Agroprogres (D). Supply int. tender in '83.

**Small scale irrigation sector project.** Resp. Auth.: Bangladesh Water Development Board (BWDB). Estimated total cost 82 mECU. EEC contribution 12 mECU. Cofinancing with ADB (Asian Dev. Bank). Works, supply of equipment and vehicles, T.A. and supervision. Works: acc. tender. Supplies: int. tender. 4th quarter '82.

**Building of storage for fertilizers.** Resp. Auth.: Bangladesh Development Corporation (BADC). Cofinancing: EEC and Netherlands. Total cost 4 mECU. EEC 2 mECU Netherlands 2 mECU. EEC part: Works by int. tender. Netherlands part: buildings and T.A. Date financial decision July '82.

## BURMA

**Palm oil development.** Resp. Auth.: Ministry of Agriculture and Forest. Estimated cost: 16.3 mECU. Financing: EEC 4.9 mECU. Switzerland and local 11.4 mECU. Expanding production for domestic consumption. Supplies and T.A. Supply: int. tender '82 and '83. 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. Supply of pumps: int. tender 3rd quarter '82. EEC part.

## INDONESIA

**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 '83. T.A.: IFAGRARIA (I).

**Bali Irrigation Sector Project.** Resp. Auth.: Ministry of Public Works. DG for Water Resources Development. EEC 12 mECU. ADB ± 37 mECU. Local ± 55 mECU. Rehabilitation and expansion of 50 village-level irrigation scheme, establishment of a water-

management training centre, and establishment of climatological stations. T.A. Works: acc. tender.

## INDIA

**Supply of fertilizer.** Resp. Auth.: Ministry of Agriculture. EEC contribution 36 mECU. Supply: int. tender for EEC countries members and India launched end of July '82.

★ **Cyclone Protection Shelters, Tamil Nadu Phase III.** Resp. Auth.: Directorate of Town and Country Planning. State Government of Tamil Nadu. 1 mECU. Works: Acc. tender. Date foreseen for financial decision end '82.

★ **Cyclone Protection Shelters, Andhra Pradesh, Phase II.** Resp. Auth.: Cyclone Rehabilitation Housing Project. State Government of Andhra Pradesh. 3 mECU. Works: Acc. tender. Date foreseen for financial decision end '82.

## PAKISTAN

**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.

**Solar energy for rural areas.** Resp. Auth.: Ministry of Petroleum and Natural Resources (DGER). EEC 1.8 mECU. Supply of solar power stations. Int. tender foreseen 2nd half '82.

**Karachi fishing port.** Resp. Auth.: Fishery department of the Sind Province. Estimated cost 12 mECU. New facilities: quay, boat repair yard, fish-shed, dredging. Rehabilitation of existing facilities, equipments and TA. TA: after int. tender prequalification. Prequalification done. Works and supplies in '83.

## SRI LANKA

**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 labour Supplies: modalities for tenders to be determined.

## 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 '83 for supplies. T.A.: Clear unit (UK).

**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: Harrison Fleming (UK). Supplies: modalities of tenders to be agreed between EEC Commission and government. Tenders in mid '81, '82, '83, '84.

**Seed production centre for the Southern Region.** Resp. Auth.: Ministry of Agriculture, Estimated 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 in '83. T.A.: Euroconsult (NE).

★ **Oilseed Crop Development Programme.** Resp. Auth.: Ministry of Agriculture — Oil seed Project Steering Committee. Total estimated cost 4.2 mECU. EEC 3.3 mECU. T.A. and supply of equipment. Date foreseen for financial decision October '82.

## THE PHILIPPINES

**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.

**Palawan Integrated Area Development.** Resp. Auth.: National Council on Integrated Area Development (NACIAD). Total cost 78 mECU, EEC contribution 7.1 mECU, ADB 43.05 mECU and GOP 27.85 mECU. Small-scale irrigation works, agricultural intensification and diversification, livestock, transport development, health facilities, training and monitoring. Project duration 1982-1988. Works: partly int. tender, partly direct agreement or acc. tender. Supplies: int. tender or direct agreement. Administrative arrangements, excluding EEC int. tenders, concern full responsibility of ADB. T.A.: short-list already drawn up.

## ASIAN DEVELOPMENT BANK (ADB)

**Study programme — ADB.** Resp. Auth.: ADB. EEC 1 mECU. Studies in the Asian non associated countries. Contrast awarded after int. tender concerning EEC consultants and non associated eligible consultants.

## ASEAN

**Scientific and Technological Cooperation Programme.** Resp. Auth.: ASEAN-Committee on Science et Technology (COST), EEC 2.8 mECU. Training, T.A., Stu-

dies, 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.

**Regional collaborative programme on grain post-harvest technology.** Resp. Auth.: Sub-committee on Food Handling (SCFH). Cost 4.3 mECU. EEC 4.3 mECU. T.A., training and research. For supplies: int. tender or direct agreement to be determined. T.A. to be decided by S.C.F.H. Short-list not yet drawn up.

#### **OLADE (LATIN AMERICAN ORGANIZATION FOR ENERGY DEVELOPMENT)**

**Pre-feasibility study for geothermics in Haiti.** Resp. Auth.: OLADE. EEC 0.530 mECU, Haiti 0.070 mECU. Contracts by direct agreement following EEC regulations.

#### **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. Works by direct labour. Supply: int. tender in '82.

#### **HONDURAS — COSTA RICA**

**Regional grains stocking and trading programme.** Resp. Auth.: (Banco Centroamericano d'integración económica). Total cost: 21.43 mECU. Financing: EEC 1.80 mECU, IDB 15.18 mECU, BCIE — BANAFOM — CNP 4.45 mECU. In Honduras building of 6 complementary grain-stores, in Costa Rica 7 grain-stores with a capacity of 46 000 tons (total). IDB envisages partial reallocation of Costa Rica project for Nicaragua.

#### **LATIN AMERICA**

**Rural micro-projects.** Resp. Auth.: Ministerios de la Agricultura. IDB special fund. EEC contribution for the programme 2 mECU.

#### **NICARAGUA**

**Training assistance to ENABAS (Empresa Nicaraguense de Alimentos Básicos).** 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).

#### **BANGLADESH**

★ **Bhola Irrigation Project.** Resp. Auth.: Bangladesh Water Development Board (BWDB). Estimated total cost 44.4 mECU. EEC 3 mECU. Parallel cofunding with A.D.B. (Asian Dev. Bank). Works, equipment and supply of vehicles, pumps and fuel. T.A. and

**Crop development.** Resp. Auth.: Ministerio de la Agricultura e de la Reforma Agraria (MIDINRA). Total estimated cost 19.930 mECU. EEC 7.400 mECU. Studies, monitoring, training, supply of equipment and T.A. Supply: int. tender or acc. tender according to importance or urgency. Contracts: direct agreement by MIDINRA on short-lists from Commission of EC.

#### **BOLIVIA**

**Irrigation Programme Altiplano-Valles (Cochabamba).** Resp. Auth.: Service National de Développement Communautaire (S.N.D.C.). Cost: 9 mECU. EEC 2 mECU, KFW (F.R.G.) 6 mECU, Local 1 mECU. Construction of small dams and irrigation canals. Works by direct labour. (Outstanding project).

#### **EQUADOR**

**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.

#### **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.

**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.

★ **Energy cooperation. (Analysis and planning).** Resp. Auth.: Junta del Acuerdo de Cartagena. Total estimated cost 0.66 mECU. EEC 0.50 mECU. T.A. and Training. Date foreseen for financial decision October '82.

#### **CENTRAL AMERICAN ISTHMUS (HONDURAS — PANAMA — NICARAGUA — COSTA RICA)**

**Support for peasant producer association.** Resp. Auth.: Instituto Interamericano de

Ciencias Agrícolas (I.I.C.A.). Total cost 2.9 mECU. EEC contribution 1.6 mECU. Parallel cofinancing with the French Republic and the governments concerned. T.A. and training. T.A. contracts decided by IICA on basis EEC short-list.

#### **YEMEN ARAB REPUBLIC (YAR)**

**Seed production project.** Resp. Auth.: central Agricultural Research Station (CARS). Total cost 6.600 mECU. EEC 5.200 mECU. Construction of 5 centres, supply of equipment, T.A. and training. Works: acc. tender. Supplies: int. tender or direct agreement according to importance. T.A. short-list from Commission of EC.

#### **IRRI — International Rice Research Institute — Los Banos — Philippines.**

**Research support.** Resp. Auth.: IRRI secretariat. EEC contribution 1.5 mECU for genetic evaluation and utilization — water management and training and scholar-ships.

#### **ICRISAT — Institut of Crops Research for the Semi-Arid Tropics. Hyder- abad-India.**

**Research support.** Resp. Auth.: ICRISAT secretariat. EEC contribution 1.2 mECU. Different studies and scholarships.

#### **CIP — Centro Internacional de la Papa (Potato). Lima-Peru.**

**Research support.** Resp. Auth.: CIP secretariat. EEC contribution 0.800 mECU. Physiology and regional research and training.

#### **CIAT — Centro Internacional de Agri- cultura Tropical — Cali — Colombia.**

**Research support.** Resp. Auth.: CIAT secretariat. EEC contribution 1.4 mECU. To improve bean and cassave production.

#### **ALL NON-ASSOCIATED DEVELOPING COUNTRIES**

**Administration of Aid — Consultancy services and monitoring.** Resp. Auth.: EEC Commission. 2 mECU. Recruitment individual expert, or consultancy firms for diagnostics, projects appraisal, follow up and technical and administrative monitoring of execution.

**Studies and technical assistance.** Resp. Auth.: Interested countries and EEC Commission. 1.5 mECU. To finance studies and T.A.

### **LAST MINUTE**

training. Date foreseen for financial decision December '82.

#### **NICARAGUA — HONDURAS**

★ **Bridges reconstruction.** Resp. Auth.: Ministry of Public Works. 3.2 mECU. Recon-

struction of 3 bridges. Works, T.A. and site supervision. Date foreseen for financial decision December '82.

#### **LESOTHO**

★ **Trade and Tourism Promotion Programme.** Resp. Auth.: Ministry of Trade,



Tourism and Industry — Trade Promotion Unit (TPU) and LNTO (Lesotho National Tourism Office). 0.714 mECU. Studies, T.A. missions, marketing. Date foreseen for financial decision December '82.

## COUNTRIES MEMBERS OF PACTO ANDINO

★ Applied agricultural research (maize and corn). Resp. Auth.: CIMMYT (Centro

Internacional de Mejoramiento Maiz y Trigo) Mexico — Decentralized actions in the andean region. Research and training. 2 mECU. Date foreseen for financial decision December '82.

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ance, 75013 Paris, France — 174 pages — FF 76 — 1982

The Third World's debt is nothing new. As one of the papers in this collection points out, the countries in the Middle East and Latin America already had large debts in the 19th century. They were anxious to modernize and counter the increasing covetousness of the countries of Europe and it was in Europe that they sought large amounts of capital to do so. At that time, countries such as Egypt and Turkey often did not have the means to develop and they got into a permanent debt situation which led to a gradual decline in their sovereignty and, in some cases, to colonial occupation.

Since World War II, development policies implemented in much of the Third World have led to a new debt process. This time, it was not the gunboats that weakened the underdeveloped countries' resistance to new forms of influence by the industrialized countries, but Bretton Woods and the International Monetary Fund.

This book has been produced by a team of well-known economists from different parts of the Third World. It looks into the causes and machinery of the vicious circle of debt. The current international financial and monetary situation and IMF policy in particular, the increasing involvement of private international banks in Third World financing and the machinery for rescheduling debts are very much to blame for this situation. However, alternative policies enabling the developing countries to avoid spiralling debts are presented and the emphasis is laid on the possible problems of implementation.

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**Bernard GRANOTIER — La planète des bidonvilles (Slum planet)** — Editions du Seuil, 27 rue Jacob, 75006 Paris — 381 pages — 1980

There are more than 200 million people living in abject poverty in the towns of the Third World today. By the year 2000, demographic pressure and the rural exodus will have brought another thousand million and more to these overcrowded, run-down, disorganized and under-indus-

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trialized places. When Mexico has 30 million inhabitants, Calcutta more than 20 million and Cairo nearly that many, it will be too late.

We need a daring and realistic international strategy and we need it now if we are to handle one of the biggest upheavals in the history of the world. We must build as much in 20 years as we have ever built since the first town began to spring up ten thousand years ago.

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**Lars ANELL — Recession: the Western economies and the changing world order** — Frances Pinter Ltd, 5 Dryden Street, London WC 2E 9NW — 157 pages — 1981

This book examines the ways in which the international economic order functions and what constitutes its coherent forces.

The author describes the unique preconditions for maintaining the international order during the long period from the end of World War II until the early '70s, and identifies changes which have taken place subsequently. He goes on to examine the role of government in time of recession, focussing on whether OECD countries have sufficient power to take long-term national decisions.

Whilst recognizing that there is no ready-made solution to the problems of contracting economies, the author concludes that considerable improvements could be made if OECD countries used a greater share of their financial and human resources to experiment with new and unconventional ways of organizing production, public services, housing and community relations in general.

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**Vincent CABLE and Jeremy CLARKE — British electronics and competition with newly industrializing countries** — Overseas Development Institute, 10-11 Percy Street, London W1P 0JB — 125 pages — £ 2.50 — 1981

This book examines the adjustment problems created in the electronics industry by increased competition from the manufactured exports of developing countries. It begins with an examination of recent advances in trade theory as the basis for an explanation of the emergence of developing country suppliers in technologically advanced industries, and assesses the extent of their impact on world markets.

In chapter three a sectoral case study of the industry is presented which describes the main characteristics and trade performance of the various branches both in the UK and for the developed world as a whole. After identifying consumer electronics as the main area of import penetration, the authors examine the detailed responses of individual firms and the framing of government policy, both in the audio and TV sectors.

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